



## News Release

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## Black Hills Energy Requests Electric Rate Increase in Colorado to be Effective in 2010

**PUEBLO, Colo., January 6, 2010** – Black Hills Corp. (NYSE:BKH) utility subsidiary Black Hills Energy – Colorado Electric announced today that the utility has filed a request for an electric revenue increase with the Colorado Public Utilities Commission. The request is necessary to cover the utility's increased expenses, which are not fully offset by cost savings and efficiency measures the utility has implemented and are primarily associated with electricity supply contracts, and investments in equipment and electricity distribution facilities necessary to maintain and strengthen the reliability of Black Hills' electric delivery system in Colorado. The last base rate increase for Black Hills Energy customers in Colorado became effective in September 2004.

In its current request, Black Hills Energy is seeking a \$22.9 million, or approximately 12.8 percent, increase in annual revenues, with an anticipated effective date of mid-2010. If the proposed rate request is approved by the Colorado Public Utilities Commission, a typical Black Hills Energy residential customer using an average of 600 kilowatt-hours each month can expect an estimated increase of \$10.79 per month. A typical small-commercial customer using an average of 2,300 kWh each month can expect to see an estimated increase of \$36 per month. The increase experienced by Black Hills Energy's commercial, industrial and governmental customers will vary depending on rate class, load factor and the level of their electricity demand and usage. Black Hills Energy currently serves approximately 93,300 residential, commercial, industrial and governmental electric customers in southeastern Colorado.

"We've worked hard to operate efficiently and serve the growing electricity needs of our customers during the six years since the last rate increase. However, inflation and other cost increases we incur to ensure the continued growth and reliability of our electric systems necessitate a rate increase at this time," said Stuart Wevik, Black Hills Corp. vice president of electric utilities.

“Our utility companies have been serving communities for more than 125 years, and we are committed to providing safe, reliable electric service at a reasonable price. In fact, most of our residential customers pay only \$2 to \$3 a day for the electricity needed to provide their lighting, heating, air-conditioning, refrigeration, cooking, entertainment and communications.”

For more detailed information, you can view Black Hills Energy’s complete rate request at the Colorado Public Utilities Commission Web site in the near future at <http://www.dora.state.co.us/puc> or go to [www.blackhillsenergy.com](http://www.blackhillsenergy.com).

### **Black Hills Energy - Colorado Electric**

Black Hills Energy serves 93,300 electric customers in 21 southeastern Colorado communities. Black Hills Energy is part of Black Hills Corp. (NYSE: BKH).

### **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 759,000 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](http://www.blackhillscorp.com).

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