

**RESILIENT.**  
**RELIABLE.**  
**READY.**

**2023 AGA Financial Forum**

May 2023



# Forward-looking Statements

## COMPANY INFORMATION

### Black Hills Corporation

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NYSE Ticker: **BKH**  
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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. 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 presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. This includes, without limitations, our 2023 earnings guidance and long-term growth target. 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, including without limitation, the risk factors described in Item 1A of Part I of our 2022 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:

- The accuracy of our assumptions on which our earnings guidance and growth target are based;
- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings on periodic applications to recover costs for capital additions, plant retirements and decommissioning, fuel, transmission, purchased power and other operating costs, and the timing in which new rates would go into effect;
- Our ability to complete our capital program in a cost-effective and timely manner;
- Our ability to execute on our strategy;
- Our ability to successfully execute our financing plans;
- The effects of changing interest rates;
- Our ability to achieve our greenhouse gas emissions intensity reduction goals;
- Board of Directors’ approval of any future quarterly dividends;
- The impact of future governmental regulation;
- Our ability to overcome the impacts of supply chain disruptions on availability and cost of materials;
- The effects of inflation and volatile energy prices; and
- Other factors discussed from time to time in our filings with the SEC.

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.

# Strong Long-term Growth Outlook

**\$3.5** billion

Capital Investment 2023-2027

- Incremental projects likely
- Additional growth opportunities

**4% to 6%**

Long-term EPS growth target <sup>1</sup>

**55% to 65%**

Dividend payout target with long-term growth rate in line with EPS <sup>2</sup>

- Integrated pure-play utility profile
- Diversified mix of electric and gas businesses
- Stable and growing service territories
- Constructive regulatory jurisdictions
- Solid financial position and liquidity
- Robust capital plan with timely recovery

<sup>1</sup> Average annual compound growth rate off 2023 base

<sup>2</sup> Future dividends subject to board approval

# 2023 Priorities



Delivering on 2023 earnings guidance



Reliable and safe operational performance



A strengthened balance sheet, maintaining strong liquidity and executing on financing plan



Advancing growth initiatives, including requests for proposals for 500 megawatts of renewable generation in Colorado and South Dakota

**RESILIENT.**

**RELIABLE.**

**READY.**

# Recent Highlights

## Operational Excellence

- ✓ Top-quartile reliability metrics for all three electric utilities (EEI 2021 SAIDI excluding major events)
- ✓ 11 new summer and winter electric system peaks in South Dakota and Wyoming during 2022
- ✓ Excellent team and system performance during Winter Storm Elliot and other weather events in 2022
- ✓ \$598 million of capital investment in 2022; on track for \$615 million in 2023

## Finance and Regulatory Progress

- ✓ In Q1 2023, improved net debt to total capitalization ratio to 58.9% from 60.8%
- ✓ Fully repaid short-term commercial paper balances in Q1 2023; \$750 million of liquidity on revolving credit facility
- ✓ Rocky Mountain Natural Gas rate review settlement filed
- ✓ Colorado Gas and Wyoming Gas rate reviews filed

## Resource Planning and Growth Initiatives

- ✓ South Dakota and Wyoming Electric integrated resource plan advanced; initiated competitive bidding process for 100 megawatts of build-transfer renewables by mid-2026
- ✓ Colorado Clean Energy Plan approved; allows 50% utility ownership of 400 megawatts of new clean energy resources to achieve 80% GHG emissions intensity reduction by 2030 from 2005 base; preparing to issue request for proposals mid-year 2023
- ✓ Preparing to commence construction on 260-mile Ready Wyoming electric transmission project
- ✓ Continued customer growth in growing jurisdictions
- ✓ First large crypto-mining customer in service in Wyoming

## Responsibly Reducing Emissions

- ✓ Preparing to place in service four new RNG interconnect projects by 2024, for a total of 10 projects
- ✓ Supporting research for emissions-reduction technologies



# Black Hills Corp. Overview



# Black Hills Corp. Overview

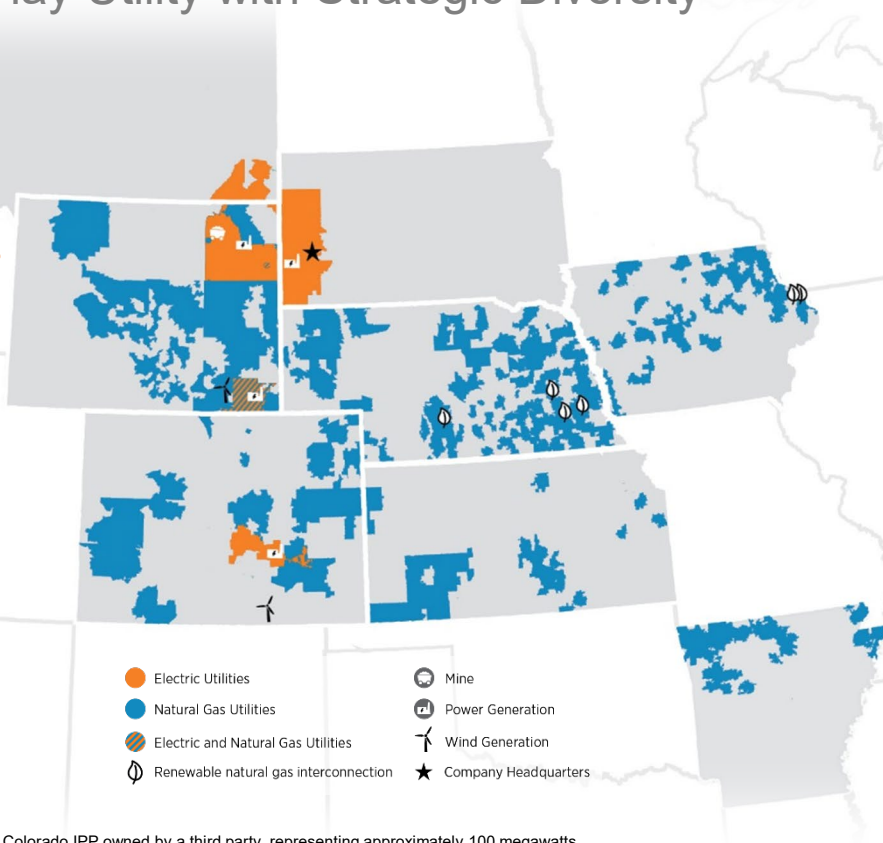
Integrated Pure-Play Utility with Strategic Diversity

## Electric Utilities

Transmission, distribution and generation

## Gas Utilities

Transmission, distribution, sourcing and storage



- Electric Utilities
- Natural Gas Utilities
- Electric and Natural Gas Utilities
- Renewable natural gas interconnection
- Mine
- Power Generation
- Wind Generation
- Company Headquarters

**8** stable and growing states

**1.33 million** utility customers

**1.4 gigawatts\*** generation

**9,000 miles** electric lines

**47,000 miles** natural gas lines

**\$9.6 billion** assets

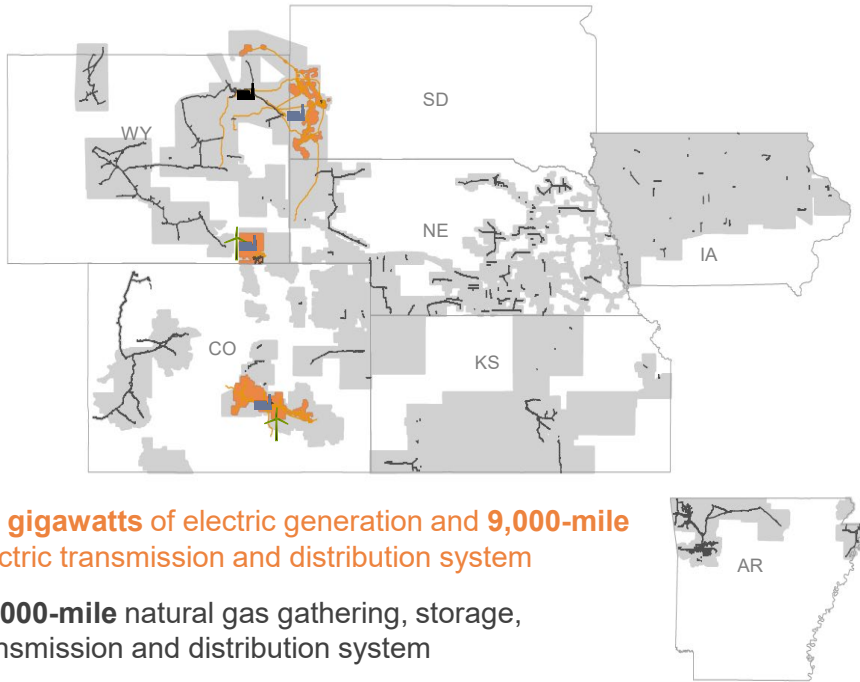
**\$5.3 billion** rate base

Note: information from 2022 Form 10-K Annual Report

\* Generation total includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts

# Strategic Diversity

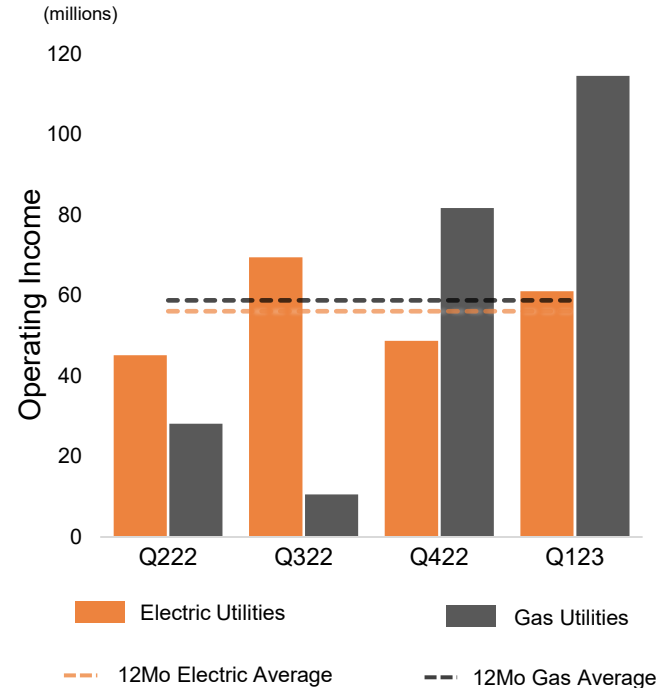
## Large Systems Across Stable, Growing and Constructive Jurisdictions



**1.4 gigawatts** of electric generation and **9,000-mile** electric transmission and distribution system

**47,000-mile** natural gas gathering, storage, transmission and distribution system

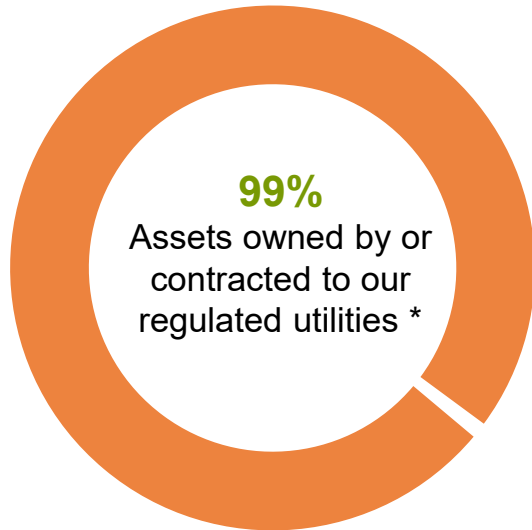
## Complementary Seasonality of Electric and Gas Business Mix



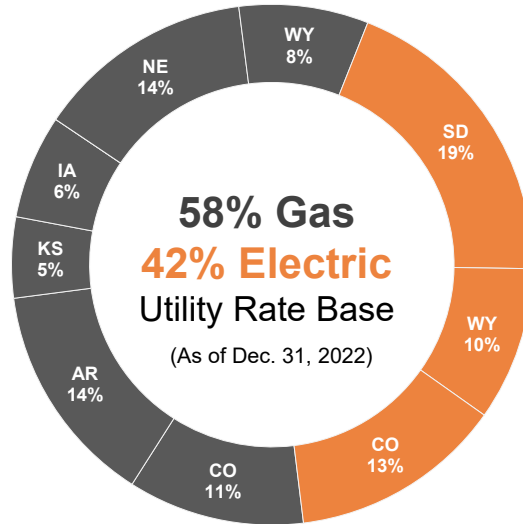


# Low-risk Utility Investment

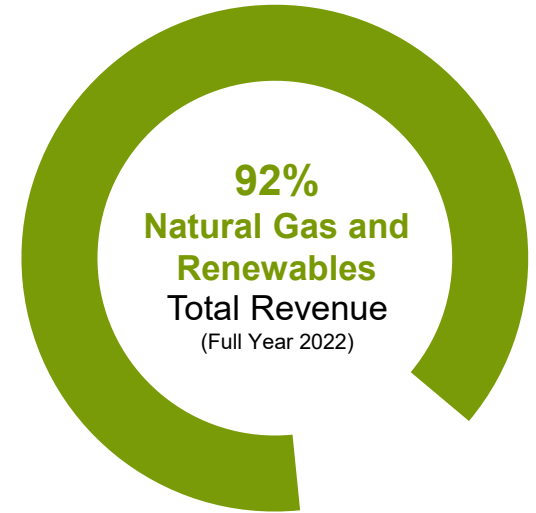
## Regulated and Integrated Utility Businesses



