

**Black Hills Power**  
**Income Statement GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Income Statement Caption

FERC Form 1 Income Statement Caption

in 000's

Year ended December 31, 2023		FF1 Page	FF1 Row	FERC Vs. GAAP Variance	Comments on variances
(A)	(B)			(B) - (A)	
Revenue	\$ 325,579	Revenue	(a)= \$ 329,286	\$ 3,707	\$ 1 Rounding
		Operating Revenues (400)	(a) 328,621	114-117	2
		Revenues From Merchandising, Jobbing, and Contract Work (415)	(a) 630	114-117	31
		Revenues From Nonutility Operations (417)	(a) 35	114-117	33
Operating expenses:		Operating expenses:			
Fuel & purchased power	85,955	Fuel & purchased power	-	(85,955)	Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC. \$85,955 of Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC. \$ 3,599 of Revenue (variance above) includes netting of certain wholesale contracts reducing both Revenue and Fuel & purchased power for GAAP reporting. FERC presents these amounts as gross within their presentation. (\$ 2,145) of Taxes - Property (variance below) is recorded in O&M for GAAP. \$ 330 of bank fees classified as Operating expenses for FERC and Non-operating Interest expense for GAAP \$ 525 of non-service pension costs classified as O&M for FERC and as Non-operating Expense for GAAP (\$ 188) of amortization cloud computing arrangements (CCAs) classified as depreciation for FERC and as general operating expenses for GAAP
Operations & maintenance	87,469	Operations & maintenance	(b)= 175,545	88,076	
		Operations Expenses (401)	(b) 154,731	114-117	4
		Maintenance Expenses (402)	(b) 21,128	114-117	5
		(Less) Costs & Exp. of Merchandising, Job. & Contract Work (416)	(b) 746	114-117	32
		(Less) Expenses of Nonutility Operations (417.1)	(b) 138	114-117	34
		Gain on Disposition of Property (421.1)	(b) (1,657)	114-117	40
		Donations (426.1)	(b) 264	114-117	45
		Exp. For Certain Civic, Political & Related Activities (426.4)	(b) 195	114-117	48
Depreciation & amortization	50,752	Depreciation and amortization	(c)= 51,239	487	\$ 2 Rounding
		Depreciation Expense (403)	(c) 50,008	114-117	6
		Depreciation Expense for Asset Retirement Costs (403.1)	(c) 32		
		Amort. & Depl. Of Utility Plant (404-405)	(c) 1,075	114-117	6
		Amort. Of Utility Plant Acq. Adj. (406)	(c) 97		
		Accretion Expense (411.10)	(c) 27	114-117	6
Taxes - Property	8,671	Taxes - Property	(d)= 10,816	2,145	\$ 1 Rounding
		Taxes Other Than Income Taxes (408.1)	(d) 10,789	114-117	14
		Taxes Other Than Income Taxes (408.2)	(d) 27	114-117	52
Total operating expenses	<u>232,847</u>	Total operating expenses	<u>237,600</u>		<u>4,753</u>
Operating income	<u>92,732</u>	Operating income	<u>91,686</u>		<u>(1,046)</u>
Other income (expense):		Other income (expense):			



