

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

**Legend:**

GAAP Income Statement Caption

FERC Form 1 Income Statement Caption

in 000's

		Year ended December 31, 2022					
GAAP Income Statement		Reconciliation to FERC Form 1 details	FF1 Page	FF1 Row	FERC Vs. GAAP Variance	Comments on variances	
(A)		(B)			(B) - (A)		
Revenue	\$ 340,599	Revenue (a)= \$ 344,584			\$ 3,985	\$3,985 GAAP nets certain wholesale contracts reducing both Revenue and Fuel & purchased power. FERC Operating Revenues (400) and Operations Expenses (401) are grossed up for this amount.	
		Operating Revenues (400)	(a)	343,909 114-117	2		
		Revenues From Merchandising, Jobbing, and Contract Work (415)	(a)	664 114-117	31		
		Revenues From Nonutility Operations (417)	(a)	11 114-117	33		
Operating expenses:		Operating expenses:					
Fuel & purchased power	104,686	Fuel & purchased power -			(104,686)	(\$104,686) of Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC. \$ 3,985 of Revenue (variance above) includes netting of certain wholesale contracts reducing both Revenue and Fuel & purchased power for GAAP reporting. FERC presents these amounts as gross within their presentation. (\$ 1,988) of Taxes - Property (variance below) is recorded in O&M for GAAP. \$ 240 of bank fees classified as Operating expenses for FERC and Non-operating Interest expense for GAAP \$ 186 of non-service pension costs classified as O&M for FERC and as Non-operating Expense for GAAP (\$ 156) of amortization cloud computing arrangements (CCAs) classified as depreciation for FERC and as general operating expenses for GAAP	
Operations & maintenance	89,914	Operations & maintenance (b)= 196,869			106,955	\$ 2 Rounding	
		Operations Expenses (401)	(b)	173,045 114-117	4		
		Maintenance Expenses (402)	(b)	22,464 114-117	5		
		(Less) Costs & Exp. of Merchandising, Job. & Contract Work (416)	(b)	800 114-117	32		
		(Less) Expenses of Nonutility Operations (417.1)	(b)	127 114-117	34		
		Gain on Disposition of Property (421.1)	(b)	- 114-117	40		
		Donations (426.1)	(b)	296 114-117	45		
		Exp. For Certain Civic, Political & Related Activities (426.4)	(b)	137 114-117	48		
						\$ 250 of non-service pension costs classified as depreciation for FERC and as other non-operating expenses for GAAP \$ 156 of amortization CCAs classified as depreciation for FERC and as general operating expenses for GAAP	
Depreciation & amortization	49,905	Depreciation and amortization (c)= 50,310			405	(\$ 1) Rounding	
		Depreciation Expense (403)	(c)	48,229 114-117	6		
		Depreciation Expense for Asset Retirement Costs (403.1)	(c)	30			
		Amort. & Depl. Of Utility Plant (404-405)	(c)	1,930 114-117	6		
		Amort. Of Utility Plant Acq. Adj. (406)	(c)	97			
		Accretion Expense (411.10)	(c)	24 114-117	6		
						\$1,961 FERC reporting includes sales and use taxes which are included in O&M for GAAP \$ 25 of non-Utility TOIT for FERC classified as "above the line" Property Taxes for GAAP	
Taxes - Property	9,438	Taxes - Property (d)= 11,425			1,987	\$ 1 Rounding	
		Taxes Other Than Income Taxes (408.1)	(d)	11,400 114-117	14		
		Taxes Other Than Income Taxes (408.2)	(d)	25 114-117	52		
Total operating expenses	253,943	Total operating expenses		258,604	4,661		
<b>Operating income</b>	<b>86,656</b>	<b>Operating income</b>		<b>85,980</b>	<b>(676)</b>		
Other income (expense):		Other income (expense):					