## Diverse and Balanced Business Mix



## Clean Energy Profile

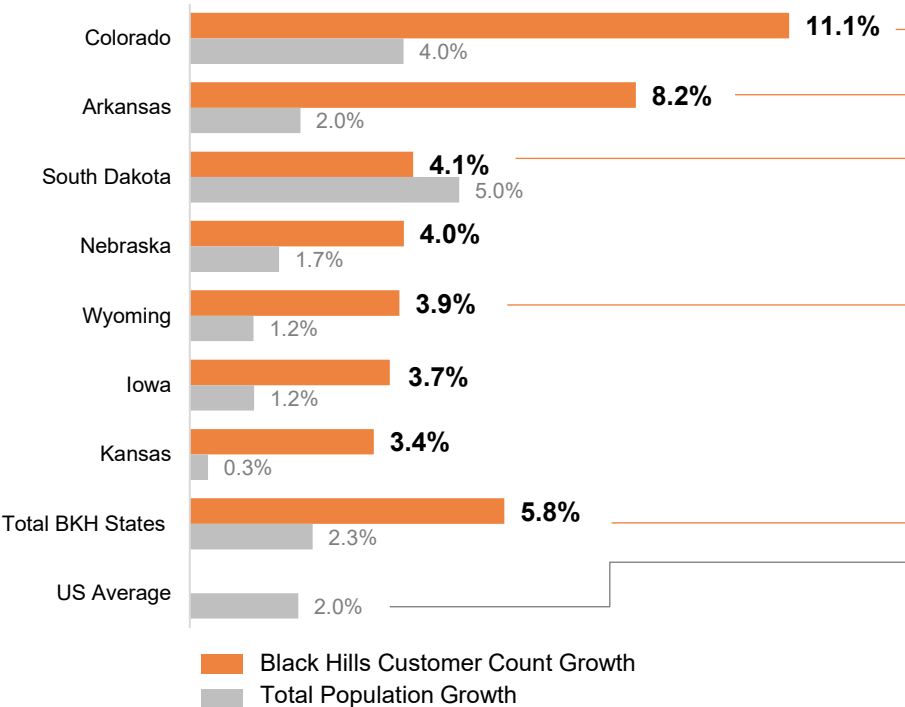


\* As of March 31, 2023 following the sale of non-regulated Northern Iowa Windpower assets

# Impactful Customer Growth

## Total 5-year Population and Customer Growth

Year-end 2017-2022, ranked by BKH growth



## Top Growth Areas:

Ongoing population migration into our states

Colorado Front Range growth and development

Northwest Arkansas industry and community expansion

Rapid City and Black Hills regional economic strength, housing demand and new construction

Cheyenne, Wyoming economic and industrial growth

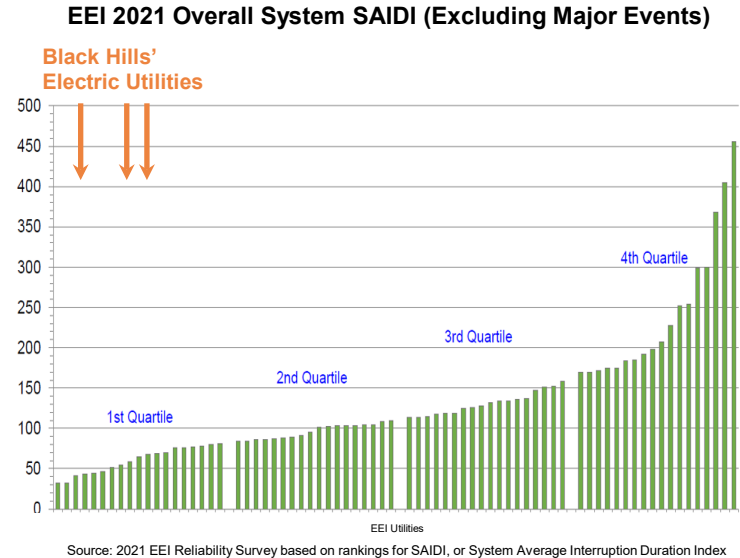
Black Hills' customer count growth rate nearly triple the national average over the last five years

Note: total population and customer count growth from year-end 2017 to year-end 2022 for Black Hills' utilities; U.S. and state population data from Bureau of Economic Analysis (bea.gov)

# Operational Excellence

- ✓ Top-quartile reliability for all three electric utilities
- ✓ Served ongoing demand growth in 2022
  - 11 new summer or winter electric demand peaks
  - 9 consecutive years of peaks at Wyoming Electric and 53% increase since 2013
  - Winter peaks at all three electric utilities in December
- ✓ Excellent team and system performance through Winter Storm Elliot and other weather challenges
- ✓ Improved customer experience

## »» Industry-Leading Reliability



# Strategic Overview



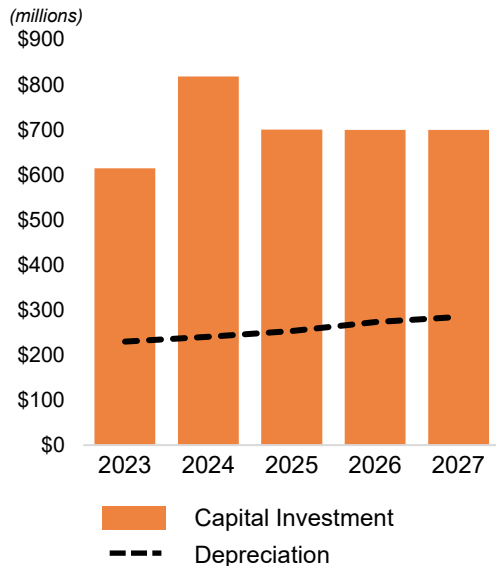


# Disciplined Growth Plan with Upside



## Capital Investment

**\$3.5 billion 2023-2027**



## Incremental Projects

**Infrastructure Development**

- ▲ Electric generation and transmission projects
- ▲ Large natural gas pipeline and storage projects
- ▲ Additional long-term investment programs
- ▲ Investments to comply with safety requirements



## Other Earnings Drivers

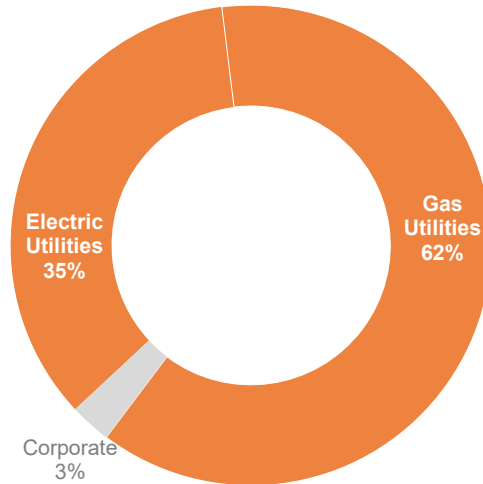
**Pursuing Profitable Growth**

- ▲ Data center, blockchain and technology growth
- ▲ Population migration into our territories
- ▲ Innovative solutions, products and technologies, including renewables
- ▲ Cost discipline and focus on continuous improvement

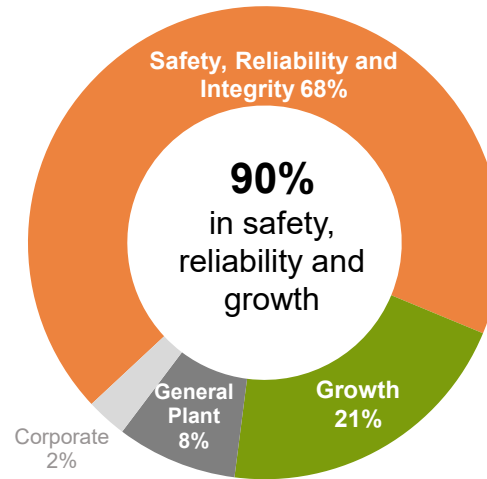
# Investing for Customer Needs Drives Growth

\$3.5 Billion Capital Investment Forecast (2023-2027)

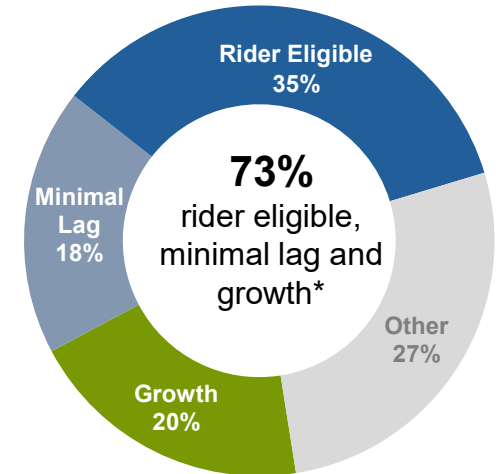
## Utility Investment



## Customer Focused



## Timely Recovery



\* Growth Capital – primarily generates immediate revenue on customer connections

Minimal Lag Capital – capital investment with regulatory lag of less than one year or incurred during expected regulatory test periods; includes nonregulated investment

Rider Eligible Capital – capital investment recovered through state specific tariffs and meets Minimal Lag Capital definition

Other Capital – capital investment recovered through standard rate review process; includes corporate

# Responsibly Reducing GHG Emissions

Achieved Greater than One-third Reduction Since 2005



ELECTRIC EMISSIONS

↓ **70%** by 2040<sup>1</sup>

- ✓ **33%+ by 2021**
- ✓ Retired 123.3 MW of coal generation
- ✓ Added 288.8 MW of owned renewable wind resources

**40% by 2030<sup>1</sup>**

- Convert 90 MW coal-fired power plant to dual fuel (natural gas and coal) at end of engineered life  
*(Neil Simpson II in 2025)*

- Add renewable and battery resources

**70% by 2040<sup>1</sup>**

- Convert or retire remaining coal-fired power plants at end of engineered lives<sup>3</sup>
- Add renewable and battery resources



NATURAL GAS EMISSIONS

↓ **Net Zero** by 2035<sup>2</sup>

- ✓ **33%+ by 2021**  
reduction across mains & service lines

**Net Zero by 2035**  
across entire gas distribution system<sup>2</sup>



- ✓ Replaced at-risk and aging pipeline materials across natural gas system since 2005

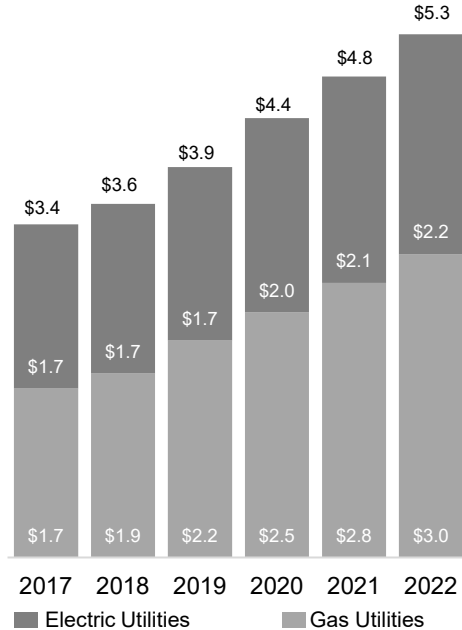
- Continue replacing at-risk and aging pipeline materials and cultivate ongoing best practices
- Integrate emission-reducing technologies and processes
- Pursue advanced leak detection systems
- Target best-in-class third-party line hits
- Integrate low carbon fuels such as renewable natural gas and hydrogen

See more information at: [www.blackhillsenergy.com/sustainability](http://www.blackhillsenergy.com/sustainability)

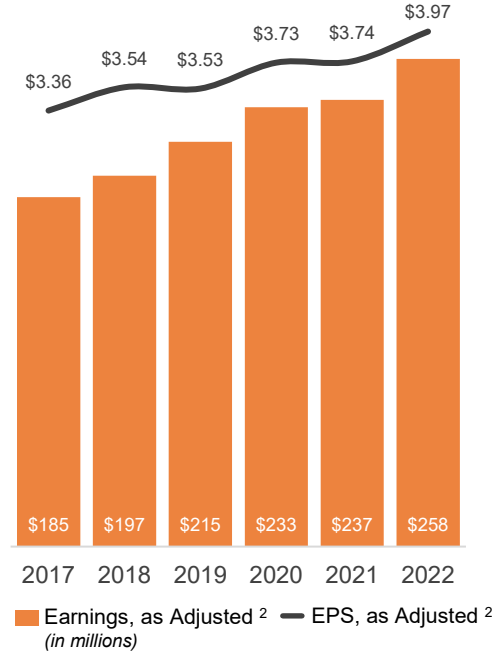
1 Electric goals are based on greenhouse gas emissions intensity as compared to 2005 levels for Scope 1 emission on our owned electric generation and Scope 3 emissions for purchased power.  
2 Net Zero goal based on Scope 1 emissions of gas distribution systems, including fugitive emissions from pipeline mains and service lines, meters, transfer stations, system damages and blow downs  
3 Anticipated retirement or re-powering of coal plants is subject to change based on costs and feasibility of other alternatives.