**Black Hills Power**  
**Balance Sheet GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2023				
GAAP Balance Sheet		Reconciliation to FERC Form 1 details	FERC Vs. GAAP Variance	Comments on variances
(A)		(B)	(B) - (A)	
Current assets:				
Cash	\$ -	Cash (a)= \$ -	-	
		Cash (131) (a) -		
		Working Fund (135) (a) -		
Accounts receivable, net	31,061	Accounts receivable, net (b)= 31,061	-	
		Customer Accounts Receivable (142) (b) 17,006		
		Other Accounts Receivable (143) (b) 1,997		
		(Less) Accum. Prov. For Uncollectible Acct.-Credit (144) (b) (139)		
		Accrued Utility Revenues (173) (b) 12,197		
Money pool notes receivable, net	13,581	Notes receivables from associated companies (c)= 13,623	42	I/C Interest Receivable from Utility Money Pool included in Notes Receivable from Assoc. Companies for FERC but within Other current assets for GAAP
		Notes Receivable from Associated Companies (145) (c) 13,623		
Accounts receivable from affiliates	11,491	Accounts receivable from affiliates (c)= 11,491	-	
		Accounts Receivable from Assoc. Companies (146) (c) 11,491		
Materials, supplies, and fuel	43,972	Materials, supplies, and fuel (d)= 43,972	-	
		Fuel Stock (151) (d) 7,163		
		Plant Materials and Operating Supplies (154) (d) 32,980		
		Stores Expense Undistributed (163) (d) 3,562		
		Miscellaneous Current and Accrued Assets (174) (d) 267		
Regulatory assets, current	22,322	Regulatory assets, current -	(22,322)	FERC does not make short-term/long-term distinction for Regulatory assets, see total reported below as part of Regulatory Assets, non-current
Other current assets	5,107	Other current assets (e)= 5,065	(42)	I/C Interest Receivable from Utility Money Pool included in Notes Receivable from Assoc. Companies for FERC but within Other current assets for GAAP
		Prepayments (165) (e) 4,086		
		Derivative Instrument Assets (175) (e) -		
		Clearing Accounts (184) (e) 979		
<b>Total Current Assets</b>	<b>127,534</b>	<b>Total Current Assets</b>	<b>(22,322)</b>	
Investments	3,882	Other Property and Investments (f)= 3,882	-	
		Other investments (124) (f) 829		
		Other Special Funds (128) (f) 3,053		
Property, plant & equipment	1,762,625	Property, plant & equipment (g)= 1,787,814	25,189	\$16,512 of operating lease right-of-use assets included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP \$ 3,354 of Service Company plant cloud computing arrangements (CCA) allocations included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP \$ 4,550 GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FERC, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation \$ 773 GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense for GAAP
		Utility Plant (101-106, 114) (g) 1,768,005		
		Construction Work in Progress (107) (g) 19,809		

**Black Hills Power**  
**Balance Sheet GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2023				
GAAP Balance Sheet	Reconciliation to FERC Form 1 details		FERC Vs. GAAP Variance	Comments on variances
				(\$57,196) of removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FERC (\$ 4,550) GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FERC, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation
				(\$ 3,361) of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC but within Other, non-current assets for GAAP
				(\$ 420) of Service Company accumulated depreciation CCA allocations included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
				(\$ 1,062) GAAP-to-FERC difference due to capitalization (and related depreciation) of non-service pension costs for FERC vs. Other expense for GAAP
Less accumulated depreciation and amortization	(451,433)	Less accumulated depreciation and amortization (h)=	(518,023)	(66,590) (\$ 1) Rounding
		Less Accum. Prov. For Depr. (108, 110, 111, 115) (h)	(518,023)	
Total property, plant and equipment, net	1,311,192	Total property, plant and equipment, net	1,269,791	(41,401)
		Net Utility Plant	1,249,982	
Other assets:				
				\$22,322 of Regulatory assets are classified as current assets for GAAP but for FERC does not make distinction between current/non-current
Regulatory assets, non-current	47,898	Regulatory assets, non-current (i)=	70,510	22,612
		Other Regulatory Assets (182.3) (i)	70,381	\$ 290 GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense (and related regulatory asset) for GAAP
		Unamortized Loss on Reaquired Debt (189) (i)	129	
				(\$16,512) of operating lease right-of-use assets included in Utility Plant (101) for FERC but within Other, non-current assets for GAAP (\$ 3,354) of Service Company plant CCA allocations included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP
Other, non-current assets	23,606	Other, non-current assets (j)=	7,521	(16,085)
		Prelim. Survey and Investigation Charges (183) (j)	1,690	\$ 3,361 of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
		Miscellaneous Deferred Debits (186) (j)	5,831	\$ 420 of Service Company accumulated depreciation CCA allocations included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
Total other assets, non-current	71,504	Total other assets, non-current	78,031	6,527
<b>TOTAL ASSETS</b>	<b>\$ 1,514,112</b>	<b>TOTAL ASSETS</b>	<b>\$ 1,456,916</b>	<b>\$ (57,196)</b>