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

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2022				
GAAP Balance Sheet		Reconciliation to FERC Form 1 details	FERC Vs. GAAP Variance	Comments on variances
(A)		(B)	(B) - (A)	
Current assets:				
Cash	\$ 731	Cash (a)= \$ 731	-	
		Cash (131) (a) 731		
		Working Fund (135) (a) -		
				\$215 of Other accounts receivable included in Accounts Receivable for FERC but within Other current assets for GAAP
Accounts receivable, net	37,342	Accounts receivable, net (b)= 37,558	216	\$ 1 Rounding
		Customer Accounts Receivable (142) (b) 23,337		
		Other Accounts Receivable (143) (b) 988		
		(Less) Accum. Prov. For Uncollectible Acct.-Credit (144) (b) (182)		
		Accrued Utility Revenues (173) (b) 13,415		
Accounts receivable from affiliates	29,000	Accounts receivable from affiliates (c)= 29,000	-	
		Accounts Receivable from Assoc. Companies (146) (c) 29,000		
Materials, supplies, and fuel	39,764	Materials, supplies, and fuel (d)= 39,763	(1)	(\$1 Rounding)
		Fuel Stock (151) (d) 2,559		
		Plant Materials and Operating Supplies (154) (d) 30,032		
		Stores Expense Undistributed (163) (d) 2,079		
		Miscellaneous Current and Accrued Assets (174) (d) 5,093		
Regulatory assets, current	26,884	Regulatory assets, current -	(26,884)	FERC does not make short-term/long-term distinction for Regulatory assets, see total reported below as part of Regulatory Assets, non-current
				(\$215) of Other accounts receivable included in Accounts Receivable for FERC but within Other current assets for GAAP
Other current assets	5,031	Other current assets (e)= 4,813	(218)	(\$ 3) miscellaneous immaterial difference
		Prepayments (165) (e) 3,992		
		Derivative Instrument Assets (175) (e) -		
		Clearing Accounts (184) (e) 821		
Total Current Assets	138,752	Total Current Assets 111,865	(26,887)	
Investments	3,678	Other Property and Investments (f)= 3,678	-	
		Other investments (124) (f) 699		
		Other Special Funds (128) (f) 2,979		
				\$16,493 of operating lease right-of-use assets included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP
				\$ 345 of Service Company plant cloud computing arrangements (CCA) allocations included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP
				\$ 4,550 GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FERC, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation
				\$ 644 GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense for GAAP
Property, plant & equipment	1,724,478	Property, plant & equipment (g)= 1,746,510	22,032	
		Utility Plant (101-106, 114) (g) 1,698,479		
		Construction Work in Progress (107) (g) 48,031		

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

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2022				FERC Vs. GAAP Variance	Comments on variances
GAAP Balance Sheet		Reconciliation to FERC Form 1 details			
					(\$58,048) of removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FERC
					(\$ 4,550) GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FERC, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation
					(\$ 3,058) of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC but within Other, non-current assets for GAAP
					(\$ 182) of Service Company accumulated depreciation CCA allocations included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
					(\$ 746) GAAP-to-FERC difference due to capitalization (and related depreciation) of non-service pension costs for FERC vs. Other expense for GAAP
Less accumulated depreciation and amortization	(424,328)	Less accumulated depreciation and amortization	(h)= (490,911)	(66,583)	\$ 1 Rounding
		Less Accum. Prov. For Depr. (108, 110, 111, 115)	(h) (490,911)		
Total property, plant and equipment, net	1,300,150	Total property, plant and equipment, net	1,255,599	(44,551)	
		Net Utility Plant	1,207,568		
Other assets:					
					\$26,884 of Regulatory assets are classified as current assets for GAAP but for FERC does not make distinction between current/non-current
					\$ 102 GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense (and related regulatory asset) for GAAP
Regulatory assets, non-current	47,307	Regulatory assets, non-current	(i)= 74,293	26,986	
		Other Regulatory Assets (182.3)	(i) 73,979		
		Unamortized Loss on Reaquired Debt (189)	(i) 314		
					(\$16,493) of operating lease right-of-use assets included in Utility Plant (101) for FERC but within Other, non-current assets for GAAP
					(\$ 345) of Service Company plant CCA allocations included in Utility Plant (101) for FERC, but within Other, non-current assets for GAAP
					\$ 3,058 of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
					\$ 182 of Service Company accumulated depreciation CCA allocations included in Accumulated Depreciation (108) for FERC, but within Other, non-current assets for GAAP
Other, non-current assets	19,512	Other, non-current assets	(j)= 5,914	(13,598)	
		Prelim. Survey and Investigation Charges (183)	(j) 307		
		Miscellaneous Deferred Debits (186)	(j) 5,607		
Total other assets, non-current	66,819	Total other assets, non-current	80,207	13,388	
<b>TOTAL ASSETS</b>	<b>\$ 1,509,399</b>	<b>TOTAL ASSETS</b>	<b>\$ 1,451,349</b>	<b>\$ (58,050)</b>	

