



News Release

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BLACK HILLS ENERGY RENEWS FRANCHISE WITH THE CITY OF PUEBLO

Franchise agreement allows utility to operate and maintain electrical infrastructure facilities

PUEBLO, CO, August 10, 2010 – Black Hills Energy – Colorado Electric announced today the renewal of a 20-year franchise agreement with the City of Pueblo to operate and maintain electrical infrastructure facilities in City streets.

“We are very pleased to have secured our franchise renewal with the City of Pueblo,” said Christopher Burke, vice president of operations, Black Hills Energy – Colorado Electric. “This is an important milestone in assuring our Pueblo customers of the long-term certainty of operations and reliability of service they have come to expect from us.”

The franchise renewal was placed on the Aug. 10, 2010 election ballot, under question 2A, and was voted on by the citizens of Pueblo. As a result, Pueblo voters voted in favor of granting a non-exclusive franchise to Black Hills Energy – Colorado Electric.

“Most importantly, the franchise agreement assures the citizens of Pueblo that the City of Pueblo and Black Hills Energy will continue to work collaboratively in the best interests of residents and businesses to minimize disruptions to the Pueblo community while providing safe, reliable electric service,” concluded Burke.

The franchise agreement establishes processes and procedures with the City to ensure coordination with the City, minimal interruption to residents from the Company’s use of the Streets and timely service to customers.

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Black Hills/Colorado Electric Utility Company, LP d/b/a Black Hills Energy

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 a subsidiary of Black Hills Corp. — 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. Black Hills Corp. serves 763,300 natural gas and electric utility customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming and its non-regulated businesses generate wholesale electricity, produce natural gas, oil and coal, and market energy. Black Hills’ 2,200 employees partner to produce results that improve life with energy. More information is available at www.blackhillscorp.com.