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Fixed Income Investor Presentation

March 2024



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. 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 2023 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:

- 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.

Black Hills Corp. Overview

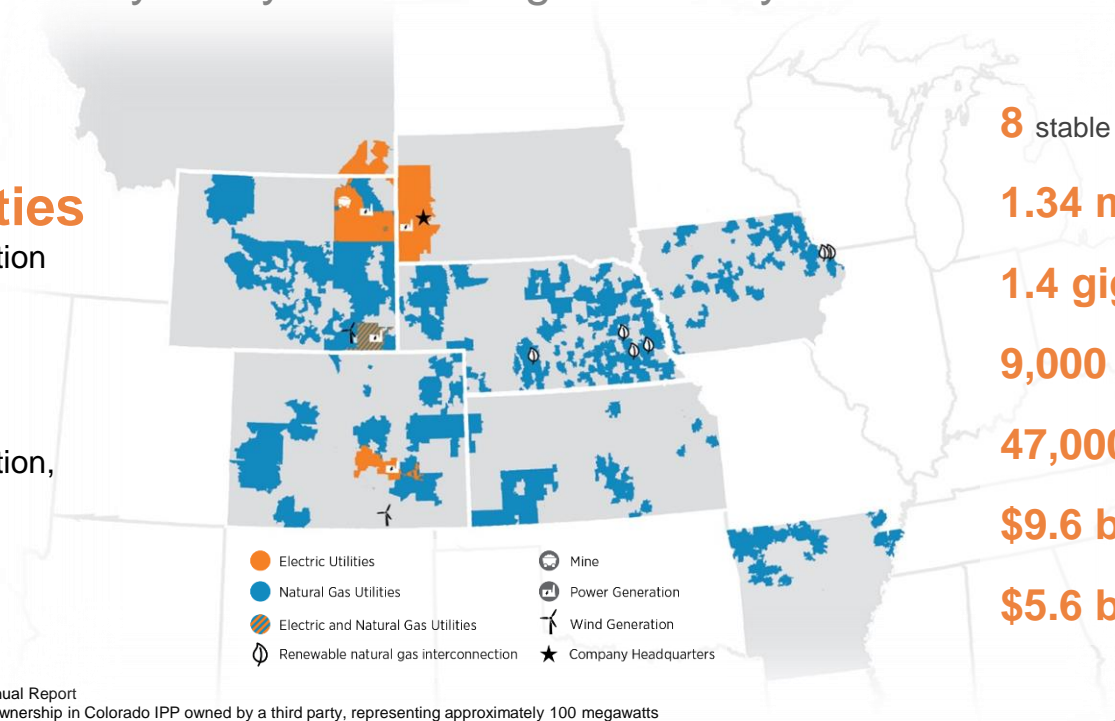
Integrated Pure-Play Utility with Strategic Diversity

Electric Utilities

Transmission, distribution and generation

Gas Utilities

Transmission, distribution, sourcing and storage



- 8** stable and growing states
- 1.34 million** utility customers
- 1.4 gigawatts*** generation
- 9,000 miles** electric lines
- 47,000 miles** natural gas lines
- \$9.6 billion** assets
- \$5.6 billion** rate base

Note: information from 2023 Form 10-K Annual Report

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

Complementary Seasonality of
Electric and Gas Business Mix

Large Systems Across Growing
and Constructive Jurisdictions

Black Hills' Credit Strengths

Low-risk, Predictable Cash Flows from Diverse Regulated Utility Platform

Low-risk Utility

- 99% of assets owned by or contracted to regulated utilities
- Diverse and complementary natural gas and electric utility businesses
- Stable and growing territories with strong population growth and constructive regulatory relationships
- Timely recovery of investments and costs
- Decades-long focus on wildfire risk mitigation

