

EEI Financial Conference

Nov. 9-10, 2020



Forward-Looking Statements

COMPANY INFORMATION

Black Hills Corporation

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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 2020 and 2021 earnings guidance and the impacts of the COVID-19 pandemic on our business. 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 2019 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 is 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, including: targeting a 50 to 60 percent dividend payout ratio and continuing our track record of continuous annual dividend increases;
- Our ability to successfully execute our financing plans;
- Board of Directors’ approval of any future quarterly dividends;
- Our ability to successfully achieve our greenhouse gas emission reduction goals;
- The impact of future governmental regulation; 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.

Black Hills Corp. Investment Highlights

Low-risk Utility

- 92% of assets are regulated
- Diverse and complementary natural gas and electric utility businesses
- Stable and growing territories with constructive regulatory relationships and vibrant economies
- Timely recovery of investments

Customer-Focused Investments

- Forecast of \$2.9 billion in capital investment (2020-2024) with incremental opportunities expected
- Long-term, programmatic approach
- Investments focused on safety, reliability and growth
- Innovative solutions to serve growing interest in renewable energy

Solid Financial Position and Sustainable Growth

- Committed to investment-grade credit ratings
- Maintaining strong liquidity
- Dividend track record of sustainable growth; 50 consecutive years of annual increases and 78 years of paying cash dividends

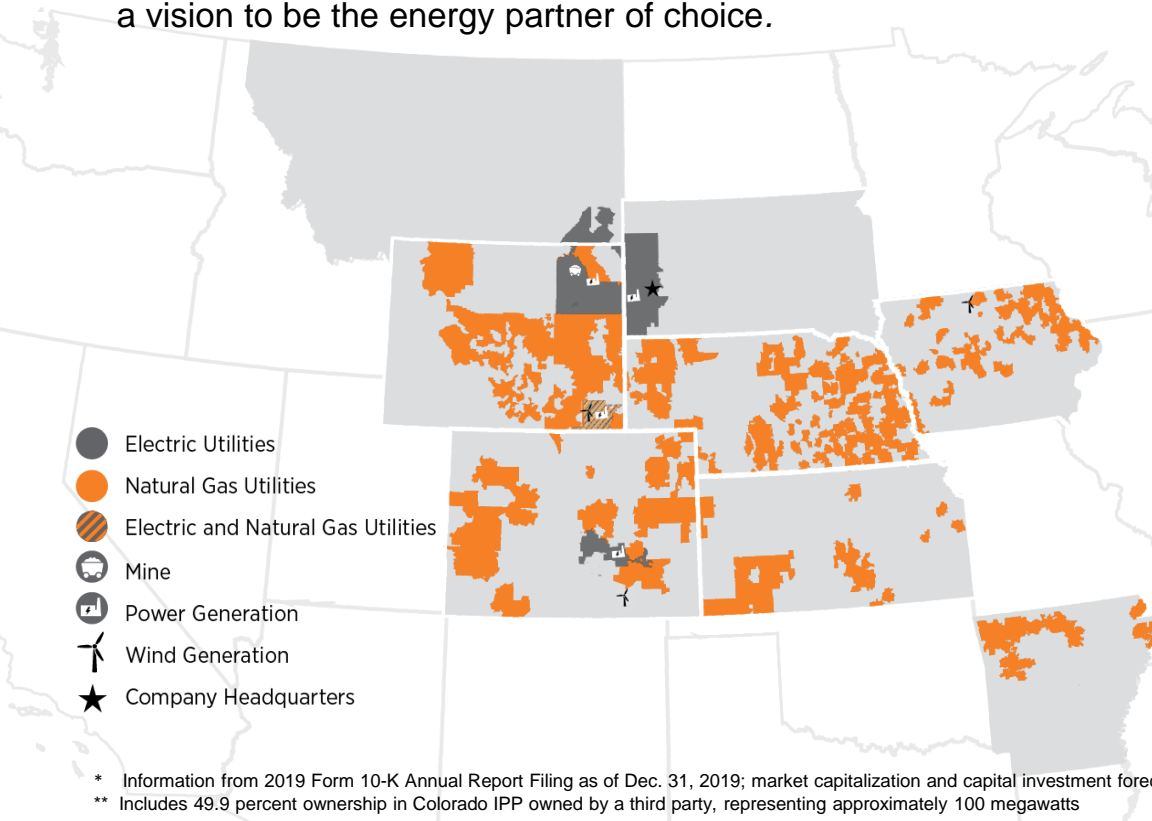
Black Hills Overview and Strategy



Our southern Colorado energy system is fueled entirely by natural gas and renewable energy.

Black Hills Corporation Overview

Customer-focused, growth-oriented utility company with a tradition of exemplary service and a vision to be the energy partner of choice.



- Electric Utilities
- Natural Gas Utilities
- Electric and Natural Gas Utilities
- Mine
- Power Generation
- Wind Generation
- ★ Company Headquarters

**Electric and Gas
Utility Company***

**Strong
Financial Base***

1.28 Million

Utility customers
in 8 states

\$7.6 billion

Total assets

46,000 Miles

Natural gas lines

\$3.9 billion

Total rate base

1.4 Gigawatts**

Electric generation

\$2.9 billion

Capital investment
2020-2024

9,000 Miles

Electric lines

\$3.8 billion

Market capitalization

2,900

Employees

* Information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019; market capitalization and capital investment forecast as of Nov. 5, 2020

** Includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts

READY. for Customers

READY. for Shareholders

Safety & Integrity

Customer Experience

Growth

Earnings Growth

Dividend Growth

Aligning People + Processes + Technology + Analytics

Strong Total Returns

- Prioritize capital investment for safe, reliable service
- Program-based capital investment approach sets priority, increases transparency and improves planning, financial and regulatory processes

- Know our customers
- Easy to do business with
- Deliver innovative solutions

- Capacity and infrastructure enhancements
- Data centers
- Responsible integration of additional renewable energy resources
- Natural gas burner tip saturation

- \$2.9 billion capital plan (2020-2024)
- Incremental opportunities likely
- Programmatic approach drives recurring base of utility investment
- Timely investment recovery

- 50 years of consecutive annual dividend increases
- Targeting 50% to 60% payout

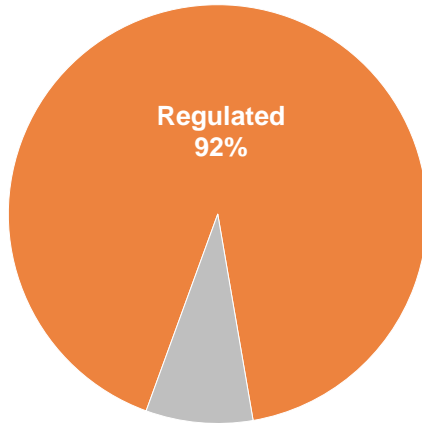
Strategic Execution

- ✓ Obtained final approval from FERC for a power purchase agreement to continue providing 60 megawatts of baseload capacity and energy to Wyoming Electric from Wygen I power plant
- ✓ Filed \$13.5 million Colorado Gas rate review and rider request
- ✓ Advanced \$17.3 million Nebraska Gas rate review and rider request
- ✓ Obtained approval for Wyoming Gas utility rate review and rider request, completing natural gas utility consolidation in Wyoming
- ✓ Executed on capital plan and identified \$239 million of new investment
- ✓ Maintained more than \$600 million of liquidity
- ✓ Appointed two highly experienced board members
- ✓ Achieved 50 consecutive years of dividend increases
- ✓ Released greenhouse gas emission reduction goals and sustainability statements, posted updated Corporate Sustainability Report, and published new ESG reports using EEI / AGA qualitative and quantitative templates

Low-risk Utility Investment

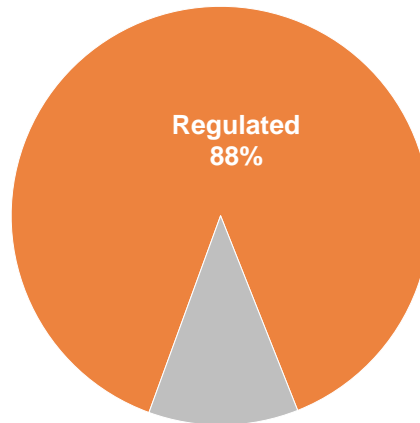
Regulated Utilities and Vertically Integrated Utility Businesses

Total Assets



Non-regulated 8%

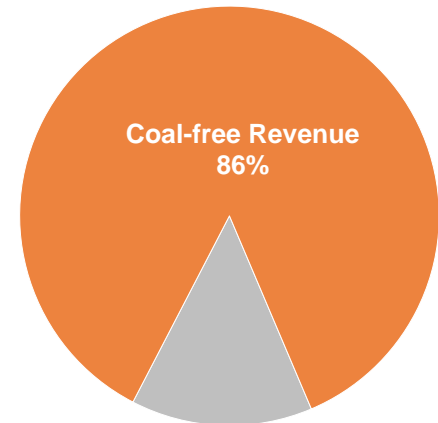
Operating Income



Non-regulated 12%

Revenues Primarily Coal-Free

Total Revenue



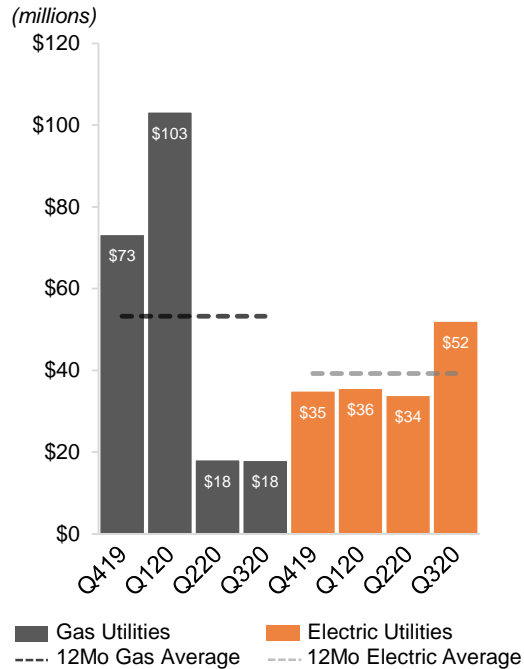
Coal-related 14%

Note: Information based on financial results for the year ending Dec. 31, 2019

Strategic Diversity

Diversified business risk by type and location

Utility Operating Income

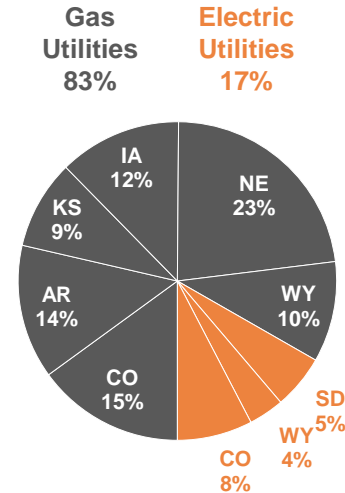


Gross Margin by State*1

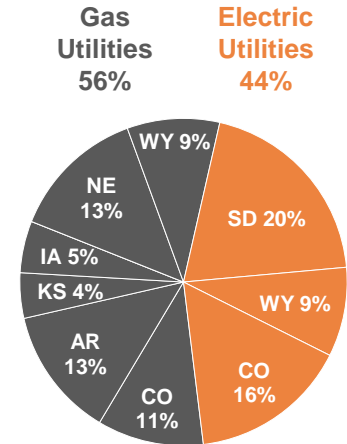
(12 months ending Sept. 30, 2020)



