



Forward Focused

2017 Analyst Day

Oct. 5, 2017

Investor Relations Information

COMPANY INFORMATION

Black Hills Corporation

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Rapid City, SD 57701
NYSE Ticker: **BKH**
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FORWARD LOOKING STATEMENTS

This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission, or SEC. 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 2017 earnings guidance. 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 2016 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 in 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;
- The impact of future governmental regulation and tax reform;
- The impact of the volatility and extent of changes in commodity prices on our earnings and the underlying value of our oil and gas assets, including the possibility that we may be required to take additional impairment charges, including those required under the SEC’s full cost ceiling test for natural gas and oil reserves; 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.

Agenda

Welcome

Jerome Nichols – Director of Investor Relations

Strategic Overview

David Emery – Chairman and CEO

Business Overview

Linn Evans – President and COO

Regulatory Update

Brian Iverson – Senior Vice President and General Counsel

Financial Overview

Rich Kinzley – Senior Vice President and CFO

Closing Remarks

David Emery – Chairman and CEO

Today's Presenters



David Emery
Chairman and CEO



Linn Evans
President and COO



Brian Iverson
Senior Vice President and
General Counsel



Rich Kinzley
Senior Vice President
and CFO

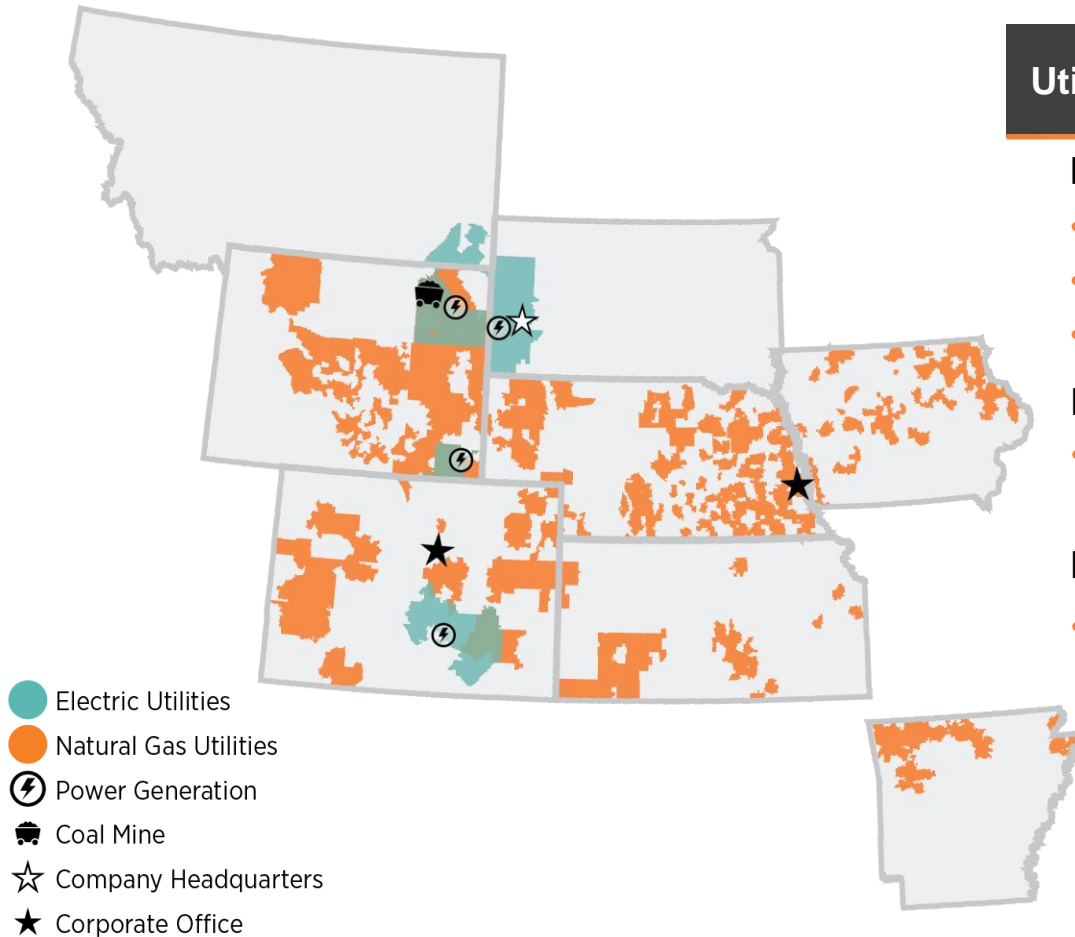
Improving Life with Energy



Black Hills Corporation is a customer focused, growth-oriented utility company with a tradition of exemplary service and a vision to be the energy partner of choice

Black Hills Corporation Overview

Black Hills Corporation is a customer focused, growth-oriented utility company with a tradition of exemplary service and a vision to be the energy partner of choice. Based in Rapid City, S.D., the company serves over 1.2 million electric and natural gas utility customers in nearly 800 communities in Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. Black Hills generates wholesale electricity and produces natural gas, crude oil and coal. Employees partner to produce results that *improve life with energy*.



Utilities, Power Generation & Fuel Production

BHE Electric Utilities

- Colorado
- South Dakota
- Wyoming

BHE Gas Utilities

- Arkansas
- Colorado
- Iowa
- Kansas
- Nebraska
- Wyoming

Power Generation

- Black Hills Electric Generation

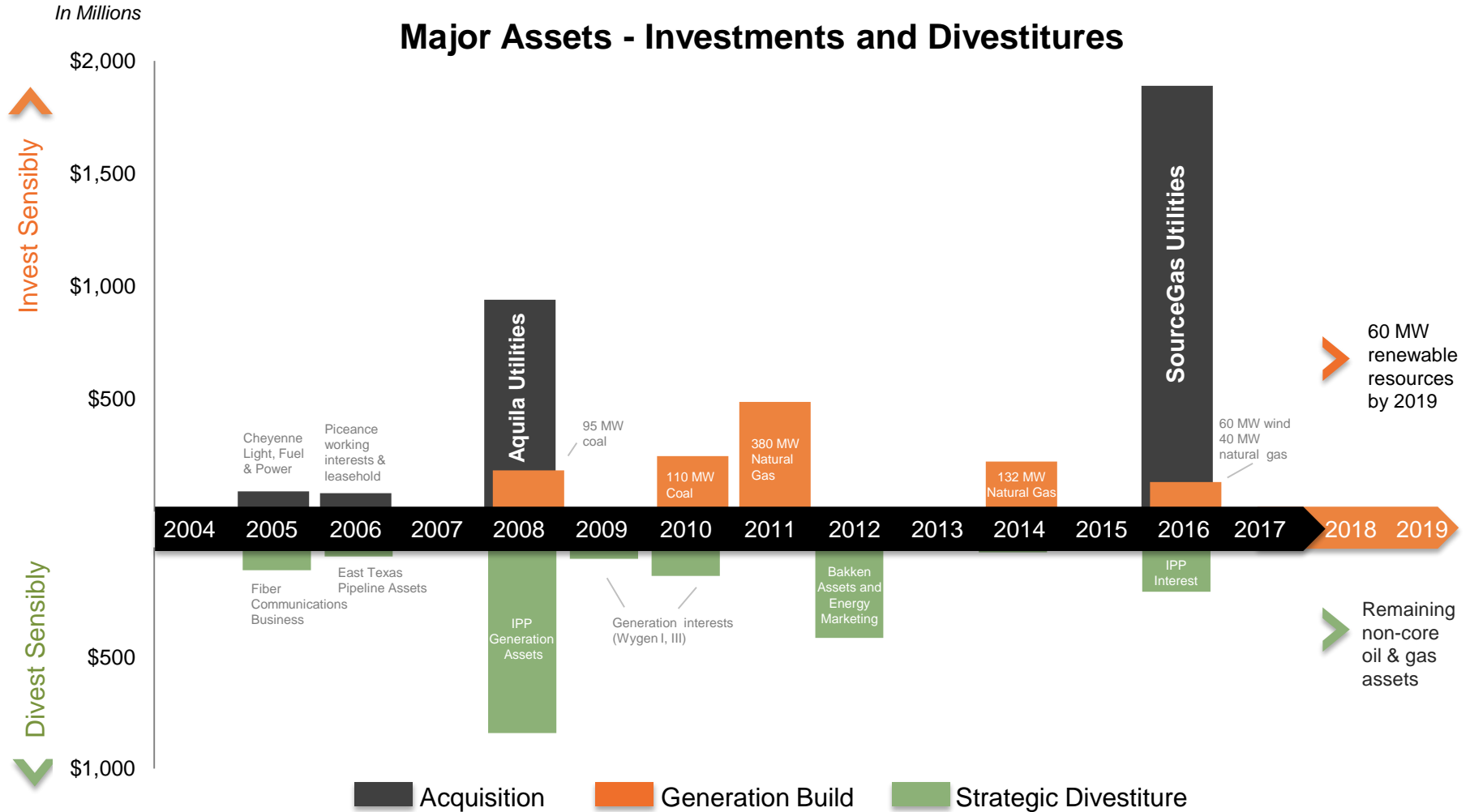
Mining

- Wyodak Resources

Transformation Through Strategy Execution

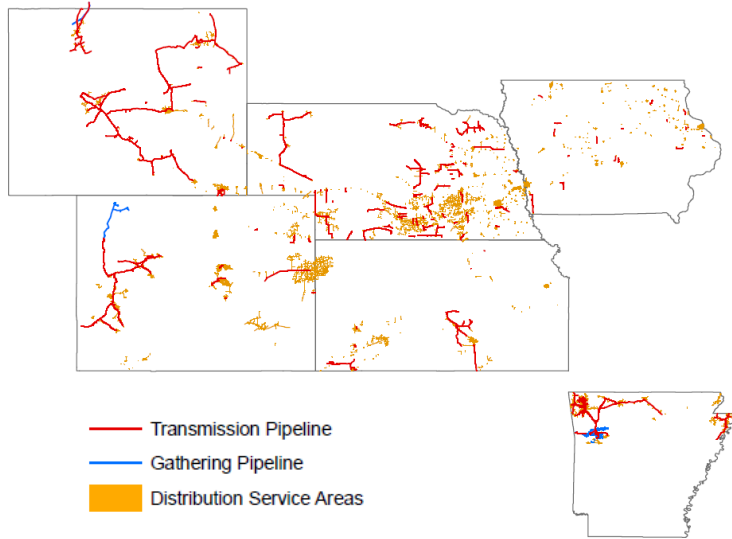
Utility focused growth

Major Assets - Investments and Divestitures

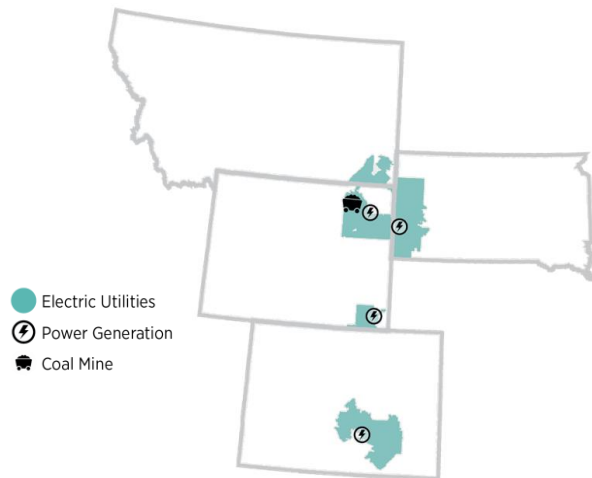


Strategic Execution Delivers Opportunities

Acquisitions created larger transmission and distribution systems



Nearly **45,000-mile** natural gas distribution, service and transmission system



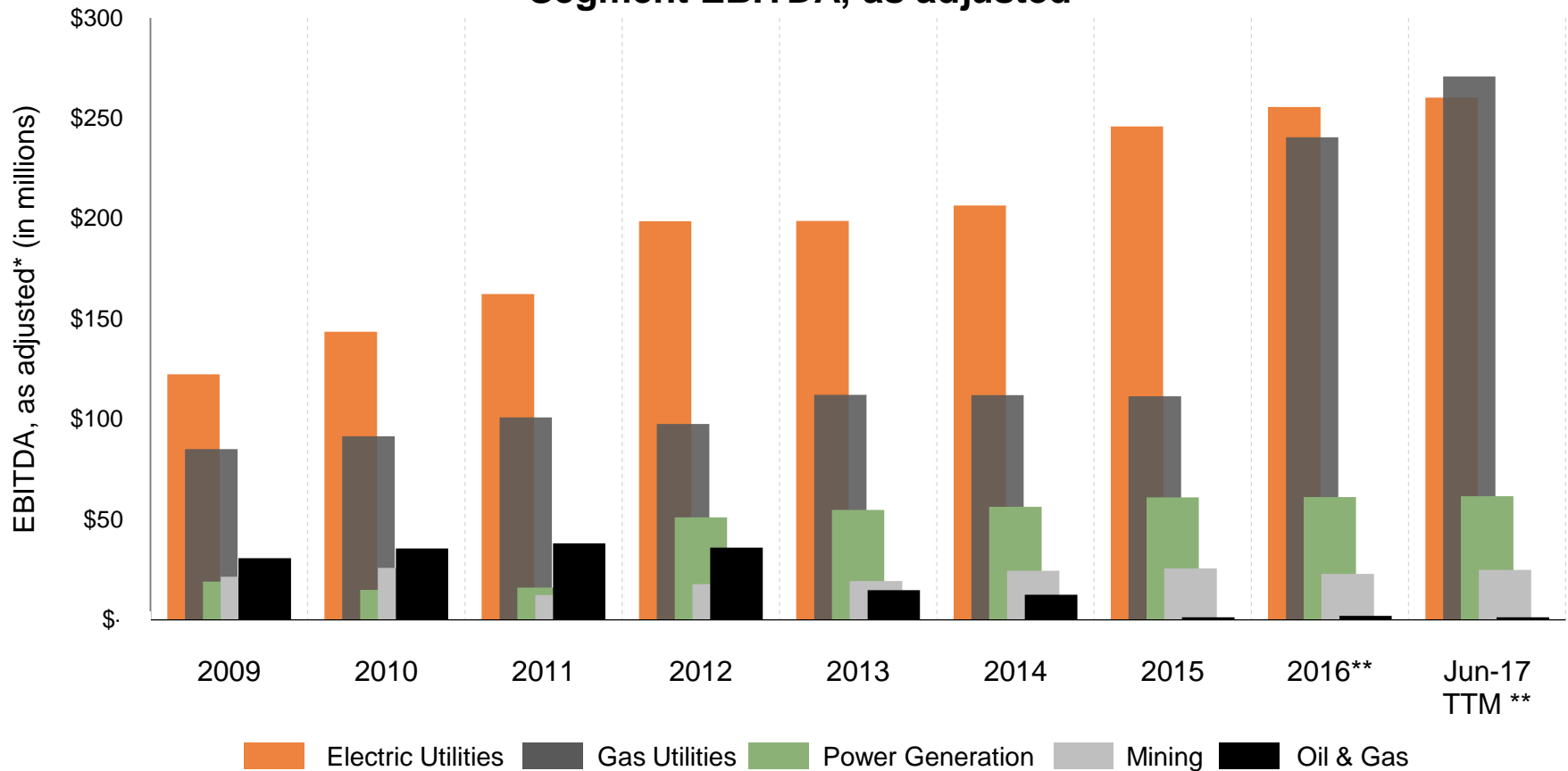
1.2 gigawatts of electric generation and nearly **9,000-mile** electric transmission and distribution system