Customer-Focused Investments

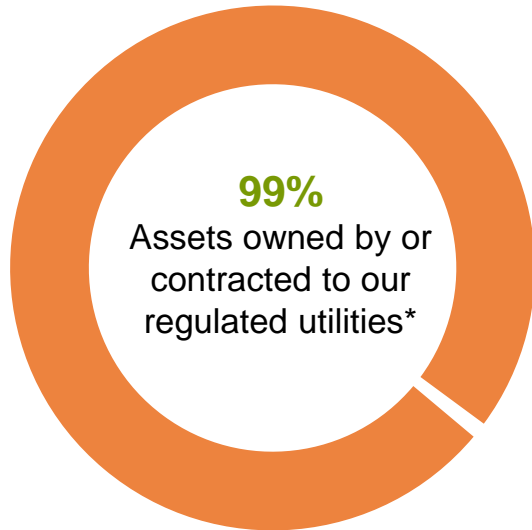
- Long-term, programmatic approach to capital investment
- Investments focused on safety, reliability and growth
- Innovative solutions to serve growing demand for renewable energy
- Progress on emissions reduction and ESG goals
- Cost discipline and focus on continuous improvement

Solid Financial Position

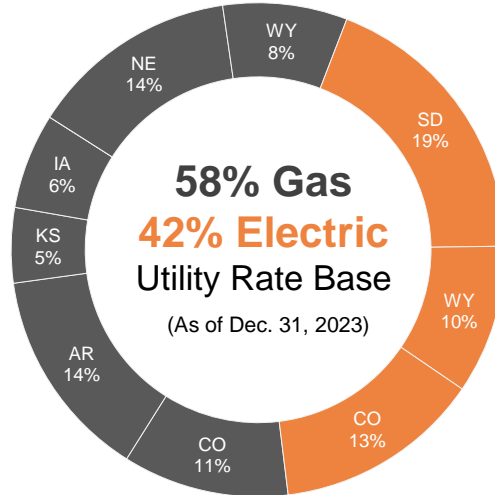
- Committed to Baa1/BBB+ investment-grade credit ratings
- Maintaining strong liquidity to support business needs
- Continuing to strengthen balance sheet through strong operating cash flows and financing plan execution

Low-risk Utility Investment

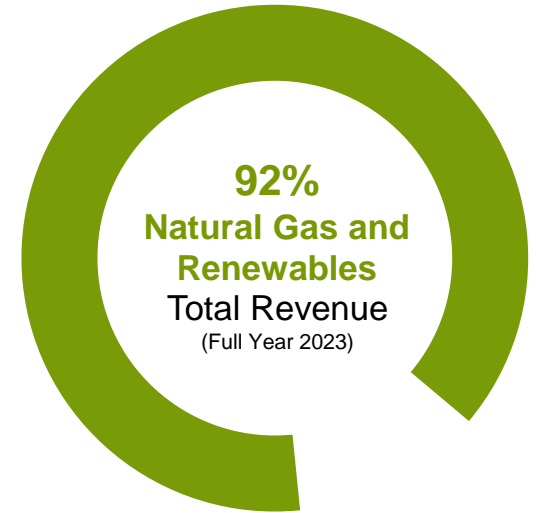
Regulated and Integrated Utility Businesses



