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			r			
		Tear enueu December 31, 2023				r	FERC Vs	
					FF1	FF1	GAAP	·
GAAP Income State	ement	Reconciliation to FERC Form 1 details			Page	Row	Variance	Comments on variances
	(A)			(B)			(B) - (A)	
Revenue	\$ 325,579	Revenue	(a)=	\$ 329,286			\$ 3,707	 \$3,599 GAAP nets certain wholesale contracts reducing both Revenue and Fuel & purchased power. FERC Operating Revenues (400) and Operations Expenses (401) are grossed up for this amount. \$ 107 Transmission revenue reserve netted against revenue for GAAP but presented as non-operating expense for FERC \$ 1 Rounding
Revenue	φ 020,075	Operating Revenues (400)	(a)	328,621	114-117	2	φ 0,707	• Frounding
		Revenues From Merchandising, Jobbing, and Contract Work (415) Revenues From Nonutility Operations (417)	(a) (a)	630		31 33		
Operating expenses:		Operating expenses:						
Fuel & purchased power		Fuel & purchased power		-				 5) 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 \$255 of non-service pension costs classified as O&M for FERC and as Non-operating Expense for GAAP \$188) of amortization cloud computing arrangments (CCAs) classified as depreciation for FERC and as general operating expenses
Operations & maintenance	87,469	Operations & maintenance	(b)=	175,545			88,076	6 for GAAP
		Operations Expenses (401) Maintenance Expenses (402) (Less) Costs & Exp. of Merchandising, Job. & Contract Work (416) (Less) Expenses of Nonutility Operations (417.1) Gain on Disposition of Property (421.1) Donations (426.1) Exp. For Certain Civic, Political & Related Activities (426.4)	(b) (b) (b) (b) (b) (b)	21,128 746 138 (1,657) 264	114-117 114-117 114-117 114-117 114-117 114-117 114-117	4 5 32 34 40 45 48		\$ 297 of non-service pension costs classified as depreciation for FERC and as other non-operating expenses for GAAP
								\$ 188 of amortization CCAs classified as depreciation for FERC and as general operating expenses for GAAP
Depreciation & amortization	50,752	Depreciation and amortization	(c)=	51,239			487	7 \$ 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)	· ·	114-117	6		
		Amort. Of Utility Plant Acq. Adj. (406) Accretion Expense (411.10)	(c) (c)	97 27	114-117	6		
		Accietion Expense (411.10)	(U)	21	114-117	U		 \$2,117 FERC reporting includes sales and use taxes which are included in O&M for GAAP \$ 27 of non-Utility TOIT for FERC classified as "above the line" Property Taxes for GAAP
Taxes - Property	8,671	Taxes - Property	(d)=	10,816			, ,	5 \$ 1 Rounding
		Taxes Other Than Income Taxes (408.1)	(d)	· · · · ·	114-117	14		
	000 0 17	Taxes Other Than Income Taxes (408.2)	(d) _	27	114-117	52		
Total operating expenses		_ Total operating expenses	_	237,600	-		4,753	
Operating income	92,732	_Operating income	_	91,686	-		(1,046	2)
Other income (expense):		Other income (expense):						

Other income (expense):

Other income (expense):

Black Hills Power

Income Statement GAAP-to-FERC Reconciliation

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GAAP Income Statement Caption FERC Form 1 Income Statement Caption

