



Black Hills Corporation



BKH NYSE

Utilities - Multiline

Market Capitalization USD:

\$1,208.47 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: David R. Emery

Age: 49

CEO Since: 2004

	2009	2010	2011
Base Salary	\$564,000	\$588,924	\$638,462
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$221,088	\$672,000	\$341,803
Benefits and Perquisites	\$51,990	\$60,138	\$61,133
TOTAL ANNUAL COMPENSATION	\$837,078	\$1,321,062	\$1,041,398
Increase in Post-Retirement Benefits	\$361,799	\$766,046	\$1,263,510
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$674,723	\$605,554	\$741,037
TOTAL COMPENSATION	\$1,873,600	\$2,692,662	\$3,045,945
Median of Other Named Executive Officers Total Compensation	\$962,627	\$1,217,197	\$973,626
Value Realized on Exercise of Stock Option	\$121,989	\$0	\$0
Value Realized on Vesting of Stock	\$274,694	\$317,574	\$390,432
TOTAL REALIZED EQUITY COMPENSATION	\$396,683	\$317,574	\$390,432

Proxy Date: 22 Mar 2012

Annual Meeting Date: 23 May 2012

Equity Reserves: 3.82%

Stock Option Run Rate: 0.23%

Black Hills Corporation

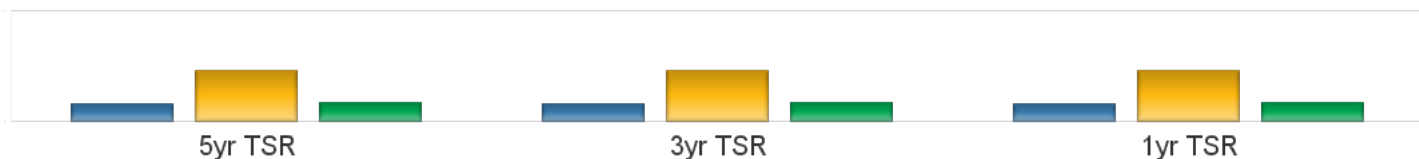
BKH NYSE

Utilities - Multiline

Market Capitalization USD: \$1,208.47 mm

Performance Comparison

■ vs S&P500 ■ vs Industry ■ BKH



Peer Comparisons (TRBC) =Utilities - Multiline

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
BKH	Black Hills Corporation	\$1,873,600	\$2,692,662	\$3,045,945	\$1,208,473,373
MDU	MDU Resources Group, Inc.	\$4,203,004	\$2,860,918	\$3,566,327	\$3,622,948,493
AVA	Avista Corp.	\$3,028,018	\$3,245,967		\$1,382,919,687
NWE	NorthWestern Corporation	\$1,523,751	\$1,231,916	\$1,468,711	\$1,158,172,730
EDE	Empire District Electric Company (The)	\$1,267,151	\$1,439,300	\$683,706	\$812,989,643
CHG	CH Energy Group, Inc.	\$2,308,319	\$2,232,041	\$2,403,142	\$805,027,131

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

AGL Resources Inc., IDACORP, Inc., NV Energy, Inc., ALLETE Inc., MDU Resources Group, Inc., UIL Holdings Corporation, Avista Corp, NorthWestern Corporation, UniSource Energy Corporation, CH Energy Group Inc., Otter Tail Corporation, Vectren Corporation, Cleco Corporation, PNM Resources, Inc., Westar Energy, Inc., Great Plains Energy Incorporated, Portland General Electric Company, WGL Holdings, Inc.

Performance Peer Group

AGL Resources Inc., IDACORP, Inc., NV Energy, Inc., ALLETE Inc., MDU Resources Group, Inc., UIL Holdings Corporation, Avista Corp, NorthWestern Corporation, UniSource Energy Corporation, CH Energy Group Inc., Otter Tail Corporation, Vectren Corporation, Cleco Corporation, PNM Resources, Inc., Westar Energy, Inc., Great Plains Energy Incorporated, Portland General Electric Company, WGL Holdings, Inc.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Jack W. Euqster	Chairman	66	Male	8	Outside
Rebecca B. Roberts	Member	59	Female	1	Outside
Stephen D. Newlin	Member	59	Male	8	Outside
Thomas J. Zeller	Member	64	Male	15	Outside Related

This report is for informational purposes only, and should not be considered a solicitation to buy or sell any security. Thomson Reuters Business Classification (TRBC) is a global industry classification system that is owned and operated by Thomson Reuters and has been licensed for use by GMI Ratings.

COPYRIGHT 2012 | GMI Ratings | ALL RIGHTS RESERVED