Diverse and Balanced Business Mix



Clean Energy Profile



* As of Dec. 31, 2023

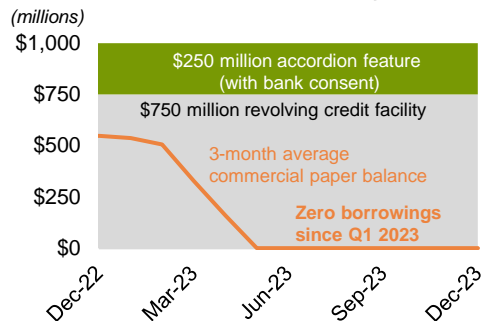
Solid Financial Position

Committed to BBB+ Equivalent Credit Ratings

Credit Ratings

Moody's	S&P	Fitch
Baa2	BBB+	BBB+
Stable outlook	Stable outlook	Negative outlook

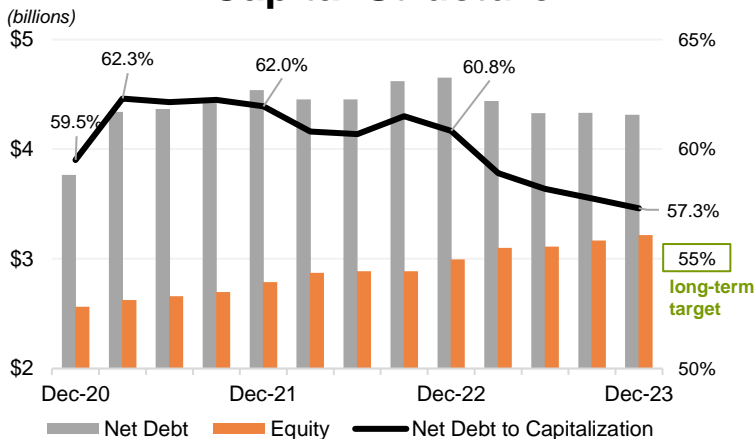
Liquidity and Cash Flow



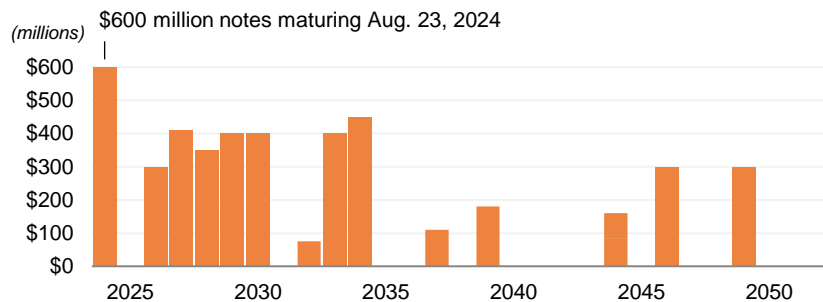
	FFO / Debt	FFO Adjusted Leverage
Target	14-15%	4.8x

Note: FFO / Debt (S&P) and FFO adjusted leverage (Fitch) are non-GAAP measures in accordance with rating agencies' methodologies

Capital Structure*



Debt Maturities



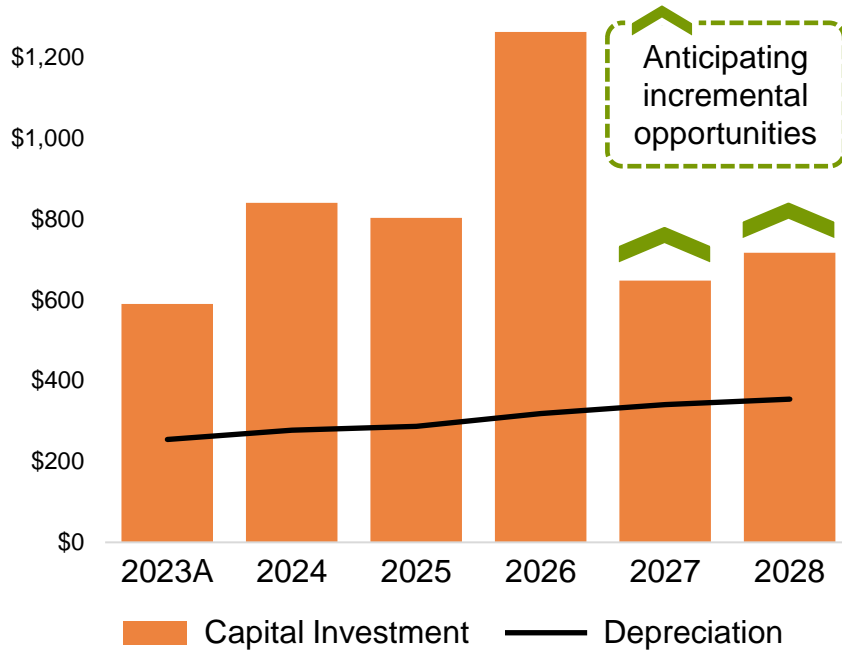
Note: information as of Dec. 31, 2023

* Excludes noncontrolling interest

Investing for Customer Needs Drives Growth

\$4.3 billion Capital Investment Forecast 2024-2028*

(millions)
\$1,400



- Customer growth
- Safety and system integrity projects
- Replacement and modernization programs
- Electric generation and transmission
- Natural gas pipeline and storage
- Renewable natural gas

* Forecasted capital is subject to changes in timing and costs of projects and other factors

Serving Customer Needs Cost-Effectively



Electric Generation

- South Dakota: adding 100 MW of utility-owned renewables by mid-2026
- Colorado: ~400 MW of renewables by 2029 (50% utility ownership)
- Wyoming: filing electric resource plan in 2024 (required every three years)



