



## **News Release**

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### **BLACK HILLS RECEIVES AIR PERMIT FOR COLORADO POWER PLANT PROJECTS**

*Ground-breaking occurs at Pueblo Airport Generation Station*

PUEBLO, Colo., July 22, 2010 — Today, Black Hills Energy – Colorado Electric and Black Hills Colorado IPP, subsidiaries of Black Hills Corp., were issued an air permit by the State of Colorado Department of Public Health and Environment and immediately began construction on two generation projects that will serve more than 93,300 Black Hills Energy – Colorado Electric utility customers in southern Colorado beginning Jan. 1, 2012.

“Receiving our air permit is an important milestone for these Black Hills generation projects, and now we have begun construction at the Pueblo Airport site,” said David R. Emery, chairman, president and chief executive officer of Black Hills Corp. “We are on track to have both plants ready for commercial operation by the end of 2011 as planned. Most of the major equipment for the projects has been purchased, contracts have been awarded for the construction of water and gas lines, a water supply agreement has been executed, the annexation agreement has been approved by the City of Pueblo and the process to select the remaining contractors is well underway.”

In June 2009, Black Hills filed an initial application for an air permit with the State of Colorado Department of Public Health to construct and operate its new utility generating plant, and in September 2009, Black Hills submitted a revised application to include the Black Hills Colorado IPP plant. Both generation projects will be located on a site near the Pueblo Airport. As many as 400 local jobs will be created during the construction phase, and

once completed, the Black Hills facilities will create about 15-20 permanent highly technical jobs in southern Colorado.

**Black Hills Energy - Colorado Electric\***

Black Hills Energy serves 93,300 electric customers in 21 southeastern Colorado communities and was ranked No. 6 in Total Solar Watts per Customers in Solar Electric Power Association's 2009 Utility Solar Rankings report. Black Hills Energy is part of Black Hills Corp. (NYSE: BKH).

\*Black Hills/Colorado Electric Utility Company, L.P. d/b/a Black Hills Energy

**Black Hills Colorado IPP**

Black Hills Colorado IPP, LLC, a subsidiary of Black Hills Corporation, was formed to construct, own and operate generation assets in Colorado. Black Hills Colorado IPP is part of Black Hills Corp.

**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](http://www.blackhillscorp.com).