



News Release

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Black Hills Power Files for Interim Electric Rate Increase for South Dakota Customers Effective April 1, 2010

RAPID CITY, SD, Mar. 1, 2010 – Black Hills Corp. (NYSE:BKH) subsidiary Black Hills Power made a filing today with the South Dakota Public Utilities Commission requesting interim rates be implemented for electricity service on and after April 1, 2010. The Black Hills Power filing proposes an interim rate increase of \$24 million, or approximately 20 percent, for South Dakota electric utility customers. A typical Black Hills Power South Dakota residential customer using 600 kilowatt-hours of power each month will see an interim increase of \$12.18 per month, or about 40¢ per day. The interim rate increase will be included in customer bills beginning in April 2010, subject to adjustment once a final order pertaining to Black Hills Power’s South Dakota rate request is received from the South Dakota Public Utilities Commission.

“Although we continue to work towards resolution of our rate request filed on September 30, 2009, we do not anticipate receiving a final order from the South Dakota Public Utilities Commission by April 1, 2010. In the event the Commission does not complete its review and issue a final order within six months, South Dakota law allows investor owned utilities to change customer rates on an interim basis, subject to adjustment once a final order is received,” said Chuck Loomis, vice president, operations for Black Hills Power. “The implementation of interim rates on April 1, 2010 coincides with the expected commercial operation of the Wygen III generation facility, constructed to serve the growing electricity demand of our Black Hills customers,” continued Loomis.

On Sept. 30, 2009, Black Hills Power filed a request for an electric revenue increase with the South Dakota Public Utilities Commission to recover costs associated with the Wygen III power plant located near Gillette, Wyo., and other generation, transmission and distribution assets and increased operating expenses. In its original application, Black Hills

Power requested a \$32 million increase in annual utility revenues, or approximately 26.6 percent, to be effective on April 1, 2010.

“We understand that any rate increase is difficult for our customers and we want to ensure the interim rates implemented use the best information possible,” said Loomis. “As is typical in a regulatory process that extends over a 6 month period or more – following a filing the utility continues operating and there are known and measurable costs that change, and in this case have reduced, the amount requested in Black Hills Power’s original application,” concluded Loomis.

Black Hills Power’s last base rate increase was based on 2005 costs and became effective in January 2007. For more detailed information, you can view Black Hills Power’s complete September 30, 2009 rate request at the South Dakota Public Utilities Commission’s Web site <http://puc.sd.gov/Dockets/Electric/2009/default.aspx>.

ABOUT 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, Colo., and Omaha, Neb. The company serves 750,000 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. We partner to produce results that improve life with energy. More information is available at www.blackhillscorp.com.

ABOUT BLACK HILLS POWER

Black Hills Power has been delivering energy for more than 125 years. The electric utility serves 69,000 customers in 25 communities in western South Dakota, northeastern Wyoming and southeastern Montana. More information is available at www.blackhillspower.com.

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