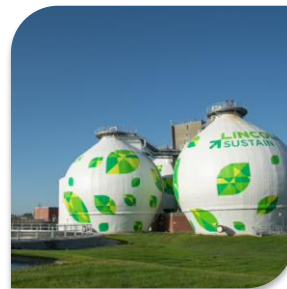
Transmission and Storage

- Ready Wyoming electric transmission project approved; construction commenced on 260-mile project
- Evaluating other electric transmission and natural gas pipeline and storage opportunities



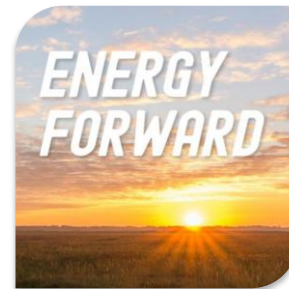
Data Centers and Blockchain

- 10+ years serving data centers
- Innovative tariffs in place in Wyoming
- Ideal location attributes in Cheyenne, Wyoming
- Evaluating new and existing expansion opportunities



Renewable Natural Gas

- 7 interconnects in service; 3 additional projects to be in service in 2024
- Acquired first RNG production facility at landfill in Iowa
- 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

Recovering Costs to Serve Customers

- Completed four rate reviews in 2023 representing \$50 million of new annual revenue recovery
- Filed rate review for Arkansas Gas; preparing to file for Iowa Gas and Colorado Electric in Q2 2024

Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	New Rates Effective	Comments / Status
Wyoming Electric Docket 20003-214-ER-22	June 1, 2022	\$8.7 million	9.75%	48% / 52%	March 1, 2023	Settlement approved for new rates transmission investment and expense rider
Rocky Mountain Natural Gas Docket 22AL-0426G	Oct. 7, 2022	\$8.2 million	9.50% to 9.70%	48% to 50% to 50% to 52%	July 15, 2023	Settlement approved; WACC of 6.93%
Wyoming Gas Docket 30026-78-GR-23	May 18, 2023	\$13.9 million	9.85%	49% / 51%	Feb. 1, 2024	Settlement approved providing new rates and renewal of Wyoming Integrity Rider
Colorado Gas Docket 23AL-0231G	May 8, 2023	\$20.2 million*	9.30%*	49.13% / 50.87% *	Feb. 13, 2024 *	Settlement filed with provisional rates in effect; expecting final approval by Q2 2024
Arkansas Gas Docket 23-074-U	Dec. 4, 2023	\$44.1 million**	10.5%**	52% / 48%**	Q4 2024	Requesting new rates by Q4 2024
Iowa Gas	Q2 2024	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	Interim rates effective 10 days after filing
Colorado Electric	Q2 2024	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	Last rate review in 2016

* Settlement agreement terms pending final approval by commission

** As requested in filing; excludes ongoing rider recovery requested to be included in base rates

Optimizing Regulatory Recovery

Electric Utilities	Environmental Cost²	DSM/ Energy Efficiency	Transmission Expense¹	Fuel Cost	Transmission Cap-Ex²	Purchased Power	Renewable Energy Standard Adjustment¹
Colorado Electric		<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"/>		<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"/>	<input checked="" type="checkbox"/>	

Gas Utilities	DSM/ Energy Efficiency	Integrity Additions	Bad Debt	Weather Normal	Pension Recovery	Gas Cost	Revenue Decoupling	Fixed Cost Recovery³
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							<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

¹ COE utilizes a FERC formula rate for a portion of transmission recovery; the company also recovers Electric Vehicle program costs through a Transportation Electrification Program (TEP) rider.

