



Contacts: Randy Winkelman  
General Manager, Cheyenne Light  
(307) 630-3288  
Rick Kaysen  
VP Regulatory Affairs, Cheyenne Light  
(307) 778-2100

## **CHEYENNE LIGHT, FUEL & POWER ANNOUNCES WIND PROJECT**

CHEYENNE, WY— November 28, 2006—Cheyenne Light, Fuel & Power announced today that it has entered into an agreement to purchase 30 megawatts (MW) of renewable wind power from Tierra Energy for a total of 20 years. The Tierra wind facility was chosen following a review of more than a dozen responses to Cheyenne Light’s request for proposals to add cost-effective renewable energy sources to its portfolio. The wind facility will be built on land owned by the City of Cheyenne adjacent to the City’s Happy Jack Landfill. Construction is expected to begin in 2007 pending final permitting and regulatory review. The facility is expected to begin providing power to Cheyenne Light customers in the fall of 2008.

“After reviewing the proposals, we were pleased to be able to economically add wind energy to our power resources for Cheyenne,” said Randy Winkelman, General Manager of Cheyenne Light. “While we continue to develop base load generation with our mine-mouth coal-fired power plants in the Powder River Basin, we see purchasing supplemental power from wind resources as a positive opportunity that mitigates dependence upon natural gas and diversifies Cheyenne Light’s energy portfolio.” Winkelman noted that Wygen II, a state-of-the-art coal-fired power plant currently under construction near Gillette, is expected to begin serving Cheyenne customers in early 2008, with the wind project coming on later in the year.

Fourteen wind turbines with a capacity of 30 MW are expected to produce about 100 million kilowatthours of electricity annually. “That’s enough to power several thousand homes,” said David Marks, President of Tierra Energy. His company, based in Austin, Texas, has developed successful wind projects in Texas and has over 900 MW of wind generation in development. “Tierra Energy is excited to bring wind power to Cheyenne,” said Marks. “This project will provide royalty payments to the City of Cheyenne and tax revenue to Laramie County.”

“The City of Cheyenne endorses the development of renewable energy facilities such as the one proposed by Tierra and views the Happy Jack site as an ideal location for a wind energy project,” said Mayor Jack Spiker.

“We’re pleased to be a partner in bringing this new, economic energy resource to Cheyenne,” concluded Winkelman.

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*Black Hills Corporation is a diversified energy company. Our retail businesses are Cheyenne Light, Fuel & Power, an electric and gas distribution utility serving the Cheyenne, Wyoming vicinity, and Black Hills Power, an electric utility serving western South Dakota, northeastern Wyoming and southeastern Montana. Black Hills Energy, the wholesale energy business unit, generates electricity, produces natural gas, oil and coal, and markets energy. More information is available at our Internet web sites: [www.blackhillscorp.com](http://www.blackhillscorp.com) or [www.cheyennelightfuelpower.com](http://www.cheyennelightfuelpower.com).*

*Tierra Energy is a rapidly growing energy company based in Austin, Texas, that is building a diversified portfolio of wind power and natural gas-fired power generation projects. Tierra Energy employs a strategy of improving operational efficiency, reducing costs and increasing the overall value of power generation assets. Tierra Energy has current projects in California, Texas, Idaho and Wyoming and other locations throughout the United States. More information about Tierra Energy can be found at [www.tierraenergy.com](http://www.tierraenergy.com).*