



News Release

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BLACK HILLS CORP. RETIRES REMAINING \$105 MILLION ON BRIDGE ACQUISITION LOAN

RAPID CITY, S.D., June 22, 2009 – Black Hills Corp. (NYSE: BKH) announced today that the company has paid off the remaining \$105 million of borrowings on its bridge acquisition facility. The financing was originally obtained to purchase four natural gas utilities and one electric utility from Aquila in a transaction that closed on July 14, 2008.

“We are pleased to retire the bridge facility ahead of schedule. We have adequate liquidity of approximately \$300 million to support our businesses, and as reported during our first quarter investor webcast, we plan to obtain additional long-term debt financing by year-end to support our growth initiatives,” said David R. Emery, chairman, president and chief executive officer of Black Hills Corp.

On Dec. 18, 2008, Black Hills extended its \$383 million bridge acquisition facility from a Feb. 5, 2009 maturity date to a Dec.29, 2009 maturity date to provide additional flexibility as the company pursued long-term replacement financing. In April 2009, the company used proceeds of \$30.2 million from the sale of a 25 percent ownership interest in its Wygen III power plant to pay down a portion of the facility. Last month, the company announced it had completed a \$250 million public long-term bond offering and that the net proceeds were used to reduce the acquisition facility debt to approximately \$105 million.

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 company serves more than 759,000 utility 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.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This news release includes "forward-looking statements," including statements regarding our liquidity and our ability to issue additional long-term financings by year-end to support our growth initiatives. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including the risk factors described in Item 1A of Part I of our 2008 Annual Report on Form 10-K and our first quarter 2009 Form 10-Q filed with the SEC, and other reports that we file with the SEC from time to time.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.