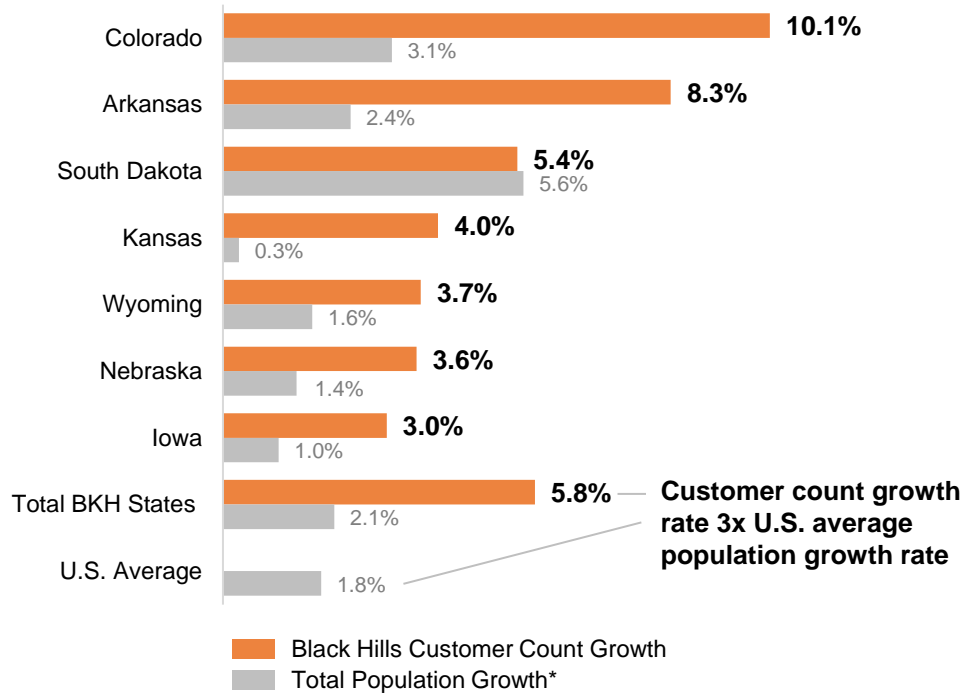
² South Dakota cost adjustments for environmental and transmission capex included in rate moratorium; applies only to non-FERC jurisdictional assets

³ Fixed cost recovery listed for residential customers is as of last rate review

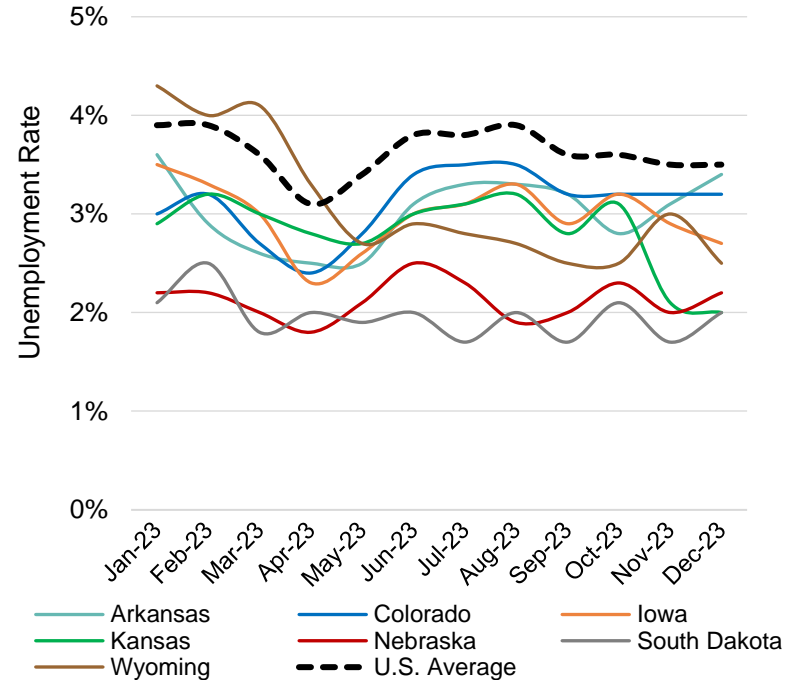
Growing and Stable Jurisdictions

Total 5-year Population and Customer Growth

Year-end 2018-2023 in total (not annualized), ranked by BKH growth
(State and U.S. Average: Year-end 2018 – Q3 2023)*



