



News Release

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BLACK HILLS CORP. ANNOUNCES NEW OFFICE IN PAPIILLION, NEB.

PAPIILLION, Neb., March 23, 2010 – Black Hills Corp. (NYSE:BKH) today announced it is having a new office built at a location in its service territory, in Papillion, Neb. Once the new facility is completed, 150 employees who currently work at a downtown Omaha location will move to the building in Papillion.

“Our business and employee requirements have evolved to where an office space review was needed to identify a facility that better suits our needs, provides financial benefit and is in our service territory, which is a Black Hills preference,” said Steve Pella, vice president of natural gas utilities for Black Hills Energy, a subsidiary of Black Hills Corp.

A single-story, 36,000-square-foot office building is planned in the Papillion Technology Park that is on the northwest corner of South 72nd and East First streets in Papillion. The location was chosen based on an analysis of options and in consideration of the accessibility for Black Hills employees who live throughout the metro area. The site is also near amenities such as restaurants, shopping and the Sarpy Community YMCA.

“We remain committed to the Omaha metro area and the 150 jobs that will be located in Papillion,” Pella said. “Thank you to our partners who worked on our behalf and assisted during this process including real estate broker Greg Hornish and Chip James of Lockwood Development, and also to Mayor Black and the City of Papillion, Sarpy County Economic Development Corp., the Greater Omaha Economic Development Partnership and the Nebraska Department of Economic Development.”

Construction of the Black Hills Corp. building in Papillion is expected to begin in late spring or early summer and take approximately one year to complete. The new space will have room for the 150 employees who work at the company’s current facility at 1815 Capitol Ave. in

Omaha and support the company's utility businesses. These support services include gas supply, regulatory, engineering, customer service, information technology, communications and legal. The building is also able to accommodate future company growth and will include energy efficient features including natural gas equipment and appliances.

Papillion Mayor David Black is pleased Black Hills selected the City's Business and Technology Park. "This is the exact kind of development that was envisioned when the City purchased that land, and we are pleased to see it becoming a reality. Black Hills is a regional business that provides services for our residents, so it is a good fit," he said. "These high quality jobs are more evidence that Papillion is a great community in which to live, work and play. We look forward to our expanded partnership with Black Hills and welcome more of their employees to our community."

When the Black Hills employees relocate from the current 1815 Capitol location in Omaha, the new Papillion building will serve as one of three Black Hills corporate offices. The others are in Rapid City, S.D., and Denver. Other Black Hills facilities in metropolitan Omaha used by the company's utility employees will not be affected by this move.

Black Hills Corp. acquired Aquila's natural gas properties in Colorado, Iowa, Kansas and Nebraska and an electric utility in Colorado on July 14, 2008, and they now operate as Black Hills Energy. The acquisition added 80 jobs in Nebraska, 50 of which were in the Omaha office.

About Black Hills Corp.

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.

About the City of Papillion

The City of Papillion is a community of 24,474 people located in Sarpy County, Nebraska. One of the fastest growing cities in the state, Papillion prides itself on creating the best possible quality of life for its residents. Papillion has been nationally recognized by CNN/*Money* magazine as the #3 "Best Place to Live" in America for 2009 and by *BusinessWeek* magazine as the #2 "Best Affordable Suburb" in America in 2010. More information on all of the City's services can be found at www.papillion.org.

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