Note: Information from 2016 Form 10-K

Transformation Through Strategy Execution

Utility focused growth

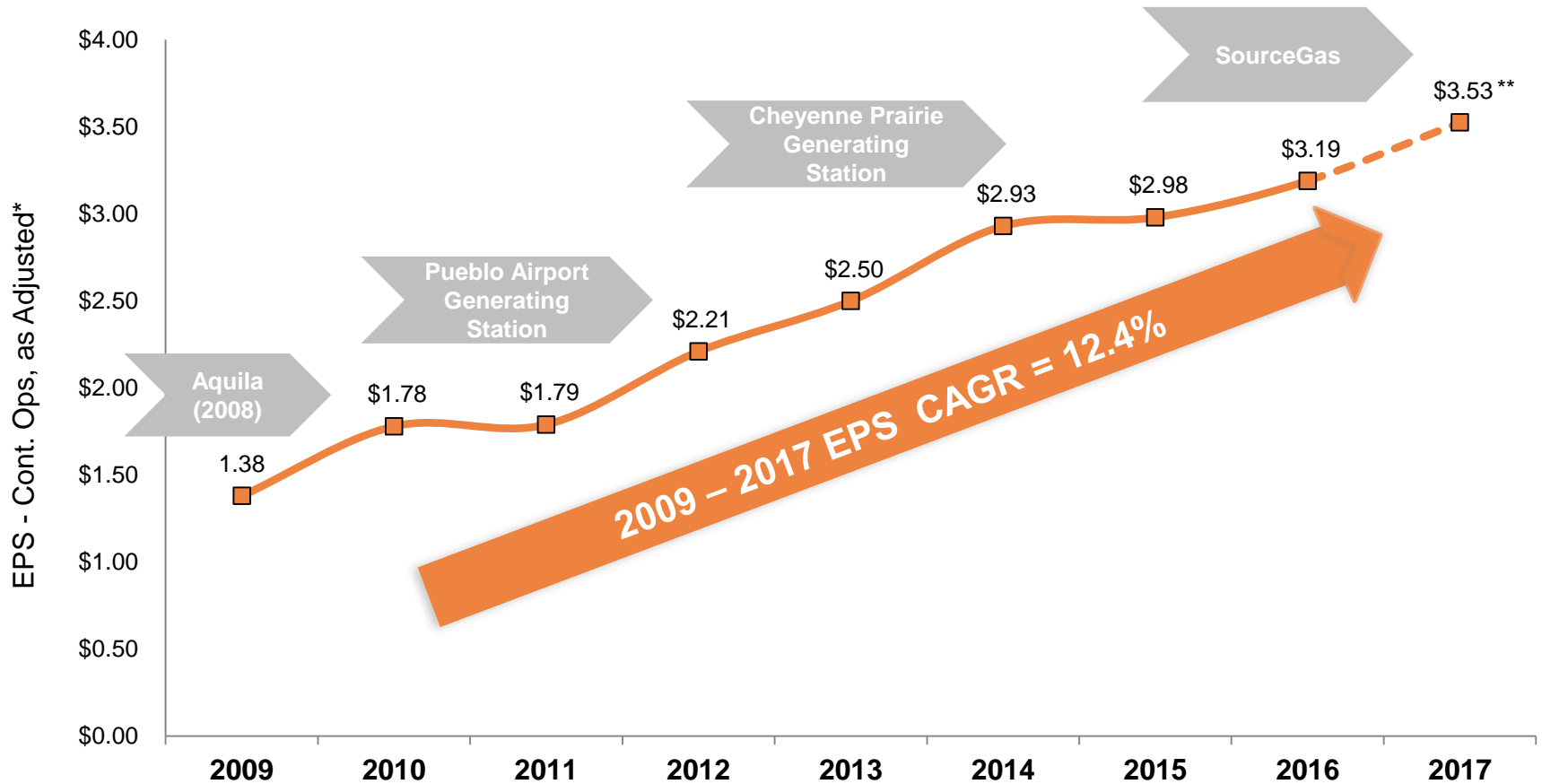
Segment EBITDA, as adjusted*



* EBITDA, as adjusted is non-GAAP item; reconciled to GAAP in appendix
 ** Includes 100 percent of Colorado IPP; 49.9 percent interest divested in April 2016
 Note: Excludes Corporate; TTM is trailing twelve months as of June 30, 2017

Delivering Long-term Value for Shareholders

Earnings growth through investment cycles



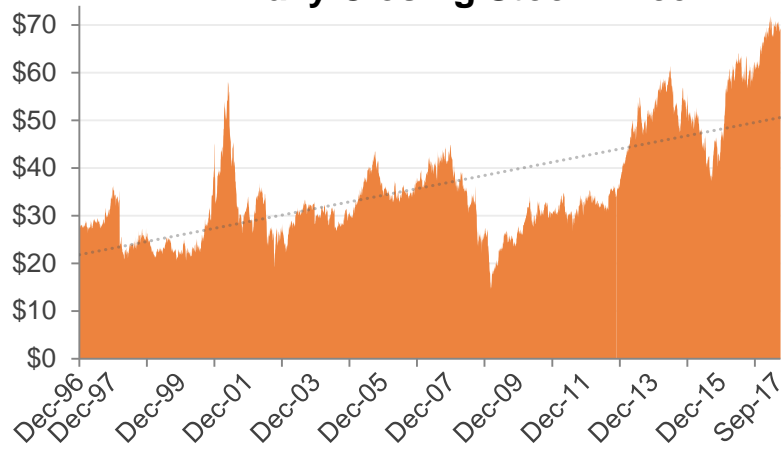
* Non-GAAP measure; reconciled to GAAP in Appendix

** Midpoint of earnings guidance range of \$3.45 - \$3.60 for 2017

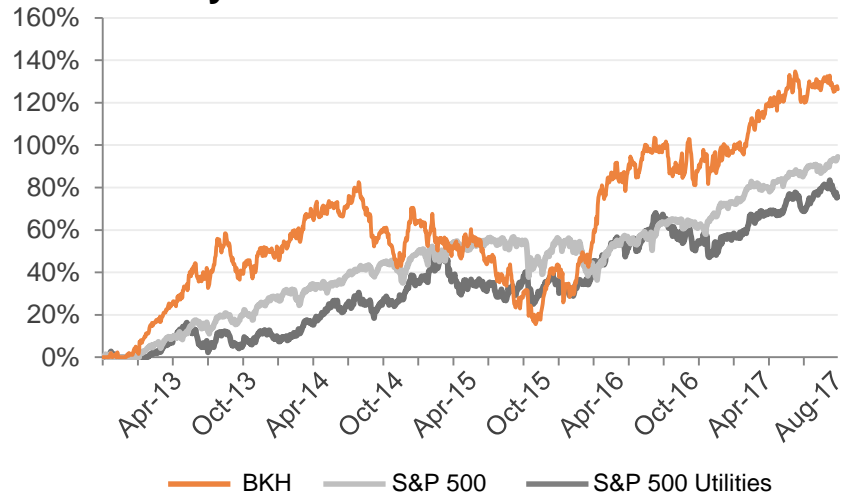
Delivering Long-term Value for Shareholders

Focused on strong long-term total return

BKH Daily Closing Stock Price *



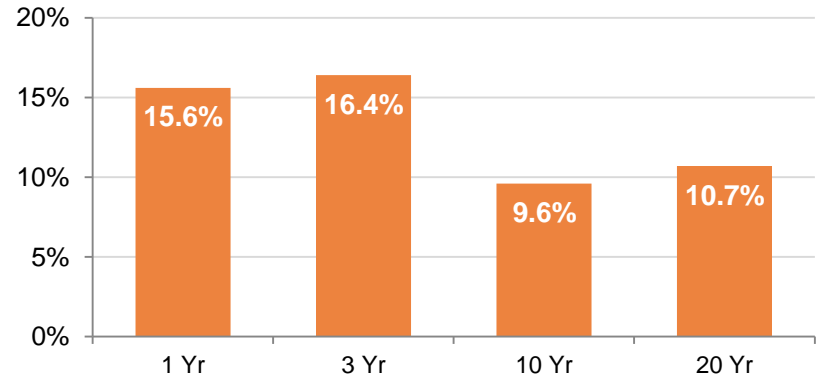
5-year Total Shareholder Return **



Source: S&P Global Market Intelligence

Period	Stock Price*	Annualized Total Return**
9-29-17	\$68.87	
1 Year	\$59.58	15.6%
3 Year	\$43.67	16.4%
10 Year	\$27.48	9.6%
20 Year	\$9.01	10.7%

Annualized Total Return**



* Closing prices adjusted for dividends and stock splits ** Average annualized total returns calculated from listed return period ending Sept 29, 2017

Notes: Annualized total returns calculated on www.buyupside.com using stock return calculator. Total stock return considers dividends paid and stock splits. Black Hills Corp. does not guarantee the accuracy of these calculations, does not suggest our stock price will perform in the future comparable to the past, and does not provide this information as investment advice.

Strategic Objectives

Customer focused utility well positioned to build upon a track record of successful utility growth

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

BUSINESS DEVELOPMENT: Grow our core energy businesses through investments in organic business expansions and acquisitions that 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 energy company in the U.S. by emphasizing our culture to work and live safely every day

Forward Focused Strategy

Profitable Growth

Valued Service

Better Every Day

Great Workplace

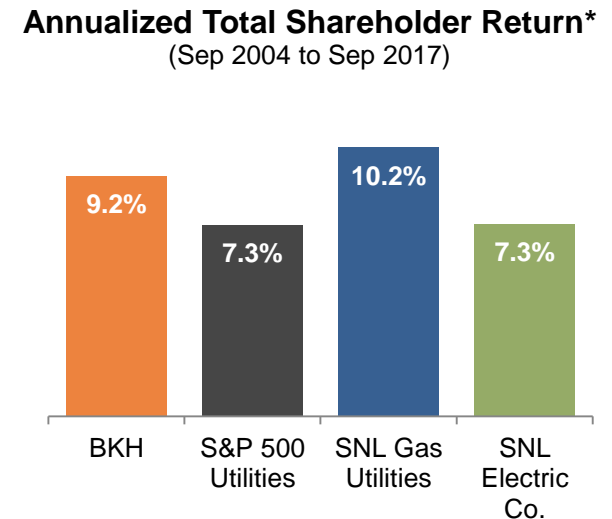
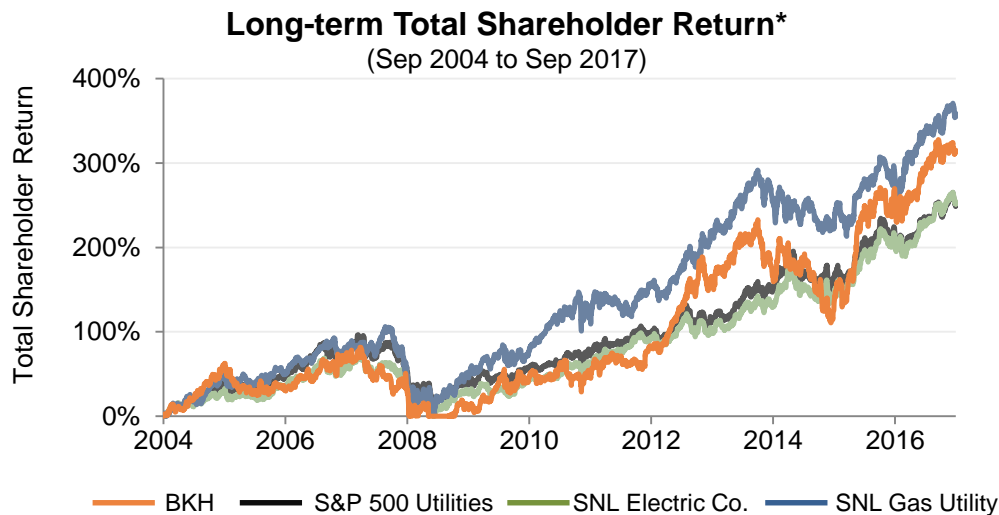
Strategy Execution

- Deliver top-quartile long-term total shareholder return performance
- Transition earnings and growth drivers:
 - Near-term – acquisition integration and efficiency savings
 - Long-term – strong customer investment program
- Leverage service territory and fuel diversity to reduce risks and drive more stable and predictable earnings

