



Black Hills Corp. Natural Gas Utility Requests Rate Review in Arkansas

December 13, 2021

FAYETTEVILLE, Ark., Dec. 13, 2021 (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, filed a rate review application with the Arkansas Public Service Commission requesting \$21.6 million in new annual revenue.

Black Hills Energy has invested over \$220 million in safety, system integrity and reliability for more than 7,200 miles of natural gas pipeline infrastructure in Arkansas since its last general rate filing in late 2017. These critical investments were required to meet system growth in the rapidly growing communities in the state, to ensure the safe and reliable delivery of natural gas to all customers' homes and businesses and to meet compliance requirements of state and federal regulations. The importance of these investments was demonstrated by the excellent performance of Black Hills Energy's pipeline system across the state in serving the extraordinary demand during the extreme cold conditions last February.

"This rate review request reflects 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 of Black Hills Corp. "These investments are also critical to help meet our clean energy goals while ensuring that our customers continue to enjoy the benefits of natural gas as a reliable, highly-efficient and clean energy choice."

As part of the rate review, Black Hills Energy is also seeking to implement an enhanced system safety, integrity and reliability rider, allowing the company to efficiently continue its work to replace and upgrade its natural gas pipeline system within the state. The rider will also support the company's clean energy goal to reduce greenhouse gas emissions.

As proposed, the rate review is requesting a capital structure of 50.9% equity and 49.1% debt and a return of equity of 10.2% for investments the company has made in its natural gas system in Arkansas. Black Hills Energy is seeking to implement new rates in the fourth quarter of 2022.

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 future anticipated revenues from the new rate increase, approval for our rider request and ability to deliver an appropriate return to investors. 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 2020 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.

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Source: Black Hills Service Company, LLC