Percent of Customers by State¹



Percent of Utility Rate Base²



* Non-GAAP measure, reconciled to GAAP in Appendix

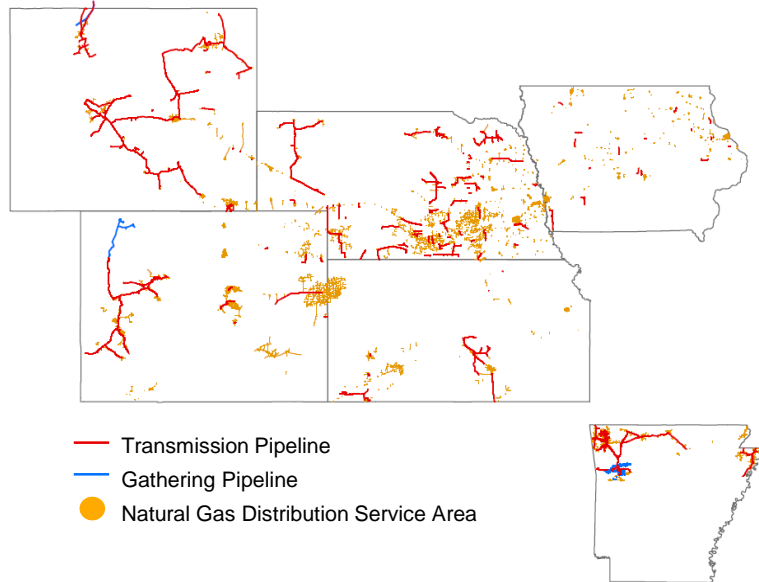
¹ Percent of customers as of Dec. 31, 2019; Montana data included in South Dakota totals;

² Estimated utility rate base as of Dec. 31, 2019; see Appendix for detail

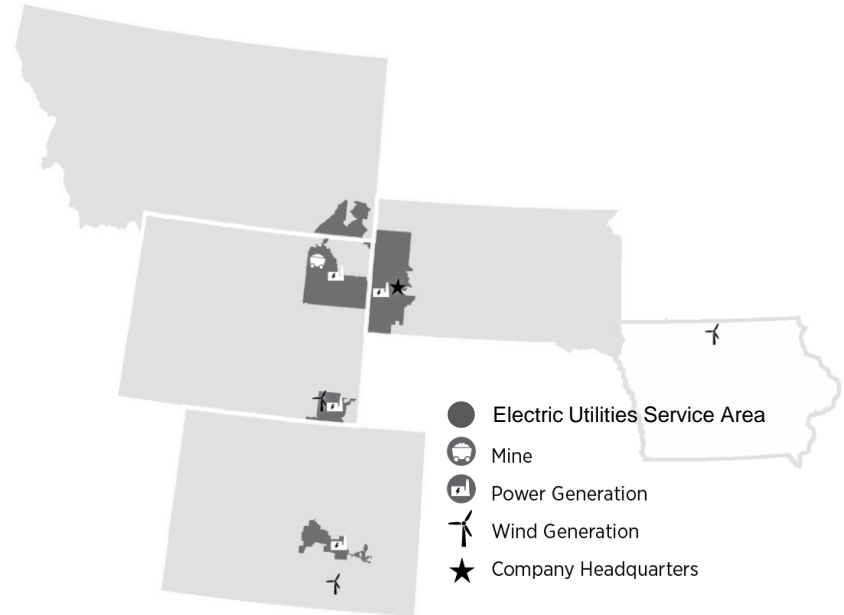
Large Systems Require Significant Investment

Eight-state Presence Provides Additional Diversity of Opportunities

46,000-mile natural gas gathering, storage, transmission and distribution system



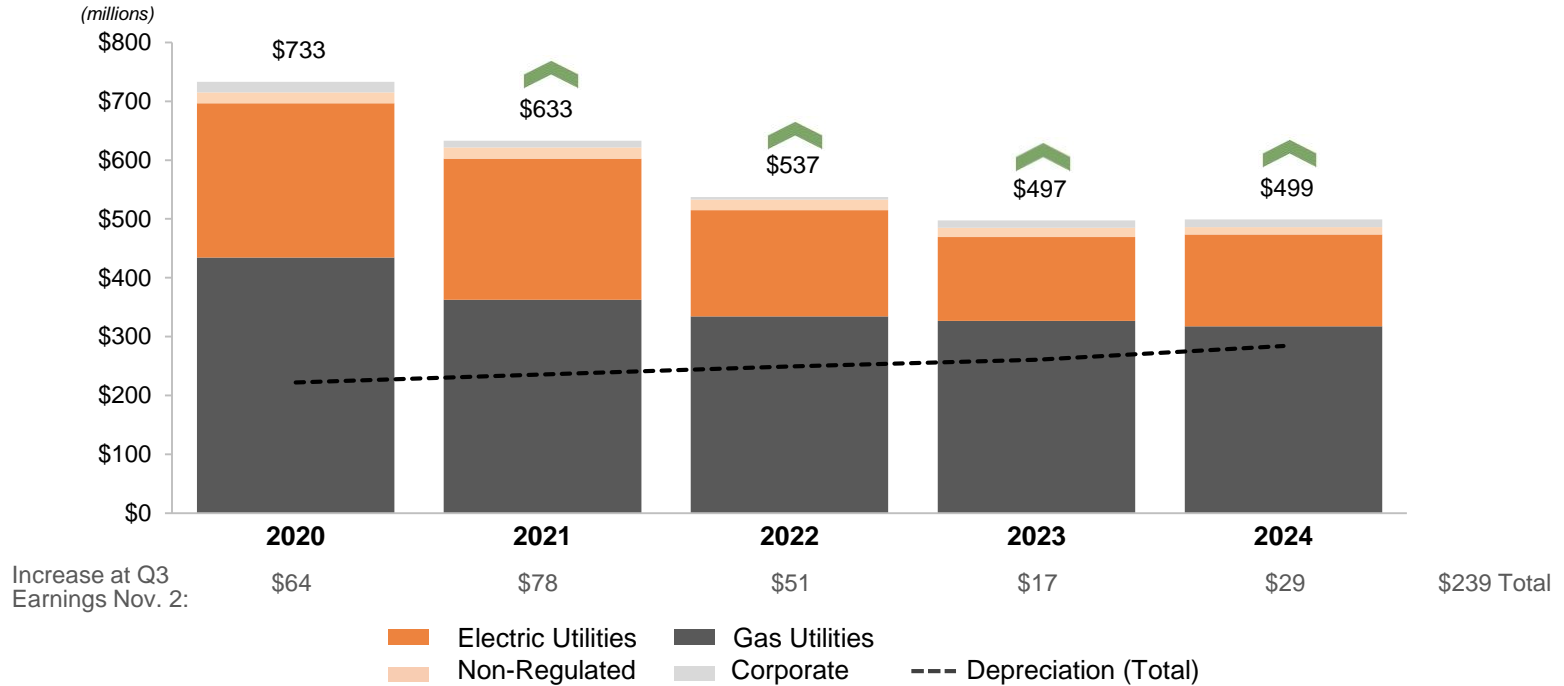
1.4 gigawatts* of electric generation and **9,000-mile** electric transmission and distribution system



* Excludes 49.9 percent ownership in Colorado IPP owned by a third party
Note: Approximated totals based on information from 2019 Form 10-K

Investing for Customer Needs Drives Growth

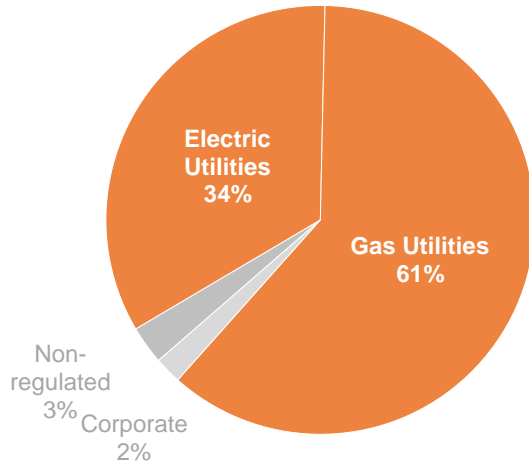
Capital Forecast Increased \$239 million to \$2.9 billion



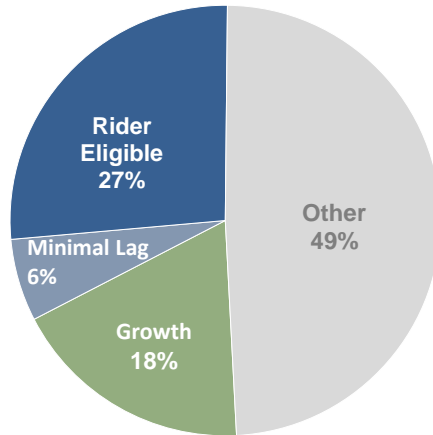
Excludes additional identified capital investment projects being evaluated and refined for timing and cost

Timely Investment Recovery

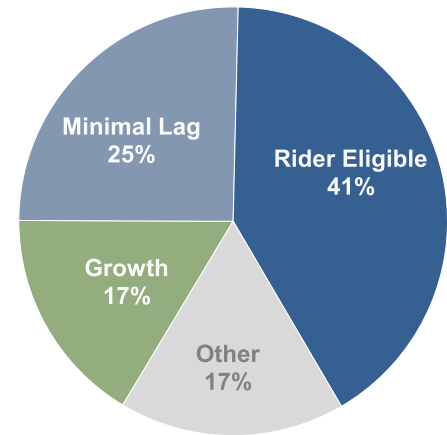
95% of Investment in Regulated Utilities



51% with Timely Recovery for Electric Utilities*



83% with Timely Recovery for Gas Utilities*



* Growth Capital – generates immediate revenue on 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

Long-term Capital Investment

Risk-prioritized Programs Focused on Safety and System Integrity

Electric Investment Programs



Replacing aging infrastructure to harden and modernize electric systems

- Distribution
- Transmission
- General plant and facilities modernization

Natural Gas Investment Programs



Replacing at-risk materials and modernizing to maintain and enhance system integrity

- Bare steel pipeline replacement
- Vintage plastic pipelines replacement
- Customer service lines and meter upgrades
- Facilities upgrades
- Farm Tap replacements

Focused on ESG for Sustainable Growth

Environmental

- Published greenhouse gas emission reduction goals, sustainability statements and updated sustainability report
- Responsibly adding renewable generation resources in all three electric jurisdictions through innovative programs
Renewable Ready subscription-based program for SD and WY and Renewable Advantage request for proposals for 200MW of renewable energy in CO
- Achieved 2020 Gold Star status in Colorado's Environmental Leadership Program
Gold Star every year since 2014
- Joined EPA's Methane Challenge Program
Voluntarily reduce methane emissions beyond regulatory requirements through Best Management Practice Commitment
- Coal-free Colorado Electric generation fleet
- 86% of total revenues from natural gas, renewables and other non-coal related activities and services*
14% of revenues from mining and coal related activities*

Social

- Improved employee safety performance with goal to be industry leader in safety
32% improvement in TCIR since 2014 and better than industry average
- Strong COVID-19 response
Effective COVID-19 safeguards and financial assistance for those in need
- Strong community giving
\$5.5 million in 2019 to local community organizations and accelerated 2020 donations to communities in response to COVID-19
- 2019 employee engagement survey score above utility average and high-performing companies
- 2019 50 Most Engaged Workplaces award (Achievers)
- 2019 EPA Energy Star Partner of the Year for improving residential efficiency

Governance

- Diverse and experienced leadership
Added two new highly experienced board members on Oct. 1, 2020
- Stock ownership requirement and compensation philosophy for officers align interests with stakeholders
- Well-established succession planning process with Board engagement

* Revenue as a percent of total company revenue based on full year revenue as of Dec. 31, 2019

GHG Emission Reduction Goals

Electric Operations

Reduce greenhouse gas emissions intensity 40% by 2030* and 70% by 2040*

Gas Utilities

Reduce greenhouse gas emissions intensity 50% by 2035*

Learn more at

www.blackhillsenergy.com/sustainability



* Reductions based on 2005 baseline

Financial Update



We are committed to ensuring the safe and reliable delivery of natural gas to our customers' homes and businesses.