Better than Average Employment in Black Hills' States

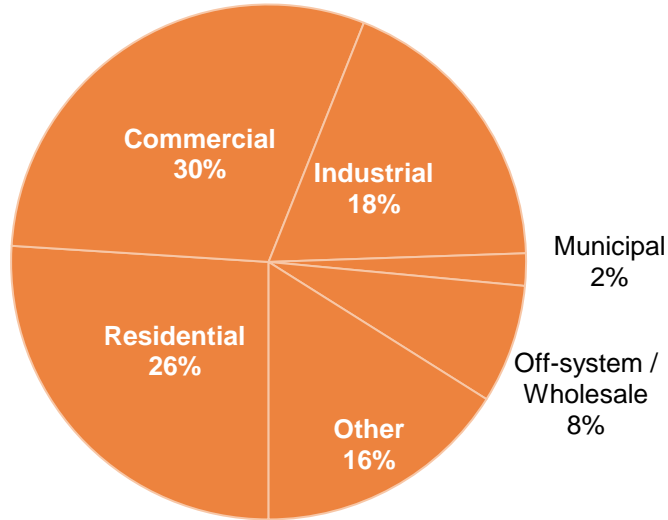


Note: total population and customer count growth from year-end 2018 to year-end 2023 for Black Hills' utilities

* U.S. and state population data from Bureau of Economic Analysis (bea.gov) with data available through Q3 2023 (Year-end 2023 data available March 31, 2024)

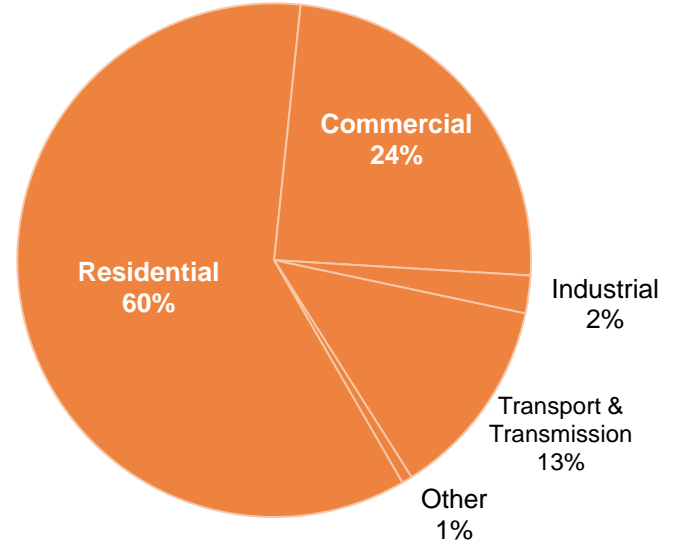
Diverse Mix of Customer Class

Electric Utilities Mix of Residential, Commercial and Industrial



Electric Utilities Revenue*

Gas Utilities Primarily Residential and Commercial



Gas Utilities Revenue*

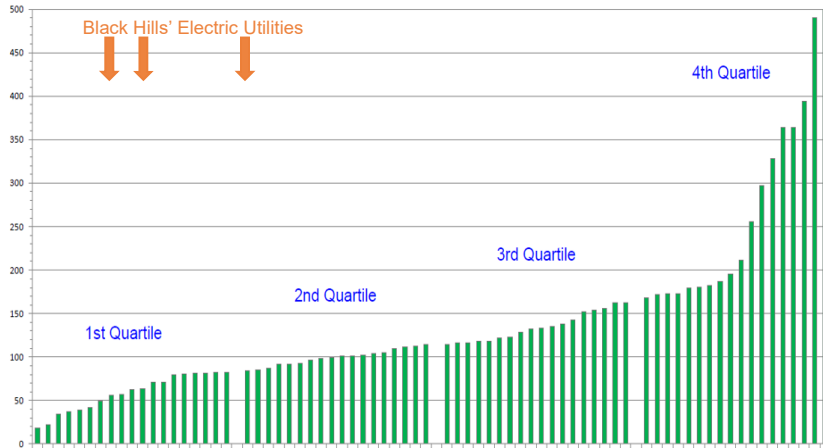
* Information from 2023 10-K filing for year ending Dec. 31, 2023

Operational Excellence

Delivering Safe, Reliable and Cost-Effective Energy

Industry-Leading Electric Reliability

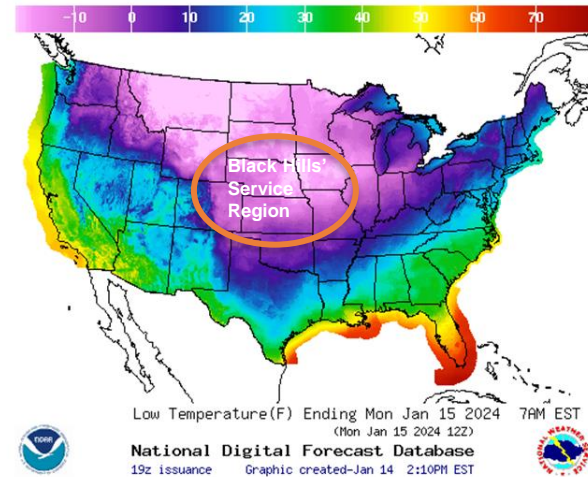
EEI 2022 Overall System SAIDI (Excluding Major Events)



