



Black Hills Corp. Natural Gas Utility Receives Approval for New Rates in Arkansas

October 10, 2022

RAPID CITY, S.D., Oct. 10, 2022 (GLOBE NEWSWIRE) -- Black Hills Corp. (NYSE: BKH) today announced that its Arkansas natural gas utility, Black Hills Energy, Arkansas, Inc., doing business as Black Hills Energy, received approval from the Arkansas Public Service Commission for new rates to recover more than \$220 million of investments since 2018 in its 7,200-mile natural gas infrastructure system.

"This approval supports our commitment to our customers and communities for safe and reliable service and to support the rapid economic growth in Arkansas," said Linn Evans, president and CEO. "These investments support our customers' decision to enjoy the benefits of natural gas as a reliable, highly-efficient and clean energy choice."

The approved settlement agreement will generate an estimated \$8.8 of new annual revenues and migrates approximately \$10 million of rider revenue to base rates. The approval allows a capital structure of 45% equity, 55% debt and a return of equity of 9.6% with new rates beginning in mid-October 2022.

The settlement also approves a comprehensive Safety and Integrity Rider which combines three existing riders and supports the company's priority on safety-focused infrastructure projects. These investments will also support Black Hills' commitment to achieve Net Zero emissions by 2035 for our natural gas distribution system.

Black Hills Corp.

Black Hills Corp. (NYSE: BKH) is a customer focused, growth-oriented utility company with a tradition of improving life with energy and a vision to be the energy partner of choice. Based in Rapid City, South Dakota, the company serves 1.3 million natural gas and electric utility customers in eight states: Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. More information is available at www.blackhillscorp.com.

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Caution Regarding Forward Looking Statement

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 are forward looking statements, including anticipated revenues from the new rate increase. 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, the risk factors described in Item 1A of Part I of our 2021 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.



Source: Black Hills Service Company, LLC