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BLACK HILLS ENERGY 2009 CAPITAL EXPENDITURES IN NEB. ARE \$13.1 MILLION; SIMILAR AMOUNT PLANNED FOR 2010

LINCOLN, Neb., Feb. 5, 2010 – Black Hills Energy made \$13.1 million in capital expenditures in Nebraska last year to replace, upgrade, relocate and expand its natural gas distribution systems and currently plans to spend as much as \$14 million during 2010.

“Black Hills Energy owns and operates 3,353 miles of natural gas pipeline mains in Nebraska,” said Dan Mechtenberg, Black Hills Energy vice president of Nebraska operations. “Operating those systems requires ongoing capital investment. Since 2006, we have spent \$56.6 million in Nebraska to replace pipe and other natural gas equipment that has reached the end of its useful life, make system upgrades, and implement new technology so that the natural gas systems serving our Nebraska customers are safe, reliable and efficient.”

Key capital expenditures planned for 2010 include \$1.4 million to expand automated meter reading to 13 communities served by Black Hills Energy and \$1.1 million to replace copper and bare steel service lines. Another project is expected to cost \$675,000 while two others are planned to be in the \$500,000 range. That’s in addition to many that are planned that are below that level.

“We have been investing in Nebraska communities since the 1930’s, which is when we first brought natural gas to Nebraska,” Mechtenberg said. “Those investments, both to existing systems and expansions to serve new customers, increase the safety and reliability of the natural gas service we provide.”

Black Hills Energy serves 197,400 natural gas customers in 110 eastern Nebraska communities. Black Hills Energy is part of Black Hills Corp. (NYSE: BKH) — a diversified energy company with a tradition of exemplary service and a vision to be the energy partner of choice — 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.

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