Strategy Execution

Target long-term total shareholder return in top quartile of utility industry

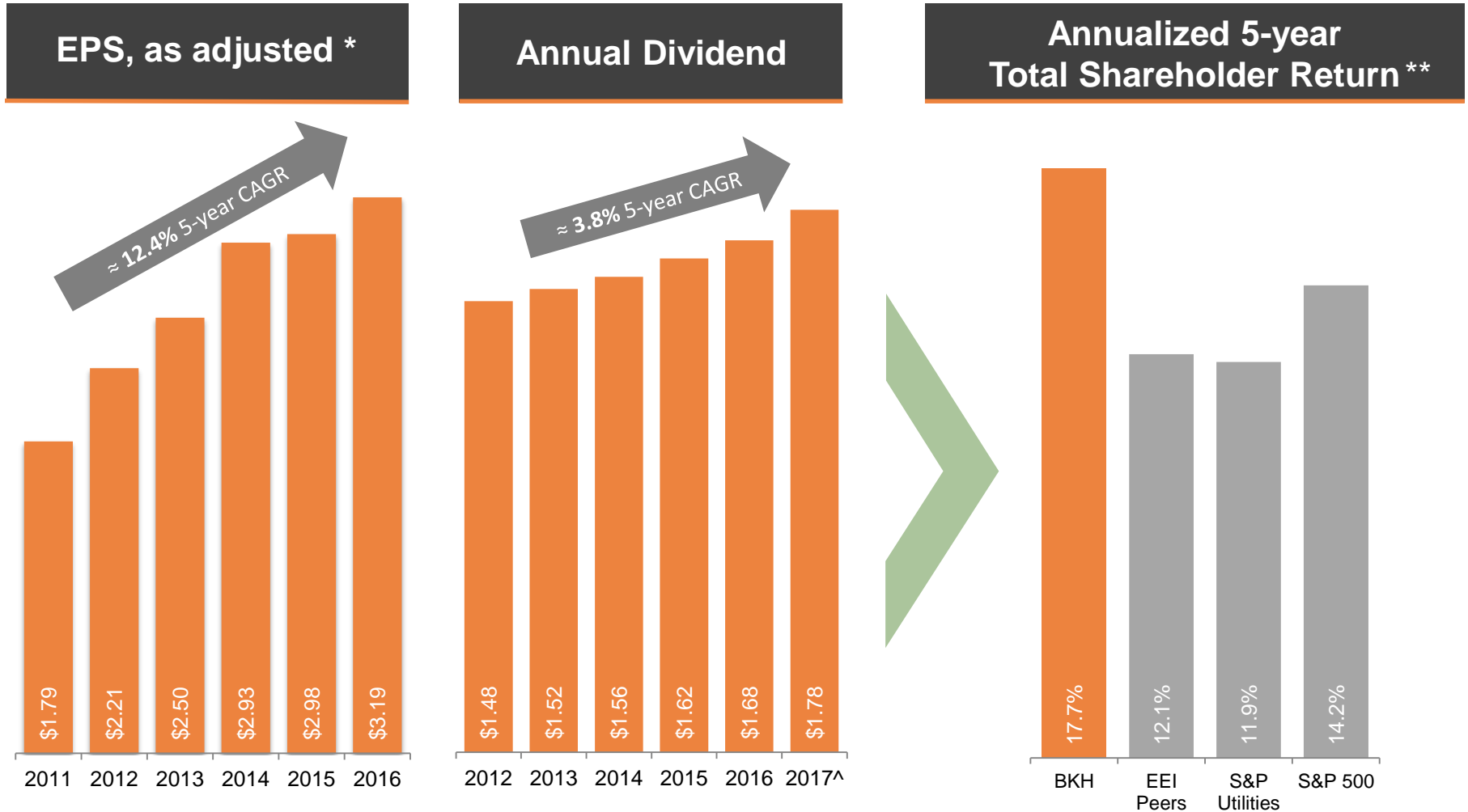
- **Earnings Growth** – achieve long-term EPS in top quartile of utility industry
- **Dividend Payout Ratio** – target 50 to 60 percent
 - Retain flexibility to increase dividend during periods of slower EPS growth
- **Dividend Increase** – continue track record of 47 consecutive annual dividend increases



* Source: S&P Market Intelligence as of Sept. 29, 2017; annualized return is compounded annual growth rate since Sept. 29, 2004

Delivering for Shareholders

Growing earnings and dividend to provide strong long-term total returns



* Non-GAAP measure; reconciled to GAAP in Appendix

** Data through Sept. 29, 2017 from S&P Global Market Intelligence

[^] Quarterly dividend of \$0.445 per share, equivalent to an annual dividend of \$1.78 per share

Strategy Execution

Transitioning Earnings Drivers

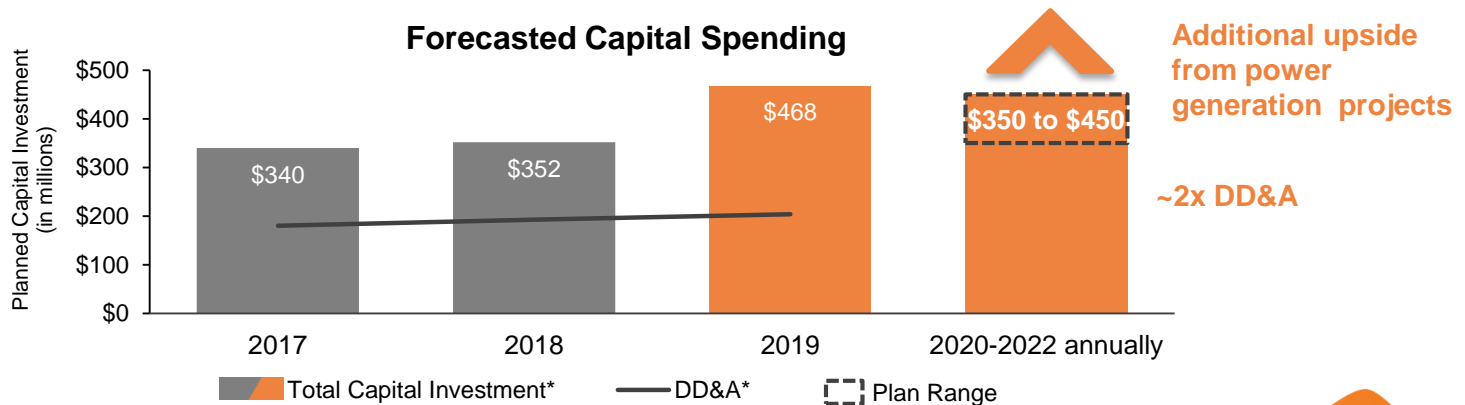
Near-term

Long-term (Beyond 2018)

Invest in safety, reliability and growth for customers and communities

- Relatively slower earnings growth expectations
- SourceGas acquisition and associated integration savings
- Focused capital investment to reduce regulatory lag
- Minimal rate review filings

- Relatively higher earnings growth expectations
- Continued focus on standardization and efficiency improvements
- Strong capital investments
- More regular rate review filings



*Excludes Corporate

Effectively Allocating Capital

Balancing growth and return

Generate Cash

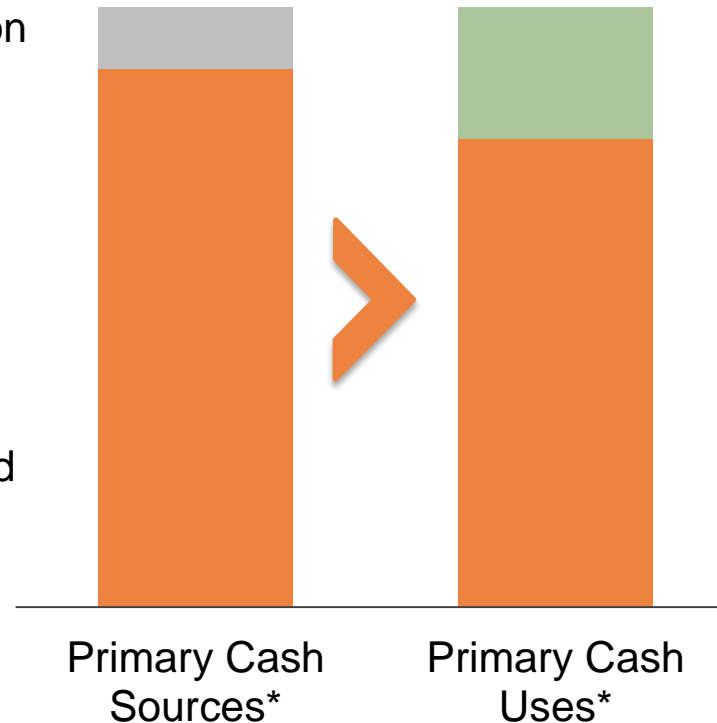
5-Year Plan Period
2018 - 2022

Allocate Capital

2018 Equity units conversion

Strong cash flow from operations

No additional major debt or equity issuances anticipated



Dividend

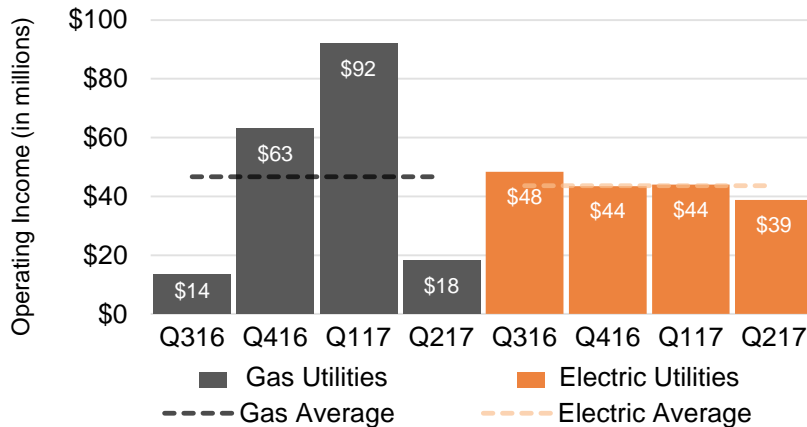
Planned capital investments ~2x greater than depreciation

* Not inclusive of all components of cash sources and uses in plan period such as changes in working capital; excludes acquisitions and/or divestitures and assumes no material cash taxes paid

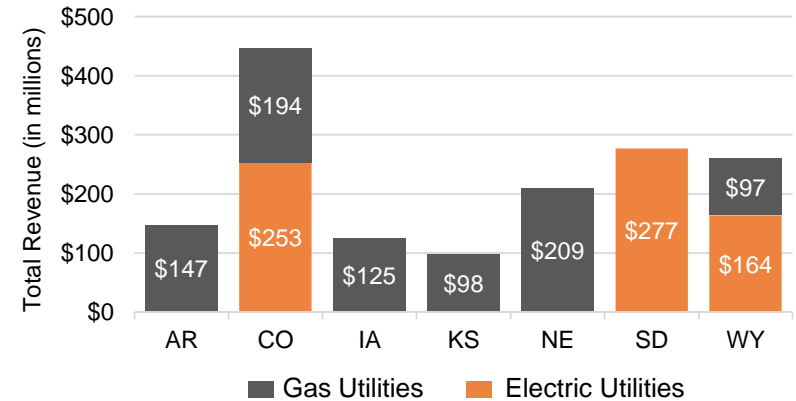
Strategy Execution

Diversity reduces business risk and drives more predictable earnings

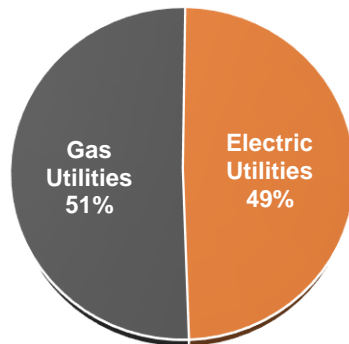
Utility Operating Income by Fuel Type*



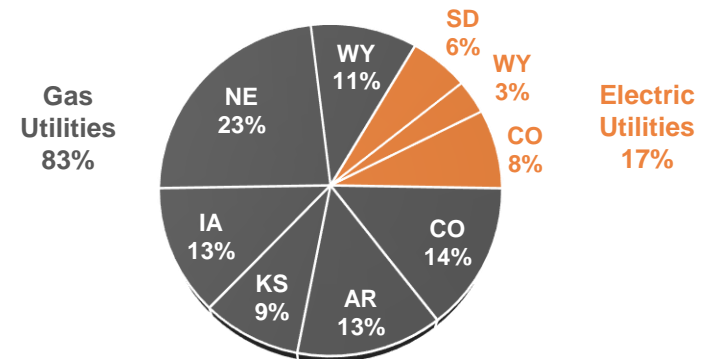
Total Regulated Revenue by State and Fuel Type (TTM as of Jun-17)



Utility Rate Base^



Percent of Customers by State**



* Operating income as reported in quarterly Form 10-Q ** Based on information from 2016 Form 10-K

^ Estimated utility rate base as of Dec. 31, 2016; see appendix for more detail

PROFITABLE
GROWTH

Earnings Growth Strategy in Action

Creating long-term value to benefit customers and shareholders



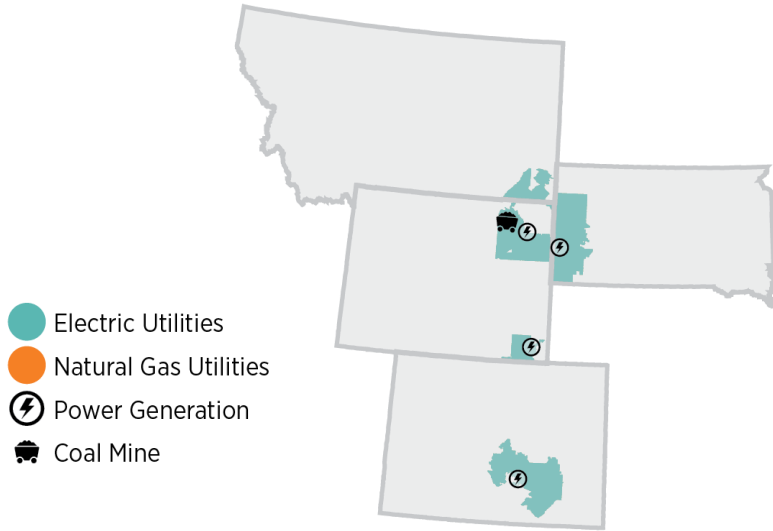
Business Update



We are proud to serve southern Colorado with safe, reliable energy services and work hard to be engaged, responsible community partners. Pictured from left, Tom Cruz and Ray Loya, line servicemen for our Colorado electric utility.