Trailing Five Quarters Earnings Per Share

5% Growth in Trailing 12-month EPS, as Adjusted*

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
EPS available for common stock (GAAP)	\$ 0.19	\$ 1.13	\$ 1.51	\$ 0.33	\$ 0.58
<u>Special Items:</u>					
Impairment of investment (after tax)	0.25	—	0.08	—	—
EPS, as adjusted (Non-GAAP)*	\$ 0.44	\$ 1.13	\$ 1.59	\$ 0.33	\$ 0.58
Trailing 12 Months EPS, as adjusted*	\$ 3.46				\$ 3.63

* EPS available for common stock, as adjusted is a non-GAAP measure; see Appendix for definition of Non-GAAP measures

Strong Forward Outlook

2020 EPS*

On Nov. 2, increased EPS guidance to \$3.60 to \$3.70*

2021 EPS*

On Nov. 2, initiated EPS guidance of \$3.75 to \$3.95*

Capital Investment

On Nov. 2, increased five-year forecast \$239 million to \$2.9 billion

Dividend

On Oct. 27, Increased quarterly dividend by 5.6%
Maintaining 50% to 60% dividend payout target

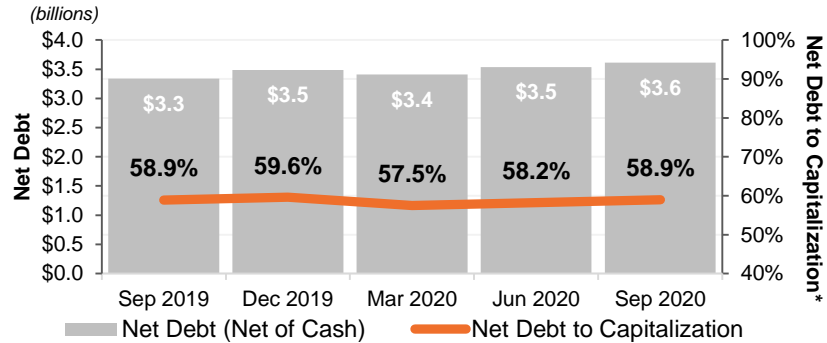
* EPS available for common stock, as adjusted is a non-GAAP measure; see Appendix for non-GAAP to GAAP reconciliation. 2020 and 2021 guidance based on assumptions listed in the Appendix.

Solid Financial Position

Committed to Solid Investment-Grade Credit Ratings

S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook
Affirmed April 10, 2020	Affirmed Dec. 20, 2019	Affirmed Aug. 20, 2020

Capital Structure

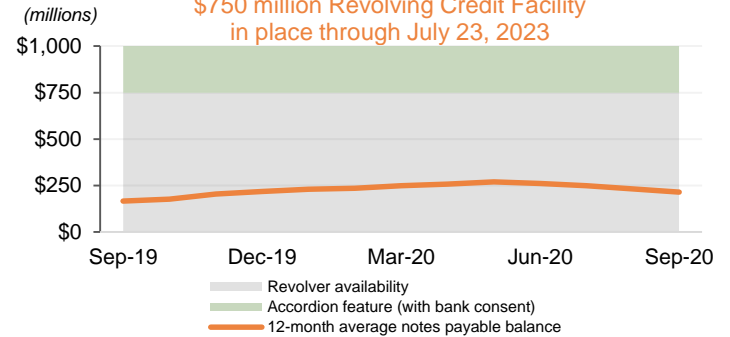


* Excludes noncontrolling interest; see Appendix for detailed capital structure

Strong Liquidity and Debt Profile

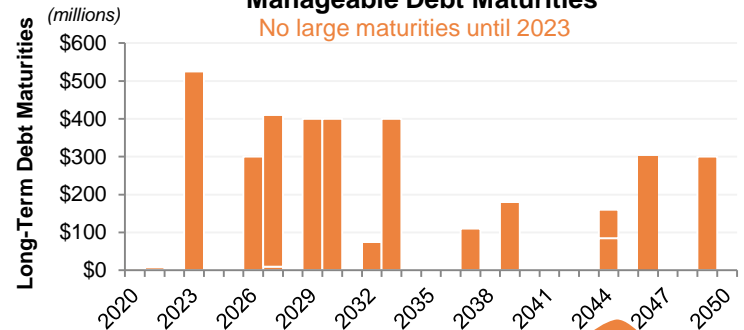
Ample Access to Liquidity

\$750 million Revolving Credit Facility in place through July 23, 2023



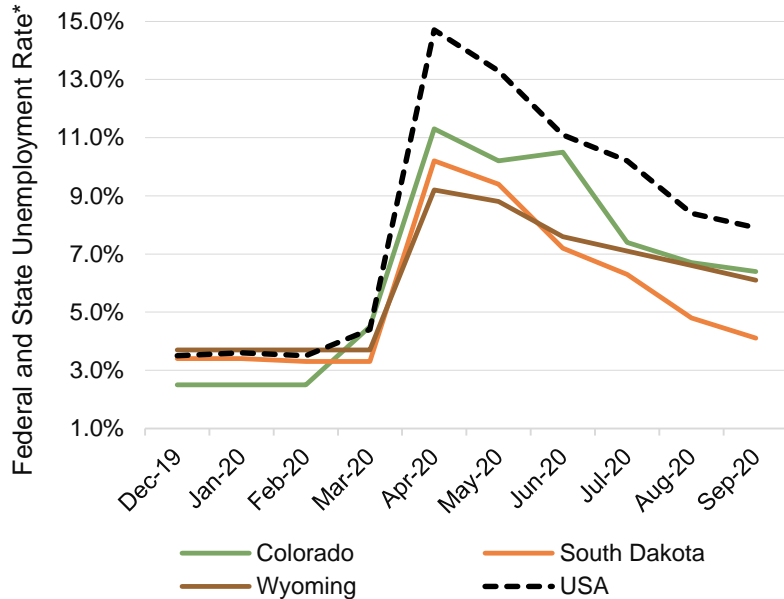
Manageable Debt Maturities

No large maturities until 2023

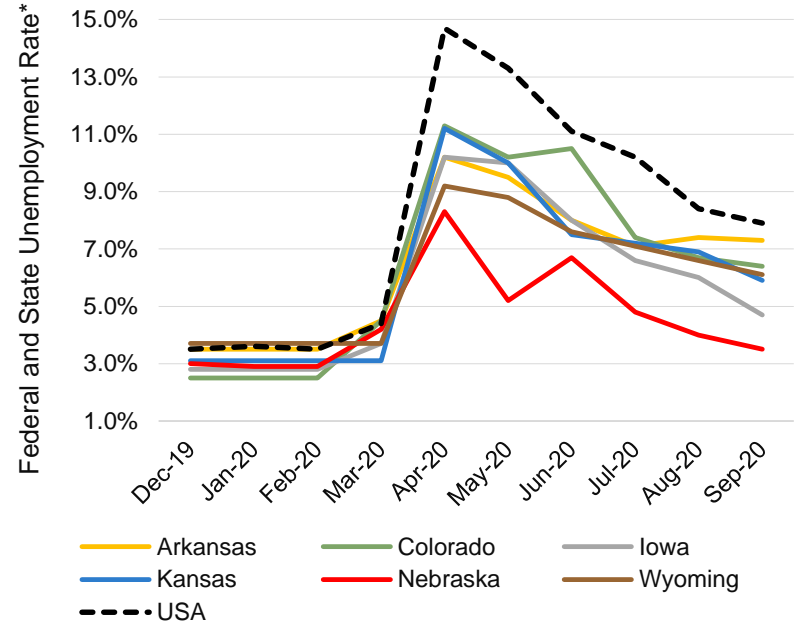


Midwest Employment Better than U.S. Average

Black Hills Electric Utility States



Black Hills Gas Utility States



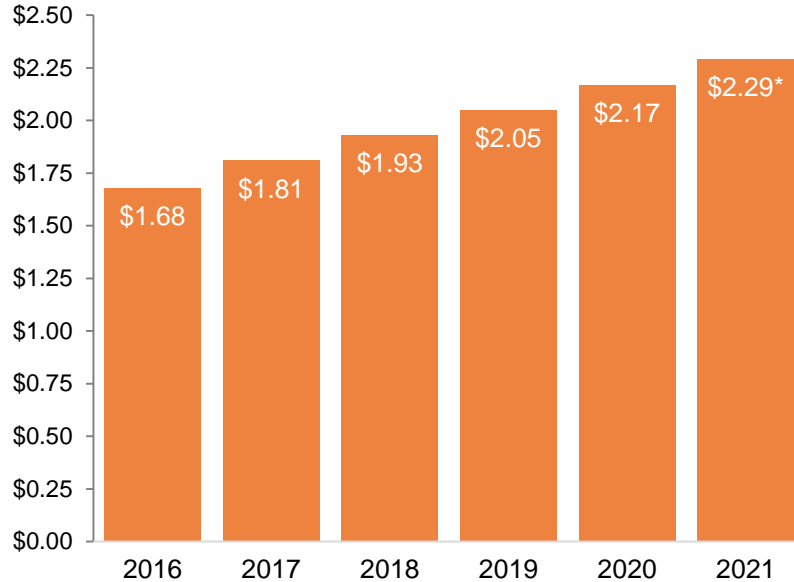
* Data from Bureau of Labor Statistics – unemployment rate for population 16 years of age and over

Strong Dividend Growth Track Record

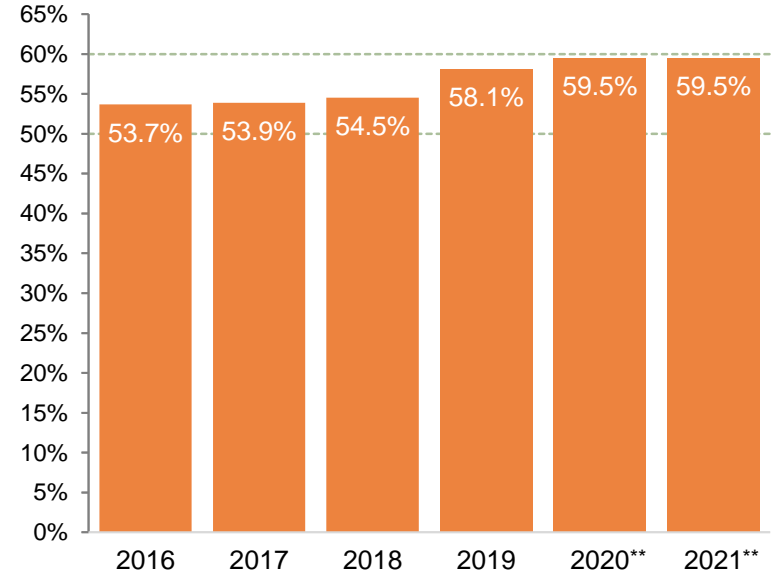
50 Consecutive Years of Annual Increases and 78 Consecutive Years Paid



Annual Dividend Per Share
6.4% Five-Year CAGR (2016-2021)



