



News Release

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WYGEN III POWER PLANT BEGINS COMMERCIAL OPERATIONS FOR BLACK HILLS POWER CUSTOMERS

RAPID CITY, SD, Apr. 1, 2010 — Black Hills Corp. (NYSE: BKH) today announced that Wygen III, Black Hills Power's 110-megawatt coal-fired generation facility near Gillette, Wyo., began commercial operations today, three months earlier and at a lower cost than originally anticipated.

“We are pleased that Wygen III began providing power to our Black Hills Power customers today. To the credit of our power generation team, we successfully completed the construction of another generation facility cost-effectively and in less than 24 months,” said David R. Emery, chairman, president and CEO of Black Hills Corp. “This mine-mouth, coal-fired power plant, with its use of state-of-the-art emissions control technology, is among the cleanest in the United States and will produce low-cost, reliable electricity for the next 45 years.”

Since 1995, Black Hills Power residential electricity use has grown more than 40 percent. In 2007, an integrated resource plan prepared by the utility provided an analysis of how increasing electricity demand could be served with a variety of generation resources. The analysis considered many factors, including the greatest quantity of customer electricity use that could occur at a given point in time, the cost of fuel such as coal and natural gas for electricity generation, the cost to purchase additional electricity, renewable energy resources, energy efficiency programs, and other relevant information. Based on the conclusions contained in the integrated resource plan analysis, Wygen III was determined to be the best and lowest cost option to meet the current and future energy needs of Black Hills Power customers.

On March 16, 2010, Black Hills Power completed a seven-year power purchase agreement with the City of Gillette, Wyo. which includes an option for Gillette to purchase 23 percent of Wygen III. Montana-Dakota Utilities previously purchased a 25-percent ownership interest in Wygen III in April 2009.

BLACK HILLS POWER

Black Hills Power is the legacy utility business of Black Hills Corp. (NYSE: BKH) and has been delivering energy for more than 125 years. The electric utility serves 66,900 customers in 25 communities in western South Dakota, northeastern Wyoming and southeastern Montana.

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 Denver and Omaha, Neb. The company serves 763,300 natural gas and electric 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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