



News Release

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BLACK HILLS ENERGY WELCOMES NEOSHO RAPIDS, KAN., INTO FAMILY OF COMMUNITIES SERVED

LAWRENCE, Kan., Aug. 10, 2009 —Black Hills Energy today announced that it has purchased the Neosho Rapids, Kan., natural gas system and immediately will begin providing all natural gas utility services to the town, which is 10 miles east of Emporia. The acquisition comes after voters in the town unanimously approved the transaction and it was authorized by the Kansas Corporation Commission.

“We look forward to providing safe, reliable natural gas service to the people of Neosho Rapids,” said Ivan Vancas, vice president of operations for Black Hills Energy’s Kansas and Colorado natural gas operations. “We have enjoyed working with the community’s leaders and meeting many of the town’s residents. Those relationships will grow as we partner in economic development and community betterment projects, as is our custom in the communities we serve.”

With Black Hills Energy, a wider variety of products and services will be available in Neosho Rapids for the first time, including billing options that include auto-deduction and even-pay plans.

“Because of its scale, Black Hills Energy can offer customers and the community advantages that we just can’t reasonably provide,” said Jenny Wagers, mayor of the town of approximately 275 residents and 115 homes. “We will now pay competitive natural gas prices through Black Hills Energy’s purchasing processes, and the company’s base rates for service and delivery are frozen until 2011.”

The Kansas Corporation Commission found the \$64,664 purchase price to be reasonable and, based on an investigation and report by the KCC’s staff, the Commission wrote in its June 22 decision that “Black Hills has the financial, technical and managerial resources to purchase and operate the City of Neosho Rapids natural gas distribution facilities” and approved the company’s application to buy the system. The KCC currently is reviewing Black Hills Energy’s application to purchase the municipally owned natural gas operations in Windom, Kan., after voters in that town approved the transaction for many of the reasons noted by Neosho Rapids.

About Black Hills Energy

Black Hills Energy serves 108,600 natural gas customers in 55 Kansas communities. Black Hills Energy is part of Black Hills Corp. (NYSE: BKH) — a diversified energy company with a tradition of exemplary service and a vision to be the energy partner of choice — based in Rapid City, S.D. The company has other main offices in Golden, Colo., and Omaha, Neb. Black Hills Corp.'s regulated utilities serve 759,000 electric and natural gas 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.

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