

STOCK INFORMATION

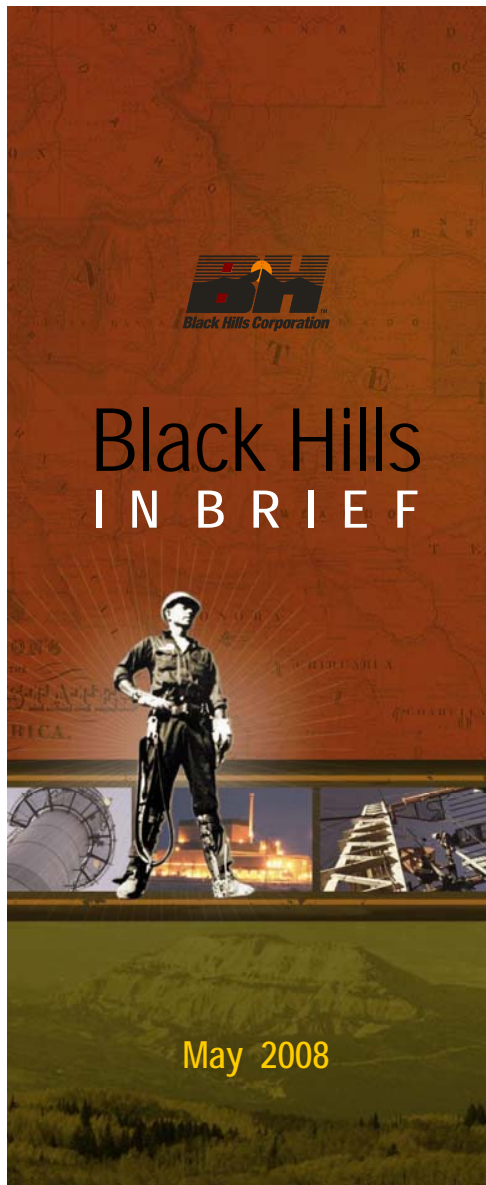
- Black Hills Corporation is listed on the New York Stock Exchange and traded under the symbol BKH
- Component of the S&P Midcap 400 Index and Russell 2000 Index
- Shares outstanding 12/31/07: 37.8 million
- 2007 average daily trading volume: 310,000
- Quarterly dividend increased to 35¢ per share in November; 2007 annual rate = \$1.37; 2008 will have the 38th consecutive dividend increase with an annual rate of \$1.40
- 2007 year-end stock price: \$44.10
- 2007 dividend yield on year-end stock price: 3.1%



INVESTOR RELATIONS

Dale Jahr, Director of Investor Relations
625 Ninth Street Rapid City, SD 57701
605 721 2326 djahr@bh-corp.com

blackhillscorporation.com



Black Hills IN BRIEF

May 2008

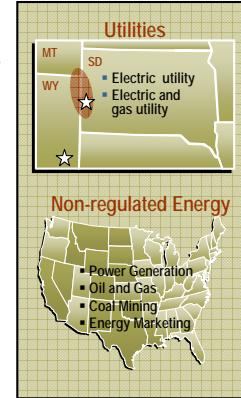


Welcome to Black Hills.

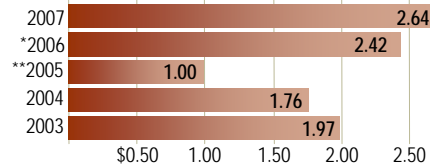
We are an integrated energy Company.

Utility operations include

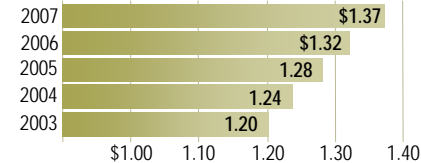
Black Hills Power, our electric utility serving western South Dakota and parts of Wyoming and Montana; and **Cheyenne Light, Fuel & Power**, our electric and gas distribution utility serving the Cheyenne, Wyoming vicinity. Non-regulated energy is conducted through our **Black Hills Energy** subsidiary. It consists of power generation, coal mining, natural gas and oil production, and energy marketing.



EARNINGS PER SHARE



DIVIDENDS



* Includes 21¢ from discontinued operations, including a gain on sale of operating oil marketing assets
** Includes 98¢ asset impairment charge and other special items netting to a 2% loss

RECENT NEWS AND EVENTS

Pending sale of IPP power plants announced

- Definitive agreement to sell 7 non-regulated power plants for \$840 million to affiliates of Hastings Funds Management and JPMorgan Asset Management.
- We have the right to retain Fountain Valley plant under certain conditions, reducing the sale price to \$600 million.
- Deal is subject to regulatory approvals and customary working capital adjustments; closing expected late Q2 or early Q3 this year.
- Net proceeds expected to eliminate or reduce need for equity to finance pending Aquila utility acquisition.
- See 4/30/08 news release for more information.

Q1 2008 EPS from continuing operations

- 43¢ in Q1 '08 vs. 91¢ in Q1 '07.
- Higher electric and gas utility earnings due to rate increase effective 1/1/08, including Wygen II power plant in service.
- Lower earnings at electric utility as higher revenues from increased electric sales were offset by higher fuel and purchased power costs.
- Power generation earnings down due primarily to changes in contract and unexpected maintenance costs at Harbor power plant.
- Significant earnings decrease at energy marketing due to dramatic change in regional market conditions and large swing in unrealized mark-to-market losses.
- Oil and gas earnings decrease as oil price increase was offset by lower production, higher operating costs and royalty settlement.
- See 4/30/08 earnings release for more on Q1 results.

Wygen III power plant under construction

- Final permit obtained and construction began in March 2008 on 100 MW mine-mouth coal-fired plant.
- Construction expected to take 24-30 months at a total cost of \$255 million.
- 55 MW to serve Black Hills Power with other third-party ownership to receive remaining power.