Target Annual Payout Ratio of 50% to 60%



* On Oct 27, board of directors approved a quarterly dividend of \$0.565 per share which represents a current annualized rate of \$2.26 per share for 2021. Subject to board approval, an annual dividend increase of \$0.12 in the fourth quarter of 2021 would result in an expected annual payout of \$2.29 per share for 2021

** Annual dividend payout ratio is calculated by dividing annual dividend per share by earnings from continuing operations, as adjusted, per share, a non-GAAP measure reconciled to GAAP in Appendix; 2020-2021 payout ratios are based on midpoint of earnings guidance range - see Appendix for guidance ranges and assumptions

Black Hills Corp. Investment Highlights

Low-risk Utility

- 92% of assets are regulated
- Diverse and complementary natural gas and electric utility businesses
- Stable and growing territories with constructive regulatory relationships and vibrant economies
- Timely recovery of investments

Customer-Focused Investments

- Forecast of \$2.9 billion in capital investment (2020-2024) with incremental opportunities expected
- Long-term, programmatic approach
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- Innovative solutions to serve growing interest in renewable energy

Solid Financial Position and Sustainable Growth

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Questions



Appendix

- 25** 2020 Scorecard
- 26** Business Overview
- 27** Revenue by Customer Class
- 28-30** Electric Utilities, Gas Utilities
- 31-32** Power Generation and Mining
- 33-40** Regulatory
- 41-45** Capital Investment
- 46-51** Environment, Social and Governance
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- 63-64** Strategic Objectives, Values & Mission

2020 Scorecard

PROFITABLE GROWTH

- Meet growing customer demand through innovative tariffs and construction of customer-focused, cost effective, rate-based utility assets
- Enhance reliability and customer satisfaction.
- Acquire small utility systems within or near existing service territories

VALUED SERVICE

- Invest in the replacement of existing utility infrastructure to maintain the safety and reliability of electric and gas systems.
- Cost effectively add renewable resources to energy supply portfolio

BETTER EVERY DAY

- Achieve top-tier operational performance in a culture of continuous improvement
- Improve efficiencies through continued deployment of technology

GREAT WORKPLACE

- Be the safest company in the energy industry
- Be one of the best places to work
- Improve the wellness of employees
- Be a workplace of choice for women and minorities

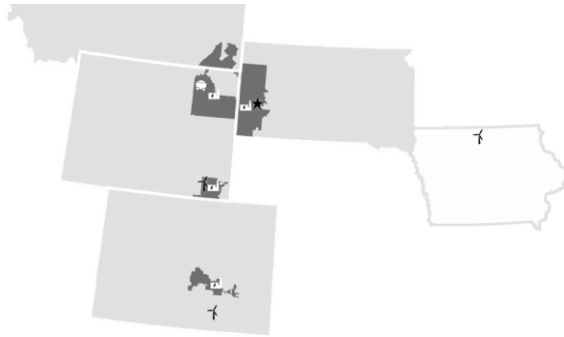
2020 Future Initiatives and Progress

- | | | | |
|--|---|---|--|
| <input checked="" type="checkbox"/> Increase annual dividend for 50th consecutive year | <input type="checkbox"/> Improve Net Promoter Scores | <input type="checkbox"/> Improve productivity and efficiency, as measured by: | <input type="checkbox"/> Achieve safety TCIR of 1.19 |
| <input type="checkbox"/> Place Corriedale wind project in service | <input type="checkbox"/> Improve JDP OCSAT scores | <input type="checkbox"/> Non-fuel O&M as a percentage of gross margin | <input type="checkbox"/> Achieve PMVI rate of 2.36 |
| <input checked="" type="checkbox"/> Advance jurisdiction consolidation | <input type="checkbox"/> Enhance customer self-service options | <input checked="" type="checkbox"/> Utilize robotic process automation | <input type="checkbox"/> Conduct quarterly engagement pulse surveys to measure employee sentiment and organizational culture to continuously improve our employees' experience |
| <input checked="" type="checkbox"/> Complete Nebraska Gas legal consolidation | <input type="checkbox"/> File Colorado Electric Resource Plan (deferred to 2022) | <input type="checkbox"/> Evaluate enterprise data & analytics maturity and design roadmap | <input type="checkbox"/> Achieve 80% employee engagement in BHC Virgin Pulse wellness program |
| <input checked="" type="checkbox"/> File Nebraska Gas rate review | <input checked="" type="checkbox"/> Obtain approval to add up to 200MW of cost-effective renewable energy in Colorado (Renewable Advantage) | <input type="checkbox"/> Identify and evaluate investment opportunities for assets that align with our electric and natural gas value chain | <input checked="" type="checkbox"/> Continue to expand availability and participation in diversity affinity groups |
| <input checked="" type="checkbox"/> Complete 2019 Colorado Gas rate review (filed new rate review in 2020) | <input checked="" type="checkbox"/> Advance ESG reporting practices by disclosing industry-aligned metrics | <input checked="" type="checkbox"/> Define strategy and opportunities for renewable and liquefied natural gas | |
| <input type="checkbox"/> Execute data center recruitment strategy to support electric utility load growth | <input checked="" type="checkbox"/> Provide incentive to add electric vehicle charging stations in our territories | <input type="checkbox"/> Complete planned plant maintenance to maintain strong long-term generation availability | |
| <input type="checkbox"/> Enhance electric system reliability through implementation of distribution system integrity program | | <input type="checkbox"/> Reduce third-party gas line hits | |
| <input type="checkbox"/> Enhance gas utility system safety and reliability by completing 2020 programmatic capital projects | | | |

Operations Overview

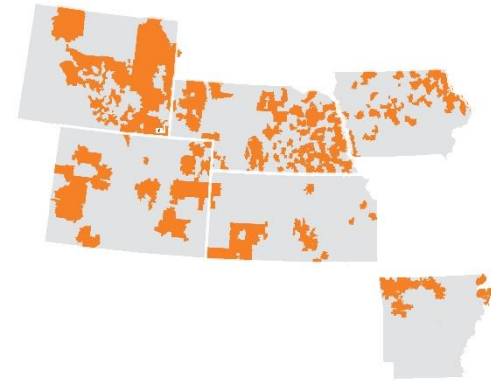
Electric Utilities, Power Generation & Mining*

- Electric Utilities
- Natural Gas Utilities
- Mine
- Power Generation
- Wind Generation
- ★ Company Headquarters



- Three electric utilities which generate, transmit and distribute electricity to approximately 214,000 customers in CO, SD, WY and MT
- 1.4 gigawatts** of generation and 8,892 miles of transmission and distribution
 - Five power generation facilities owned by utilities and serving utility customers (939 megawatts)
 - Three power generation facilities delivering capacity and energy under long-term contracts to utility affiliates (423 megawatts**)
 - Efficient mine-mouth generation in WY fueled by low-sulfur Powder River Basin coal (50-year supply of reserves at current production); 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 ties)

Natural Gas Utilities*



- 9 natural gas utilities^ which distribute natural gas to approximately 1,066,000 customers in AR, CO, IA, KS, NE and WY
- 4,775 miles of intrastate gas transmission pipelines and 41,210 miles of gas distribution mains and service lines
- Seven natural gas storage facilities in AR, CO and WY with 16.5 Bcf of underground gas storage working capacity
- 49,000 customers served through Choice Gas Program (unbundled natural gas supply)

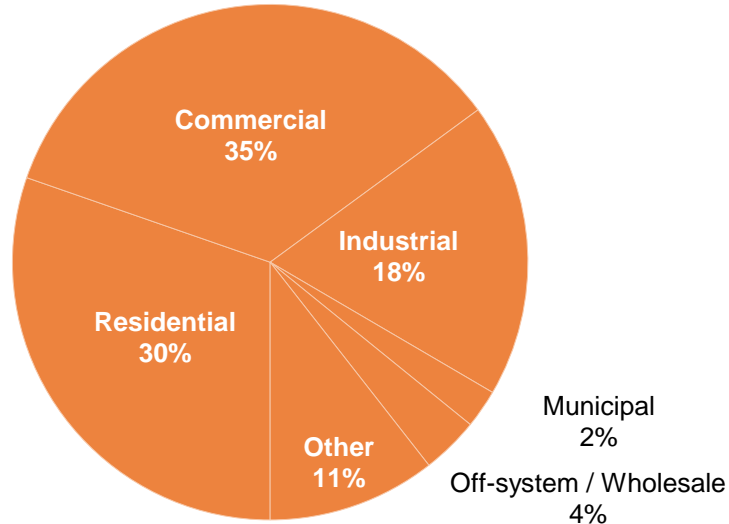
* Information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019

** Excludes 49.9 percent ownership interest in Colorado IPP owned by a third party; includes Busch Ranch II Wind Farm

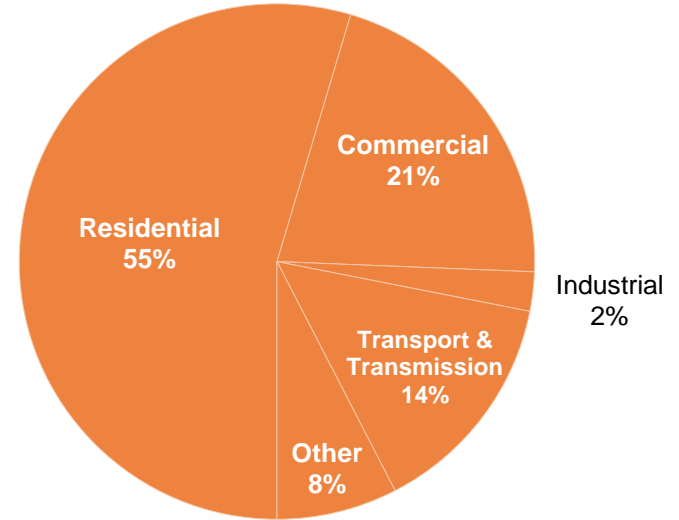
^ Excludes minor entities and Shoshone pipeline

Diverse Mix of Customer Class

Electric Utilities Revenue By Customer Class*



Gas Utilities Revenue By Customer Class*



* Information from 2019 10-K filing for year ending Dec. 31, 2019

Integrated Electric Utility

Power Generation and Mining

- 939 MW of utility-owned generation capacity
- 423 MW of generation capacity owned by Power Generation; 335 MW contracted to Electric Utilities

Gillette Energy Complex

- 745 megawatts of mine-mouth coal generation
 - Efficient coal delivery under life of plant contracts
 - Fixed price plus escalators serving 450 MW
 - Cost Plus Return serving 295 MW
- (See mining contracts summary for more detail)