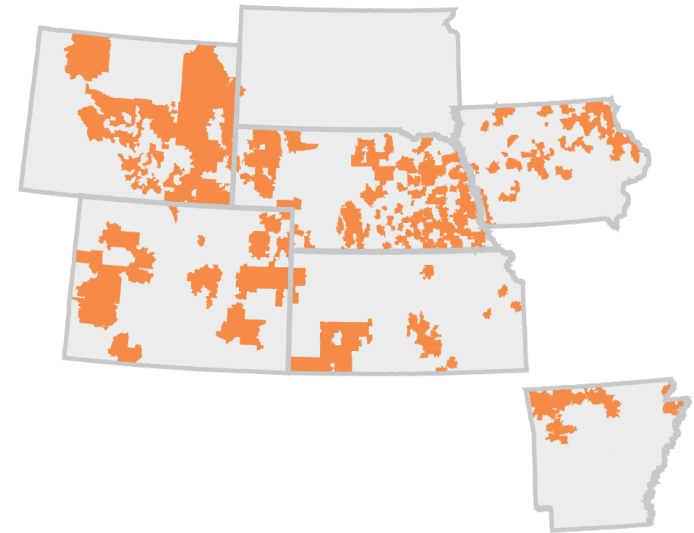
Operations Overview

Electric Utilities, Power Generation & Mining*



- Three electric utilities which generate, transmit and distribute electricity to approximately 208,500 customers in CO, SD, WY and MT
- 1.2 gigawatts of generation and 8,806 miles of transmission and distribution
 - Two power generation facilities delivering capacity and energy under long-term contracts to utility affiliates
 - Efficient mine-mouth generation in WY fueled by low-sulfur Powder River Basin coal (52-year supply of reserves at current production)
- 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*



- 12 natural gas utilities** which distribute natural gas to approximately 1,030,800 customers in AR, CO, IA, KS, NE and WY
- 4,585 miles of intrastate gas transmission pipelines and 40,044 miles of gas distribution mains and service lines
- Seven natural gas storage facilities in AR, CO and WY with 17.4 Bcf of underground gas storage working capacity
- 149,000 customers served through Choice Gas Program (unbundled natural gas) and Service Guard/CAPP programs (contract appliance repair service)

* Information from 2016 Form 10-K

** Excludes minor entities and Shoshone pipeline

Changing Business Environment

Adapting to deliver long-term value

Macro Economic and Market Trends

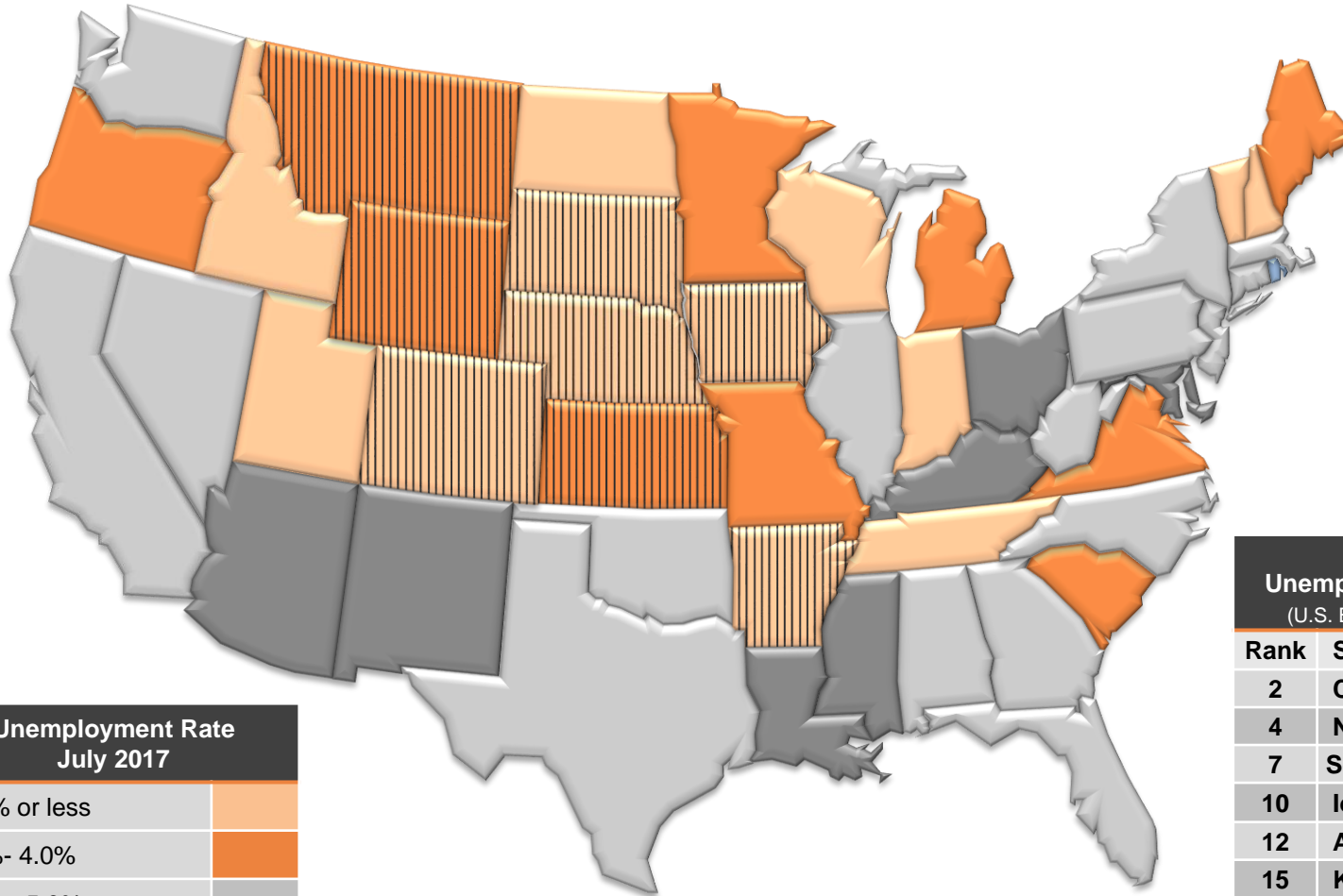
New Regulations and Public Policies

Proactively Adapting

- Changing and more diverse customer expectations
- Sluggish economic growth and energy demand
- Rising utility costs and rates
- Consolidating industry
- Interest rate uncertainty (utility valuations)
- Greenhouse Gas, CO₂ and other emissions regulations
- Renewable energy mandates
- Distributed generation
- Energy efficiency
- Possible tax reform
- Increasing RTO participation
- Implemented leading emissions control technology
- Expanded renewable energy resources portfolio
- Leveraged low interest rate environment for long-term financing activities
- Expanded footprint in stable Rocky Mountain midwest states
- Focused on efficient operations to help manage costs
- Currently participating in RTO discussions

Regional Unemployment

Service territory in states with strong employment

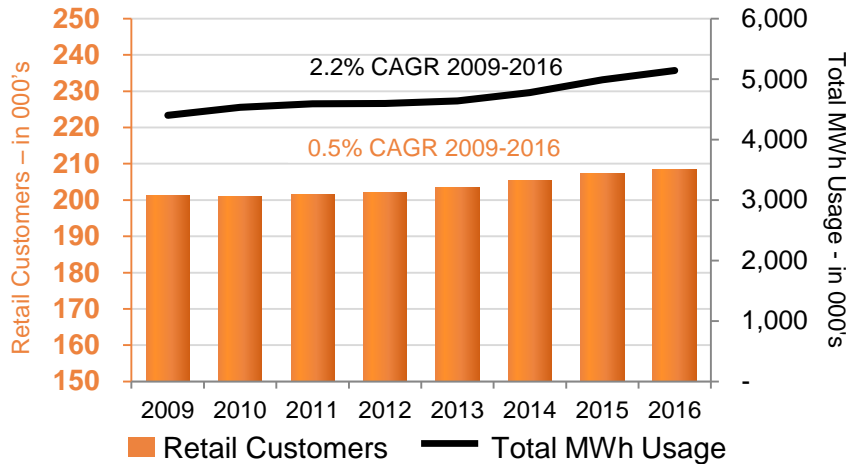


Unemployment Rate July 2017	
3.5% or less	
3.6%- 4.0%	
4.1% - 5.0%	
> 5.0%	
BKH states	

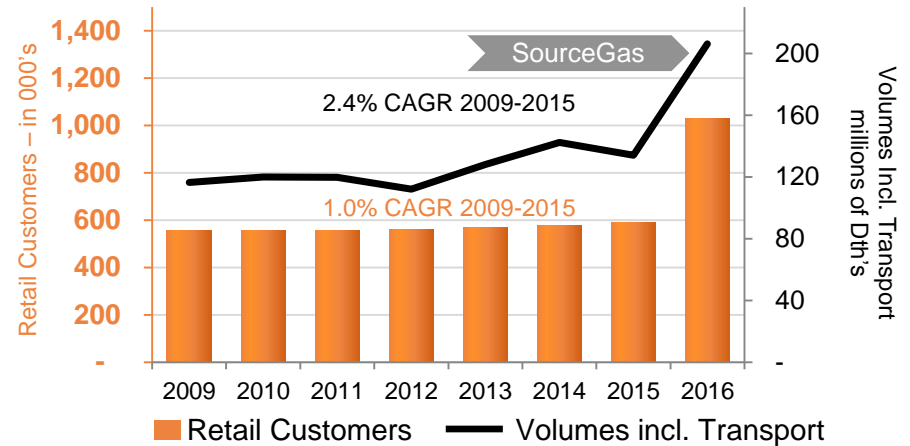
July 2017 Unemployment Rate by State (U.S. Bureau of Labor Statistics)		
Rank	State	Rate
2	Colorado	2.4%
4	Nebraska	2.8%
7	South Dakota	3.1%
10	Iowa	3.2%
12	Arkansas	3.4%
15	Kansas	3.7%
22	Montana	3.9%
24	Wyoming	4.0%

Steady Customer Growth

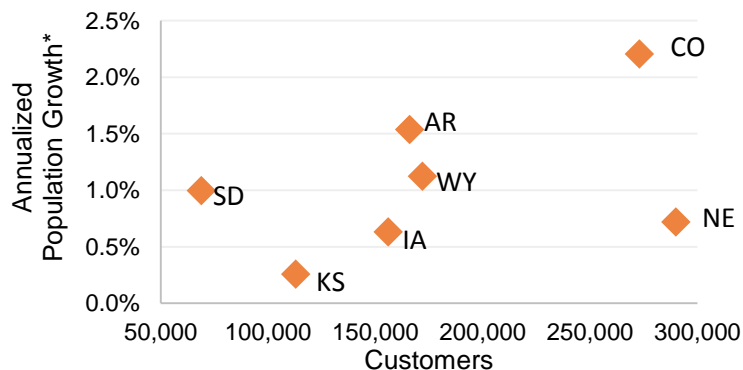
Electric Utilities Customer Count & Usage



Gas Utilities Customer Count & Usage



2000-2015 Population Growth by Jurisdiction[^]



- Colorado and Arkansas jurisdictions, both states with large utility customer counts, reported highest of our states' annual average population growth over last 15 years
- Annual population growth in BHE's utility service territory zip codes averaged 1.1% over last 15 years

Note: Volumes are actual and not weather normalized - Dth - dekatherm
 * Annualized population growth is for only Black Hills service territory zip codes.
 Source: American Community Survey; customer counts by state from 2016 Form 10-k

Operations and Business Strategies

Profitable Growth

- Invest in safe, reliable service
- Expand system to new customers and communities
- Own energy value chain through vertical integration
- Connect customers to competitive energy solutions
 - Deliver behind-the-meter products and services
 - Structure innovative business solutions

Valued Service

- Achieve top-quartile service and reliability
- Cultivate effective relationships with customers, business partners, government officials, regulators and communities
- Focus on small to mid-sized, self-constructed generation projects

Better Every Day

- Promote culture of continuous improvement
- Deploy proven technologies to improve efficiency and service quality
- Standardize processes
- Proactively encourage employee collaboration and efficiency

Great Workplace

- Prioritize employee and community safety
- Provide work environment supportive of employee development and productivity
- Drive engagement through effective management practices

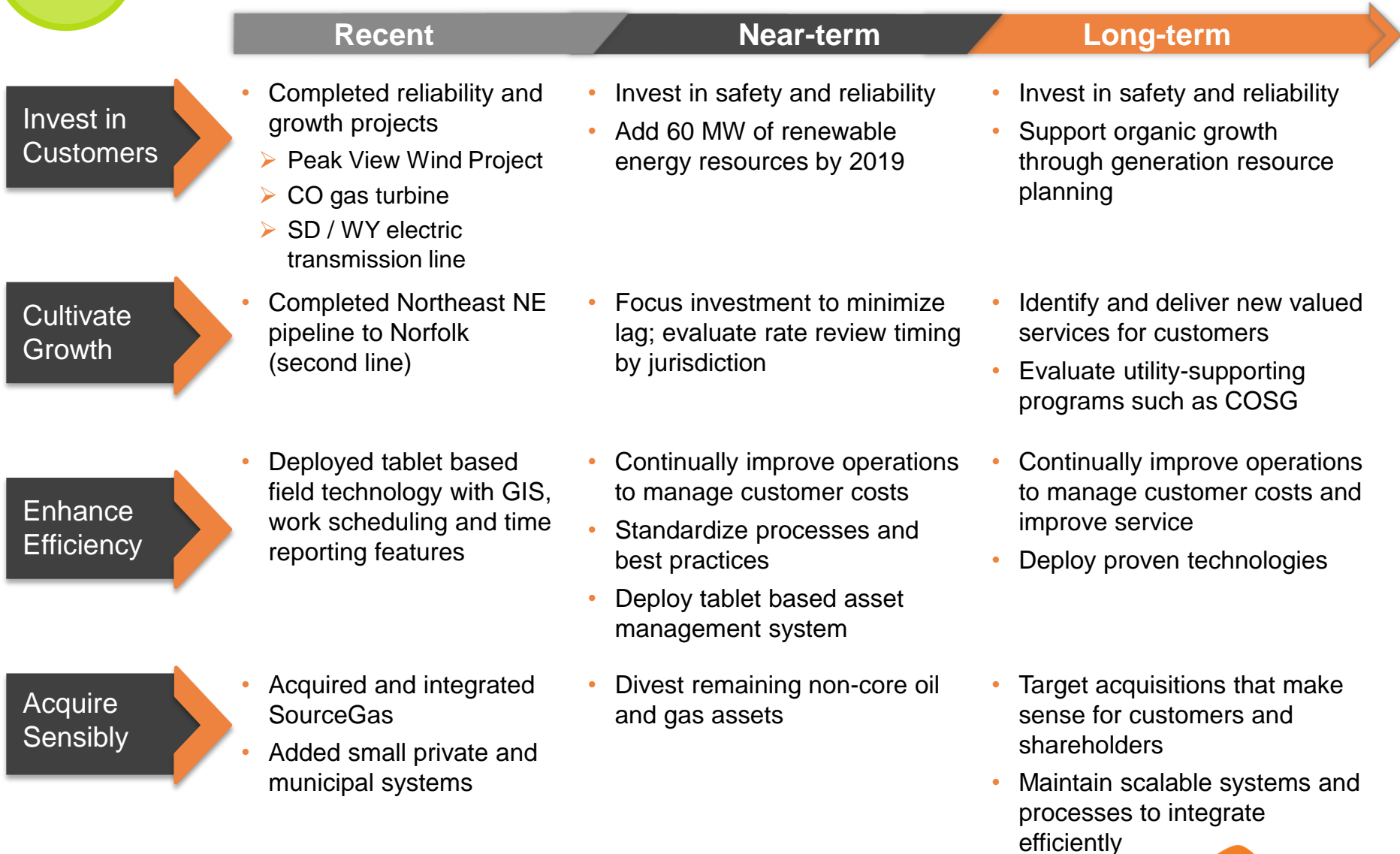
Earnings Growth Strategy in Action

Creating long-term value to benefit customers and shareholders



- Safety and reliability/integrity
- Capacity additions including renewable energy
- New value-added opportunities
- Fair and timely recovery
- Vertical integration
- Drive better-every-day culture
- Deploy proven technologies
- Attract and retain strong workforce
- Disciplined utility acquisition approach
- Successful integration practices
- Scalable systems & processes

