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NEWS RELEASE

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PUC TO TAKE PUBLIC COMMENT ON BLACK HILLS ELECTRIC RATE PROPOSAL

DENVER – The Colorado Public Utilities Commission (PUC) will take public comment on Tuesday, Aug. 30, in Pueblo on a proposal by Black Hills Energy/Colorado Electric to increase its annual electric revenues by \$40.2 million, or 18.8 percent. The public hearing will start at 4 p.m. in the Pueblo County Conference Room, 1001 North Santa Fe Avenue.

Black Hills is seeking to recover the costs of two new natural gas-fired turbines at Pueblo, along with associated infrastructure and other utility expenses. The company is asking that new rates be implemented on Jan. 1, 2012, the projected commercial operations date of the new Pueblo Airport Generation Station.

If approved, the proposal would increase rates for typical residential customers, using an average of 600 kilowatt-hours (kWh) of electricity a month, by about \$18.96 per month. Small commercial customers, using 2,300 kWh, would see an increase of \$67.20 per month. Evidentiary hearings on the proposal are slated for Oct. 31, Nov. 1, 7-9 in Denver.

The proposed rate hike covers costs associated with the additional generation being built or acquired by Black Hills to replace a purchased power agreement with Xcel Energy that expires at the end of 2011.

Customers who wish to submit written comments about the rate proposal may send them to the PUC, 1560 Broadway, Suite 250, Denver, CO 80202, Attn: Docket No. 11AL-387E; or file them on-line at <http://www.dora.state.co.us/puc/consumer.htm>.

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