**Black Hills Power**  
**Balance Sheet GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2023				
GAAP Balance Sheet		Reconciliation to FERC Form 1 details	FERC Vs. GAAP Variance	Comments on variances
Current liabilities:				
Accounts payable	\$ 19,260	Accounts payable (k)= 19,260	-	
		Accounts Payable (232) (k) 18,350		
		Tax Collections Payable (241) (k) 910		
Accounts payable to affiliates	37,649	Accounts payable to affiliates (l)= 37,649	-	
		Accounts Payable to Associated Companies (234) (l) 37,649		
				(\$3,637) of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP
Accrued liabilities	30,667	Accrued liabilities (m)= 26,328	(4,339)	(\$ 702) of intercompany interest classified as Money pool notes payable for FERC vs. Accrued liabilities for GAAP
		Customer Deposits (235) (m) 6,387		
		Taxes Accrued (236) (m) 7,510		
		Interest Accrued (237) (m) 4,702		
		Miscellaneous Current and Accrued Liabilities (242) (m) 7,382		
		Obligations Under Capital Leases-Current (243) (m) 347		
		Derivative Instrument Liabilities (244) (m) -		
Money pool notes payable	-	Money pool notes payable (n)= -	-	
		Notes Payable to Associated Companies (233) (n) 190,652		
Notes payable to Parent	189,950	Notes payable to Parent 190,652	702	\$ 702 of intercompany interest classified as Notes Payable to Associated Companies for FERC vs. Accrued liabilities for GAAP
Regulatory liabilities, current	-	Regulatory liabilities, current (o)= -	-	
		Accumulates Provision for Rate Refunds (229) (o) -		
Total current liabilities	277,526	Total current liabilities 273,889	(3,637)	
Long term debt	337,950	Long term debt (p)= 337,950	-	
		Bonds (221) (p) 340,000		
		Other Ling-Term Debt (224) (p) -		
		(Less) Unamortized Discounts (226) (p) (66)		
		Unamortized Debt Expenses (181) (p) (1,984)		
Deferred credits and other liabilities:				
Deferred income tax liabilities, net	129,318	Deferred income tax liabilities, net (q)= 129,318	-	
		Accum. Deferred Income Taxes-Other Property (282) (q) 160,437		
		Accum. Deferred Income Taxes-Other (283) (q) 17,384		
		Accumulated Deferred Income Taxes (190) (q) (48,503)		

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**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2023					
GAAP Balance Sheet		Reconciliation to FERC Form 1 details		FERC Vs. GAAP Variance	Comments on variances
Regulatory liabilities, non-current	152,557	Regulatory liabilities, non-current (r)=	95,361	(57,196)	(\$57,196) of removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FERC
		Other Regulatory Liabilities (254) (r)	95,361		
Benefit plan liabilities	9,276	Benefit plan liabilities (s)=	9,276	-	
		Accumulated Provision for Pensions and Benefits (228.3) (s)	9,276		
Other, non-current liabilities	19,211	Other, non-current liabilities (t)=	22,848	3,637	\$3,637 of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP
		Obligations Under Capital Leases - Noncurrent (227) (t)	12,826		
		Accumulates Provision for Injuries and Damages (228.2) (t)	332		
		Asset Retirement Obligations (230) (t)	833		
		Customer Advances for Construction (252) (t)	5,931		
		Other Deferred Credits (253) (t)	2,926		
Total deferred credits and other liabilities	310,362	Total deferred credits and other liabilities	256,803	(53,559)	
Stockholder's equity:					
Common Stock	23,416	Common Stock (u)=	23,416	-	
		Common Stock Issued (201) (u)	23,416		
Additional paid-in-capital	39,575	Additional paid-in-capital (v)=	39,575	-	
		Premium on Capital Stock (207) (v)	42,077		
		Less Capital Stock Expense (214) (v)	(2,502)		
Retained earnings	526,044	Retained Earnings (w)=	526,044	-	
		Retained Earnings (216) (w)	526,044		
Accumulated other comprehensive (loss)	(761)	Accumulated Other comprehensive income (x)=	(761)	-	
		Accumulated Other comprehensive income (219) (x)	(761)		
Total stockholder's equity	588,274	Total stockholder's equity	588,274	-	
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 1,514,112</b>	<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 1,456,916</b>	<b>\$ (57,196)</b>	

FERC Form 1 Total Assets and/or Total Liabilities and Stockholder Equity  
 \$ 1,507,403  
 Variance to the totals in E56 and E113 above  
 50,487  
 Unamortized Debt Expenses (181)  
 (1,984) Presented net with Long-term debt for GAAP reporting, presented as gross asset for FERC reporting  
 Accumulated Deferred Income Taxes (190)  
 (48,503) Presented net with def tax liabilities for GAAP reporting, presented as gross asset for FERC reporting  
 Remaining Variance  
 -