Earnings Growth Strategy Transition





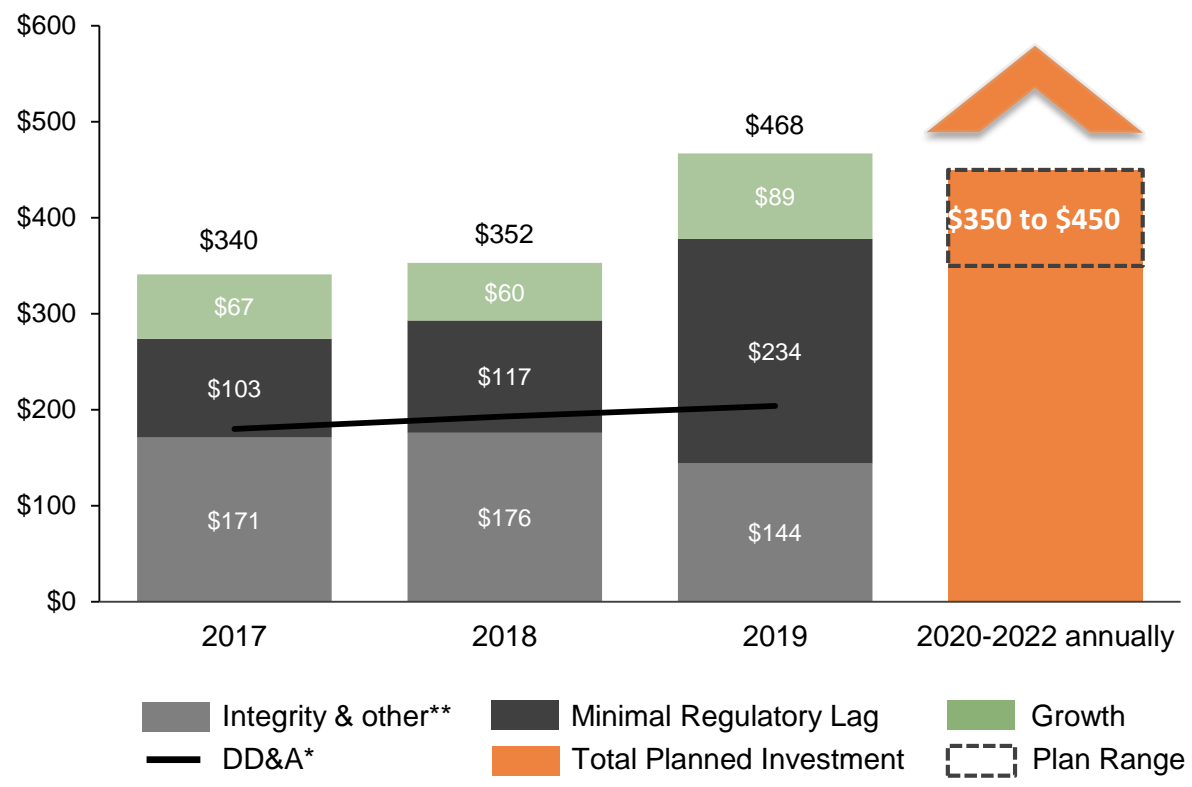
Strong Investment Opportunities

Larger utility systems driving next phase of growth



In Millions

Capital Investment and DD&A Forecast by Year*



Additional upside from power generation projects

Strong long-term annual investment opportunities

~2x DD&A

* Excludes Corporate

** Includes vertically integrated Power Generation and Mining segments

Strong Investment Opportunities

Larger utility systems driving next phase of growth

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Electric Utilities

- Transmission and distribution
- RTO
- Modernizing grid
- Renewables
- Industrial customers
- Data centers
- Customer services/solutions

Gas Utilities

- Replace aging infrastructure across ~45,000-mile system
- Reliability enhancements
 - Loops and second feeds
- Growth
 - Irrigation
 - Poultry barns
 - Intrastate transmission
 - Natural gas storage
 - Industrial customers
 - New communities
 - Propane conversions
- Federal/state facilities
- Behind meter services
- Virtual pipelines (small LNG systems)
- Customer services/solutions

Strong Investment Opportunities

Customer solutions provide growth

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Northeast Nebraska Pipeline Adds Growth Options

- 50-mile pipeline from Bancroft to City of Norfolk
- \$22 million project includes contributions from Norfolk, state of Nebraska, and Nucor Steel – great partnership
- Project improves areas ability to attract economic development and provides natural gas capacity and reliability to under-served area of northeast NE
- Opportunity to offer service to additional customers along the pipeline route

Omaha World-Herald
SUNDAY, FEBRUARY 2, 2014

ECONOMIC DEVELOPMENT

Vision in Norfolk

Arkansas Poultry House Conversion Provides Cost Savings for Customers

- 10 buildings with nearly 130,000 square feet and more than 150,000 chickens
- Converted from propane to natural gas
- Conversion costs around \$50,000 results in annual cost savings with fairly short payback
- Cost savings allow farmer to keep chicken houses warmer during winter, improving growth environment
- More convenient for farmer

Strong Investment Opportunities

Customer solutions provide growth

Invest in Customers

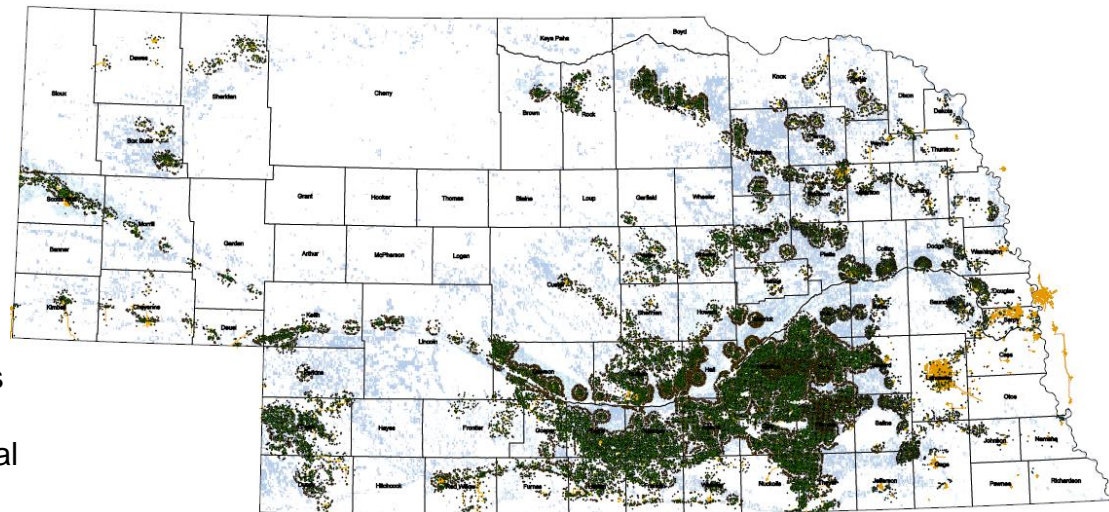
Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Nebraska Gas-fueled Crop Irrigation Provides Customer Solutions

- State has more than 100,000 crop irrigation wells
- Over 50 percent of wells within three miles of Black Hills' natural gas pipelines
- About 25 percent of irrigation wells powered by diesel fuel
- Provides seasonal and repeatable business opportunity during generally low natural gas demand periods



■ Irrigation wells
within 3 miles of
Black Hills natural
gas pipeline

Resource Planning

Potential generation projects provide growth upside

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Colorado Electric

- Evaluating bids from request for proposals for 60 MW of renewable energy with plans to present results to Colorado Public Utilities Commission by year-end for approval; 24 parties submitted bids including BHC Power Generation

Wyoming Electric

- Expect to file electric resource plan in first half of 2018
- Filed testimony with Wyoming Public Utilities Commission in July regarding Wyoming Electric's purchase option for Wygen I
 - Wyoming Electric has option to purchase 76.5 percent ownership interest in Wygen I from Power Generation segment before end of 2019

South Dakota Electric

- Possible future generation opportunities:
 - Power purchase agreement for 50 MW of baseload energy expires end of 2023
 - Replaced 55 MW of 82 MW of coal-fired generation retired in March 2014

Resource Planning

Potential generation projects provide growth upside

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Generation Construction Expertise

- Constructed 19 power generation projects totaling 1,937 megawatts since 1995*
 - Coal – 4 projects, 385 megawatts
 - Gas – 14 projects, 1,523 megawatts
 - Wind – 1 project, 29 megawatts
- Excellent track record of on-time and on-budget project management

Pueblo Airport Generating Station



Cheyenne Prairie Generating Station



Gillette Energy Complex



* See appendix for complete list of Black Hills Electric Generation construction projects since 1995

Efficiently Growing Results

Focus on continually improving everything we do

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Vertical integration, efficiencies and scale benefit customers and shareholders

- Own value stream through vertical integration to drive customer efficiencies while enhancing earnings growth
- Achieve ongoing benefits of scale through continuous improvement
 - Implement proven technology to improve service and reduce costs
 - Leverage best practices and standardize processes across diverse fuel types and geography
- Maintain scalable processes and systems to provide for efficient and effective integration of future acquisitions

Evolving Our Business Processes

Standardize and enhance to improve efficiency and reduce costs



Initial Priorities:

- Utility Optimization
- Customer Experience
- Financial Planning
- Jurisdictional Simplification
- Supply Chain

Efficiently Producing Energy

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

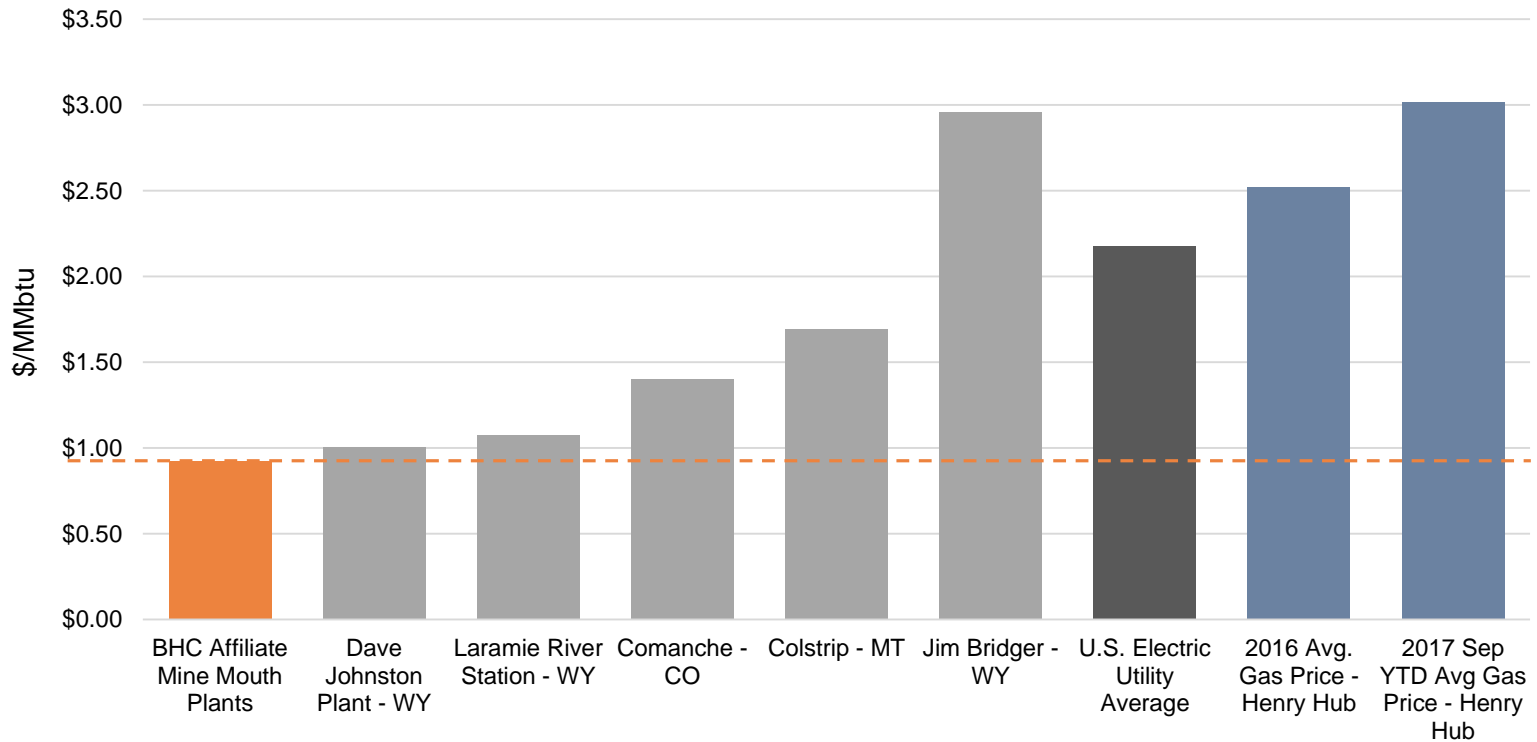
Modern, diverse generation fleet delivers safe, reliable energy while lowering emissions

- Vertical integration provides customer and shareholder benefits
 - Power generation segment delivers energy to utility affiliates through long-term contracts
 - Reduces operational and business risk by controlling generation assets
- Renewable and natural gas-fired generation in Colorado helped meet requirements of Clean Air-Clean Jobs Act
- Fuel delivery hub for natural gas-fired generation in Cheyenne, Wyoming, provides reliability of supply
- Modern coal-fired power plants in Wyoming deliver safe, reliable and affordable energy to our regional customers while reducing emissions with state-of-the-art emissions control technology
 - Mine-mouth fuel supply results in low delivered fuel costs to power plants; avoids purchasing, transportation, unloading and storage

Industry-leading Delivered Fuel Cost



2016 Fuel Cost – Wyodak Mine Affiliate Pricing Versus Regional Power Plant, U.S. Average and Natural Gas



Note: Information from S&P Global Market Intelligence; Henry Hub prices from EIA website

Regional Transmission Organization

Efficiency and investment opportunities

Invest in Customers

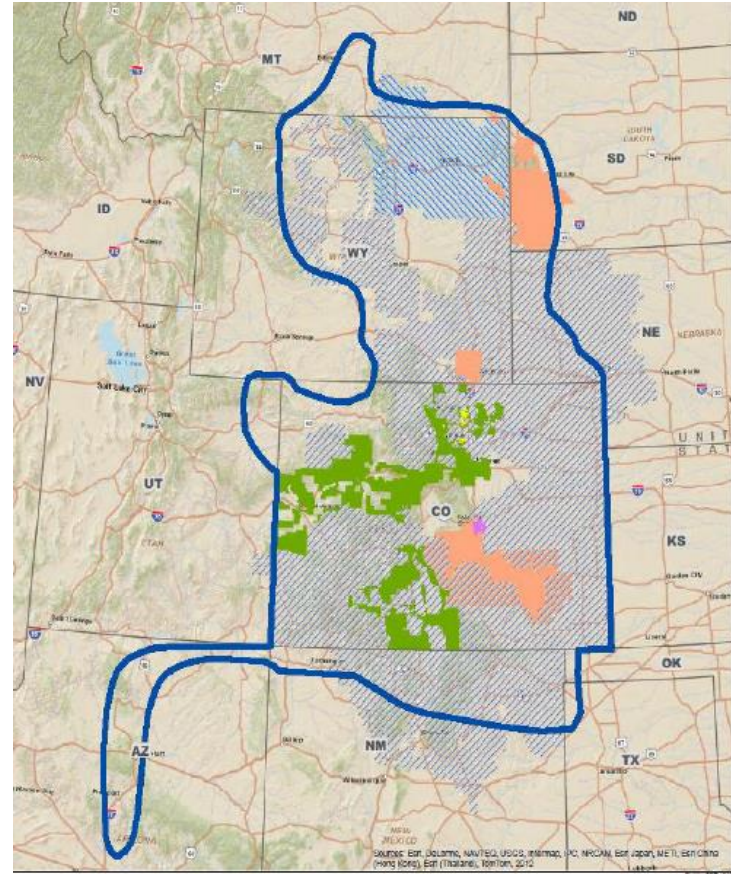
Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Mountain West Transmission Group