# Strategic Execution Delivers Results

## 9.4% Rate Base<sup>1</sup> CAGR



## 6.9% Earnings CAGR 3.4% EPS CAGR



## 52 Years of Consecutive Increase 5.9% Dividend CAGR



Invest for Customers

Earnings Growth

Dividend Growth

<sup>1</sup> Estimated in billions as of year end

<sup>2</sup> Earnings and EPS, as adjusted from continuing operations are non-GAAP measures; reconciled to GAAP on slides 61 and 62; earnings, as adjusted in millions



# Key Activities and Initiatives



# Rate Review Progress

- Filed natural gas rate reviews in Colorado and Wyoming in May
- Preparing to file an additional natural gas rate review later in 2023
- Settlement agreement filed for Rocky Mountain Natural Gas intrastate pipeline rate review

Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	Comments / Status
Wyoming Gas	May 18, 2023	\$19.3 million <sup>1</sup>	10.49% <sup>1</sup>	48% / 52% <sup>1</sup>	Requesting new rates by Q1 2024 and renewal of Wyoming Integrity Rider
Colorado Gas Docket 23AL-0231G	May 8, 2023	\$26.7 million <sup>1</sup>	10.49% <sup>1</sup>	49% / 51% <sup>1</sup>	Requesting new rates by Q1 2024
Rocky Mountain Natural Gas Docket 22AL-0426G	Oct. 7, 2022	\$8.2 million <sup>2</sup>	Range of 9.5% to 9.7% <sup>2</sup>	Range of 48% to 50% / 50% to 52% <sup>2</sup>	Settlement filed; awaiting decision by administrative law judge for new rates by Q3 2023
✓ Wyoming Electric Docket 20003-214-ER-22	June 1, 2022	\$8.7 million	9.75%	48% / 52%	Approved - new rates effective March 1, 2023; new transmission investment and expense rider

<sup>1</sup> As requested in filing; excludes ongoing rider recovery requested to be included in base rates

<sup>2</sup> Per settlement agreement; awaiting a decision by an administrative law judge

# Advancing Electric Resource Plans

Total of  
520 MW  
by 2030

## Colorado Clean Energy Plan

80% by 2030 plan achieves state's legislation goal <sup>1,2</sup>

- Opted in to 80% by 2030 legislation
- **Received approval of unanimous settlement agreement in Q1 2023**
- **Issue “all source” RFP mid-year 2023**
- Settlement and Colorado legislation allows 50% Black Hills ownership of new resources

200-250 MW  
solar <sup>2</sup>

100 MW  
wind <sup>2</sup>

50 MW battery  
storage <sup>2</sup>

**400 MW of clean energy resources in 2026 to 2029 <sup>2</sup>**



## South Dakota and Wyoming Integrated Resource Plan

- Filed integrated resource plan June 30, 2021, for jointly operated electric system
- IRP formally accepted by Wyoming Public Service Commission
- **Issued RFP March 28, 2023, for 100 MW of utility-owned renewable generation in South Dakota**

- 100 MW of renewable generation by mid-year 2026 <sup>3</sup>
- Evaluate 20 MW of battery storage (10 MW South Dakota; 10 MW Wyoming) <sup>3</sup>
- Convert 90 MW coal-fired power plant to dual fuel (natural gas and coal) by 2025
- Evaluate and develop transmission opportunities (Ready Wyoming by 2025)
- Support research for emissions-reduction technologies

**120 MW of clean energy resources by mid-2026 <sup>3</sup>**

- Enhanced transmission and backup generation resiliency and optionality

<sup>1</sup> Emissions reduction target for Colorado Electric from a 2005 baseline

<sup>2</sup> Based on settlement agreement for plan as submitted to Colorado Public Utilities Commission

<sup>3</sup> Preferred plan submitted in South Dakota and Wyoming

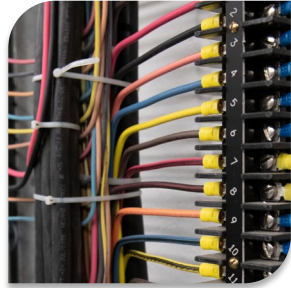
Note: Potential investments from resource plans are not included in current capital forecast

# Customer-focused Growth Initiatives



## Transmission and Storage

- Ready Wyoming electric transmission project approved; constructing 260-mile project in 2023-2025
- Evaluating other electric transmission and natural gas pipeline and storage opportunities



## Data Centers

- Attractive data center service territory in Cheyenne, Wyoming
- Supporting long-term expansion plans by existing and new data center customers



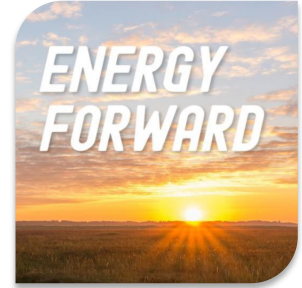
## Blockchain

- First large crypto-mining customer in service in Cheyenne, Wyoming
- Evaluating future potential; scalable tariff in place



## Renewable Natural Gas

- 6 interconnects in service; 4 new projects to be in service 2023-2024
- Pursuing other RNG opportunities across agricultural-rich territories



## Moving Energy Forward

- Advancing culture of innovation and cross-functional, customer-focused collaboration
- Achieving quick wins for more effective and efficient processes
- Identifying and developing big-picture solutions



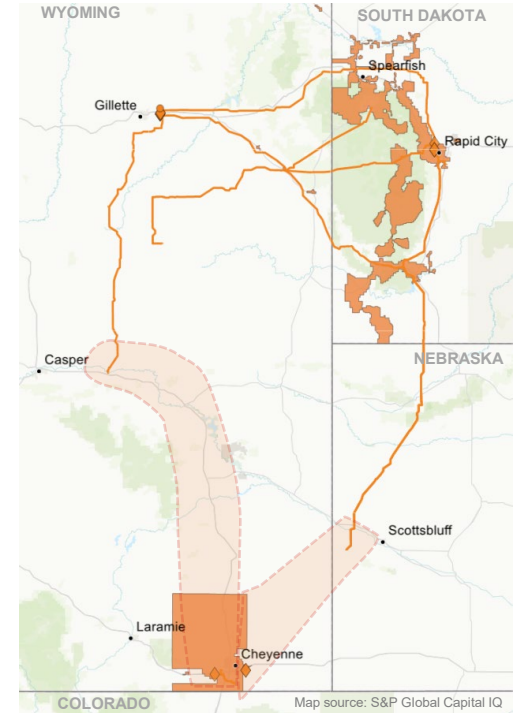
# Ready Wyoming Electric Transmission Initiative

## 260-mile Project to Further Interconnect and Expand Wyoming Electric System

- Maintain long-term cost stability for customers
- Enhance system resiliency to withstand stress events
- Expand access to power markets and provide flexibility as power markets develop in Western states
- Attract and enable customer solutions such as serving data centers, blockchain customers and economic growth in Wyoming
- Expand access to renewable resources and facilitate additional renewable development across wind- and sun-rich resource area with strong natural gas optionality to back up renewables

## CPCN Approved and Preparing for Construction in 2023-2025

- On Oct. 11, received bench approval from Wyoming commission; final written order received April 25, 2023
- Construction expected to commence in 2023 in multiple phases, or segments, through 2025; project included in capital forecast



- Black Hills' SD/WY and Cheyenne electric system and service area
- - - Proposed transmission line route

# Energy Forward

Forward-looking initiative with defined team identifying process opportunities and solutions to benefit all stakeholders



Business process transformation



Leveraging innovation, digital technologies and other solutions to better serve customers



Improving our effectiveness and reducing operational risk

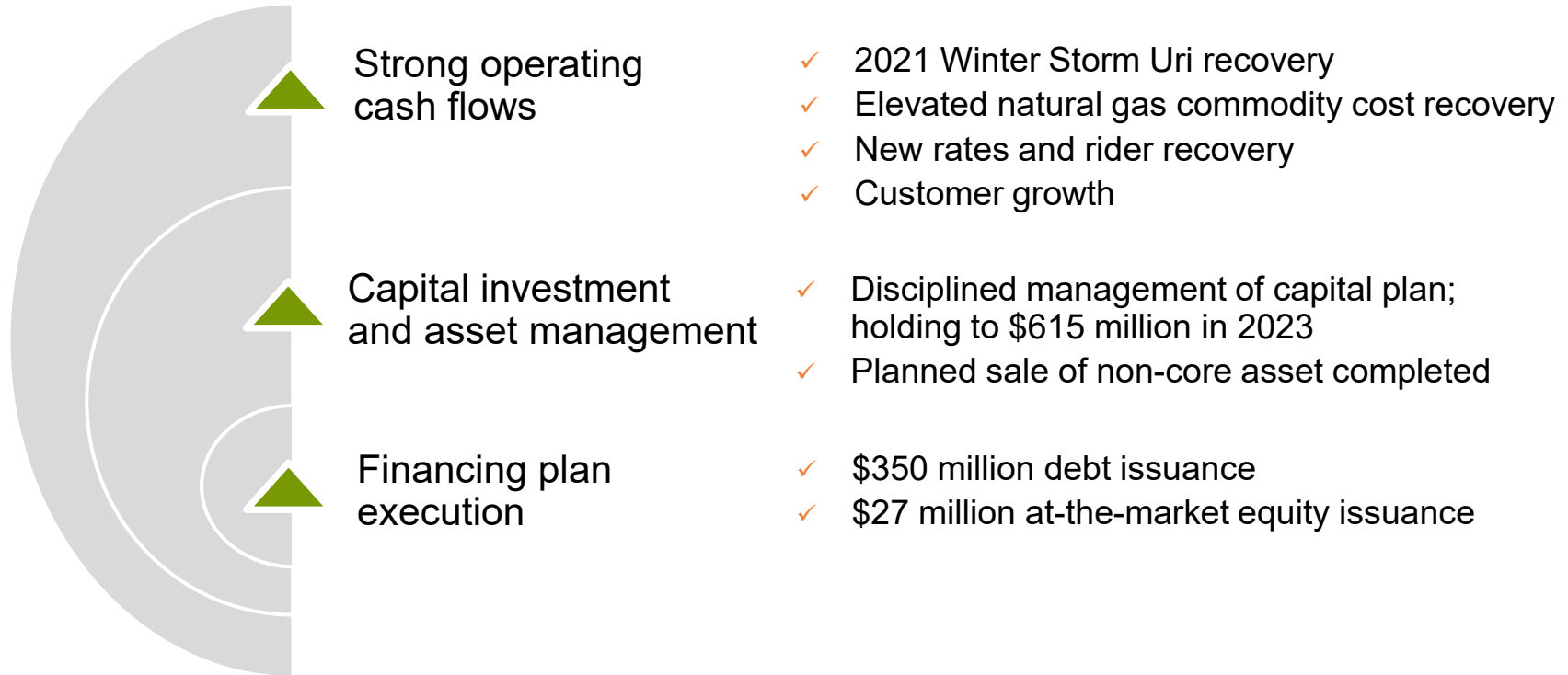
# ENERGY FORWARD

# Financial Overview



# Strengthening Balance Sheet and Liquidity

## Q1 Cash Flows Utilized to Fully Repay Commercial Paper Borrowings





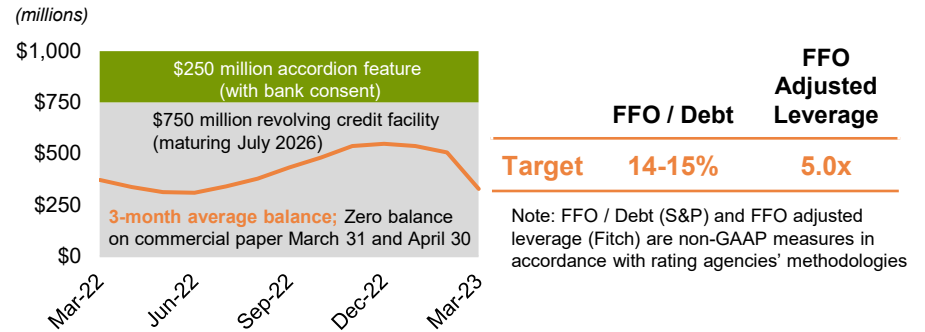
# Solid Financial Position

Committed to BBB+ Equivalent Credit Ratings

## Credit Ratings

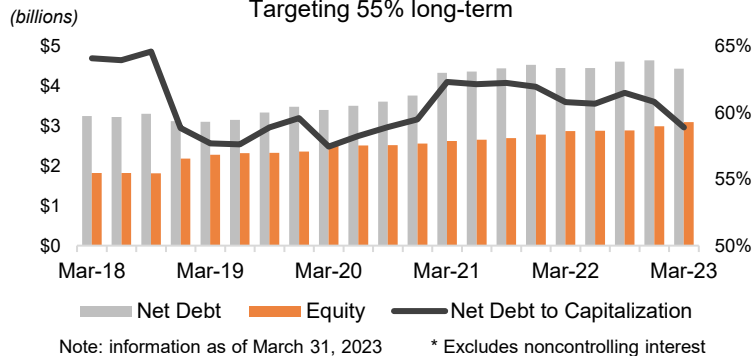
S&P	Moody's	Fitch
<b>BBB+</b>	<b>Baa2</b>	<b>BBB+</b>
Stable outlook	Stable outlook	Stable outlook
(Feb. 17, 2023)	(Dec. 20, 2022)	(Oct. 6, 2022)