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

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2022				FERC Vs. GAAP Variance	Comments on variances
GAAP Balance Sheet		Reconciliation to FERC Form 1 details			
Current liabilities:					
Accounts payable	\$ 30,804	Accounts payable (k)=	31,115	311	\$311 of employee benefits payable and accrued payroll taxes classified as Accounts payable for FERC but as Accrued liabilities for GAAP
		Accounts Payable (232) (k)	29,936		
		Tax Collections Payable (241) (k)	1,179		
Accounts payable to affiliates	44,594	Accounts payable to affiliates (l)=	44,591	(3)	\$(3) miscellaneous immaterial difference
		Accounts Payable to Associated Companies (234) (l)	44,591		
					(\$3,796) of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP
					(\$ 311) of employee benefits payable and accrued payroll taxes classified as Accounts payable for FERC vs. Accrued liabilities for GAAP
					(\$ 745) of intercompany interest classified as Money pool notes payable for FERC vs. Accrued liabilities for GAAP
Accrued liabilities	27,798	Accrued liabilities (m)=	22,945	(4,853)	(\$ 1) Rounding
		Customer Deposits (235) (m)	1,848		
		Taxes Accrued (236) (m)	8,025		
		Interest Accrued (237) (m)	4,675		
		Miscellaneous Current and Accrued Liabilities (242) (m)	8,070		
		Obligations Under Capital Leases-Current (243) (m)	327		
		Derivative Instrument Liabilities (244) (m)	-		
					\$133,000 Classified as Money pool notes payable for FERC but presented on separate line Notes payable to Parent for GAAP
					\$ 745 of intercompany interest classified as Money pool notes payable for FERC vs. Accrued liabilities for GAAP
Money pool notes payable	73,970	Money pool notes payable (n)=	207,716	133,746	\$ 1 Rounding
		Notes Payable to Associated Companies (233) (n)	207,716		
Notes payable to Parent	133,000	Notes payable to Parent	-	(133,000)	(\$133,000) Classified as Money pool notes payable for FERC but presented on separate line Notes payable to Parent for GAAP
Regulatory liabilities, current	-	Regulatory liabilities, current (o)=	-	-	
		Accumulates Provision for Rate Refunds (229) (o)	-		
Total current liabilities	310,166	Total current liabilities	306,367	(3,799)	
Long term debt					
	337,813	Long term debt (p)=	337,813	-	
		Bonds (221) (p)	340,000		
		Other Ling-Term Debt (224) (p)	-		
		(Less) Unamortized Discounts (226) (p)	(70)		
		Unamortized Debt Expenses (181) (p)	(2,117)		
Deferred credits and other liabilities:					
Deferred income tax liabilities, net	123,835	Deferred income tax liabilities, net (q)=	123,835	-	
		Accum. Deferred Income Taxes-Other Property (282) (q)	150,804		
		Accum. Deferred Income Taxes-Other (283) (q)	17,871		
		Accumulated Deferred Income Taxes (190) (q)	(44,840)		

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**Balance Sheet GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2022					
GAAP Balance Sheet		Reconciliation to FERC Form 1 details		FERC Vs. GAAP Variance	Comments on variances
Regulatory liabilities, non-current	155,082	Regulatory liabilities, non-current	(r)=	97,035	(58,047) \$ 1 Rounding
		Other Regulatory Liabilities (254)	(r)	97,035	
Benefit plan liabilities	8,684	Benefit plan liabilities	(s)=	8,684	-
		Accumulated Provision for Pensions and Benefits (228.3)	(s)	8,684	
Other, non-current liabilities	23,226	Other, non-current liabilities	(t)=	27,022	\$3,796 of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP
		Obligations Under Capital Leases - Noncurrent (227)	(t)	13,129	
		Accumulates Provision for Injuries and Damages (228.2)	(t)	539	
		Asset Retirement Obligations (230)	(t)	808	
		Customer Advances for Construction (252)	(t)	9,676	
		Other Deferred Credits (253)	(t)	2,870	
Total deferred credits and other liabilities	<u>310,827</u>	Total deferred credits and other liabilities		<u>256,576</u>	<u>(54,251)</u>
Stockholder's equity:					
Common Stock	23,416	Common Stock	(u)=	23,416	-
		Common Stock Issued (201)	(u)	23,416	
Additional paid-in-capital	39,575	Additional paid-in-capital	(v)=	39,575	-
		Premium on Capital Stock (207)	(v)	42,077	
		Less Capital Stock Expense (214)	(v)	(2,502)	
Retained earnings	488,385	Retained Earnings	(w)=	488,385	-
		Retained Earnings (216)	(w)	488,385	
Accumulated other comprehensive (loss)	(783)	Accumulated Other comprehensive income	(x)=	(783)	-
		Accumulated Other comprehensive income (219)	(x)	(783)	
Total stockholder's equity	<u>550,593</u>	Total stockholder's equity		<u>550,593</u>	-
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 1,509,399</u></b>	<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<b><u>\$ 1,451,349</u></b>	<b><u>\$ (58,050)</u></b>

FERC Form 1 Total Assets and/or Total Liabilities and Stockholder Equity	<u>\$ 1,498,306</u>
Variance to the totals in E56 and E113 above	<u>46,957</u>
Unamortized Debt Expenses (181)	<u>(2,117)</u>
Accumulated Deferred Income Taxes (190)	<u>(44,840)</u>
Remaining Variance	<u>-</u>

Presented net with Long-term debt for GAAP reporting, presented as gross asset for FERC reporting

Presented net with def tax liabilities for GAAP reporting, presented as gross asset for FERC reporting