Cheyenne Prairie

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

Pueblo Airport Generating Station*

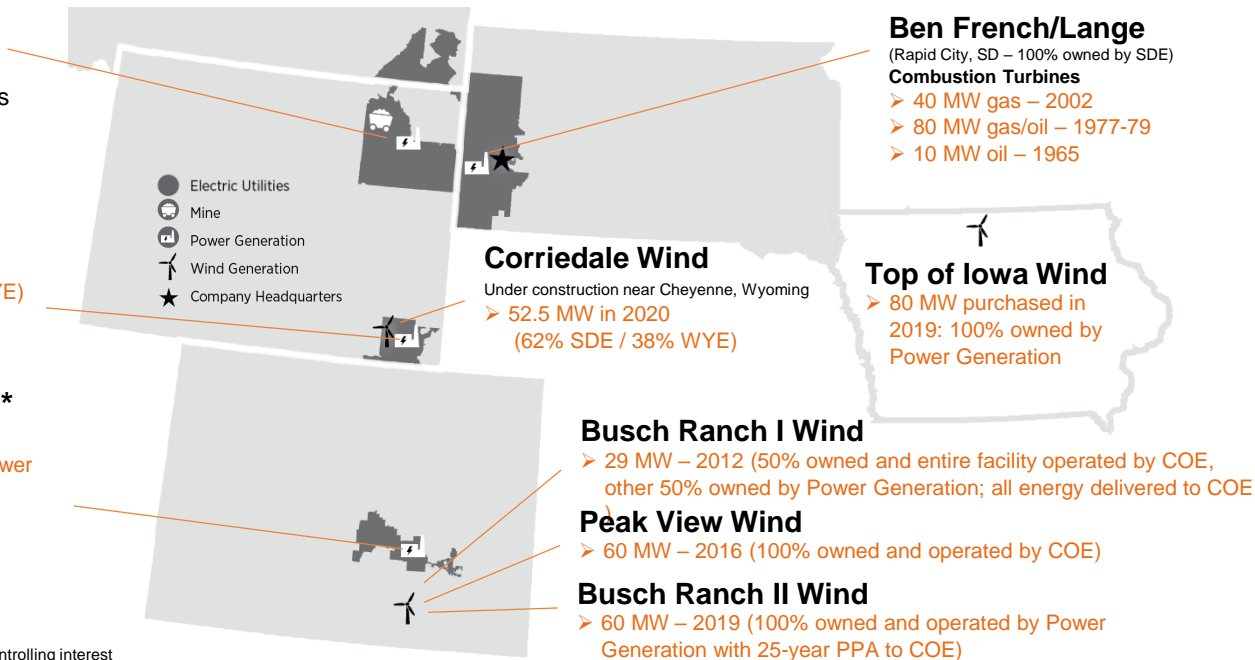
- Combined- Cycle Gas-Fired Plants
 - Two 100 MW Plants – 2012 (50.1%* owned by Power Generation with 20-yr PPA to COE)
- Simple Cycle Gas-Fired Plants
 - Two 90 MW plants – 2011 (100% owned by COE)
- Gas-Fired Combustion Turbine
 - 40 MW – 2016 (100% owned by COE)

Transmission Network

- 2,000 miles of electric transmission in SD, WY and CO

Distribution Systems

- 7,000 miles of electric distribution in SD, WY and CO



* 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest
Note: information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019; totals approximated

Full Service Natural Gas Utility

Gas Supply

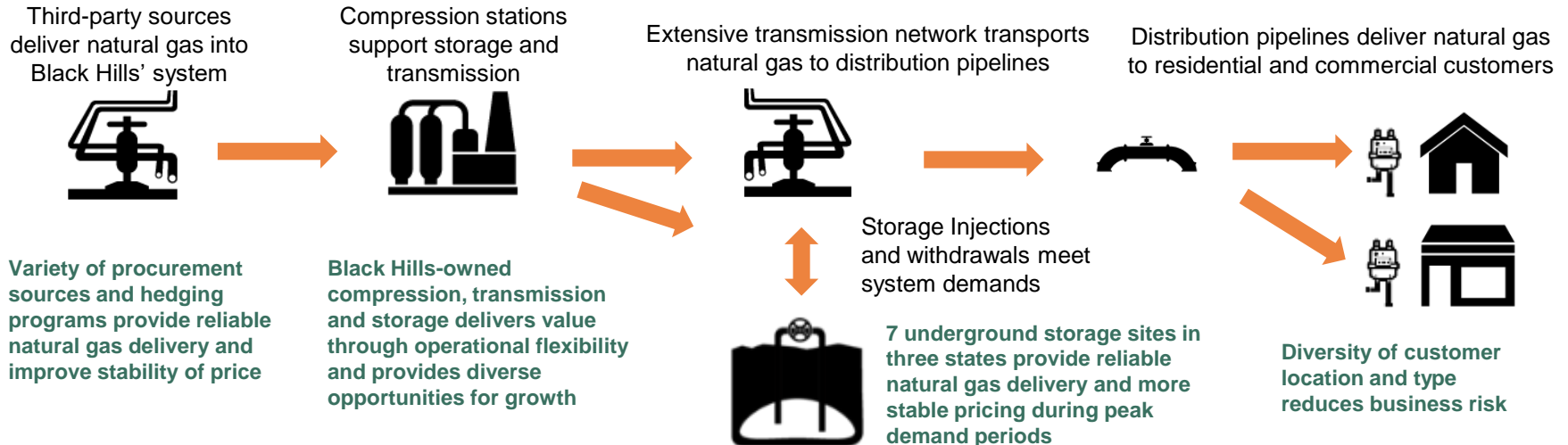
- Diverse procurement sources and hedging programs
- 600 miles of gathering lines

Storage and Transmission

- 4,800 miles of intrastate transmission
- 49,000 horsepower of compression
- 7 natural gas storage sites in AR, CO and WY with over 52 million Mcf total capacity
- 153 million Dth natural gas transported and in 2018

Distribution

- 29,600-mile natural gas distribution system
- 1.1 million customers with 12,000 miles of service lines
- 102 million Dth natural gas distributed to customers in 2019



Natural Gas Infrastructure

Provides Investment Opportunities

1.1 million
customers

30,000 miles
of distribution
mains

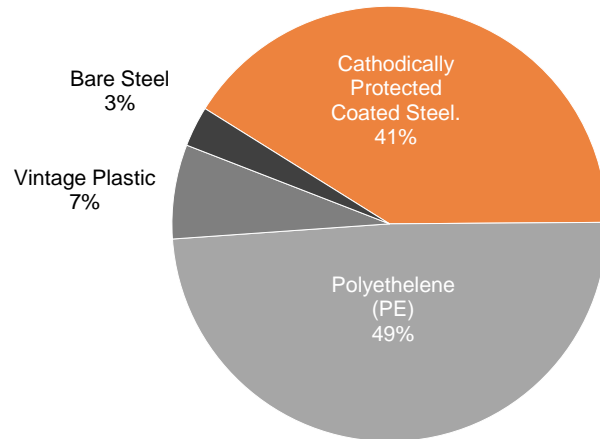
4,800 miles of
transmission

7 active
storage fields

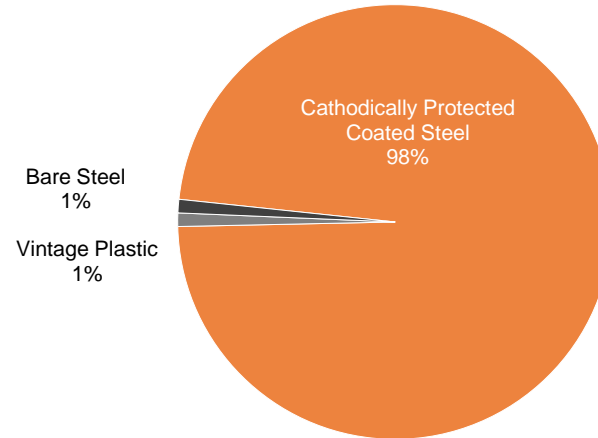
33
compressors

1 natural gas
processing plant

Distribution System Material Type
(in Miles)



Transmission System Material Type
(in Miles)

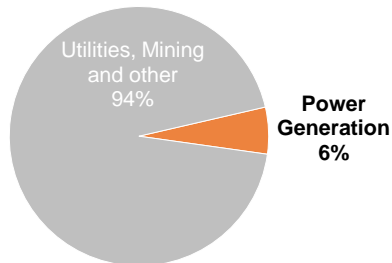


System information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019
Material type information as of Dec. 31, 2019, from 2020 filing with Pipeline Hazardous Materials Safety Administration

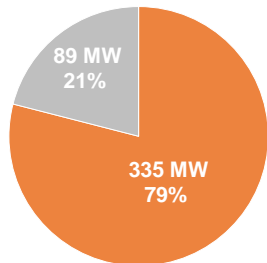
Power Generation Contracts

Capacity Primarily Serves Black Hills' Electric Utilities

Percent of Total Company Revenue*



Capacity Contracted to Electric Utilities



Contracted ■ Uncontracted ■

Plant	Owned Capacity	Contract Capacity	Contracted % Total Owned	Counter-Party	Expiration	Comments
PAGS**	200 MW	200 MW	47.2%	Colorado Electric (COE)	Dec. 31, 2031	Excess power and capacity for benefit of COE
Wygen I	68.9 MW	60 MW	14.2%	Wyoming Electric (WYE)	Dec. 31, 2021	Existing contract
					Dec. 31, 2032	New contract starting Jan. 1, 2022
Busch Ranch I	14.5 MW	14.5 MW	3.4%	COE	Oct. 16, 2037	
Busch Ranch II	60 MW	60 MW	14.2%	COE	Nov. 26, 2044	
Top of Iowa	80 MW					
Total	423.4 MW	334.5 MW	79.0%			

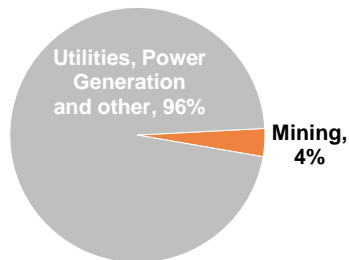
* Information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019; percentages in chart based on full-year 2019 revenue

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

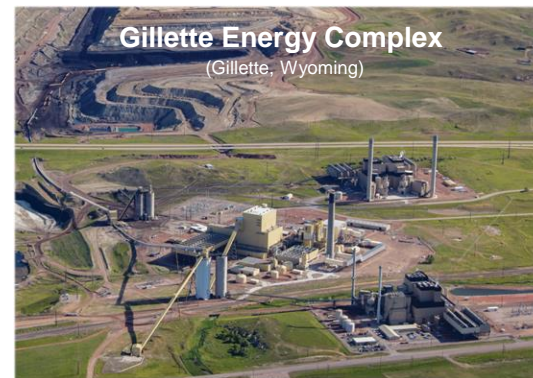
Mining Contracts

92.5% of Production Serves Mine-Mouth Generation

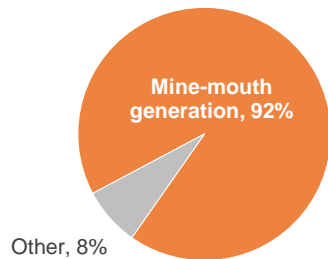
Percent of Total Company Revenue*



- Nearly half of production sold under contracts priced based on actual mining costs plus a return on mine capital investments; price adjusted annually to include actual mining expenses plus return on capital equal to A-rated utility bonds plus 400 bps with 100% equity capital structure
- Nearly half of production under contract with price escalators using published indices



Production Contracted



Plant	2020F Production (millions of tons)	Pricing	Price Reopener or Adjustment	Expiration	Contract Quantity
Wyodak Plant (80% owned by PacifiCorp)	1.4	Fixed w/ escalators	n/a	Dec. 2022	All plant usage
Wygen I	0.5	Fixed w/ escalators	n/a	Dec. 2021	All plant usage
		Cost plus return	Jan. 1, 2022	Dec. 2032	All plant usage
Wygen II	0.5	Cost plus return	Annual True-Up	Life of plant	All plant usage
Wygen III	0.6	Cost plus return	Annual True-Up	Life of plant	All plant usage
Neil Simpson II	0.5	Cost plus return	Annual True-Up	Life of plant	All plant usage
Other sales (truck)	0.3	Fixed	1-3 years	1-3 years	Various
Total	3.8				

* Based on full-year revenue as of Dec. 31, 2019

Note differences in total due to rounding; information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019, and new Wygen I contract to begin Jan. 1, 2022

Regulatory



Placing our customers at the center of our business is an important part of our culture.