## Liquidity and Cash Flow

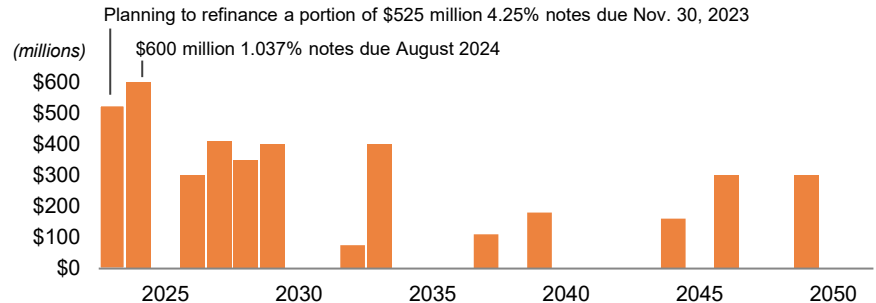


## Capital Structure\*

Targeting 55% long-term

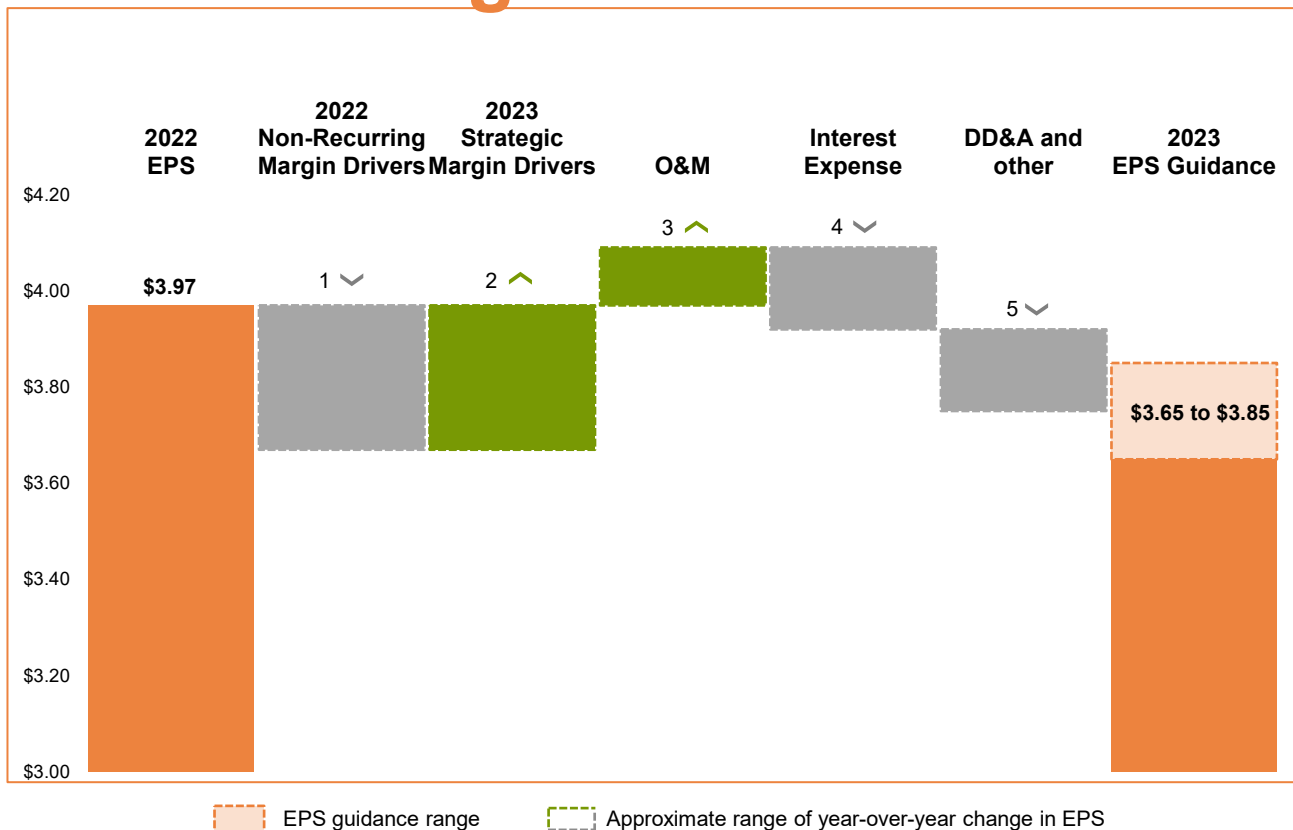


## Debt Maturities





# 2023 Earnings Guidance Drivers



- 1) ▼ Non-recurring benefits (Weather and Uri carrying cost true-up)
- 2) ▲ New investment recovery  
▲ Customer Growth
- 3) ▲ O&M management and non-recurring 2022 expenses
- 4) ▲ Higher deferred cost recovery to repay short-term debt  
▼ Higher short-term debt balances driven by elevated deferred costs  
▼ Higher interest rates  
▼ Long-term debt issuances
- 5) ▼ Higher depreciation on larger asset base  
▼ Equity issuance

Note: EPS guidance bridge and ranges represents only expected primary drivers of year-over-year changes. This EPS bridge, interest expense and O&M ranges are being provided due to current volatility in inflation and rising interest rate environments and is not an expected ongoing practice.

# 2023 Earnings Guidance Assumptions

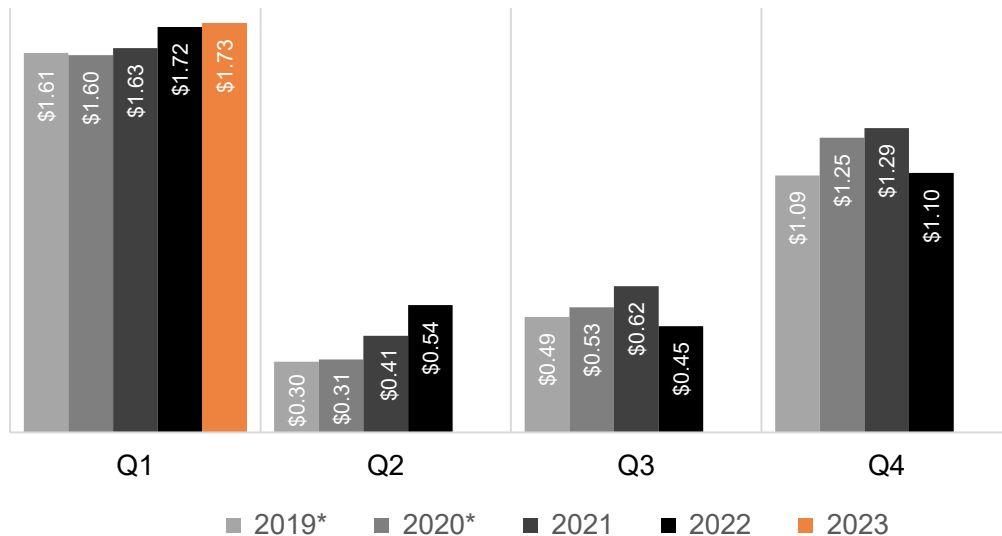
Black Hills reaffirmed its guidance for 2023 EPS available for common stock to be in the range of \$3.65 to \$3.85 based on the following updated assumptions:

- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects
- Constructive and timely outcomes of utility regulatory dockets
- No significant unplanned outages at any of our generating facilities
- Production tax credits of approximately \$20 million associated with wind generation assets
- Capital investment of approximately \$615 million
- Equity issuance of approximately \$140 million to \$160 million through the at-the-market equity offering program
- Total interest expense of \$180 million to \$185 million, including debt refinancing activity \*
- Total operating expense of \$600 million to \$610 million excluding fuel, purchased power, cost of natural gas sold, depreciation, depletion and amortization \*

\* Guidance assumptions for interest expense and O&M are being provided for 2023 only due to ongoing volatility in inflation and rising interest rate environments.

# Normalized EPS Seasonality

## EPS, as Adjusted, Normalized for Impacts of Weather, Mark-to-Market and Winter Storm Uri \*



- Q1 and Q4 seasonality driven by peak heating demand at gas utilities
- Q2 and Q3 driven by peak cooling demand, off-system energy sales opportunities and agricultural irrigation for gas utilities

\* Earnings per share, as adjusted is a non-GAAP measure and is reconciled to GAAP in the appendix; normalized total excludes weather impact versus normal, Mark-to-Market impacts on energy contracts and one-time Winter Storm Uri impacts

### EPS, as adjusted\*

	Q1	Q2	Q3	Q4	FY / YTD
2019*	\$1.73	\$0.24	\$0.44	\$1.13	\$3.53
2020*	\$1.59	\$0.33	\$0.58	\$1.23	\$3.73
2021	\$1.54	\$0.40	\$0.70	\$1.11	\$3.74
2022	\$1.82	\$0.52	\$0.54	\$1.11	\$3.97
2023	\$1.73				\$1.73

### Weather impact versus normal

	Q1	Q2	Q3	Q4	FY / YTD
2019*	\$0.12	(\$0.04)	(\$0.05)	\$0.04	\$0.06
2020*	(\$0.04)	\$0.02	\$0.05	(\$0.01)	\$0.03
2021	\$0.07	\$0.01	—	(\$0.16)	(\$0.07)
2022	\$0.06	\$0.01	\$0.07	\$0.05	\$0.19
2023	\$0.03				

### Mark-to-Market energy contract impact

	Q1	Q2	Q3	Q4	FY / YTD
2019*	—	(\$0.02)	—	—	(\$0.02)
2020*	\$0.03	—	—	(\$0.01)	\$0.02
2021	(\$0.01)	(\$0.02)	\$0.08	(\$0.02)	\$0.03
2022	\$0.04	(\$0.03)	\$0.02	(\$0.04)	(\$0.01)
2023	(\$0.04)				

### Winter Storm Uri one-time impacts

	Q1	Q2	Q3	Q4	FY / YTD
2021	(\$0.15)	—	—	—	(\$0.15)
2022	—	\$0.12	—	—	\$0.12

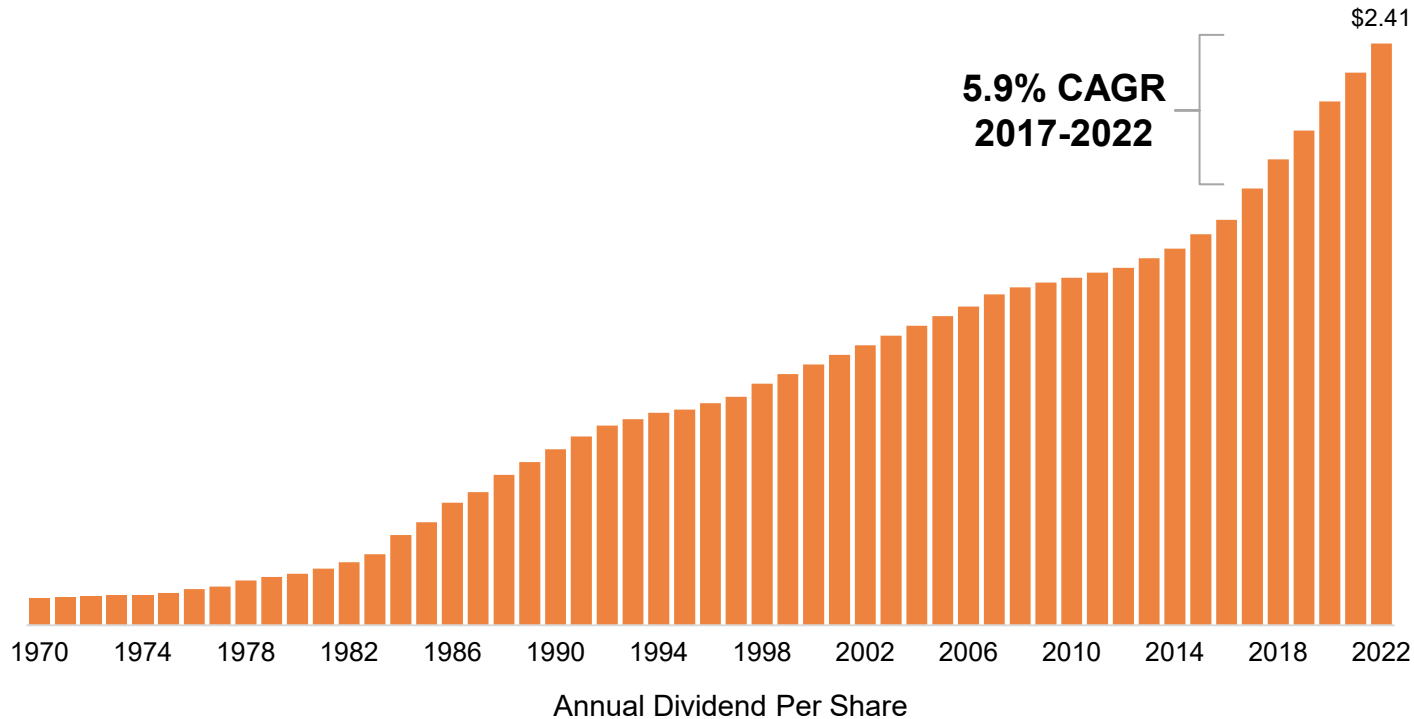
### Weather, MTM and Uri normalized EPS, as adjusted\*

	Q1	Q2	Q3	Q4	FY / YTD
2019*	\$1.61	\$0.30	\$0.49	\$1.09	\$3.49
2020*	\$1.60	\$0.31	\$0.53	\$1.25	\$3.68
2021	\$1.63	\$0.41	\$0.62	\$1.29	\$3.93
2022	\$1.72	\$0.54	\$0.45	\$1.10	\$3.67
2023	\$1.73				\$1.73

(differences in totals due to rounding)

# Dividend Track Record

52 Consecutive Years of Annual Increases and 80 Consecutive Years Paid



55%-65% long-term payout target

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Dividend growth rate in line with EPS\*

\* Future dividends subject to board approval

# Investment Highlights by the Numbers

## Pure-Play Utility

99% 

Assets owned or contracted to our regulated utilities

47%  53%  
Electric Utilities Gas Utilities

Balanced operating income mix with complementary seasonality

## Strong Outlook

4% to 6%

Long-term EPS growth target off 2023 base



55%-65%

Dividend payout with long-term growth rate in line with EPS <sup>1</sup>  
3.9% yield as of May 18, 2023  
52 consecutive years of increase

## Sustainability

1.39 TCIR <sup>2</sup> 

Safety-focused culture

70% Net Zero

Electric Natural Gas Utilities

GHG emissions intensity reduction goals <sup>3</sup>

9 of 10 

Independent directors and 4 diverse directors

Note: based on information as of Dec. 31, 2022

<sup>1</sup> Future dividends subject to board approval

<sup>2</sup> Total case incident rate is defined as the average number of work-related injuries incurred per 200,000 hours worked during a one-year period

<sup>3</sup> Reduction goal of 70% by 2040 for electric operations from 2005 baseline



# Questions



# Appendix



1. Regulatory
2. Capital Investment
3. Environment, Social and Governance
4. Business Overview
5. Other Financial Information, Non-GAAP information and reconciliations
6. Values & Mission



# Regulatory

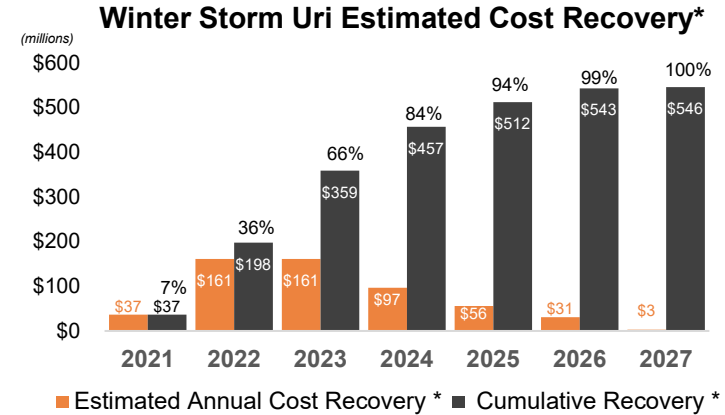


# Winter Storm Uri Recovery Approved and Progressing

54% Recovered through Q1 2023

(\$ in millions)

