



News Release

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BLACK HILLS POWER RECEIVES APPROVAL FROM THE WYOMING PUBLIC SERVICE COMMISSION TO IMPLEMENT NEW ELECTRIC SERVICE RATES

RAPID CITY, SD, May 13, 2010 – Black Hills Corp. (NYSE:BKH) subsidiary Black Hills Power today announced that the Wyoming Public Service Commission issued a bench order approving the settlement stipulation agreement previously filed on May 4, 2010. The Commission approved new rates for the utility’s Wyoming customers representing approximately \$3.1 million in additional annual revenues, based on a return on equity of 10.5 percent with a capital structure of 52 percent equity and 48 percent debt to be effective for electricity service on and after June 1, 2010. Also approved was a new annual energy cost adjustment.

Black Hills Power’s original rate request was filed on Oct. 19, 2009, to recover costs associated with Wygen III, a new coal-fired generation facility located near Gillette, Wyo., other generation, transmission and distribution investments and increased operating expenses since the utility’s last Wyoming rate increase implemented in August of 1995. Since being filed, the rate request has undergone extensive review by the Wyoming Office of Consumer Advocate, the Commission and Commission staff. Negotiations between the OCA and Black Hills Power resulted in the settlement stipulation that was ultimately approved by the Commission.

“We’re proud of our record of providing reliable electric service at fair and stable prices,” said Chuck Loomis, vice president, operations for Black Hills Power. “We last received approval to increase our Wyoming prices nearly 15 years ago. Since 1995, electricity demand has continued to grow, so the Wygen III power plant was constructed to ensure the safe, reliable, service our customers expect. We believe that reaching a timely settlement with the parties to our rate request and receiving this approval from the Commission demonstrates the

prudence of our investment in Wygen III and other system investments made to serve the communities in our service area.”

When new rates become effective, a typical Black Hills Power residential customer in Wyoming using 600 kilowatt hours of power each month will see an increase of \$13.92 per month, or about \$0.46 per day, but the actual change in each customer’s monthly utility bill will vary based on their electric service rates and electricity use. The increase experienced by Black Hills Power’s commercial and industrial customers in Wyoming will vary depending on rate class and the amount and nature of their electricity use. Black Hills Power currently serves approximately 2,700 residential, commercial and industrial electric customers in northeastern Wyoming.

During the past 15 years, Black Hills Power residential energy consumption in Wyoming has increased 33 percent, and commercial energy consumption has increased 28 percent. When adjusted for inflation, the new Black Hills Power rates for Wyoming customers continue to be less than the rates implemented in 1995.

Black Hills Power

Black Hills Power is the legacy utility business of Black Hills Corp. (NYSE: BKH) and has been delivering energy for more than 125 years. The electric utility serves 66,900 customers in 25 communities in western South Dakota, northeastern Wyoming and southeastern Montana.

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 763,300 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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