Regulatory Progress

Rate review and consolidation requests

Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	Status
Colorado Gas (Proceeding #20AL-0380G)	Sept. 11, 2020	\$13.5 million*	9.95%*	50.0% / 50.0%*	Discovery ongoing; final rates expected in Q2 2021
Nebraska Gas (Application # NG-109)	June 1, 2020	\$17.3 million* \$11.1 million^	10.0%* 9.5%^	50.0% / 50.0%* 50.0% / 50.0%^	Hearing held Oct. 28 regarding settlement agreement which include state-wide final rates effective Q1 2021 and SSIR rider approval; agreement awaiting final decision from Nebraska PSC

Other major activity

Description	Filing Date	State	Filing Type	Status
Renewable Advantage (Program to add 200MW of renewable energy through power purchase agreement)	-	Colorado	Request for Proposals	Preferred bid approved by Colorado PUC; negotiations in process for PPA with project expected to be in service by end of 2023.
Corriedale Wind Energy Project (Serving Renewable Ready)	Dec. 18, 2018	Jointly filed in SD, WY	CPCN**	Fully in service in Q4 2020
Wyoming Electric / BH Wyoming PPA	Aug. 2, 2019	WY / FERC	PPA approval	Approved by FERC on Oct. 15

* As requested in filing

** Certificate of Public Convenience and Necessity

^ Impact to base rates from settlement agreement; new revenues are expected to be approximately \$6 million to \$7 million

COVID-19 Impacts Trending as Forecasted

Forecasted net impact of (\$0.05) to (\$0.10) EPS in 2020

\$5.1 million net operating income impact incurred year-to-date

Year-to-date impacts as of Sept. 30, 2020 (in millions)

Lower electric commercial usage partially offset by higher residential usage	(\$1.1)
--	---------

Lower natural gas transport usage	(\$0.5)
-----------------------------------	---------

Higher bad debt expense than normal	(\$3.7)
-------------------------------------	---------

Waived customer late fees	(\$1.8)
---------------------------	---------

Sequestered mission critical employees (sequestration complete)	(\$2.6)
---	---------

O&M savings from lower employee costs including travel and outside services	\$4.6
---	-------

Regulatory Treatment of COVID-19 Impacts

Disconnect policies reinstated except for Arkansas

State	Disconnect Policy (waived through)*	Late Fee Policy (waived through)	Deferred Accounting Treatment**
Arkansas	December 12	Not waived	Additional costs and bad debt net of savings
Colorado	September 7	November 5	Incremental bad debt expense over an 18-month period
Iowa	August 24	August 24	Additional costs, bad debt and lost revenues net of savings
Kansas	August 1	December 31	Additional costs, bad debt and lost revenues net of savings
Nebraska	August 15	August 24	Additional costs, bad debt and lost revenues net of savings
South Dakota	July 13	July 13	No request
Wyoming	August 10	August 10	Additional costs, bad debt and lost revenues net of savings

* Identifies date customer communication will be initiated to begin the disconnect process and is subject to change

** Allows for the company to track and record as, a regulatory asset, financial items as noted. Authorization to recover is not included in the approval of deferred accounting treatment

Optimizing Regulatory Recovery

Electric Utility Jurisdiction	Cost Recovery Mechanisms					
	Environmental Cost	DSM/ Energy Efficiency	Transmission Expense	Fuel Cost	Transmission Cap-Ex	Purchased Power
South Dakota Electric (SD)	<input checked="" type="checkbox"/> *		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> *	<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"/>
Colorado Electric		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Legend:

Commission approved cost adjustment

* Included in rate moratorium; applies only to non-FERC jurisdictional assets

Optimizing Regulatory Recovery

Gas Utility Jurisdiction	Cost Recovery Mechanisms							
	DSM/ Energy Efficiency	Integrity Additions	Bad Debt	Weather Normal	Pension Recovery	Fuel Cost	Revenue Decoupling	Fixed Cost Recovery*
Arkansas Gas	☑	☑		☑		☑	☑	39%
Colorado Gas	☑					☑		47%
Colorado Gas Dist.	☑					☑		36%
Iowa Gas	☑	☑				☑		70%
Kansas Gas		☑	☑	☑	☑	☑		64%
Nebraska Gas		☑	☑			☑		55%
Nebraska Gas Dist.		☑	☑			☑		80% ²
Rocky Mountain Natural Gas ¹	NA	☑	NA	NA	NA	NA	NA	NA
Wyoming Gas	☑	☑				☑		53%

Legend:

☑ Commission approved cost adjustment

* Residential customers as of last rate base review

¹ Rocky Mountain Natural Gas, an intrastate natural gas pipeline

² Includes first tier of consumption in block rates

Estimated Rate Base

(in millions)

Estimated Rate Base* by State and Segment	2015	2016	2017	2018	2019
Colorado					\$615
South Dakota (all jurisdictions)					785
Wyoming					347
Total Electric Utilities	\$1,515	\$1,570	\$1,650	\$1,706	\$1,747
Arkansas					505
Colorado					413
Iowa					201
Kansas					176
Nebraska					526
Wyoming					359
Total Gas Utilities	\$493	\$1,620	\$1,700	\$1,851	\$2,180
Total Utilities	\$2,008	\$3,190	\$3,350	\$3,557	\$3,927

* 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	Return on Equity	Capital Structure	Authorized Rate Base (in millions)
Arkansas	Arkansas Gas	Oct. 2018	9.61%	50.9% debt / 49.1% equity	\$451.5
Colorado	Colorado Electric	Jan. 2017	9.37%	47.61% debt / 52.39% equity	\$597.5
Colorado	Colorado Gas	July 2020	9.20%	49.85% debt / 50.15% equity	\$68.3
Colorado	Colorado Gas Dist	July 2020	9.20%	49.85% debt / 50.15% equity	\$162.9
Colorado	RMNG	June 2018	9.90%	53.4% debt / 46.6% equity	\$118.7
Iowa	Iowa Gas	Feb. 2011	Global Settlement	Global Settlement	\$109.2
Kansas	Kansas Gas	Jan. 2015	Global Settlement	Global Settlement	\$127.9
Nebraska	Nebraska Gas	Sept. 2010	10.10%	48% debt / 52% equity	\$161.0
Nebraska	Nebraska Gas Dist	June 2012	9.60%	48.84% debt / 51.16% equity	\$87.6*
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	Oct. 2014	9.90%	46% debt / 54% equity	\$376.8
Wyoming	Wyoming Gas	Mar. 2020	9.40%	49.77% debt / 50.23% equity	\$354.4

Note: Information from last approved rate review in each jurisdiction

* Includes amounts to serve non-jurisdictional and agriculture customers

Capital Investment for Customer Needs

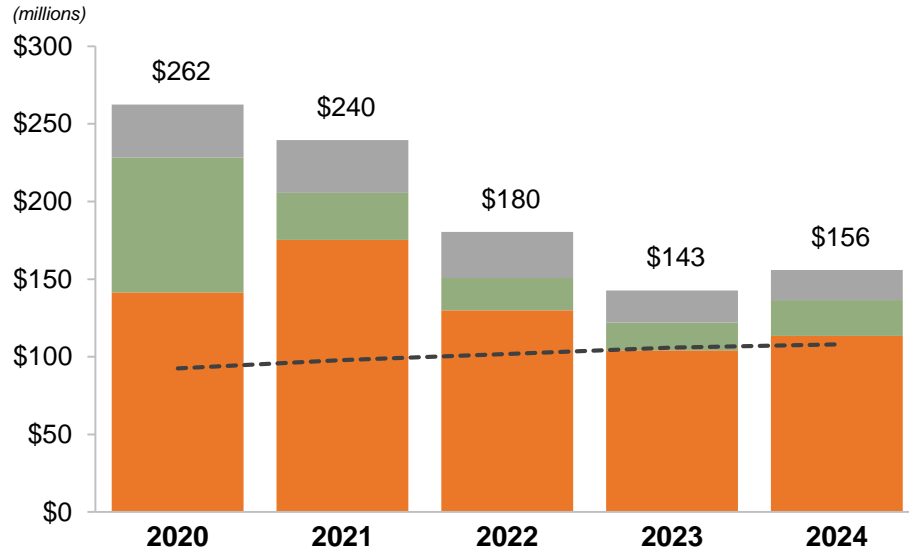


We take a programmatic approach to maintaining, upgrading and replacing critical infrastructure to better serve our customers and communities.

Electric Utilities Capital Investment

Forecast increased \$73 million to \$1.0 billion

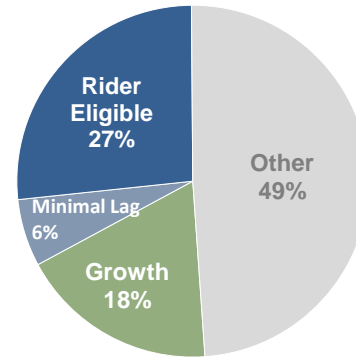
Forecasted Capital Investment By Type



Change at Q3 earnings Nov. 2

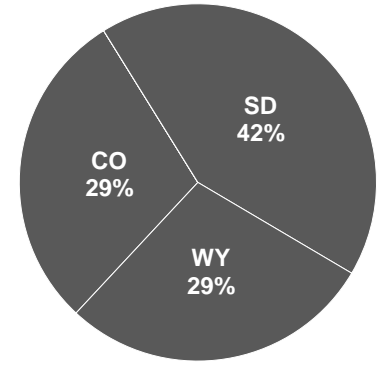
- █ Safety, Reliability and Integrity
- █ General Plant
- █ Growth
- Depreciation

Forecasted Capital Investment Recovery*



2020-2024

Forecasted Capital by State



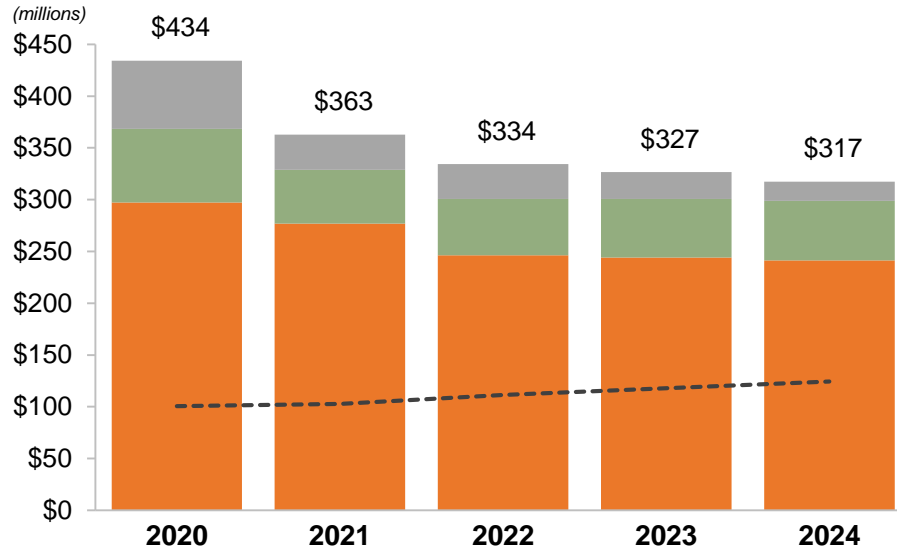
2020-2024

* 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

Forecast increased \$181 million to \$1.8 billion

Forecasted Capital Investment By Type

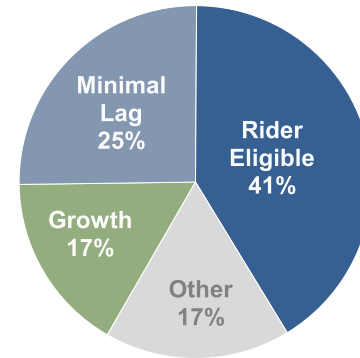


Change at Q3 earnings Nov. 2

\$43	\$54	\$49	\$11	\$24	\$181 Total
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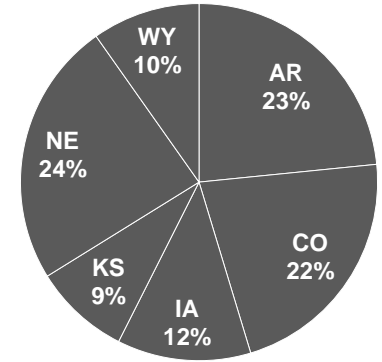
- Safety, Reliability and Integrity
- General Plant
- Growth
- Depreciation