Jurisdiction	Recovery Amount *	Recovery Period	Recovery Completion
Arkansas Gas	\$137.5	5 years	Q2 2026
Colorado Electric	\$ 23.2	2 years	Q2 2024
Colorado Gas	\$ 72.7	1-3 years	Q2 2025
Iowa Gas	\$ 95.5	2 years	✓ Complete
Kansas Gas	\$ 87.9	5 years	Q1 2027
Nebraska Gas	\$ 79.8	3 years	Q2 2024
South Dakota Electric	\$ 20.1	1 year	✓ Complete
Wyoming Electric	Completed through normal recovery process		
Wyoming Gas	\$ 29.4	3 years	Q3 2024
<b>Total</b>	<b>\$ 546</b>		



	Cost Recovery *	Cumulative Recovery *	Cumulative Recovery (%) *
2021	\$37	\$37	7%
2022	\$161	\$198	36%
<b>Q1 2023</b>	<b>\$94</b>	<b>\$292</b>	<b>54%</b>
2023	\$161	\$359	66%
2024	\$97	\$457	84%
2025	\$56	\$512	94%
2026	\$31	\$543	99%
2027	\$3	\$546	100%

\* Estimated recovery amounts excluding carrying costs; actual recovery is subject to variation from volumetric nature of recovery

# Estimated Rate Base by State and Segment

	2016	2017	2018	2019	2020	2021	2022
Colorado							\$697
South Dakota (all jurisdictions)							1,012
Wyoming							503
<b>Total Electric Utilities</b>	<b>\$1,570</b>	<b>\$1,650</b>	<b>\$1,706</b>	<b>\$1,747</b>	<b>\$1,954</b>	<b>\$2,077</b>	<b>\$2,212</b>
Arkansas							732
Colorado							577
Iowa							340
Kansas							264
Nebraska							713
Wyoming							423
<b>Total Gas Utilities</b>	<b>\$1,620</b>	<b>\$1,700</b>	<b>\$1,851</b>	<b>\$2,180</b>	<b>\$2,464</b>	<b>\$2,760</b>	<b>\$3,049</b>
<b>Total Utilities</b>	<b>\$3,190</b>	<b>\$3,350</b>	<b>\$3,557</b>	<b>\$3,927</b>	<b>\$4,418</b>	<b>\$4,837</b>	<b>\$5,261</b>

Note: estimated rate base at year-end calculated using state specific requirements and includes value of rate base recovered through riders



# Last Approved Utility Rate Review Results by Jurisdiction

Jurisdiction	Utility	Effective Date	Authorized Return on Equity	Authorized Capital Structure	Authorized Rate Base (in millions)
Arkansas	Arkansas Gas	Oct. 2022	9.60%	55% debt / 45% equity	\$674.6
Colorado	Colorado Electric	Jan. 2017	9.37%	47.61% debt / 52.39% equity	\$597.5
Colorado	Colorado Gas	Jan. 2022	9.20%	49.74% debt / 50.26% equity	\$303.2
Colorado	RMNG	June 2018	9.90%	53.4% debt / 46.6% equity	\$118.7
Iowa	Iowa Gas	Jan. 2022	9.60%	50.0% debt / 50.0% equity	\$300.9
Kansas	Kansas Gas	Jan. 2022	Global Settlement	Global Settlement	Global Settlement
Nebraska	Nebraska Gas	March 2021	9.50%	50% debt / 50% equity	\$504.2 *
South Dakota	South Dakota Electric	Oct. 2014	Global Settlement	Global Settlement	\$543.9
Wyoming	South Dakota Electric	Oct. 2014	9.90%	46.68% debt / 53.32% equity	\$46.8
Wyoming	Wyoming Electric	March 2023	9.75%	48% debt / 52% equity	\$506.4
Wyoming	Wyoming Gas	March 2020	9.40%	49.77% debt / 50.23% equity	\$354.4

Note: Information from last approved rate review in each jurisdiction

\* Excludes amounts to serve non-jurisdictional and agriculture customers

# Optimizing Regulatory Recovery

<b>Electric Utilities</b>	<b>Environmental Cost</b>	<b>DSM/ Energy Efficiency</b>	<b>Transmission Expense</b>	<b>Fuel Cost</b>	<b>Transmission Cap-Ex</b>	<b>Purchased Power</b>	<b>Renewable Energy Standard Adjustment</b>
Colorado Electric		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
South Dakota Electric (SD)	<input checked="" type="checkbox"/> <sup>1</sup>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <sup>1</sup>	<input checked="" type="checkbox"/>	
South Dakota Electric (WY)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
South Dakota Electric (FERC)					<input checked="" type="checkbox"/>		
Wyoming Electric		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

<b>Gas Utilities</b>	<b>DSM/ Energy Efficiency</b>	<b>Integrity Additions</b>	<b>Bad Debt</b>	<b>Weather Normal</b>	<b>Pension Recovery</b>	<b>Gas Cost</b>	<b>Revenue Decoupling</b>	<b>Fixed Cost Recovery <sup>2</sup></b>
Arkansas Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	28%
Colorado Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		52%
Rocky Mountain Natural Gas <sup>3</sup>		<input checked="" type="checkbox"/>						
Iowa Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		67%
Kansas Gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		62%
Nebraska Gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		70%
Wyoming Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		53%

Commission approved cost adjustment

<sup>1</sup> South Dakota cost adjustments for environmental and transmission capex included in rate moratorium; applies only to non-FERC jurisdictional assets

<sup>2</sup> Fixed cost recovery listed for residential customers is as of last rate review

<sup>3</sup> RMNG, an intrastate transmission pipeline, provides natural gas transmission and wholesale services, has an SSIR recovery mechanism; other cost recovery mechanisms are not applicable to RMNG

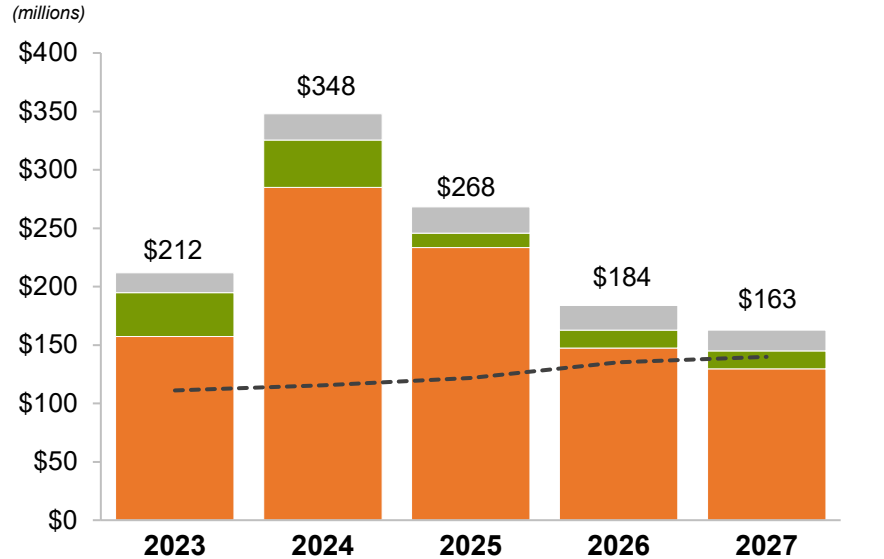
# Capital Investment for Customer Needs



# Electric Utilities Capital Investment

Five-year Forecast of \$1.2 Billion Focused on Safety, System Integrity and Growth

### Forecasted Capital Investment By Type

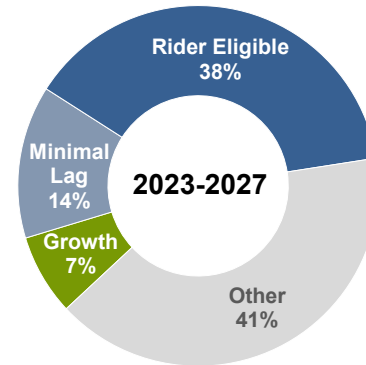


Includes Ready Wyoming Electric transmission project in 2023-2025

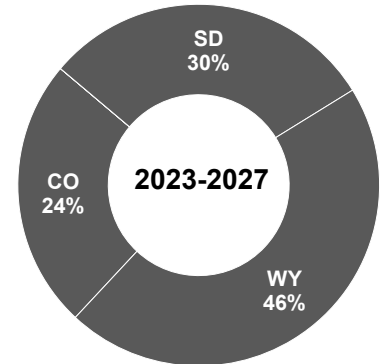
Does not include potential investments from SD/WY and CO resource plans

- Safety, Reliability and Integrity
- Growth
- General Plant
- Depreciation

### 59% with Timely Recovery\*



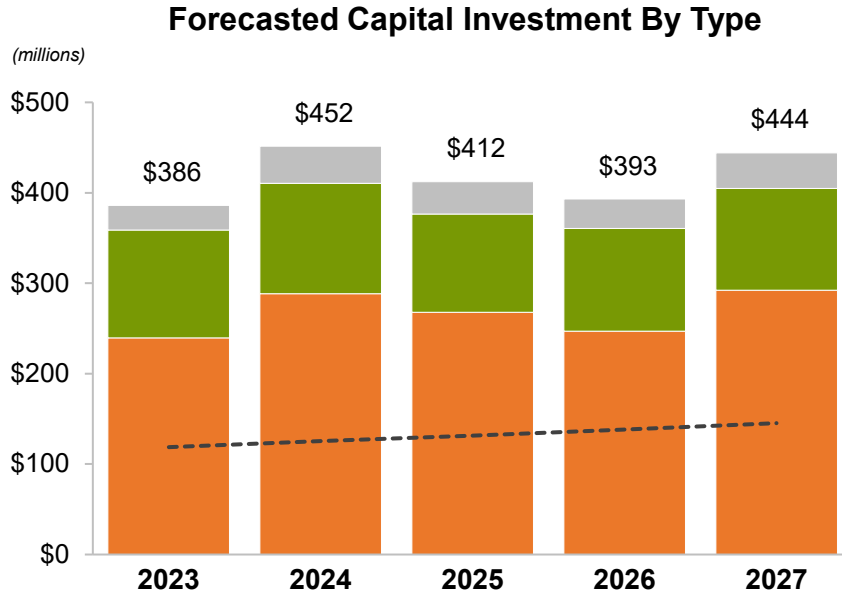
### Forecasted Capital by State



\* Growth Capital - generates immediate revenue upon customer connections  
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods  
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets Minimal Lag Capital definition

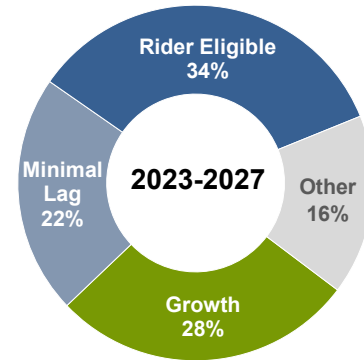
# Natural Gas Utilities Capital Investment

Five-year Forecast of \$2.1 Billion Focused on Safety, System Integrity and Growth

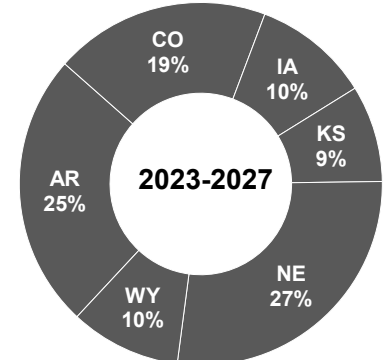


■ Safety, Reliability and Integrity     ■ Growth  
■ General Plant     - - - Depreciation

**84% with Timely Recovery\***



**Forecasted Capital by State**



\* Growth Capital - generates immediate revenue upon customer connections  
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods  
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs and meets Minimal Lag Capital definition



# Capital Investment by Segment and Recovery

(in millions)

	2022A	2023F	2024F	2025F	2026F	2027F	2023-2027F
Minimal Lag Capital - Electric Utilities <sup>1</sup>	\$17	\$6	\$47	\$64	\$28	\$18	\$161
Rider Eligible Capital - Electric Utilities <sup>2</sup>	89	88	180	127	30	27	452
Growth Capital - Electric Utilities <sup>3</sup>	22	18	19	15	16	17	85
Other	115	100	102	62	110	101	476
<b>Electric Utilities</b>	<b>\$243</b>	<b>\$212</b>	<b>\$348</b>	<b>\$268</b>	<b>\$184</b>	<b>\$163</b>	<b>\$1,175</b>
Minimal Lag Capital - Gas Utilities <sup>1</sup>	51	60	130	141	84	40	455
Rider Eligible Capital - Gas Utilities <sup>2</sup>	140	141	150	139	133	152	714
Growth Capital - Gas Utilities <sup>3</sup>	85	119	122	109	114	113	576
Other	73	66	50	24	63	140	342
<b>Gas Utilities</b>	<b>\$349</b>	<b>\$386</b>	<b>\$452</b>	<b>\$412</b>	<b>\$393</b>	<b>\$444</b>	<b>\$2,088</b>
<b>Total Utilities</b>	<b>\$592</b>	<b>\$598</b>	<b>\$800</b>	<b>\$680</b>	<b>\$577</b>	<b>\$607</b>	<b>\$3,263</b>
Corporate	5	17	19	20	19	18	93
Incremental Projects				0	~104	~75	~179
<b>Total Black Hills Forecast</b>	<b>\$598</b>	<b>\$615</b>	<b>\$819</b>	<b>\$700</b>	<b>\$700</b>	<b>\$700</b>	<b>\$3,535</b>

Incremental projects being evaluated for timing, cost and other factors

<sup>1</sup> Minimal Lag Capital - investment with regulatory lag of less than one year or incurred during expected regulatory test periods

<sup>2</sup> Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets minimal lag capital definition

<sup>3</sup> Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

# Regulated Utility Capital Investment by Type

(in millions)

	2022A	2023F	2024F	2025F	2026F	2027F	2023-2027F
Safety, Reliability and Integrity <sup>1</sup>	\$185	\$157	\$285	\$234	\$148	\$130	\$954
Growth <sup>2</sup>	41	38	41	12	15	15	121
General Plant	18	17	22	22	21	18	101
<b>Electric Utilities</b>	<b>\$243</b>	<b>\$212</b>	<b>\$348</b>	<b>\$268</b>	<b>\$184</b>	<b>\$163</b>	<b>\$1,175</b>
Safety, Reliability and Integrity <sup>1</sup>	237	240	289	268	247	292	1,335
Growth <sup>2</sup>	85	119	122	109	114	113	576
General Plant	27	27	41	36	33	40	176
<b>Gas Utilities</b>	<b>349</b>	<b>386</b>	<b>452</b>	<b>412</b>	<b>393</b>	<b>444</b>	<b>\$2,088</b>
<b>Total Utilities</b>	<b>\$592</b>	<b>\$598</b>	<b>\$800</b>	<b>\$680</b>	<b>\$577</b>	<b>\$607</b>	<b>\$3,263</b>

Incremental projects being evaluated for timing, cost and other factors

<sup>1</sup> Safety, Reliability and Integrity Capital - capital expenditures related to improving or maintaining system integrity

<sup>2</sup> Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

# Environmental, Social and Governance



Our Southern Colorado energy system – including Busch Ranch shown here – is one of the cleanest in the nation, fueled entirely by natural gas and renewable energy.