in 000's										
		Year ended December 31, 2023								
GAAP Income Statement		Reconciliation to FERC Form 1 details			FF1 Page	FF1 Row	FERC Vs GAAP Variance	Comments on variances		
								\$ 330 of bank fees classified as O&M for FERC and Non-operating Interest expense for GAAP		
Interest Expense	(35,629)	Interest Expense	(e)=	(36,534)) (\$1,235) GAAP Interest Expense line includes AFUDC borrowed		
		Interest on Long-Term Debt (427)	(e)		114-117	62				
		Amort. Of Debt Disc. And Expense (428)	(e)	· · ·	114-117	63				
		Amortization of Loss on Reacquired Debt (428.1)	(e)	· · ·	114-117	64				
		Interest on Debt to Assoc. Companies (430)	(e)	· · · ·	114-117	67				
		Other Interest Expense (431)	(e)		114-117	68				
AFUDC borrowed	-	AFUDC borrowed	(f)=	1,235				GAAP Interest Expense line includes AFUDC borrowed		
		Less AFUDC-Cr. (432)	(f)	,	114-117	69				
Interest income	3,537	Interest income	(g)=	3,537			-			
		Interest and Dividend Income (419)	(g)	3,537	114-117	37				
								 \$ 525 of non-service pension costs classified as Operations Expense for FERC and as Non-operating Expense for GAAP \$ 297 of non-service pension costs classified as Depreciation for FERC and as Other Non-operating Expenses for GAAP \$ 107) Transmission revenue reserve netted against revenue for GAAP but presented as non-operating expense for FERC 		
Other income (expense), net	(866)	Other income (expense), net	(h)=	(150)				\$ 1 Rounding		
		Allowance for Other Funds Used During Construction (419.1)	(h)		114-117	38				
		Miscellaneous Nonoperating Income (421)	(h)		114-117	39				
		Penalties (426.3)	(h)		114-117	47				
		Other Deductions (426.5)	(h)		114-117	49				
Total other income (expense)	(32,958)	_Total other income (expense)		(31,912)			1,046	_		
ncome before income taxes	59,774	Income before income taxes		59,774			-			
Income tax expense	(5.015)	Income tax expense	(i)=	(5,015)			-			
	(0,0.0)	Income Taxes - Federal (409.1)	(i)	()	114-117	15				
		- Other (409.1)	(i)		114-117	16				
		Provision for Deferred Income Taxes (410.1)	(i)	· · ·	114-117	17				
		(Less) Provision for Deferred Income Taxes-Cr (411.1)	(i)		114-117	18				
		Income Taxes - Federal (409.2)	(i)		114-117	52				
Net income	\$ 54,759		(')	\$ 54,759		52	\$-			
		=		·				=		
		FERC Form 1 Net Inco		\$ 54,759						
		Variar	nce	-						

Variance -

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 FERC Vs. GAAP Variance **GAAP Balance Sheet Reconciliation to FERC Form 1 details Comments on variances** (A) (B) (B) - (A) Current assets: Cash (a)= \$ \$ Cash ---Cash (131) (a) -Working Fund (135) (a) -Accounts receivable, net 31,061 Accounts receivable, net 31,061 (b)= Customer Accounts Receivable (142) (b) 17.006 Other Accounts Receivable (143) (b) 1,997 (Less) Accum. Prov. For Uncollectible Acct.-Credit (144) (139) (b) Accrued Utility Revenues (173) 12,197 (b) I/C Interest Receivable from Utility Money Pool included in Notes Receivable from Assoc. Companies for FERC but within Other current Money pool notes receivable, net 13,581 Notes receivables from associated companies (c)= 13,623 42 assets for GAAP 13,623 Notes Receivable from Associated Companies (145) (c) 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 FERC does not make short-term/long-term distinction for Regulatory assets, see total reported below as part of Regulatory Assets, non-Regulatory assets, current 22,322 Regulatory assets, current (22,322) current -I/C Interest Receivable from Utility Money Pool included in Notes Receivable from Assoc. Companies for FERC but within Other 5,107 Other current assets (e)= 5,065 (42) current assets for GAAP Other current assets Prepayments (165) (e) 4,086 Derivative Instrument Assets (175) (e) -979 Clearing Accounts (184) (e) (22,322) **Total Current Assets** 127,534 Total Current Assets 105,212 3,882 Other Property and Investments (f)= 3,882 Investments (f) (f) Other investments (124) 829 Other Special Funds (128) 3,053 \$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 arrangments (CCA) allocations included in Utility Plant (101) for FERC, but within

gross Accumulated Depreciation \$ 773 GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense for GAAP 25,189 Property, plant & equipment 1,762,625 Property, plant & equipment 1,787,814 (g)= Utility Plant (101-106, 114) (g) 1,768,005 19,809 Construction Work in Progress (107) (g)

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

Black Hills Power Balance Sheet GAAP-to-FERC Reconciliation

Legend:

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

GAAP Balance Sheet		Reconciliation to FERC For	m 1 details		FERC Vs. GAAP Variance	Con
Less accumulated depreciation and amortization	(451,433)	Less accumulated depreciation and amortization Less Accum. Prov. For Depr. (108, 110, 111, 115)	(h)= (h)	(518,023) (518,023)	(66,590)	 (\$57,196) of removal costs classified as Regulatory liabilities (\$ 4,550) GAAP-to-FERC difference driven by the acquisitio accordance with GAAP but recorded at historical cost in according gross Accumulated Depreciation (\$ 3,361) of operating lease right-of-use asset amortization i current assets for GAAP (\$ 420) of Service Company accumulated depreciation CC within Other, non-current assets for GAAP (\$ 1,062) GAAP-to-FERC difference due to capitalization (are expense for GAAP (\$ 1) Rounding
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 current
Regulatory assets, non-current	17 808	Regulatory assets, non-current	(i)-	70,510	22 612	\$ 290 GAAP-to-FERC difference due to capitalization of r regulatory asset) for GAAP
Regulatory assets, non-current	47,696	Other Regulatory Assets (182.3) Unamortized Loss on Reaquired Debt (189)	(i)= (i) (i)	70,381 129	22,012	regulatory asset) for GAAP
						 (\$16,512) of operating lease right-of-use assets included in U (\$3,354) of Service Company plant CCA allocations include GAAP \$3,361 of operating lease right-of-use asset amortization non-current assets for GAAP \$420 of Service Company accumulated depreciation CO
Other, non-current assets	23,606	Other, non-current assets	(j)=	7,521	(16,085)	within Other, non-current assets for GAAP
		Prelim. Survey and Investigation Charges (183) Miscellaneous Deferred Debits (186)	(j) (j)	1,690 5,831		
Total other assets, non-current	71,504	Total other assets, non-current	U)	78,031	6,527	
TOTAL ASSETS	\$ 1,514,112	TOTAL ASSETS	\$	1,456,916	\$ (57,196)	-

mments on variances

ties for GAAP but part of Accumulated Depreciation for FERC ition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with FERC, which causes higher gross Utility Plant offset by lower

on included in Accumulated Depreciation (108) for FERC but within Other, non-

CCA allocations included in Accumulated Depreciation (108) for FERC, but

(and related depreciation) of non-service pension costs for FERC vs. Other

sets for GAAP but for FERC does not make distinction between current/non-

of non-service pension costs for FERC vs. Other expense (and related

in Utility Plant (101) for FERC but within Other, non-current assets for GAAP luded in Utility Plant (101) for FERC, but within Other, non-current assets for

on included in Accumulated Depreciation (108) for FERC, but within Other,

CCA allocations included in Accumulated Depreciation (108) for FERC, but

Black Hills Power Balance Sheet GAAP-to-FERC Reconciliation

Legend: GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

	Year ended Dece	mber 31, 2023				
GAAP Balance Sheet		Reconciliation to FERC Form 1 of	details		FERC Vs. GAAP Variance	Comr
urrent 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	(I)=	37,649	-	
		Accounts Payable to Associated Companies (234)	(I)	37,649		
						(\$3,637) of contractor retainage, deferred revenue, and provi 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 no
		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
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)	
ong 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)		
eferred 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)		

mments on variances

ovisions for employee injuries and damages classified as Other, non-current

I notes payable for FERC vs. Accrued liabilities for GAAP

e to Associated Companies for FERC vs. Accrued liabilities for GAAP

Legend:

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

	Year ended Dece	ember 31, 2023				
GAAP Balance Sheet	Reconciliation to FERC Form 1 de	FERC Vs. GAAP Variance	Corr			
Regulatory liabilities, non-current	152,557	Regulatory liabilities, non-current	(r)= 95,361		(57,196)	(\$57,196) of removal costs classified as Regulatory liabilities
		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		
						\$3,637 of contractor retainage, deferred revenue, and provis
Other, non-current liabilities	19,211	Other, non-current liabilities	(t)=	22,848	3,637	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)	_
tockholder's equity:						
Common Stock	23 /16	Common Stock	(u)=	23,416		
Common Stock	25,410	Common Stock Issued (201)	(u)	23,410	-	
Additional paid-in-capital	39 575	Additional paid-in-capital	(u) (v)=	39,575	-	
	00,070	Premium on Capital Stock (207)	(V)	42,077		
		Less Capital Stock Expense (214)	(v) (v)	(2,502)		
Retained earnings	526 044	Retained Earnings	(v)=	526.044	-	
	020,011	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	-	
		-	_			-
OTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 1,514,112	TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	9	\$ 1,456,916	\$ (57,196)	

FERC Form 1 Total Assets and/or Total Liabilities and Stockholder Equity Variance to the totals in E56 and E113 above Unamortized Debt Expenses (181) Accumulated Deferred Income Taxes (190) Remaining Variance

<u>\$ 1,507,403</u> 50,487

(1,984) Presented net with Long-term debt for GAAP reporting, presented as gross asset for FERC reporting (48,503) Presented net with def tax liabilities for GAAP reporting, presented as gross asset for FERC reporting _____

omments on variances

ties for GAAP but part of Accumulated Depreciation for FERC

ovisions for employee injuries and damages classified as Other, non-current