Forecasted Capital Investment Recovery*



2020-2024

Forecasted Capital by State



2020-2024

* 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 Recovery

(in millions)

Capital Investment By Segment and Recovery	2020F	2021F	2022F	2023F	2024F	2020-2024F
Minimal Lag Capital - Electric Utilities ¹	\$0	\$37	\$23	\$0	\$0	\$61
Rider Eligible Capital - Electric Utilities ²	29	89	51	41	51	261
Growth Capital - Electric Utilities ³	87	30	21	18	23	179
Other	147	83	85	84	82	481
Electric Utilities	\$262	\$240	\$180	\$143	\$156	\$981
Minimal Lag Capital - Gas Utilities ¹	\$122	\$65	\$81	\$76	\$105	\$449
Rider Eligible Capital - Gas Utilities ²	113	163	156	151	148	732
Growth Capital - Gas Utilities ³	71	52	55	57	58	292
Other	128	82	43	43	7	303
Gas Utilities	\$434	\$363	\$334	\$327	\$317	\$1,776
Total Utilities	\$697	\$602	\$515	\$469	\$473	\$2,757
Power Generation	10	10	9	6	4	39
Mining	8	9	9	9	9	45
Corporate	18	11	5	13	13	59
Total	\$733	\$633	\$537	\$497	\$499	\$2,899

Forecasted capital investment excludes additional opportunities from power generation or other material projects being evaluated for timing.

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

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

3 Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

Utility Capital Investment by Type

(in millions)

Utility Capital Investment by Type	2020F	2021F	2022F	2023F	2024F	2020-2024F
Safety, Reliability and Integrity ¹	\$141	\$175	\$130	\$104	\$113	\$664
Growth ²	87	30	21	18	23	179
General Plant	34	34	30	21	19	138
Electric Utilities	\$262	\$240	\$180	\$143	\$156	\$981
Safety, Reliability and Integrity ¹	297	277	246	244	241	1,306
Growth ²	71	52	55	57	58	292
General Plant	66	34	34	26	19	178
Gas Utilities	434	363	334	327	317	\$1,776
Total Utilities	\$697	\$602	\$515	\$469	\$473	\$2,757

Forecasted capital investment excludes additional opportunities from power generation or other material projects being evaluated for timing.

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

2 Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

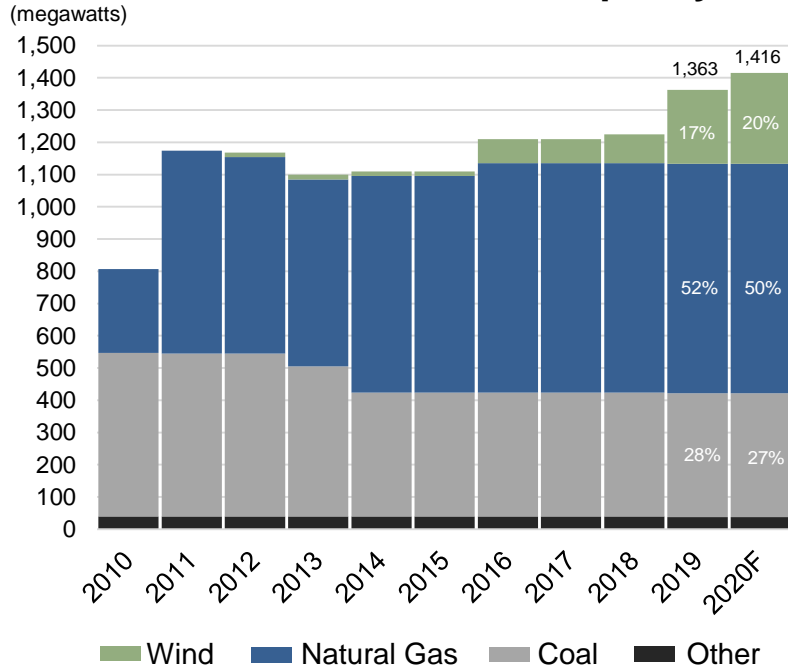
Environmental, Social and Governance

A landscape photograph of a wind farm. In the foreground, a gravel road curves through a field of golden-brown grass. A wire fence runs across the middle ground. In the background, several white wind turbines are scattered across a rolling hill. A small, rocky mound is visible in the center of the hill. The sky is a deep blue with some light clouds. The top of the image has a white background with the title text, and the bottom has an orange background with the footer text.

With the completion of our 60 MW Busch Ranch II wind farm in 2019, our Colorado system is achieving 30% energy delivery from renewable sources in 2020

Cleaner Electric Generation Fuel Mix

Electric Generation Capacity*^

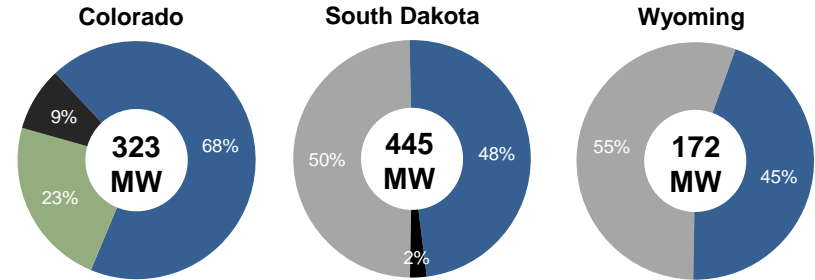


Black Hills Owned Generation Capacity Mix

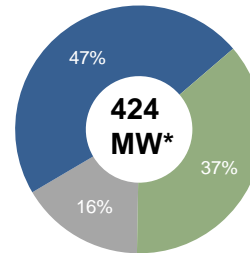
(as of Dec. 31, 2019)

Utility-Owned Capacity

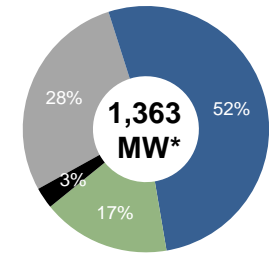
(939 MW total)



Power Generation



Total Black Hills



Primarily Contracted to Utilities Under Long-term PPA's

Electric Utilities and Power Generation

* Total Black Hills ownership comprised of utility-owned capacity and capacity owned by Power Generation segment, which includes 49.9 percent ownership in Colorado IPP, representing approximately 100 megawatts

^ 2020F includes 52.5 megawatts from Corriedale Wind Energy Project to be in-service by year-end 2020

Renewable Ready Subscription Program

Responsibly Adding Renewable Resources for South Dakota and Wyoming

Innovative Solution to Benefit Customers

- Subscription-based program provides access to renewable energy while keeping larger customers connected to Black Hills' systems
- Utility scale provides more attractive economics than distributed renewable projects
- Initial 40 megawatts expanded to 52.5 megawatts on strong customer demand

Program to be Supplied by Corriedale Wind Project

- \$79 million, 52.5-megawatt wind farm to be in service by year-end 2020 in Wyoming
 - Jointly-owned asset of South Dakota and Wyoming electric utilities



Renewable Advantage

Responsibly Expanding Renewable Resources in Colorado

Supporting Emissions Reduction Goals

- Responsibly add renewable energy resources for the benefit of customers and communities
- Request for proposals for up to 200 megawatts of cost-effective, utility-scale renewable resources including wind, solar or battery storage to be in service by year-end 2023

Strong Bid Response with Low Energy Costs

- Preferred 200-megawatt solar project proposed to be constructed in Pueblo County, Colorado, is projected to:
 - Save customers \$66 million over 15 years
 - Provide \$178 million in direct and indirect economic benefits through state and local taxes, federal taxes
 - Increase Colorado renewable energy mix above 50% and significantly reduce carbon emissions in Colorado by approximately 70%



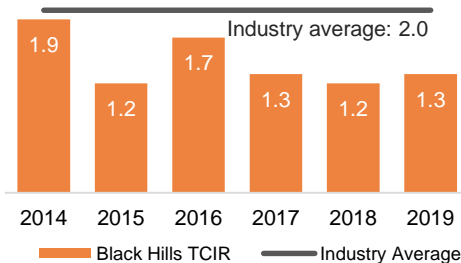
Social Responsibility

Safety Focus

Dedicated "Ready" Safety Culture

- TCIR better than industry average and 32% improved since 2014
- OSHA Voluntary Protection Program Star Status at Pueblo Airport Generating Station
- Safety culture, trainings and stop work authority
- Crisis response full-scale mock drills and response plans

⚠ Total Case Incident Rate*



Great Workplace

Engaged and Inclusive

- Achievers 50 Most Engaged Workplaces
- InHersight's 20 Best Utility Companies to Work For
- Diversity and inclusion programs
 - Aspire employee resource group for women
 - Multicultural employee resource group
- Support of the Guard and Reserve (ESGR) supporting civilian employment of national guard members
- Veteran's engagement team (VET)

Community Support

Developing Thriving Local Economies

- \$1.46 billion direct economic impact**
- Local economic development, community sponsorships
- Culture of encouraging volunteerism
- Black Hills Cares energy assistance
- Employee United Way contributions
- Donations to local nonprofits responding to COVID-19 needs
- Tree giveaway programs



In 2019, we donated \$5.5 million to our communities
including \$524,000 by employees to 50 United Way agencies and affiliates across our service territories

* 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)

** 2019 estimated direct economic impact includes franchise fees, wages and benefits, property and other taxes, payments to suppliers, and other community impact

Governance

Diverse, Experienced Oversight and Alignment of Stakeholder Interests

Board Composition

- 33% of board members are gender or ethnically diverse
- Average Board tenure of 5.7 years
- 11 of 12 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

Other Financial Information



Following historic flooding in the Midwest in 2019, our team worked tirelessly to rebuild critical infrastructure and restore service to our customers.