# Sustainable ESG Profile

Publishing Updated Sustainability Report Mid-Year 2023

## Environmental



- Net Zero GHG emissions target by 2035 for natural gas distribution system
- Reducing GHG emissions intensity 40% by 2030 and 70% by 2040 for electric utilities (2005 baseline)
- Decarbonization investment opportunities from renewables, infrastructure upgrades and emerging technology
- Robust customer programs, including voluntary RNG/carbon offset and energy efficiency

## Social



- Safety culture
- Supporting community development
- Donations and volunteerism
- Diversity and inclusion programs, including commitment to multiple EEI diversity goals
- Highly engaged team
- Energy Forward initiative

## Governance



- Independent, diverse and experienced directors
- Stock ownership requirement and compensation philosophy
- Well-established succession planning process with Board engagement
- ESG board oversight

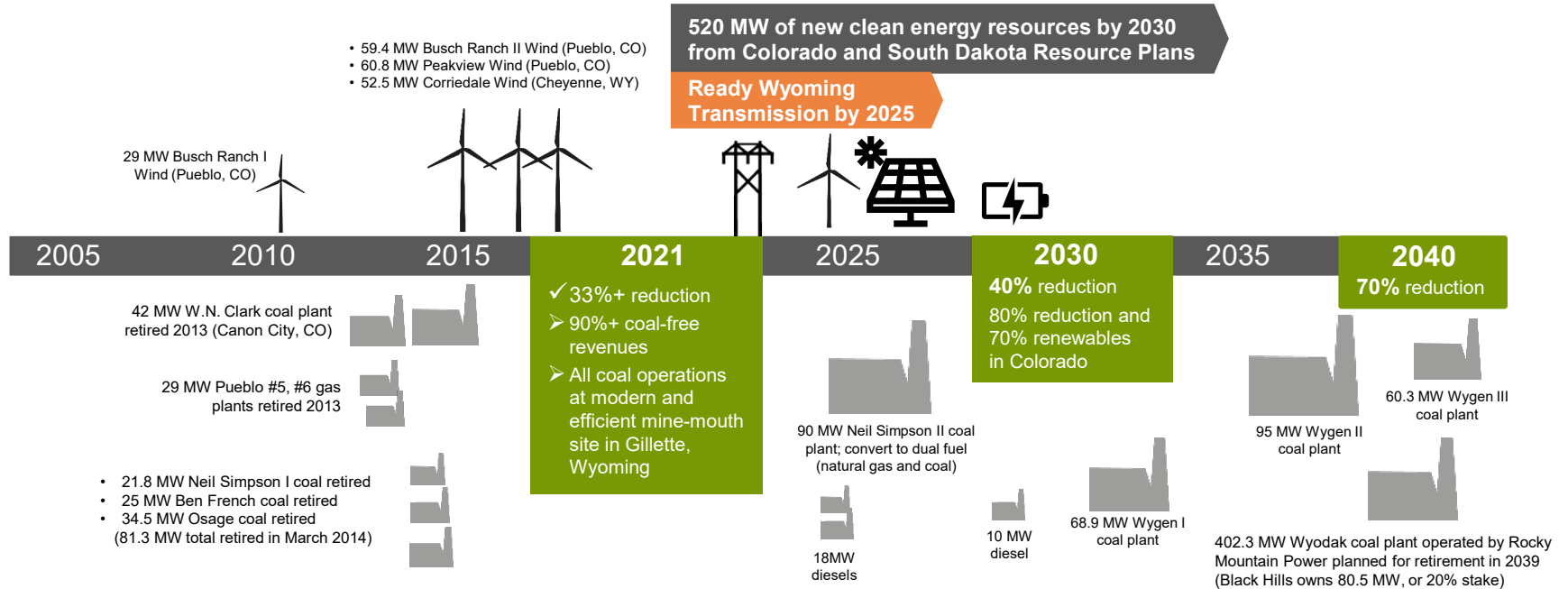
# Responsibly Reducing Electric Emissions

Responsibly integrate renewables and battery storage

Convert coal-fired power plants to dual fuel at end of engineered lives

Evaluate transmission opportunities

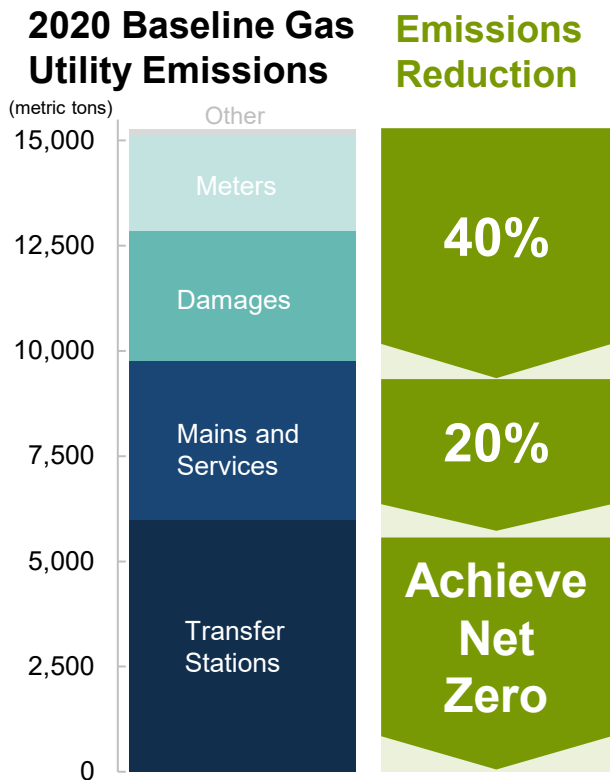
Support emissions reduction innovation



Note: Electric goals are based on greenhouse gas emissions intensity as compared to 2005 levels for Scope 1 emission on our owned electric generation and Scope 3 emissions for purchased power. Anticipated retirement or re-powering of coal plants is subject to change based on costs and feasibility of other alternatives.

# Net Zero by 2035 for Natural Gas Utilities

Enhancing Resiliency, Detecting and Reducing Leaks, Integrating Renewables



## Continue Best Practices

- Replace unprotected steel with lower emitting materials
- Tighten transfer station systems and increase leak survey frequency
- Reduce third-party line hits

## Deep System Reductions

- Pursue advanced leak detection systems
- Target “Best-in-Class” for reducing third-party damage line hits

## Net Zero Strategies

- Utilize carbon offset credits
- Integrate low carbon fuels such as renewable natural gas and hydrogen



Since 2020, Black Hills has participated in the Methane Challenge and is an active member of the ONE Future coalition to voluntarily reduce methane emissions across the natural gas value chain

Note: Net Zero goal based on Scope 1 emissions of gas distribution systems, including fugitive emissions from pipeline mains and service lines, meters, transfer stations, system damages and blow downs



# Renewable Natural Gas

## Developing Innovative Solutions to Integrate Renewable Resources

- Non-regulated RNG business launched in 2022 to leverage our team's experience and drive new growth opportunities in RNG infrastructure investment
- Six interconnect utility projects in service, delivering up to 3,300 MMBtu per day into our natural gas supply; expect three more interconnect projects in service in 2023 and one in 2024
- Evaluating more than 60 potential project opportunities across service territories rich with agriculture and livestock
- Evaluating other potential regulated and non-regulated RNG investments, programs and/or partnerships
- Voluntary RNG and carbon offset customer program approved in Kansas and Nebraska

[See more at www.blackhillsenergy.com/RNG](http://www.blackhillsenergy.com/RNG)



*Wastewater renewable natural gas production facilities in Lincoln, Nebraska enabled by interconnection to Black Hills' natural gas system*

# Supporting Emissions-Reduction Technologies



## Hydrogen Research

### Evaluating feasibility of hydrogen use and production via natural gas generation plants

- In September 2022, joined Open Hydrogen Initiative (OHI) to objectively measure carbon intensity of hydrogen production and advance hydrogen market transparency
- Supporting Hydrogen pilot project: study engineering modifications required for General Electric LM6000 combustion turbine generator to accommodate a blended fuel mix of hydrogen and pipeline natural gas.
  - Partnering with GE, Black & Veatch, and Tallgrass Energy; Wyoming Energy Authority awarded the project to Black Hills' natural gas generation



## Carbon Capture Research

### Evaluating carbon capture, utilization and storage (CCUS) to comply with Wyoming legislation

- Filing annual reports with Wyoming PSC in 2022 through 2024 to demonstrate how we will comply with HB200, which requires evaluation of CCUS options
- Engaging third party (Black and Veatch) to study CCUS in coal plants located in Gillette, Wyoming



## Clean Energy Ventures Investment

### New Venture Capital Fund to support ESG efforts in natural gas utilities

- Fund will concentrate on sustainability, reliability, and resilience imperatives for natural gas utility sector
- Focus on early-stage ESG investments in decarbonization, renewable natural gas, hydrogen and other clean energy solutions.



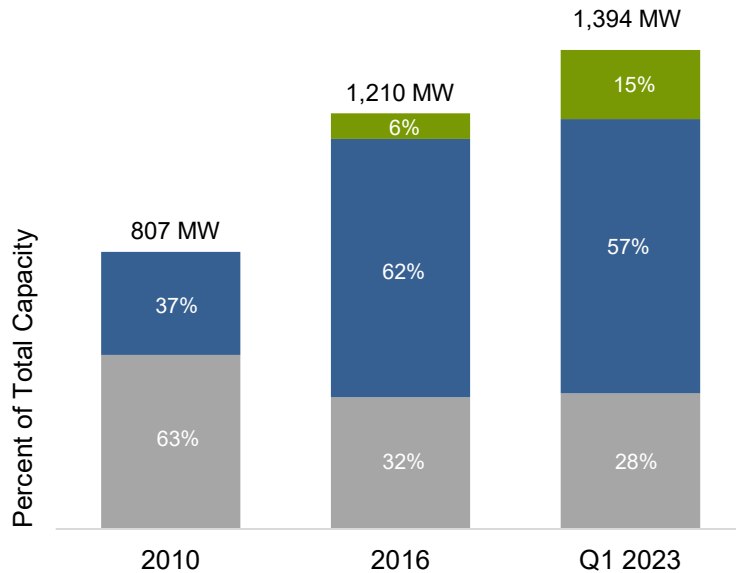
## Battery Research Collaboration

### Planning to join NSF IUCRC Center for Solid-State Energy Storage consortium

- Collaboration between several universities, National Science Foundation and industry to develop solid-state battery technologies

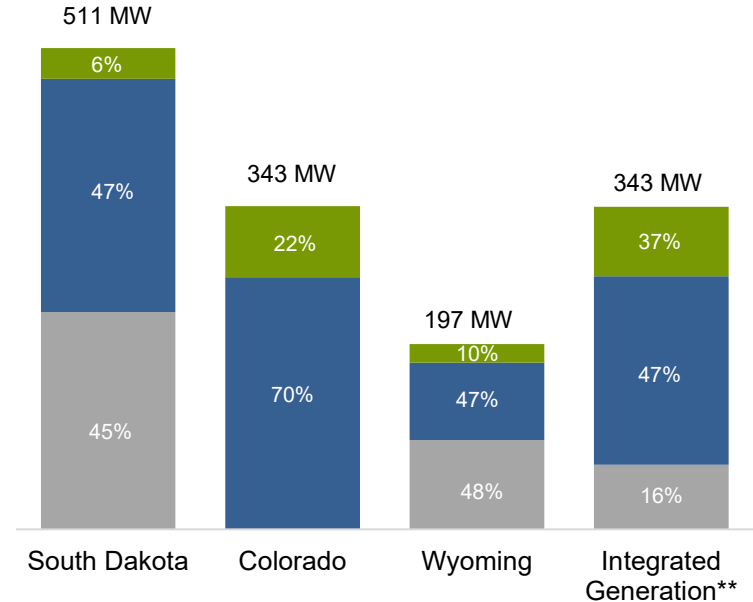
# Responsibly Integrating Renewable Energy

## Owned Electric Generation Capacity \*



## Capacity Mix by Location \*

(March 31, 2023)



■ Natural Gas and Diesel Oil   ■ Wind   ■ Coal

\* Ownership includes 49.9 percent ownership in a Colorado subsidiary by a third party representing approximately 100 megawatts; excludes power purchase agreements from third parties

\*\* Integrated generation includes generation assets in Gillette, Wyoming (68.9 MW) and Pueblo, Colorado (274 MW)

# Inflation Reduction Act Benefits to Black Hills

Increased Cashflow and Earnings Opportunities with Lower Customer Costs



## Transferability of Tax Credits

Near-term monetization of production tax credits for existing wind facilities

Enables more competitive bids to drive generation ownership and associated earnings growth