U.S. Dept. of Labor Platinum HIRE Vets Medallion Award

Dependable Natural Gas Service

In mid-January, we reliably served our customers during subzero conditions across our service territory



Wildfire Risk Mitigation

- Wildfire risk mitigation has been a top priority for decades; embedded within safety culture and reliability goals
- Recent disclosure provides insight into our programs, policies and response plans
- Partner and communicate with our communities, local agencies, regulators and other key stakeholders

Asset
Programs

Integrity
Programs

Operational
Response

- Vegetation management
- Transmission line inspection (5-year cycle)
- Distribution management (4-year cycle)
- Pole inspections
- 25% undergrounded lines
- Enhanced risk assessment, forecasting and proactive field work management



Pictured: "Needles" rock formations in Black Hills of Western South Dakota

Black Hills' Electric Utility Service Territory

Colorado

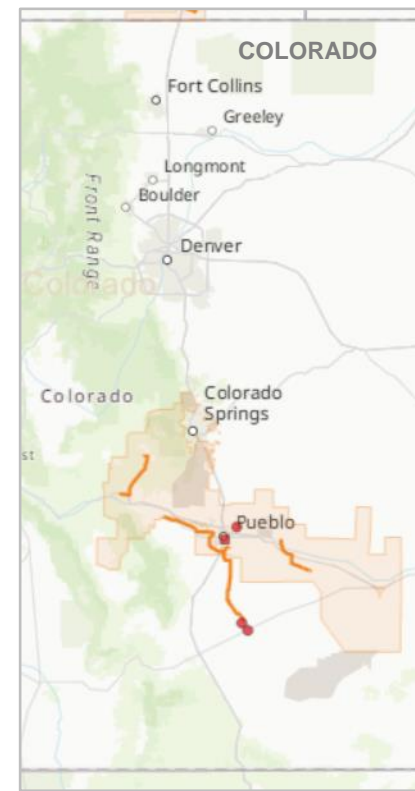
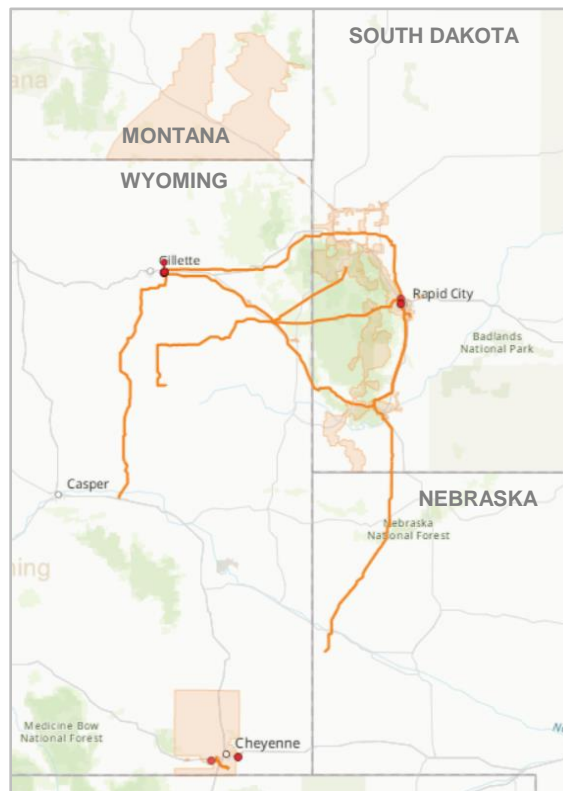
- Pueblo area along plains near Front Range of Rocky Mountains
- Limited transmission lines in relatively open and lower-risk areas

South Dakota

- Rapid City and communities in mix of forested and non-forested areas
- Transmission across mix of plains with some forested areas