- Black Hills joined coalition of ten electricity providers considering joining RTO (negotiating with SPP)
- Will require regulatory approval by FERC and states to complete process
- Optimizes use of regional generation and transmission assets to benefit customers
- Potential investment opportunities to serve geographically dispersed resources:
 - Transmission infrastructure
 - Natural gas generation
 - Natural gas infrastructure



Mountain West Transmission Group
Membership Areas

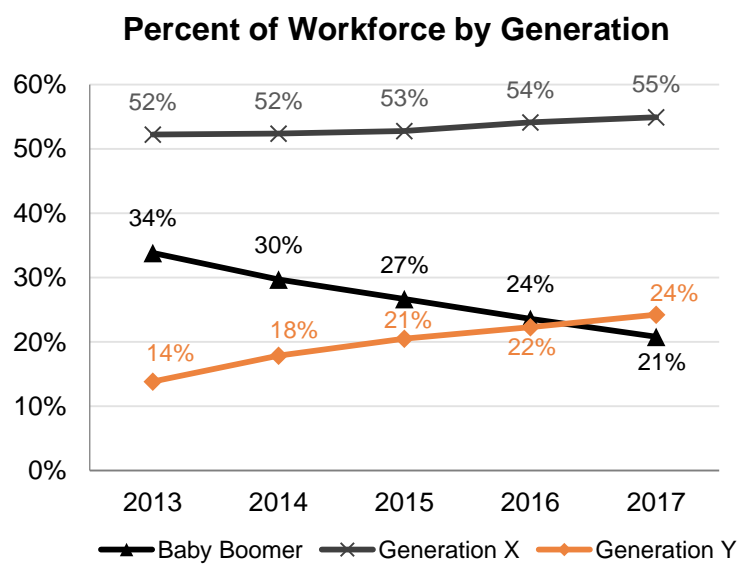


Great Workplace



Providing a great workplace

- Focus on safety – long-term goal of being safest energy company in U.S.
- New corporate headquarters for collaboration
- Experienced team
- Passion to serve our customers



SourceAmerica  

Black Hills recently received the SourceAmerica Business Partnership Award. The national recognition was presented for partnership with Black Hills Works, a local nonprofit organization, to employ people with disabilities who improve life with energy.

Growth through Acquisitions

Proven track record of acquiring and integrating utilities

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

Driving customer and shareholder value through acquisitions and integration

- Targeting acquisitions of utility systems that benefit customers and add shareholder value
 - Ideal targets include electric and/or natural gas utilities and systems located in or near existing service territories with strong customer infrastructure needs
 - Current capital structure limits ability to compete for large acquisitions in short term; 2018 equity units conversion and future earnings strengthen capital structure
- Highly experienced in acquiring and integrating utility systems
 - Management and integration teams with proven track record provides confidence to sellers
 - Scalable systems and processes enable rapid and cost-effective integration
 - Solid investment-grade credit ratings provide financial strength

Growth through Acquisitions

Proven track record of acquiring and integrating utilities

Invest in Customers

Cultivate Growth

Enhance Efficiency

Acquire Sensibly

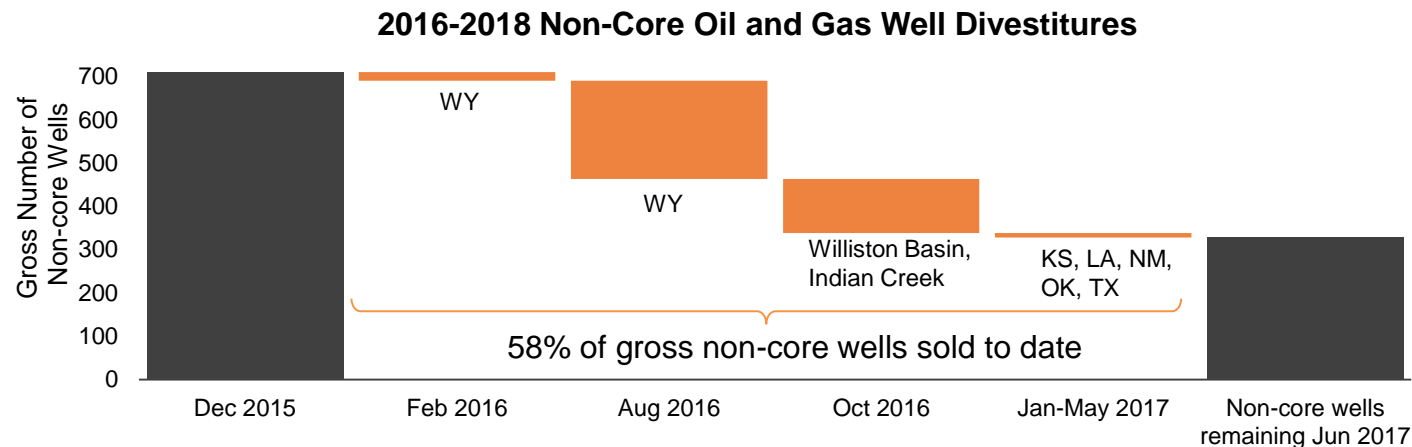
Acquired systems	State(s) of Operations	Price	Customers	Close Date
SourceGas	AR, CO, NE, WY	\$1.9 billion	~ 429,000	2016
Two WY systems	NW and NE WY	\$23 million	~ 7,100	2015
Various – 11 systems	IA, KS	\$7 million	~ 2,000	2009-2017
Aquila	CO, IA, KS, NE	\$940 million	~ 600,000	2008
Cheyenne Light (Xcel Energy)	WY	\$90 million	~69,000	2005

Oil and Gas Strategy Transition

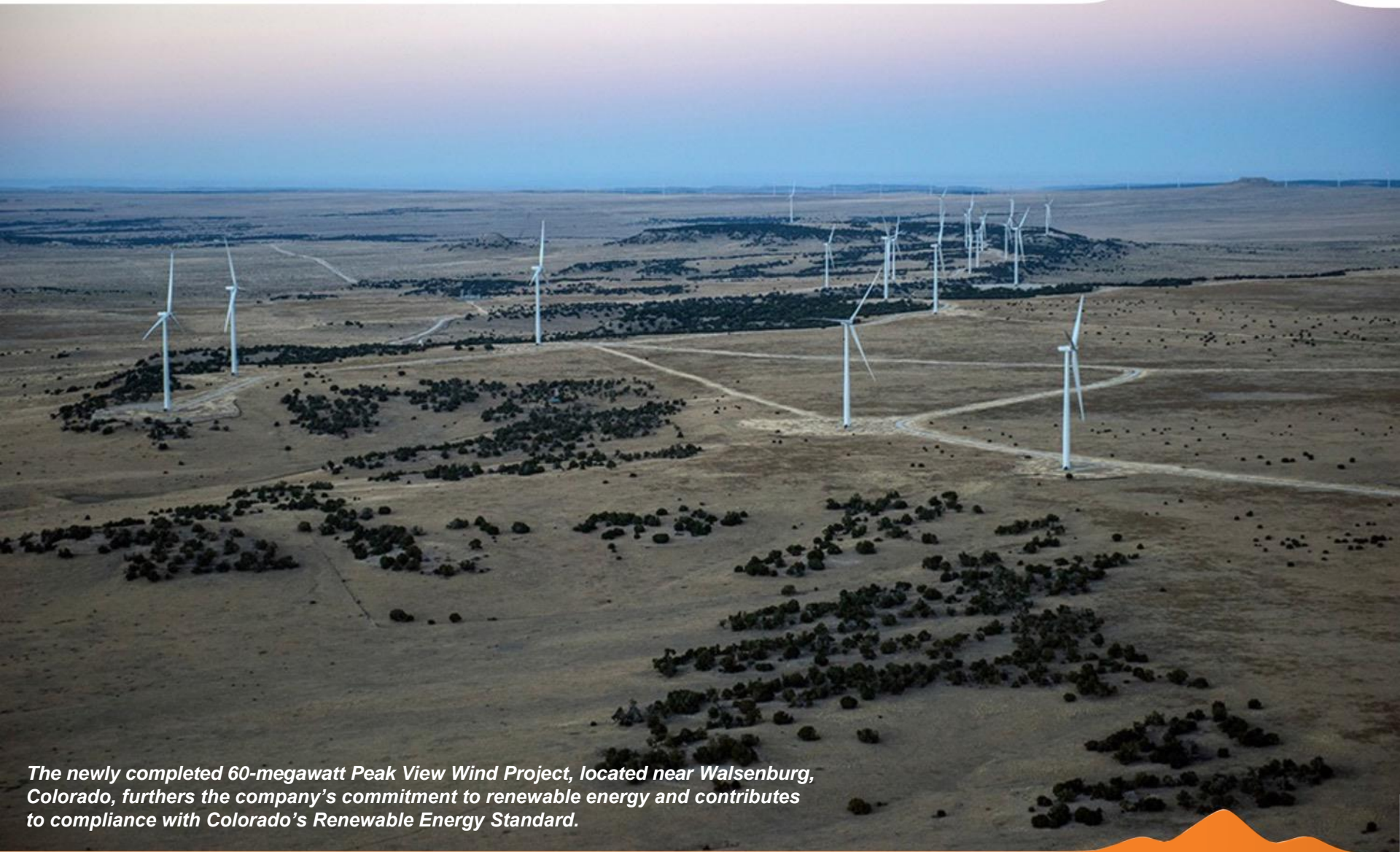
Continuing progress toward exit of traditional E&P business

Strategy objective - divest non-core oil and gas assets while continuing to evaluate potential for including Piceance Basin natural gas assets in a utility Cost of Service Gas program

- Reviewing practicality of proceeding with Cost of Service Gas program, recognizing difficulty of gaining regulatory approval in continuing low natural gas price environment
- Progress made on divesting non-core properties – 58 percent of gross wells sold to date
- Diligently working to divest remaining non-core properties before year-end 2018
 - San Juan and other miscellaneous



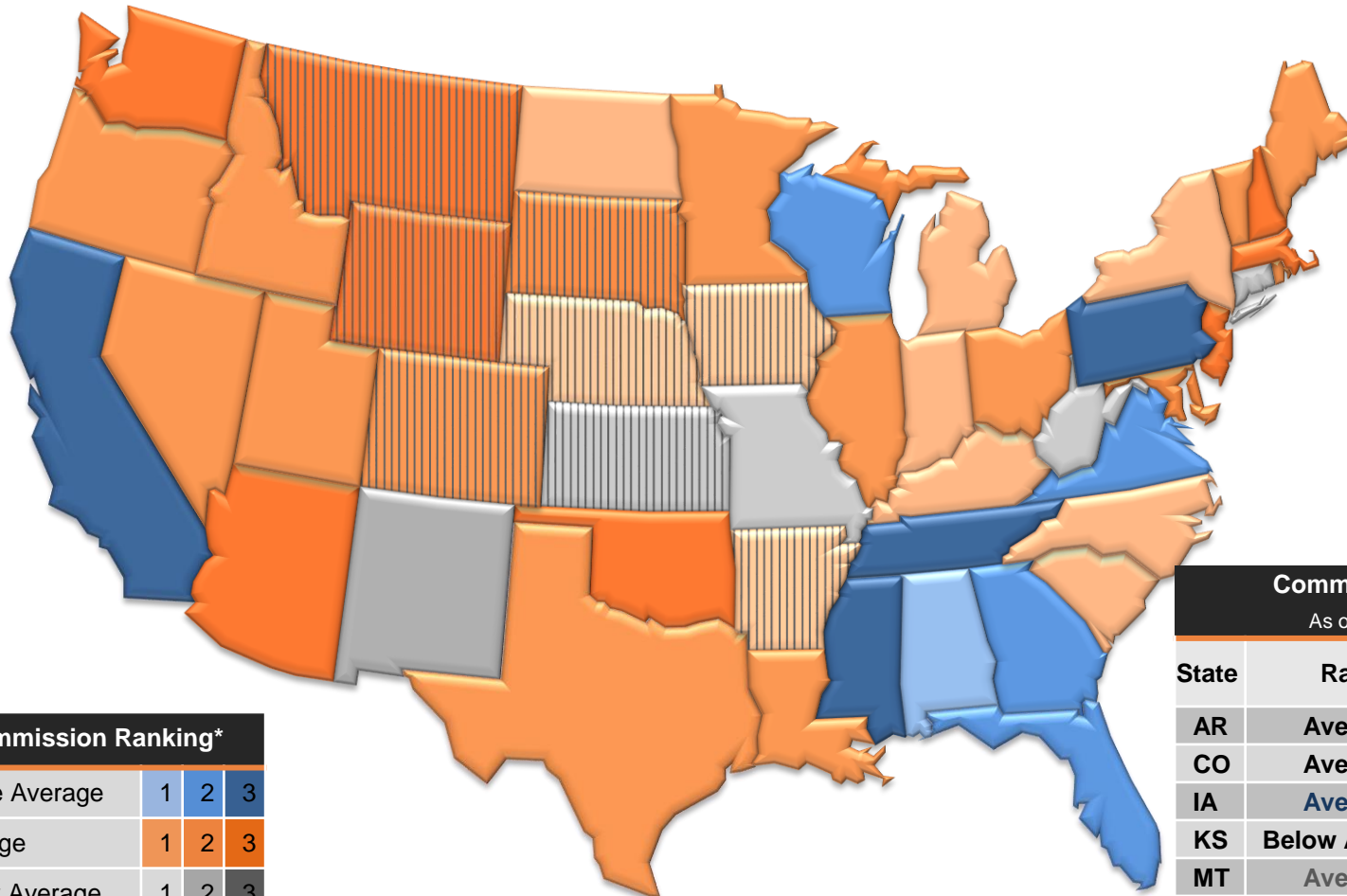
Regulatory Update



The newly completed 60-megawatt Peak View Wind Project, located near Walsenburg, Colorado, furthers the company's commitment to renewable energy and contributes to compliance with Colorado's Renewable Energy Standard.