## Clean Energy Tax Incentives

Reduces cost of energy transition for customers

Supports resource plans for new clean energy additions, including storage

Supports integration of alternative fuels such as RNG and hydrogen



## Alternative Minimum Tax

No impact; well below \$1 billion income threshold

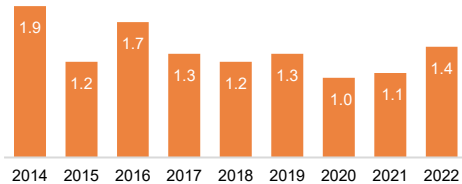
# Social Responsibility

## Safety Focus

### Proactive Team and Culture

- TCIR better than industry average and 27% improved since 2014

### ! Total Case Incident Rate\*



- 27% reduction in preventable motor vehicle accidents in 2022 versus 2021
- OSHA VPP Star Status at Cheyenne Prairie Generating Station and Pueblo Airport Generating Station
- Strong safety culture including trainings and stop work authority
- Crisis response full-scale mock drills and response plans

\* TCIR is defined as the average number of work-related injuries incurred per 200,000 hours worked during a one-year period (represents approximately 100 workers)

\*\* 2022 estimated direct economic impact includes franchise fees, wages and benefits, property and other taxes, payments to suppliers, and other community impact

## Great Workplace

### Engaged and Inclusive

- Achievers 50 Most Engaged Workplaces (2019-2023)
- InHersight's 20 Best Utility Companies to Work For (2019, 2021)
- Diversity and inclusion programs
  - Aspire employee resource group for women
  - Veteran's engagement team (VET)
  - EDGE resource group for racially/ethnically diverse employees
  - New Connections resource group for new employees
- Support of the Guard and Reserve (ESGR) supporting civilian employment of national guard members
- Department of Labor's Gold Medallion Award for veteran employment (2020-21)

## Community Support

### Developing Thriving Local Economies

- \$1.36 billion direct economic impact\*\*
- 34,000+ employee volunteer hours valued at nearly \$1 million
- Local economic development, community sponsorships
- Culture of encouraging volunteerism
- Black Hills Cares energy assistance
- Employee United Way contributions
- Tree giveaway programs for customers



In 2022, charitable support for our communities totaled \$5.3 million, including \$600,000+ by employees to 45 United Way organizations across our states



# Governance

## Diverse, Experienced Oversight and Alignment of Stakeholder Interests

### Board Composition

- 40% of board members are gender or ethnically diverse
- Average Board tenure of 6.4 years
- 9 of 10 directors are independent
- Independent board chair
- Diverse experience across multiple industries and sectors

### Corporate Governance

- Plurality plus voting policy
- Annual board and committee evaluations
- All board committees have authority to retain independent advisors paid for by company
- Code of Business Conduct applies to all employees and Board of Directors
- Code of Ethics for financial officers
- Hedging and pledging company stock prohibited
- Mandatory retirement age for directors
- Board engagement in succession planning process

### Compensation Policies

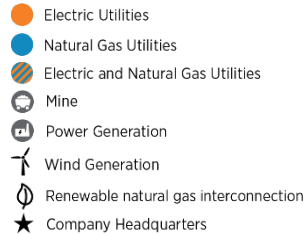
- Maintain robust stock ownership guidelines for directors and executives
- Annual advisory vote on executive compensation
- Board authority to claw back incentive compensation
- Compensation philosophy aligns compensation practices with stakeholder interests

# Business Overview



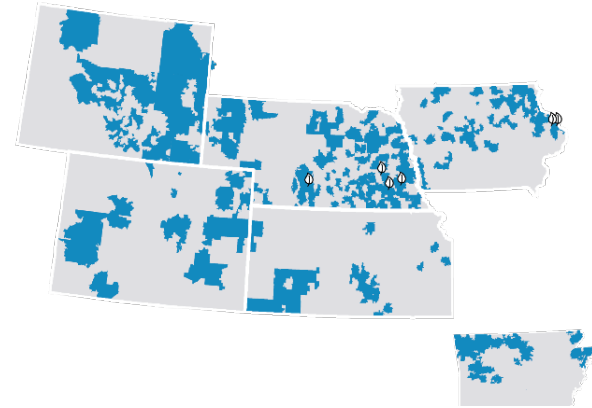
# Operations Overview

## Electric Utilities <sup>1</sup>



- Three electric utilities which generate, transmit and distribute electricity to approximately 220,000 customers in CO, SD, WY and MT
- 1.4 gigawatts of generation <sup>2</sup>
- 9,024 miles of transmission and distribution
- Efficient mine-mouth operations in Gillette, Wyoming fueled by low-sulfur Powder River Basin coal; mine production contracted to on site generation
- East-West interconnection in SD optimizes off-system sale of power and improves system reliability (1 of only 7 east-west interconnections in U.S.)

## Natural Gas Utilities <sup>1</sup>



- 7 natural gas utilities which distribute natural gas to approximately 1,107,000 customers in AR, CO, IA, KS, NE and WY <sup>3</sup>
- 4,713 miles of intrastate gas transmission pipelines and 42,222 miles of gas distribution mains and service lines
- Seven natural gas storage facilities in AR, CO and WY with 17.4 Bcf of underground gas storage working capacity
- 52,600 customers served through Choice Gas Program (unbundled natural gas supply)

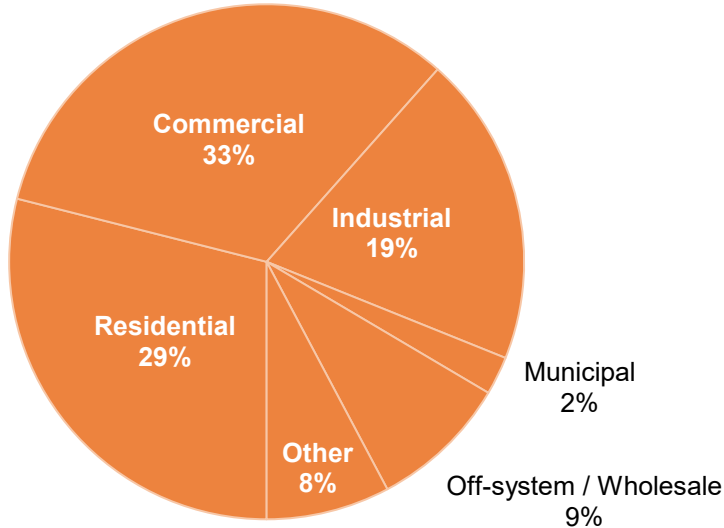
<sup>1</sup> Information from 2022 Form 10-K Annual Report Filing as of Dec. 31, 2022

<sup>2</sup> Includes 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest

<sup>3</sup> Excludes minor entities and Shoshone pipeline

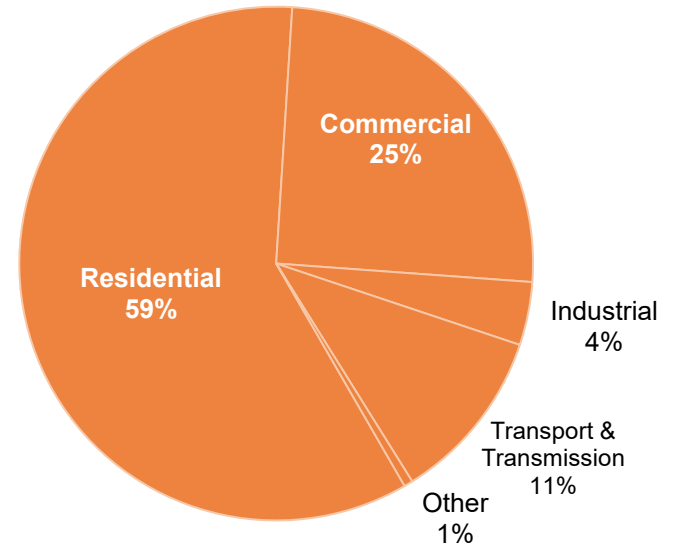
# Diverse Mix of Customer Class

## Electric Utilities Mix of Residential, Commercial and Industrial



Electric Utilities Revenue\*

## Gas Utilities Primarily Residential and Commercial



Gas Utilities Revenue\*

\* Information from 2022 10-K filing for year ending Dec. 31, 2022

# Integrated Electric Utility

## Generation Resources

- 1,394 MW of generation capacity across Colorado, Iowa, South Dakota and Wyoming

## Transmission Network

- 1,892 miles of electric transmission in SD, WY and CO

## Distribution Systems

- 7,132 miles of electric distribution in SD, WY and CO

### Gillette Energy Complex

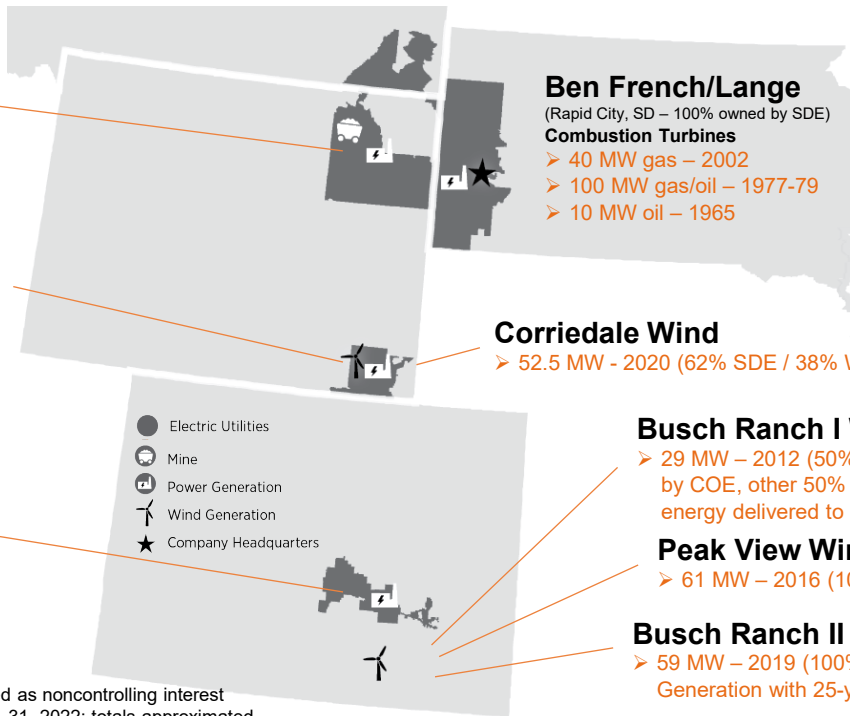
- 717 megawatts of mine-mouth generation on site (partially owned by third parties)
- Efficient coal delivery under life of plant contracts
  - Fixed price plus escalators serving 450 MW
  - Cost Plus Return serving 295 MW

### Cheyenne Prairie Generating Station

- Combined-Cycle Gas-Fired Plants
  - 100 MW – 2014 (100% owned: 58% SDE / 42% WYE)
- Gas-fired Combustion Turbine
  - 40 MW – 2014 (100% owned by WYE)

### Pueblo Airport Generation \*

- Combined- Cycle Gas-Fired Plants
  - Two 100 MW Plants – 2012 (50.1%\* owned by Power Generation with 20-yr PPA to COE)
- Simple Cycle Gas-Fired Plants
  - Two 100 MW plants – 2011 (100% owned by COE)
- Gas-Fired Combustion Turbine
  - 40 MW – 2016 (100% owned by COE)



\* 49.9% third party ownership of Colorado generation subsidiary reported as noncontrolling interest  
Note: information from 2022 Form 10-K Annual Report Filing as of Dec. 31, 2022; totals approximated



# Full Service Natural Gas Utility

## Gas Supply

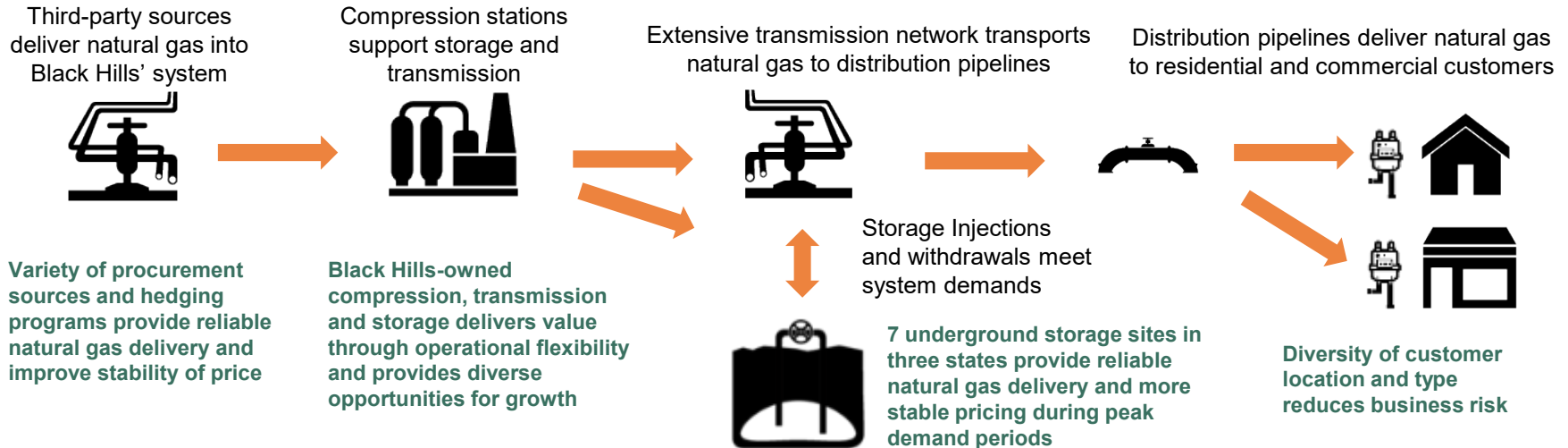
- Diverse procurement sources and hedging programs
- 515 miles of gathering lines

## Storage and Transmission

- 4,713 miles of intrastate transmission
- 50,000 horsepower of compression
- 7 natural gas storage sites in AR, CO and WY with 55 million Mcf total capacity
- 161 million Dth natural gas transported in 2022