Wyoming

- Service territory and transmission across lightly populated areas
- Proven system performance through sustained wind and wind events; strong natural wind resource for renewable development



Black Hills' Electric Service Territory Black Hills' Electric Transmission

Source: S&P Global Market Intelligence Topography Mapping based on information from Esri, HERE, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS

Sustainable ESG Profile

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 GHG Emissions



ELECTRIC EMISSIONS

↓ **70%** by 2040¹
↓ **40%** by 2030¹

✓ **One-third reduction from 2005**

- Adding new renewable generation and integrate battery technology
- Retiring or converting remaining coal-fired power plants at end of engineered lives
- Supporting emissions reduction technologies

See more at www.blackhillsenergy.com/sustainability



NATURAL GAS EMISSIONS

↓ **Net Zero** by 2035²

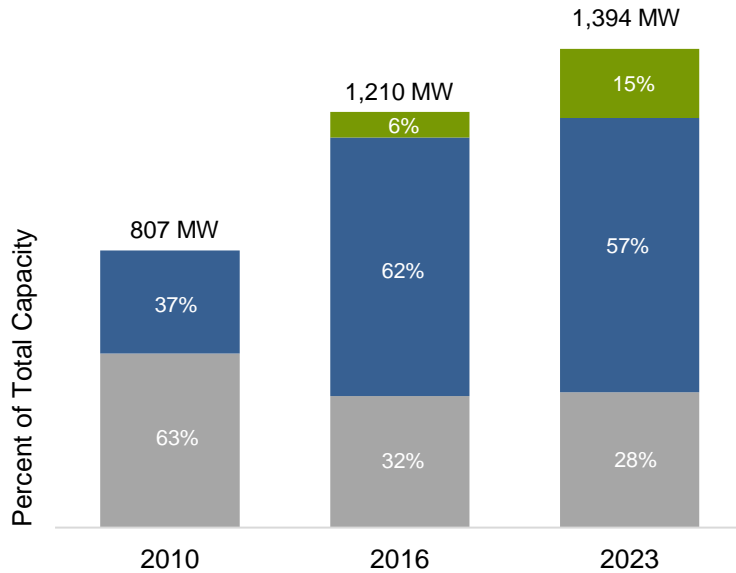
- Replacing aging and at-risk materials
- Leveraging operational best practices and processes, leading technologies and advanced leak detection systems
- Targeting best-in-class third-party line hit reduction
- Integrating low-carbon fuels such as RNG and hydrogen

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.

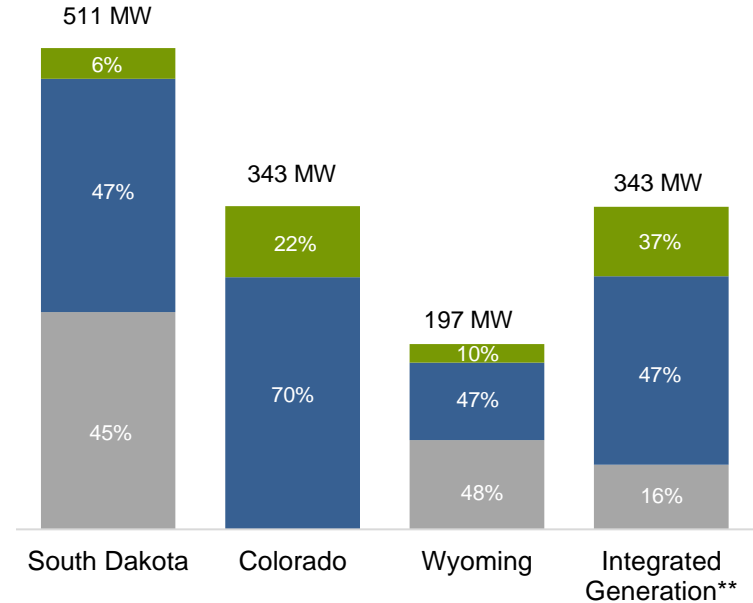
Responsibly Integrating Renewable Energy

Owned Electric Generation Capacity*



Capacity Mix by Location*

(Dec. 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 non-regulated generation assets in Gillette, Wyoming (68.9 MW) and Pueblo, Colorado (274 MW) contracted primarily to our regulated electric utilities



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



Black Hills Corporation
Ready