Jurisdictional Rankings

Serving customers with constructive state utility commissions



Commission Ranking*			
Above Average	1	2	3
Average	1	2	3
Below Average	1	2	3
BKH States			

Commission Ranking *		
As of September 2017		
State	Ranking	Customers^
AR	Average / 1	166,000
CO	Average / 2	273,000
IA	Average / 1	156,000
KS	Below Average / 1	113,000
MT	Average / 3	42
NE	Average / 1	290,000
SD	Average / 2	69,000
WY	Average / 3	172,000

* S&P Global Market Intelligence's commission rankings indicate the level of constructiveness and risk associated for companies within their jurisdiction; subcategories of this rating are 1 - more constructive 2 - midrange and 3 - less constructive

^ Approximate customer counts from 2016 Form 10-K

Regulatory Update

Colorado Electric - Rate Review Update

- On June 9, the Colorado Public Utilities Commission denied Colorado Electric's request for rehearing, rearguing, and reconsideration of its decision to increase annual revenues by \$1.2 million for 40-megawatt natural gas-fired turbine
 - The \$1.2 million revenue increase is in addition to \$5.9 million ongoing annual revenue previously approved through the construction financing rider
- Colorado Electric is appealing commission decision:
 - Contrary to incentives in Clean Air-Clean Jobs act (state law)
 - Inconsistent with prior Colorado commission decisions
- On July 10, Colorado Electric filed appeal with Denver District Court
 - Briefing schedule runs through November 2017

South Dakota Electric Settlement

- South Dakota Electric entered an agreement with the South Dakota Public Utilities Commission staff, which the commission approved on June 16, to stabilize rates for customers through a six-year base rate moratorium effective July 1, 2017, through July 1, 2023

Regulatory Update

Transitioning earnings and growth drivers

- Near-term – acquisition integration and efficiency savings
- Long-term – strong customer investment program

Rate review filings driven by investments to serve customers

- Customer needs reflected in strong capital expenditures forecast
- Replacing natural gas infrastructure will drive rate review timing
- Expect to file rate reviews in as many as 10 of our utilities within next five years
 - Earliest filings expected in fourth quarter of 2017

Financial Update



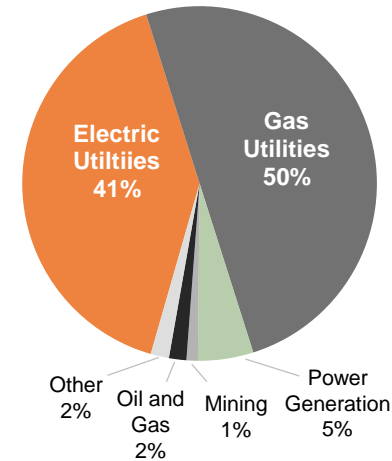
A view of the Cheyenne Prairie Generating Station, looking east. The station is fueled by natural gas and consists of a 95 MW combined cycle power block and 37 MW simple cycle combustion turbine generator.

Financial Profile

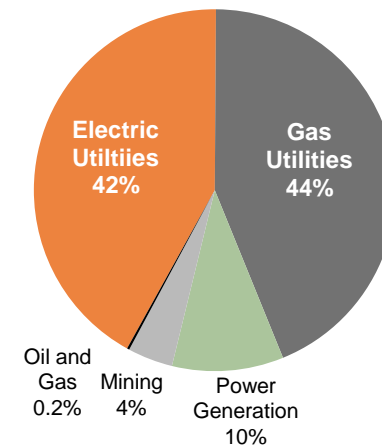
High growth mid-cap utility company

NYSE Stock Ticker	BKH LISTED NYSE
Stock Price *	\$68.87
Outstanding Number Shares	53.5 M
Market Capitalization *	\$3.7 B
Net Debt	\$3.3 B
Total Enterprise Value	\$7.0 B
EBITDA, as adjusted ^{^1}	\$611 M
Enterprise Value / EBITDA, as adjusted ^{*^1}	11.9 x
Net Debt / Total Capitalization	66.1%
Dividend **	\$1.78
Dividend Yield *	2.6%

Assets, as adjusted ¹



EBITDA, as adjusted ^{^1}
(Excludes Corporate)



Notes:

Data as of 6-30-17 unless noted

* Market data as of 9-29-17

** 2017 quarterly dividend rate annualized

[^] Trailing four quarters

¹ Non-GAAP measure, reconciled to GAAP in Appendix

M – millions B – billions

Financial Strategy

Target long-term total shareholder return in top quartile of utility industry

	Target
Credit Ratings - Corporate Unsecured	Baa2 / BBB to Baa1 / BBB+
Floating Debt / Total Debt	< 20%
Dividend Payout Ratio	50 to 60%
Annual Dividend Increase	Continue
Debt / Total Capitalization	< 55%
FFO / Debt	> 17%
FFO / Interest	> 4.2x
Debt / EBITDA	< 4x

Capital Investment by Segment

Strong future capital spending to meet customer needs

(in millions)	2012	2013	2014	2015	2016	2017F	2018F	2019F	2020-2022F Annual Avg
Minimal Lag Capital - Electric Utilities*					166	32	41	70	
Growth Capital - Electric Utilities**					24	21	17	22	
Other					69	74	71	99	
Electric Utilities	167	222	171	172	259	126	128	192	
Minimal Lag Capital - Gas Utilities*					43	71	76	164	
Growth Capital - Gas Utilities**					65	46	43	67	
Other					67	68	94	29	
Gas Utilities	46	63	93	100	174	185	213	260	
Total Utilities	213	285	264	272	433	311	341	452	
Power Generation	6	14	3	3	5	2	3	8	
Mining	13	6	7	6	6	7	7	8	
Oil and Gas	108	65	109	169	7	20	1	0	
Corporate	7	10	9	10	17	10	12	10	
Total	\$347	\$379	\$391	\$459	\$467	\$350	\$364	\$478	\$350 - \$450

Planned investment range excludes additional upside opportunity from power generation projects

* Minimal Lag Capital – capital expenditures with regulatory lag of less than one year

** Growth Capital - generates immediate revenue on customer connections

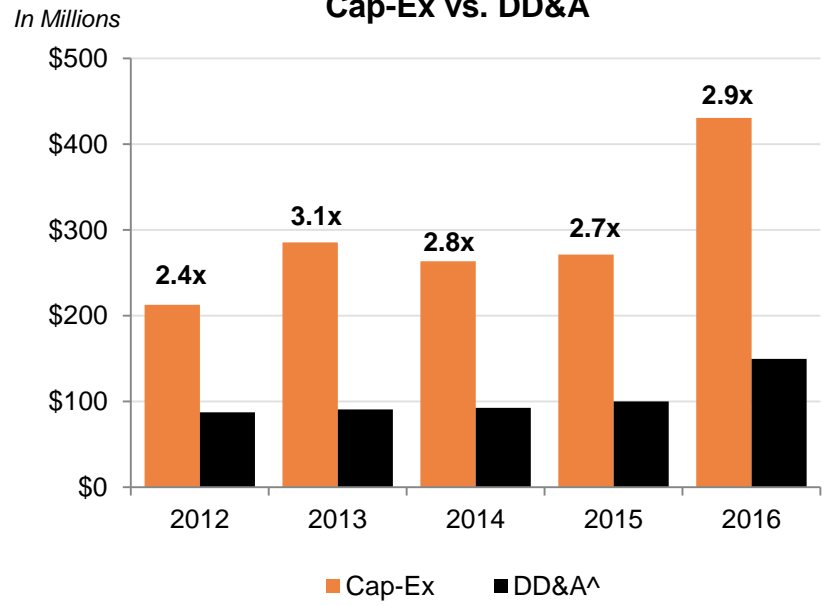
Note: Minor differences due to rounding



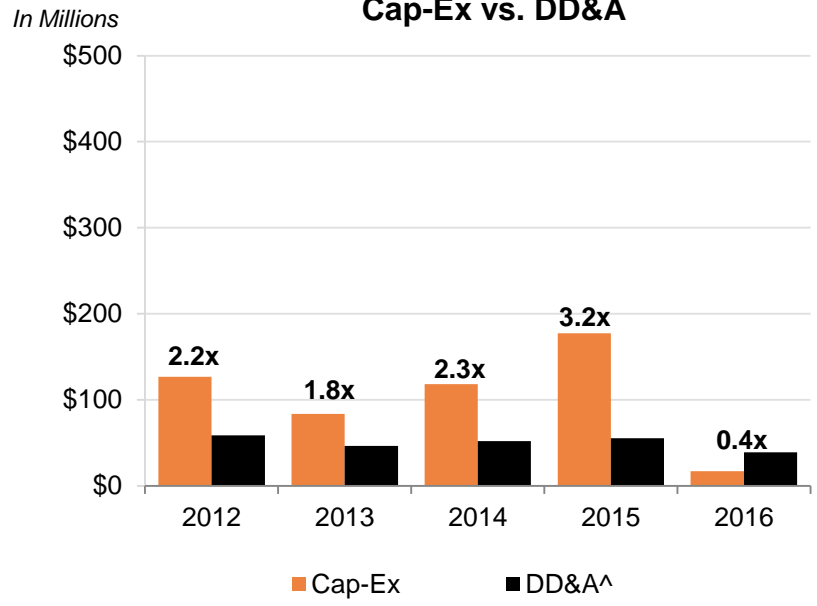
Capital Expenditures

Spending in excess of DD&A drives strong earnings growth

Electric and Gas Utilities Cap-Ex vs. DD&A



Power Generation, Mining, Oil & Gas Cap-Ex vs. DD&A

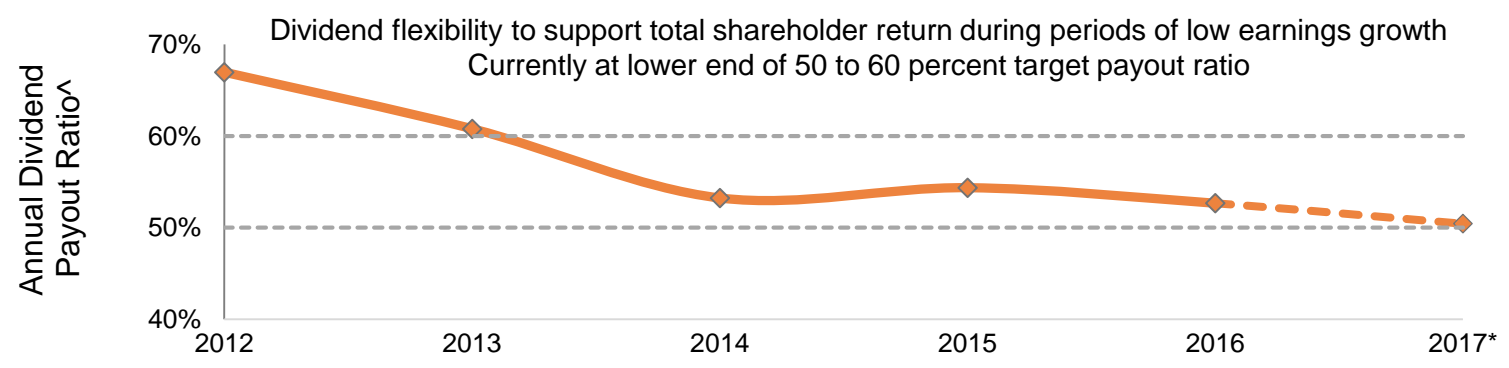
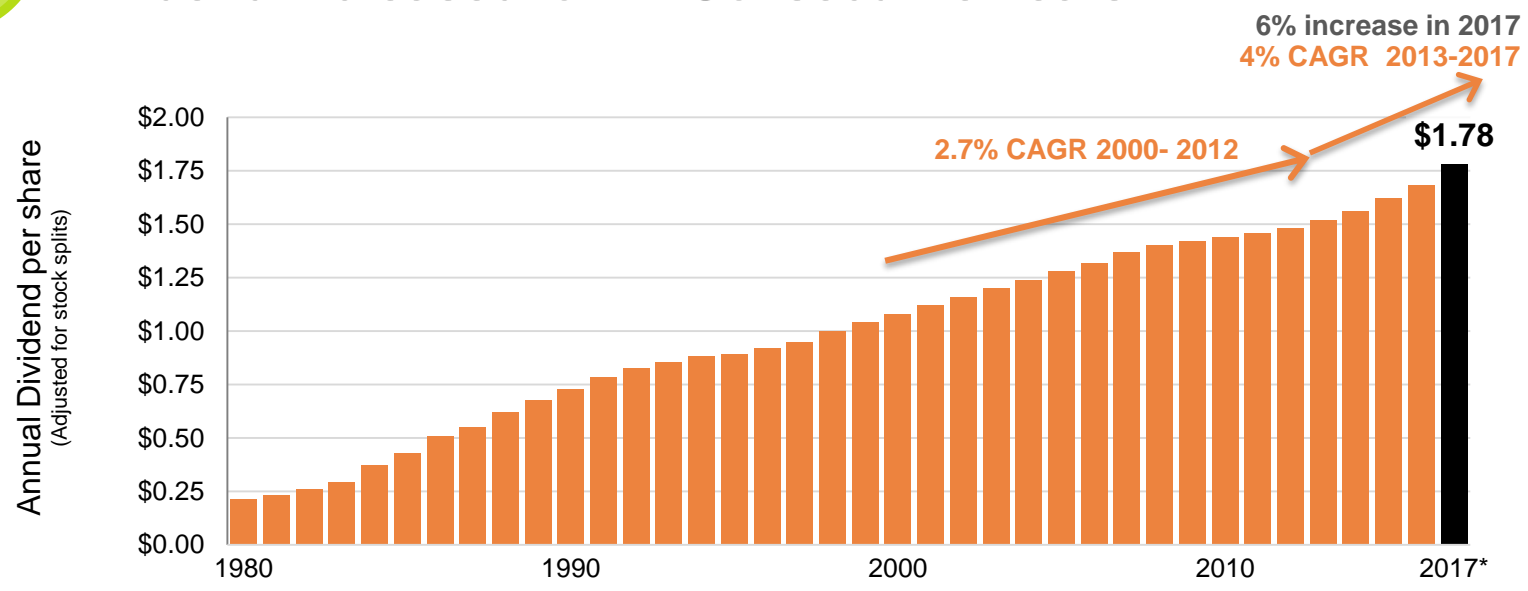


^ Non-GAAP measure; reconciled to GAAP in Appendix
Note: Minor differences due to rounding



Dividend Growth

Dividend Increased for 47 Consecutive Years



* Board of Directors on July 26 declared quarterly dividend of \$0.445 per share, equivalent to an annual rate of \$1.78 per share
^ Annual dividend payout ratio is based upon annual dividend per share and earnings per share, as adjusted, a non-GAAP measure reconciled in the appendix

Improving Balance Sheet

Forecasted capital structure ~58% debt by year-end 2018

(In millions, except for ratios)