## Distribution

- 30,162-mile natural gas distribution system
- 1.1 million customers with 12,060 miles of service lines
- 107 million Dth natural gas distributed to customers in 2022

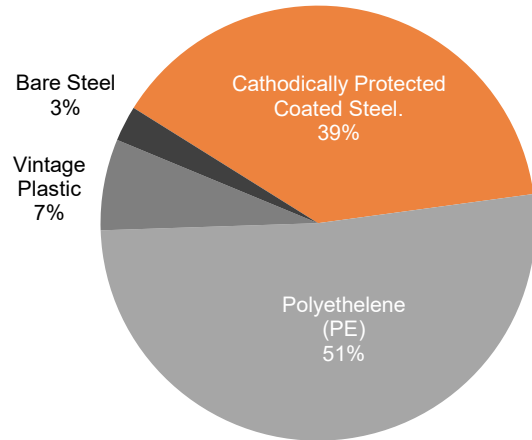


Note: information from 2022 Form 10-K Annual Report Filing as of Dec. 31, 2022; totals approximated

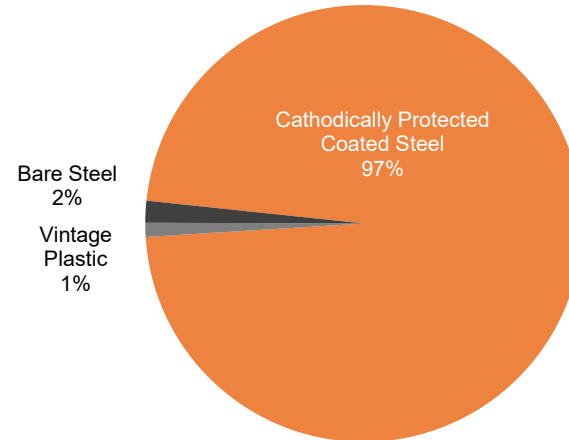
# Natural Gas Infrastructure

## Risk-assessed Replacement of At-risk Materials

**30,162-mile Distribution System  
Material Type**



**4,713-mile Transmission System  
Material Type**



System miles from 2022 Form 10-K Annual Report Filing as of Dec. 31, 2022  
Material type information as of Dec. 31, 2021, from March 2022 filings with Pipeline Hazardous Materials Safety Administration

# Non-regulated Electric Generation 99% Contracted to Black Hills' Regulated Utilities

Plant	Owned Capacity	Contracted	Contracted as % Total Co. Owned	Counter-Party	Expiration	Comments
<b>Pueblo Airport Generating Station*</b>	200 MW	200 MW	58%	Colorado Electric	Dec. 31, 2031	Excess power and capacity for benefit of Colorado Electric
<b>Busch Ranch I</b>	14.5 MW	14.5 MW	4%	Colorado Electric	Oct. 16, 2037	
<b>Busch Ranch II</b>	59.4 MW	59.4 MW	17%	Colorado Electric	Nov. 26, 2044	
<b>Wygen I</b>	68.9 MW	65 MW	19%	Wyoming Electric	Dec. 31, 2032	
<b>Total</b>	<b>342.8 MW</b>	<b>338.9 MW</b>	<b>99%</b>			

Note Information from 2022 Form 10-K Annual Report Filing as of Dec. 31, 2022

\* A third party owns a 49.9% non-operating ownership of Colorado IPP (PAGS) which is reported as noncontrolling interest

# Capital Structure

(\$ in millions)

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
<b>Capitalization</b>					
Short-term Debt	\$ 342	\$ 335	\$ 501	\$ 1,061	\$ 525
Long-term Debt	4,128	4,130	4,131	3,607	3,954
<b>Total Debt</b>	<b>4,470</b>	<b>4,465</b>	<b>4,632</b>	<b>4,668</b>	<b>4,479</b>
Equity*	2,872	2,885	2,887	2,995	3,098
<b>Total Capitalization</b>	<b>\$ 7,342</b>	<b>\$ 7,350</b>	<b>\$ 7,519</b>	<b>\$ 7,663</b>	<b>\$ 7,577</b>
<b>Net Debt to Net Capitalization</b>					
Debt	\$ 4,470	\$ 4,465	\$ 4,632	\$ 4,668	\$ 4,479
Cash and Cash Equivalents	(16)	(10)	(12)	(21)	(39)
<b>Net Debt</b>	<b>4,454</b>	<b>4,455</b>	<b>4,621</b>	<b>4,647</b>	<b>4,440</b>
<b>Net Capitalization</b>	<b>\$ 7,325</b>	<b>\$ 7,340</b>	<b>\$ 7,507</b>	<b>\$ 7,642</b>	<b>\$ 7,538</b>
Debt to Capitalization	60.9%	60.7%	61.6%	60.9%	59.1%
Net Debt to Capitalization (Net of Cash)	60.8%	60.7%	61.5%	60.8%	58.9%
Long-term Debt to Total Debt	92.4%	92.5%	89.2%	77.3%	88.3%

\* Excludes noncontrolling interest

# Non-GAAP Financial Measures

## Net Income Available for Common Stock and EPS, as adjusted

We have provided non-GAAP earnings data reflecting adjustments for special items as specified in the GAAP to non-GAAP adjustment reconciliation table in this presentation. Operating Income (loss), as adjusted, Income (loss) from continuing operations, as adjusted, and Net income (loss), as adjusted, are defined as Segment Revenue, Operating Income (loss), Income (loss) from continuing operations and Net income (loss), adjusted for expenses, gains and losses that the company believes do not reflect the company's core operating performance. The company believes that non-GAAP financial measures are useful to investors because the items excluded are not indicative of the company's continuing operating results. The company's management uses these non-GAAP financial measures as an indicator for evaluating current periods and planning and forecasting future periods.

## Earnings per share, as adjusted and earnings from continuing operations, per share, as adjusted

Earnings per share from continuing operations available for common stock, as adjusted, and earnings from continuing operations, per share, as adjusted, are Non-GAAP financial measures. Earnings per share, as adjusted, and earnings from continuing operations available for common stock, per share, as adjusted, are defined as GAAP Earnings per share and GAAP earnings from continuing operations, adjusted for expenses, gains and losses that the Company believes do not reflect the Company's core operating performance. Examples of these types of adjustments may include unique one-time non-budgeted events, impairment of assets, acquisition and disposition costs, and other adjustments noted in the earnings reconciliation tables in this presentation. The Company is not able to provide a forward-looking quantitative GAAP to Non-GAAP reconciliation for this financial measure because we do not know the unplanned or unique events that may occur later during the year.

## Limitations on the Use of Non-GAAP Measures

Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will not be affected by unusual, non-routine, or non-recurring items.

Non-GAAP measures should be used in addition to and in conjunction with results presented in accordance with GAAP. Non-GAAP measures should not be considered as an alternative to net income, operating income or any other operating performance measure prescribed by GAAP, nor should these measures be relied upon to the exclusion of GAAP financial measures. Our non-GAAP measures reflect an additional way of viewing our operations that we believe, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. Management strongly encourages investors to review our financial information in its entirety and not rely on a single financial measure.



# Non-GAAP Financial Measures

Annual Earnings and EPS, as adjusted	Earnings, as adjusted (in millions)							Earnings Per Share, as adjusted						
	2017	2018	2019	2020	2021	2022	YTD 2023	2017	2018	2019	2020	2021	2022	YTD 2023
Net income (loss) available for common stock (GAAP)	\$ 177.0	\$ 258.4	\$ 199.3	\$ 227.6	\$ 236.7	\$ 258.4	\$ 114.1	\$ 3.21	\$ 4.66	\$ 3.28	\$ 3.65	\$ 3.74	\$ 3.97	\$ 1.73
Loss from discontinued operations (GAAP)	17.1	6.9	-	-	-	-	-	0.31	0.12	-	-	-	-	-
<b>Net income from continuing operations available for common stock (GAAP)</b>	<b>194.1</b>	<b>265.3</b>	<b>199.3</b>	<b>227.6</b>	<b>236.7</b>	<b>258.4</b>	<b>114.1</b>	<b>3.52</b>	<b>4.78</b>	<b>3.28</b>	<b>3.65</b>	<b>3.74</b>	<b>3.97</b>	<b>1.73</b>
<u>Adjustments, after tax</u>														
Acquisition / integration costs	2.8	-	-	-	-	-	-	0.05	-	-	-	-	-	-
Tax reform and other tax items	(11.7)	4.0	-	-	-	-	-	(0.21)	0.07	-	-	-	-	-
Legal restructuring - income tax benefit	-	(72.8)	-	-	-	-	-	-	(1.31)	-	-	-	-	-
Impairment of investment	-	-	15.2	5.3	-	-	-	-	-	0.25	0.08	-	-	-
<i>Rounding</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Non-GAAP adjustments	(8.8)	(68.8)	15.2	5.3	-	-	-	(0.16)	(1.24)	0.25	0.08	-	-	-
<b>Net income from continuing operations available for common stock, as adjusted (Non-GAAP)</b>	<b>\$ 185.3</b>	<b>\$ 196.5</b>	<b>\$ 214.5</b>	<b>\$ 232.9</b>	<b>\$ 236.7</b>	<b>\$ 258.4</b>	<b>\$ 114.1</b>	<b>\$ 3.36</b>	<b>\$ 3.54</b>	<b>\$ 3.53</b>	<b>\$ 3.73</b>	<b>\$ 3.74</b>	<b>\$ 3.97</b>	<b>\$ 1.73</b>

**Vision** Be the energy partner of choice.

**Mission** Improving life with energy.

## Company Values



### Agility

We embrace change and challenge ourselves to adapt quickly to opportunities.



### Customer Service

We are committed to providing a superior customer experience every day.



### Partnership

Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.



### Communication

Consistent, open and timely communication keeps us focused on our strategy and goals.



### Integrity

We hold ourselves to the highest standards based on a foundation of unquestionable ethics.



### Respect

We respect each other. Our unique talents and diversity anchor a culture of success.



### Creating Value

We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve ... always.



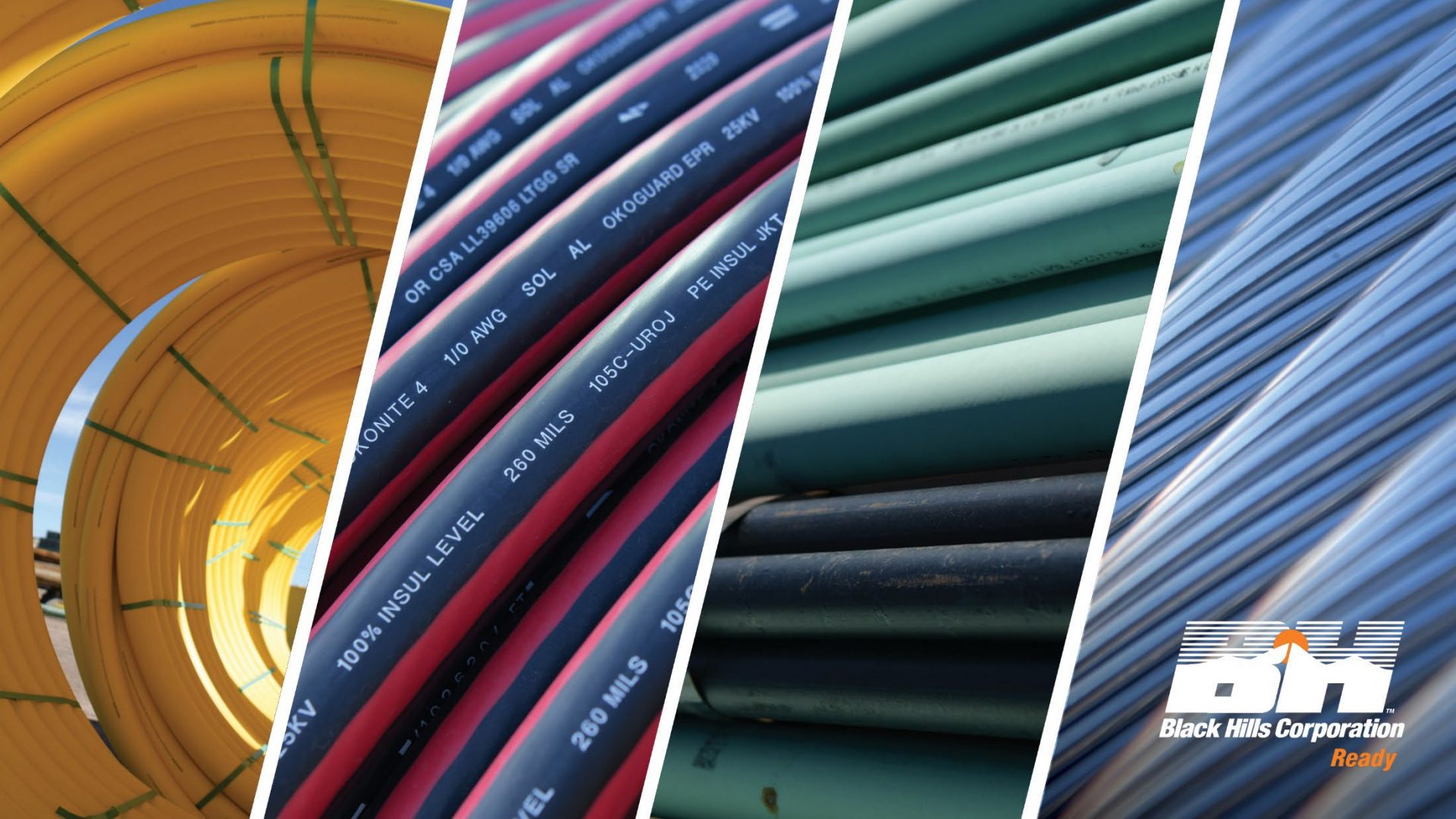
### Leadership

Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



### Safety

We commit to live and work safely every day.



OR CSA LL39806 LTGG SR  
KONITE 4 110 AWG SOL AL OKOGUARD EPR 25KV  
100% INSUL LEVEL 260 MILS 105C-UROJ PE INSUL JKT  
260 MILS 105C



**Black Hills Corporation**  
*Ready*