Income Statement

(in millions, except earnings per share)

	Third Quarter		Year-to-Date (September)	
	2019	2020	2019	2020
Revenue	\$ 325.5	\$ 346.6	\$ 1,257.2	\$ 1,210.6
Gross margin* (non-GAAP)	252.0	274.9	843.8	879.4
Operations and maintenance expense	(129.6)	(136.3)	(404.6)	(407.6)
Depreciation, depletion and amortization	(51.9)	(56.3)	(154.5)	(169.4)
Operating income	70.6	82.2	284.7	302.4
Interest expense, net	(33.5)	(36.0)	(102.5)	(107.0)
Impairment of investment	(19.7)	-	(19.7)	(6.9)
Other income (expense), net	0.6	(1.2)	0.1	(0.7)
Income before taxes	18.0	45.0	162.6	187.8
Income tax (expense)	(2.5)	(4.7)	(22.1)	(25.5)
Net income	\$ 15.4	\$ 40.3	\$ 140.5	\$ 162.3
Net income attributable to non-controlling interest	(3.7)	(4.1)	(10.3)	(11.8)
Net income available to common stock	\$ 11.7	\$ 36.3	\$ 130.1	\$ 150.4
Non-GAAP adjustments	15.2	-	15.2	5.3
Net income available to common stock, as adjusted (Non-GAAP)	\$ 26.9	\$ 36.3	\$ 145.3	\$ 155.7
EPS - Net income available for common stock	\$ 0.19	\$ 0.58	\$ 2.15	\$ 2.41
EPS - Net income available for common stock, as adjusted *	\$ 0.44	\$ 0.58	\$ 2.40	\$ 2.50
Diluted shares outstanding (in thousands)	61.1	62.6	60.6	62.4
EBITDA, as adjusted*	\$ 123.0	\$ 137.4	\$ 439.2	\$ 471.1

* Non-GAAP measure; defined and/or reconciled to GAAP in Appendix

Capital Structure

(in millions, except for ratios)

Capitalization

	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020
Short-term Debt	\$ 301	\$ 355	\$ 325	\$ 4	\$ 94
Long-term Debt	3,049	3,140	3,137	3,533	3,527
Total Debt	3,350	3,495	3,462	3,537	3,621
Equity*	2,329	2,362	2,523	2,513	2,519
Total Capitalization	\$ 5,679	\$ 5,857	\$ 5,985	\$ 6,051	\$ 6,140
Net Debt to Net Capitalization					
Debt	\$ 3,350	\$ 3,495	\$ 3,462	\$ 3,537	\$ 3,621
Cash and Cash Equivalents	(13)	(10)	(54)	(32)	(7)
Net Debt	3,337	3,486	3,408	3,506	3,614
Net Capitalization	\$ 5,666	\$ 5,848	\$ 5,931	\$ 6,019	\$ 6,133
Debt to Capitalization	59.0%	59.7%	57.8%	58.5%	59.0%
Net Debt to Capitalization (Net of Cash)	58.9%	59.6%	57.5%	58.2%	58.9%
Long-term Debt to Total Debt	91.0%	89.8%	90.6%	99.9%	97.4%

* Excludes noncontrolling interest

2020 Earnings Guidance Assumptions

Black Hills affirms its guidance for 2020 EPS available for common stock, as adjusted*, to be in the range of \$3.60 to \$3.70, based on the following assumptions as listed on Nov. 3, 2020:

- Net impact from COVID-19 of (\$0.05) to (\$0.10) per share
- Normal weather conditions for the remainder of the year 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
- Completion of utility regulatory dockets
- Completion of construction and placing in service the Corriedale Wind Energy Project by year-end 2020
- No significant unplanned outages at any of our generating facilities
- Production tax credits of \$14 million associated with wind generation assets
- No additional equity issuances in 2020
- Capital investment of \$733 million in 2020

* EPS available for common stock, as adjusted is a non-GAAP measure; see slide 17 and slide 62 in Appendix for detail; we are not able to provide forward-looking quantitative GAAP to non-GAAP reconciliation for 2020 earnings guidance, as adjusted, because we do not know if any unplanned or unique events may occur.

2021 Earnings Guidance Assumptions

Black Hills affirms its guidance for 2021 EPS available for common stock, as adjusted*, to be in the range of \$3.75 to \$3.95, based on the following assumptions as listed on Nov. 3, 2020:

- 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
- Completion of utility regulatory dockets
- Completion of construction and placing in service the Corriedale Wind Energy Project by year-end 2020
- No significant unplanned outages at any of our generating facilities
- Production tax credits of \$19 million associated with wind generation assets
- Equity issuance of \$80 million to \$100 million through the at-the-market equity offering program in 2021
- Capital investment of \$733 million in 2020 and \$633 million in 2021
- No material net impact from COVID-19

* EPS available for common stock, as adjusted is a non-GAAP measure; see Appendix for detail; we are not able to provide forward-looking quantitative GAAP to non-GAAP reconciliation for 2021 earnings guidance, as adjusted, because we do not know if any unplanned or unique events may occur.

Use of Non-GAAP Financial Measures

Gross Margin

Our financial information includes the financial measure Gross Margin, which is considered a “non-GAAP financial measure.” Generally, a non-GAAP financial measure is a numerical measure of a company’s financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. Gross Margin (Revenues less Cost of Sales) is a non-GAAP financial measure due to the exclusion of depreciation from the measure. The presentation of Gross Margin is intended to supplement investors’ understanding of our operating performance.

Gross Margin is calculated as operating revenue less cost of fuel, purchased power and cost of gas sold. Our Gross Margin is impacted by the fluctuations in power purchases and natural gas and other fuel supply costs. However, while these fluctuating costs impact Gross Margin as a percentage of revenue, they only impact total Gross Margin if the costs cannot be passed through to our customers.

Our Gross Margin measure may not be comparable to other companies’ Gross Margin measure. Furthermore, this measure is not intended to replace operating income as determined in accordance with GAAP as an indicator of operating performance.

EBITDA and EBITDA, as adjusted

We believe that our presentation of earnings before interest, income taxes, depreciation and amortization (EBITDA) and EBITDA, as adjusted (EBITDA adjusted for special items as defined by management), both non-GAAP measures, are important supplemental measures of operating performance. We believe EBITDA and EBITDA, as adjusted, when considered with measures calculated in accordance with GAAP, give investors a more complete understanding of operating results before the impact of investing and financing transactions and income taxes. We have chosen to provide this information to investors to enable them to perform more meaningful comparisons of past and present operating results and as a means to evaluate the results of core on-going operations. Our presentation of EBITDA may be different from the presentation used by other companies and, therefore, comparability may be limited. Depreciation and amortization expense, interest expense, income taxes and other items have been and will be incurred and are not reflected in the presentation of EBITDA. Each of these items should also be considered in the overall evaluation of our results. Additionally, EBITDA does not consider capital expenditures and other investing activities and should not be considered a measure of our liquidity. We compensate for these limitations by providing relevant disclosure of our depreciation and amortization, interest and income taxes, capital expenditures and other items both in our reconciliation to the GAAP financial measures and in our consolidated financial statements, all of which should be considered when evaluating our performance.

Note: continued on next page

Use of 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

Earnings, as adjusted (in millions)	2014	2015	2016	2017	2018	2019
Net income (loss) available for common stock (GAAP)	\$ 130.9	\$ (32.1)	\$ 73.0	\$ 177.0	\$ 258.4	\$ 199.3
(Income) loss from discontinued operations (GAAP)	1.6	173.7	64.2	17.1	6.9	-
Net income from continuing operations available for common stock (GAAP)	132.5	141.5	137.1	194.1	265.3	199.3
<u>Adjustments (after tax)</u>						
Acquisition / integration costs	-	6.7	29.7	2.8	-	-
Tax reform and other tax items	-	-	-	(11.7)	4.0	-
Legal restructuring - income tax benefit	-	-	-	-	(72.8)	-
Impairment of investment	-	-	-	-	-	15.2
Rounding	-	-	0.1	0.1	-	-
Total Non-GAAP adjustments	-	6.7	29.8	(8.8)	(68.8)	15.2
Net income from continuing operations available for common stock; as adjusted (Non-GAAP)	\$ 132.5	\$ 148.2	\$ 166.9	\$ 185.3	\$ 196.5	\$ 214.5

Non-GAAP Financial Measures

Earnings Per Share, as adjusted	2014	2015	2016	2017	2018	2019
Net income (loss) available for common stock (GAAP)	\$ 2.93	\$ (0.71)	\$ 1.37	\$ 3.21	\$ 4.66	\$ 3.28
(Income) loss from discontinued operations (GAAP)	0.04	3.83	1.20	0.31	0.12	-
Net income from continuing operations available for common stock (GAAP)	2.97	3.12	2.57	3.52	4.78	3.28
<u>Adjustments (after tax)</u>						
Acquisition / integration costs	-	0.15	0.56	0.05	-	-
Tax reform and other tax items	-	-	-	(0.21)	0.07	-
Legal restructuring - income tax benefit	-	-	-	-	(1.31)	-
Impairment of investment	-	-	-	-	-	0.25
Total Non-GAAP adjustments	-	0.15	0.56	(0.16)	(1.24)	0.25
Net income from continuing operations available for common stock; as adjusted (Non-GAAP)	\$ 2.97	\$ 3.27	\$ 3.13	\$ 3.36	\$ 3.54	\$ 3.53

Non-GAAP Financial Measures

EBITDA

<i>(in thousands)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2020	2019	2020
Net income	\$ 15,395	\$ 40,349	\$ 140,450	\$ 162,267
Depreciation, depletion and amortization	51,884	56,348	154,507	169,413
Interest expense, net	33,487	36,041	102,469	107,039
Income tax expense (benefit)	2,508	4,651	22,078	25,484
EBITDA	\$ 103,274	\$ 137,389	419,504	464,203
Less adjustments for unique items:				
Impairment of investment	19,741	—	19,741	6,859
EBITDA, as adjusted	\$ 123,015	\$ 137,389	\$ 439,245	\$ 471,062

2020 Guidance Reconciliation

Non-GAAP Earnings Guidance Adjustments

	Low	High
Earnings per share (GAAP)	\$ 3.52	\$ 3.62
Adjustments*:		
Impairment of investment	0.11	0.11
Tax on Adjustments*:		
Impairment of investment	(0.03)	(0.03)
Earnings per share, as adjusted (Non-GAAP)	\$ 3.60	\$ 3.70

* Additional adjustments may occur in the fourth quarter. Adjustments shown reflect the actual adjustments made year to date through Sept. 30, 2020.

Strategic Objectives

Natural gas and electric utility focused on long-term total shareholder returns

PROFITABLE GROWTH

Achieve consistent growth that creates value.

EARNINGS: Lead industry peers in earnings growth

DIVIDEND: Increase annual dividend, extending industry-leading dividend history

CREDIT RATING: Maintain solid investment-grade senior unsecured credit rating

ASSET DEVELOPMENT: Grow our core utility businesses through disciplined investments that meet customer needs, exceed our established hurdle rates and are accretive to earnings

VALUED SERVICE

Deliver reliable, highly valued products and services.

CUSTOMER: Provide quality products and services at a cost that effectively meet or exceed customer expectations with increased use of technology; effectively market these products and services to customers; and, share information to create understanding of energy-related issues

COMMUNITIES: Be a partner in growing the economies of the communities we serve

BETTER EVERY DAY

Continuously improve to achieve industry leading results.

OPERATIONAL PERFORMANCE: Achieve top-tier operational performance in a culture of continuous improvement

EFFICIENCY: Continuously engage employees to identify and pursue efficiencies, and to simplify or eliminate unnecessary processes. Sustain annual improvements to metrics comparing costs as a percent of gross margin

EFFECTIVENESS: Identify the right projects and tools that allow employees to work effectively every day

MEASUREMENT: Benchmark our costs and processes with meaningful metrics to assist with real-time business management assessment of results and accountability

GREAT WORKPLACE

Promote a workplace that inspires individual growth and pride in what we do.

ENGAGEMENT: Achieve status as one of the “100 Great Places to Work” as measured by the Great Places to Work Institute

DIVERSITY: Increase workforce diversity to achieve improved performance and the innovations that come from inclusiveness

EMPLOYEE DEVELOPMENT: Establish robust development options enabling increased performance while preparing employees for additional career opportunities

TEAM WORK: Maintain top quartile results within a professional, and productive work environment

SAFETY: Strive to be the safest utility company in the U.S. by emphasizing our culture to work and live safely every day

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.

