



Media Advisory

Black Hills Contact Information:

Jason Ketchum 605-721-2765
Media Relations 866-243-9002

BLACK HILLS POWER PLANT TRANSACTION CREATES LONG-TERM PARTNERSHIP WITH MONTANA-DAKOTA UTILITIES

Montana-Dakota has purchased 25 percent ownership in new power plant.

RAPID CITY, S.D., April 9, 2009 — Black Hills Corp. (NYSE: BKH) today announced that its electric utility subsidiary, Black Hills Power, has completed the sale of a 25 percent ownership interest in its Wygen III power generation facility to Montana-Dakota Utilities Co. Wygen III is a 110 MW coal-fired plant under construction near Gillette, Wyo. The transaction entitles Montana-Dakota Utilities to 25 percent of the plant's output – or approximately 27.5 MW – for the life of the plant. Wygen III is scheduled to be completed and online in June 2010.

A 2004 power purchase agreement between Black Hills Power and Montana-Dakota included an option for Montana-Dakota to purchase an ownership interest in one of Black Hills' plants. Under that agreement, Black Hills Power supplies all of Montana-Dakota's power requirements for its service territory in and around Sheridan, Wyo., through 2016. Montana-Dakota's interest in Wygen III will reduce its need to purchase power from Black Hills under the power purchase agreement.

"We are pleased to continue our relationship with Montana-Dakota and look forward to being co-owners of the Wygen III facility," said David R. Emery, chairman, president and chief executive officer of Black Hills Corp.

The purchase and related agreements provide that Montana-Dakota will pay 25 percent of the total cost to build Wygen III, including an initial progress payment, which was made today. In addition, Montana-Dakota will pay Black Hills Power for ongoing administrative services and its

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share of the costs to operate the facility. The coal to fuel the plant will be purchased from the nearby Wyodak Mine, which is owned and operated by Wyodak Resources Development Corp., another Black Hills subsidiary. The close proximity of the power plant to the mine essentially eliminates coal transportation costs.

ABOUT BLACK HILLS CORPORATION

Black Hills Corp. — a diversified energy company with a tradition of exemplary service and a vision to be the energy partner of choice — is based in Rapid City, S.D., with corporate offices in Golden, Colo., and Omaha, Neb. The utility companies serve 759,000 natural gas and electricity customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. The company's non-regulated businesses generate wholesale electricity, produce natural gas, oil and coal, and market energy. Black Hills employees partner to produce results that improve life with energy. More information is available at www.blackhillscorp.com.

ABOUT BLACK HILLS POWER

Black Hills Power is the legacy business of Black Hills Corp. and has been delivering energy for more than 125 years. The electric utility serves 69,000 customers in 20 communities in western South Dakota, northeastern Wyoming and southeastern Montana. More information is available at www.blackhillspower.com.

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