

Charter of the Governance Committee of the Board of Directors Black Hills Corporation

I. Authority

1. The Board, by resolution dated December 10, 2001, changed the name of the present Nominating Committee to be the Governance Committee. All responsibilities of the Nominating Committee established by Company Bylaws for the Nominating Committee shall be assumed by the Governance Committee.
2. This Governance Committee Charter was initially adopted by the Board on December 10, 2001, and last revised on January 30, 2009.

II. Purpose and Responsibilities

1. The Governance Committee shall provide action and oversight on the following matters:
 - (a) To recruit and nominate individuals to serve as Directors of the Company, subject to Board approval and election by shareholders at the annual meeting as required by the Company's Bylaws;
 - (i) Solicit nominations for new directors and screen the list of potential new directors submitted to the Committee by other directors or any other source;
 - (ii) Retain the services of a search firm, if deemed necessary;
 - (iii) Designate which candidates are to be interviewed; interviews shall be conducted by at least the Presiding Director, the Governance Chairperson and the Chairman and CEO, but may include other directors;
 - (iv) Assure that all existing directors have the opportunity to meet with any candidate prior to the final vote on his or her recommended selection.
 - (b) To recommend to the Board the existing board members to be re-nominated, after considering the appropriate skills and characteristics required on the Board, the current make-up of the Board, and the wishes of existing Board members to be re-nominated; recommend Director candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement, or for any other reason;
 - (c) To receive the resignation letter of any director who makes a principal occupation change (including retirement), and recommend to the full Board whether to accept the resignation;

- (d) To assess the size and other membership needs of the Board of Directors, review on an annual basis the appropriate skills and characteristics of Board members, and establish selection criteria for Board Membership;
- (e) To establish guidelines for corporate governance, review them at least annually, and recommend to the Board any changes as necessary;
- (f) To review the committee structure of the Board, and to recommend to the Board, for its approval, directors to serve as members and chairperson of each committee. This is done after receiving advice from the Chairperson and with consideration of the desires of individual members;
- (g) To implement and administer an annual evaluation of the performance of the Board of Directors;
- (h) To implement and administer the process for orienting new Directors both to the Company, and to their responsibilities as Board Members;
- (i) To nominate on an annual basis an Independent Director to serve as Presiding Director;
- (j) To regularly review the independence of Board Members;
- (k) To review reports and written memoranda from the Vice President – Governance relating to transactions (1) involving directors, director nominees, executive officers, significant shareholders or other “related persons” in which the Company is or will be a participant, and (2) of the type required to be reported under Regulation S-K of the Securities and Exchange Commission; and approve or disapprove the entry into the related party transaction;
- (m) To establish and review periodically Director retirement policies;
- (n) To review periodically with the Chairman and Chief Executive Officer the maintenance and execution of succession plans relating to positions held by elected corporate officers, and to make recommendations to the Board with respect to the selection of individuals to occupy these positions;

III. Membership

1. The Committee will have a minimum of four Directors.
2. All members of the Committee shall be Independent Directors.

3. The Board will appoint members for and fill vacancies on the Governance Committee.
4. The Board may remove a Committee Member from membership of the Governance Committee at any time with or without cause.

IV. Consultants

The Committee shall have authority to retain and compensate legal and other outside consultants with respect to matters pertaining to governance. The Committee shall have sole authority to retain and terminate firms utilized to identify and recruit candidates for director positions, including sole authority to approve the fees and terms of retention for such firms.

V. Committee Meetings and Action

1. A majority of the Committee Members will constitute a quorum for the transaction of business.
2. The action of a majority of those present at a meeting at which a quorum is present shall constitute the action of the Committee.
3. Any action required to be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members executed, either before or after the action is taken, a written consent and the consent is filed with the Corporate Secretary.
4. The Chairperson of the Governance Committee will report from time to time to the entire Board of Directors on Committee actions and on the fulfillment of the duties of the Committee under this Charter.
5. The Corporate Secretary or Chairperson will keep minutes of all Committee meetings, which will be distributed to all Board members.
6. The Committee will meet at least once annually, and at such other times as may be requested by its Chairperson.
7. The Chairperson of the Governance Committee, together with the Corporate Secretary, will prepare an Agenda for each meeting of the Governance Committee. The Agenda and all materials to be reviewed at the meeting should be delivered to the Committee Members as far in advance of the meeting day as practicable.
8. The Committee shall report its actions and recommendations to the Board after each Committee meeting and shall present to the Board an annual performance review of the Committee.

9. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee shall deem necessary in its sole discretion.
10. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.
11. The Committee shall review at least annually the adequacy of the Executive Committee Charter and recommend any proposed changes to the Board for approval. (Note - The Governance Committee reviews the Executive Committee Charter because the Executive Committee has the authority to act as the whole Board on certain matters between Board meetings.)

Charter initially adopted December 10, 2001

Charter revised on the following dates:

December 9, 2003
February 2, 2006
May 24, 2006
February 1, 2007
February 1, 2008
January 30, 2009

Charter last reviewed on January 30, 2009