Black Hills to purchase Aquila utility properties

- We seek to purchase an electric utility and gas utility in CO and gas utilities in KS, NE and IA for \$940 million cash.
- The deal will add more than 600,000 retail utility customers.
- Application in Missouri is last remaining regulatory approval; hearings concluded in early May 2008.
- Deal completion expected late Q2 2008.
- Bridge financing arranged with bank syndicate.
- Net proceeds from pending IPP sale expected to eliminate or reduce the need to issue equity for the permanent financing for the acquisition.

Cheyenne Light, Fuel & Power rate increase

- \$11.1 million gas and electric rate increase effective 1/1/08.
- Includes rate base addition of Wygen II plant.

UTILITIES



- **Black Hills Power** has steady customer growth and strong cash flows.
- BHP has 65,100 customers in western SD and parts of WY and MT; provides wholesale power to the cities of Gillette and Sheridan, WY.
- BHP has the ability to sell surplus energy on the open wholesale market, with unique access to both eastern and western power grids.
- 435 MW capacity plus 50 MW purchased power; 295 MW of low-cost coal fired generation resources; 430 MW peak load; ~256 MW average system load.
- 100 MW Wygen III power plant construction began in April 2008. Expected to cost \$255 million and be in commercial service in 24-30 months.



- **Cheyenne Light, Fuel & Power** is an electric and natural gas distribution company serving ~39,400 electric and ~33,000 gas customers.
- Cheyenne Light has an electric peak of 171 MW, annual gas delivery of 4.4 Bcf plus commercial transportation of ~8.3 Bcf.
- Wygen II, a 95 MW base-load coal-fired power plant began serving customers January 1, 2008.
- Rate case approved an increase of \$4.4 million in gas rates and \$6.7 million in electric rates, effective January 1, 2008.



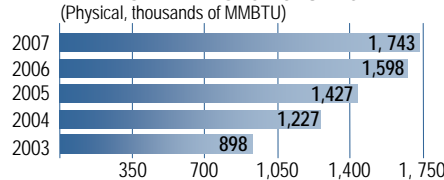
Power Generation

- In April 2008, we announced the pending sale of 7 independent power plants with a capacity of 974 MW to affiliates of Hastings Fund Management and JP Morgan Asset Management for \$840 million cash, subject to working capital adjustments.
- We have the right to retain the Fountain Valley plant (240 MW) under certain conditions; the remaining 6 plants would sell for \$600 million.
- Closing expected late Q2/early Q3 2008, subject to regulatory approvals.
- We are not exiting this business. We will have 158 MW of capacity after the close of the asset sale.
- Our strategy utilizes long-term contracts in western markets with load growth potential.
- Nearly all of our non-regulated power is under long-term tolling contracts with electric utilities.

Energy Marketing

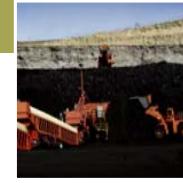
- Record 2007 earnings capitalize on increased natural gas volumes and continued volatility.
- Q1 2008 earnings decreased significantly due to changes in market conditions and a large swing in unrealized mark-to-market losses.
- We provide producer and end-use origination services with a regional wholesale marketing strategy. Operational headquarters in Golden, Colorado with a branch office in Calgary, Alberta.
- Oil marketing producer services began in May 2006.
- Energy marketing focuses on storage and transportation plays that move Rockies and Canadian natural gas and regional power primarily to western markets.
- Disciplined business practices minimize credit and market risk.

AVERAGE DAILY GAS VOLUMES

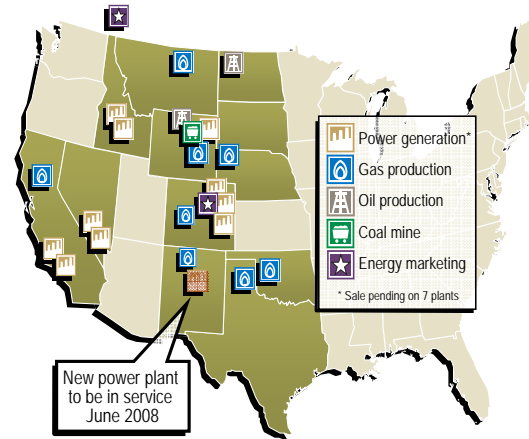


NON-REGULATED ENERGY

Black Hills Energy, our non-regulated energy subsidiary, is headquartered in Golden, Colorado. It oversees our power generation, oil and gas production, coal mining and energy marketing, which extend to 12 states.

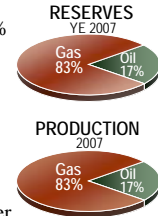


Non-regulated Energy Assets

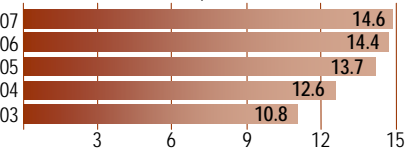


Oil and Gas Production

- Ten years of record gas and oil production.
- 2007 production increased 1.5% to 14.6 Bcfe.
- Strong cash flows stabilized by partial hedging strategy.
- 208 Bcfe of proved reserves at year-end 2006, concentrated in NM, CO and WY.
- Q1 2008 production down 4% due to severe winter weather, permit delays and lower drilling at non-operated properties.



GAS AND OIL PRODUCTION



Coal Mining

- Reserves of 280 million tons (YE 2007) at our mine in the Powder River Basin of Wyoming: – a 43 year supply at current production levels.
- Production to increase to provide fuel for new Wygen II plant and new contract with Dave Johnston plant for increased sales.
- Supports low-cost generation of our electric utility and non-regulated power fleet.

