



News Release

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BLACK HILLS CORP. AWARDS ADDITIONAL CONTRACTS FOR THE PUEBLO AIRPORT GENERATION STATION PROJECTS

Local contracts awarded for switchyard construction and steel pile installation at new generation site.

PUEBLO, CO, August 2, 2010 – Black Hills Corp. (NYSE:BKH) announced today that its utility subsidiary Black Hills Energy – Colorado Electric has awarded a contract to PAR Electrical Contractors, Inc. for switchyard construction, and Black Hills Energy – Colorado Electric and Black Hills Colorado IPP have awarded contracts to Industrial Constructors/Managers, Inc. (ICM) for steel pile installation at the company’s new generation facilities.

“These power plants are exciting new projects for the Pueblo community, and we are excited to be a part of it,” said Burnie Zercher, President and CEO of ICM. “We expect 15 to 20 local people will be hired for the pile installation project, and we look forward to working with Black Hills to deliver the finest quality project on time and on budget.”

Black Hills conducted a competitive solicitation process before determining Pueblo-based ICM and PAR Electrical Contractors to be the most qualified, least-cost option.

“We are pleased that our competitive solicitation process provides us the opportunity to work with such qualified, experienced companies,” said Chris Burke, Vice President of Operations for Black Hills Energy. “With their assistance, the Pueblo Airport Generation Station will realize its intended objective of providing our customers with reliable long-term, cost-effective supply of energy.”

PAR will use the experience of Pueblo-based IBEW Local 12 for the switchyard construction, while ICM will use the experience of Operating Engineers Local 9 and Laborers Local 578 for the steel pile installation. The switchyard will interconnect power between the generating station and the local area electrical transmission system and the piles

will be installed to support the concrete foundations for the new plant. These project components are critical to generating power that will serve approximately 93,300 Black Hills Energy utility customers in southern Colorado.

The Black Hills Pueblo Airport Generation Station will consist of four units, two utility-owned 100 MW natural gas-fired LMS100 units and two high efficiency combined cycle units. Each of the combined cycle units consists of two 40 MW natural gas-fired LM6000 turbines and one 20 MW steam turbine. The generation facility is expected to be in service by Jan. 1, 2012.

ICM, Inc. is a signatory contractor for seven union trades whose mission it to deliver the finest quality industrial construction projects on time and on budget. PAR Electrical is an electrical contracting company founded in 1954 whose mission is to deliver the technical skill and physical capacity to respond safely, quickly and cost effectively to any project.

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 independent power 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.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This news release includes “forward-looking statements” as defined by the Securities and Exchange Commission, or SEC. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this news release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including the statement that the Pueblo Airport Generation Station will realize its intended objective of providing our customers with reliable long-term, cost-effective supply of energy, are forward-looking statements. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including the factors discussed above, the risk factors described in Item 1A of Part I of our 2009 Annual Report on Form 10-K filed with the SEC, and other reports that we file with the SEC from time to time.

New factors that could cause actual results to differ materially from those described in forward looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