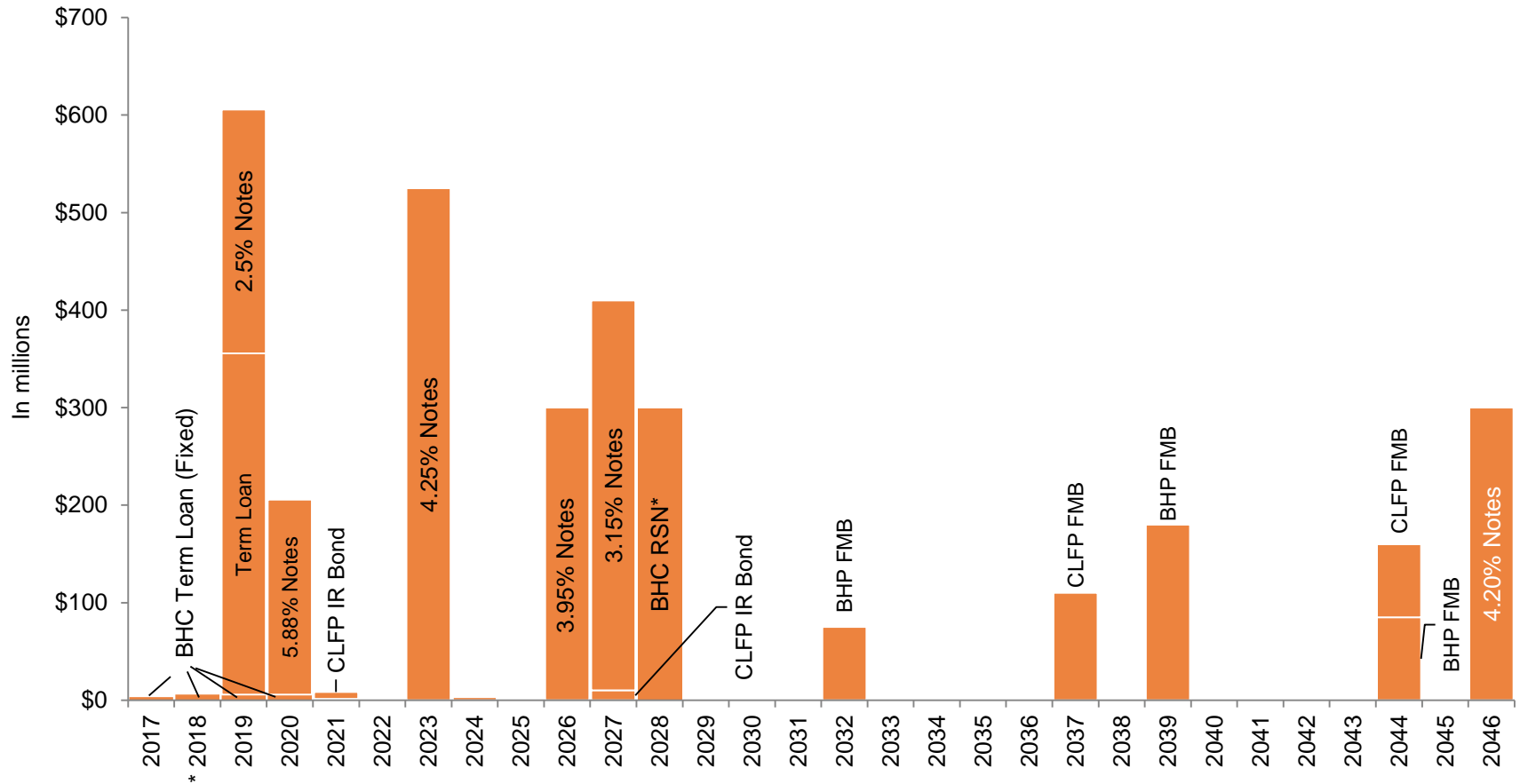
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016	Jun. 30, 2016
Capitalization					
Short-term Debt	\$ 114	\$ 57	\$ 102	\$ 81	\$ 1,006
Long-term Debt	3,160	3,211	3,211	3,212	2,221
Total Debt	3,274	3,267	3,314	3,293	3,227
Equity*	1,676	1,674	1,615	1,605	1,562
Total Capitalization	\$ 4,950	\$ 4,942	\$ 4,928	\$ 4,897	\$ 4,790
Net Debt to Net Capitalization					
Debt	\$ 3,274	\$ 3,267	\$ 3,314	\$ 3,293	\$ 3,227
Cash and Cash Equivalents	(12)	(11)	(14)	(63)	(62)
Net Debt	3,262	3,256	3,300	3,230	3,165
Net Capitalization	\$ 4,939	\$ 4,930	\$ 4,915	\$ 4,834	\$ 4,728
Debt to Capitalization	66.1%	66.1%	67.2%	67.2%	67.4%
Net Debt to Capitalization (Net of Cash)	66.1%	66.0%	67.1%	66.8%	67.0%
Long-term Debt to Total Debt	96.5%	98.3%	96.9%	97.5%	68.8%

* Excludes noncontrolling interest

Note: \$299 million unit mandatory convertible reflected as debt; converts to equity in second half of 2018

Long-Term Debt Maturities

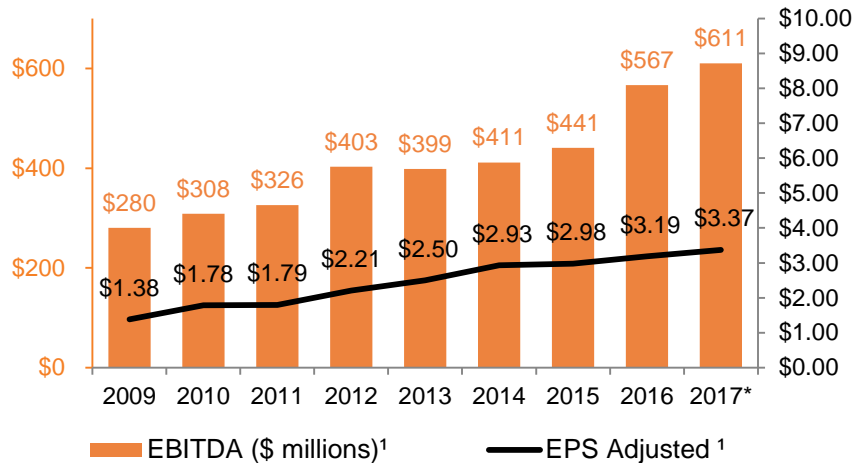
\$3.2 billion total with \$800 million to be refinanced by 2020



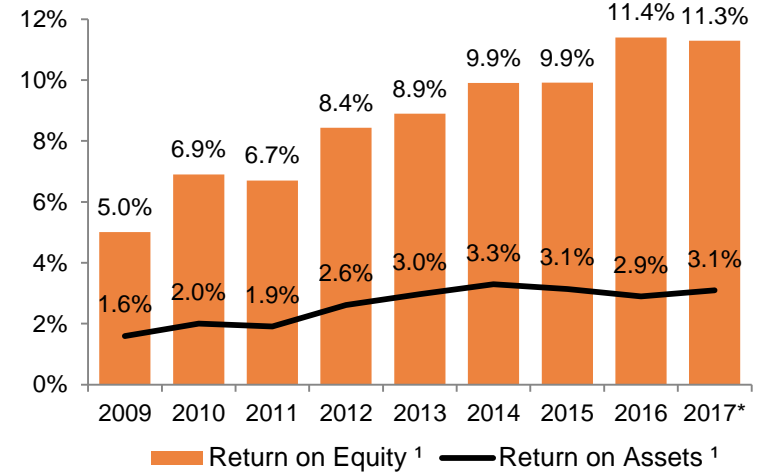
* In 2018, the remarketable subordinated notes assumed due in 2028 will reset to the prevailing market interest rate and Black Hills will receive approximately \$300 million from the Equity Unit Holders' mandatory purchase of common stock; we intend to use the proceeds from the conversion to pay off the Black Hills notes due 2019.

Key Financial Metrics

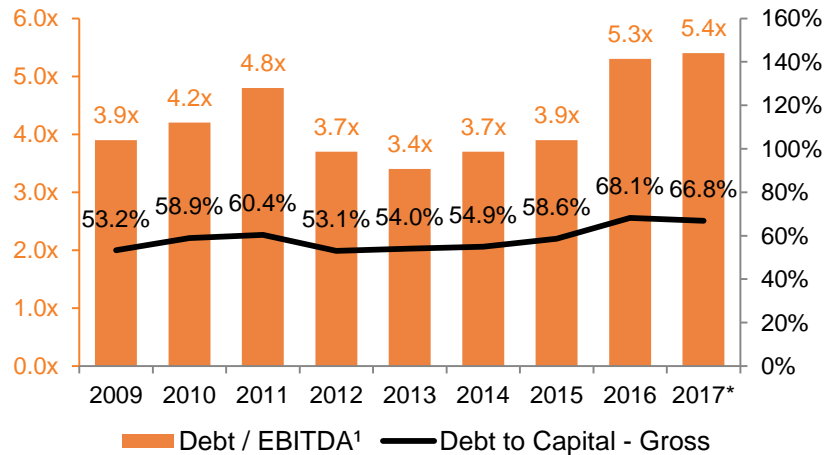
Earnings Metrics



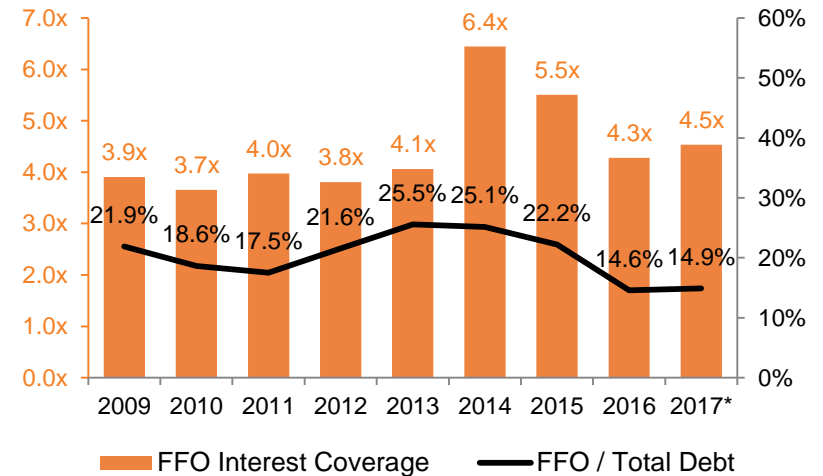
Return Metrics



Debt Ratios



FFO Ratios[^]



* Trailing four quarters as of June 2017 ¹ Non-GAAP measure, reconciled to GAAP in Appendix

[^] Calculated as cash earnings from Cash Flow Statements

Credit Rating

Committed to maintaining strong investment-grade credit ratings

- Fitch Ratings on March 29, 2017, affirmed its credit rating of Black Hills Corp. at BBB+ with a stable outlook
- Moody's Investor Service on Dec. 9, 2016, changed its corporate credit ratings of Black Hills Corp. to Baa2 with a stable outlook
- S&P Global Ratings on July 21, 2017, affirmed its corporate credit ratings of Black Hills Corp. at BBB and maintained its stable outlook

Black Hills Corporation	S&P	Moody's	Fitch
Corporate Credit Rating	BBB	Baa2	BBB+
Senior Unsecured	BBB	Baa2	BBB+
Outlook	<i>Stable</i>	<i>Stable</i>	<i>Stable</i>

2017 Earnings Guidance Reaffirmed *

Black Hills reaffirmed its guidance for 2017 earnings, as adjusted, of \$3.45 to \$3.60 per share based on the assumptions most recently issued on Aug. 4, 2017

* Earnings, as adjusted is a non-GAAP measure; reconciled to GAAP in Appendix

Compelling Utility Investment

Integrated pure-play utility with strong long-term total shareholder returns

Forward Focused Strategy

- Deliver top-quartile long-term total shareholder return performance
 - Strong long-term capital opportunities drive earnings growth
 - Continue 47-year track record of dividend increases – flexibility to increase dividend in periods of slow EPS growth
 - Acquisition integration core competence provides upside opportunity
- Transition earnings and growth drivers
 - Near-term – acquisition integration and efficiency savings
 - Long-term – strong customer investment program
- Strong investment grade credit ratings – metrics to improve following 2018 equity unit conversion

Questions



Our southern Colorado grid is one of the newest and cleanest in the nation, fueled entirely by natural gas and renewable energy. Our renewable energy portfolio will provide significant benefits to southern Colorado communities and Black Hills customers for years to come.

Appendix



Dennis Rohrbaugh, operations manager stands proudly next to the Northeast Nebraska Line project. The line spans more than 50 miles to connect Bancroft and Norfolk and creates a reliable supply of natural gas for northeastern Nebraska.

Appendix - Table of Contents

- Scorecard
- History of Power Plant Development
- Utility Rate Base
- Regulatory Results and Recovery
- Coal Contracts Summary and Mining
- Non-GAAP reconciliations
 - EBITDA, as adjusted
 - Earnings Per Share, as adjusted
 - Income from Continuing Operations
 - Assets
 - Depreciation, Depletion and Amortization
 - Return on Assets
- 2017 Guidance Reconciliation
- Company Values

2017 Scorecard



Strategy

- Construct cost effective rate-base generation and transmission to serve existing utility customers
- Acquire regulated utility properties in our geographic region
- Advance COSG Program
- Construct additional utility infrastructure that supports growing demand, maintains reliability and enables improved customer satisfaction
- Balance integration of alternative and renewable energy with utility customer rate impacts
- Achieve top-tier operational performance in a culture of continuous improvement
- Improve efficiencies through continued deployment of technology
- Efficiently use coal resources through mine-mouth generation
- Be the safest company in the energy industry
- Be one of the best places to work
- Improve the wellness of employees
- Become a workplace of choice for women and minorities

2017 Future Initiatives and Progress

- Increase annual dividend for 47th consecutive year
- Complete construction of Osage to Rapid City 230 kv transmission line
- Obtain regulatory approvals necessary to commence COSG program
- Pursue satisfactory resolution of Colorado Electric 2016 rate review
- Manage earnings growth by improving efficiency and managing costs
- Complete construction of the Northeast Nebraska Pipeline
- Obtain approval of Colorado Electric's ERP
- Issue RFP for 60 MW of renewable energy resources
- Present results of RFP for 60 MW of renewable energy resources to Colorado PUC for approval
- Complete phase I implementation of utility work and asset management project
- Divest non-core oil and gas assets
- Enhance Field Service Optimization project (iPad and Click software technology)
- Achieve safety TCIR of 1.2
- Complete new corporate headquarters
- Conduct an employee engagement survey to measure our progress and to continue efforts toward being a best place to work
- Expand the availability of participation for women's affinity groups into all areas of operations
- Further develop programs that develop, retain, and reward top performing employees

Legend

- Completed
- Planned in 2017

History of Power Plant Development

Black Hills Electric Generation projects managed since 1995

Power Plant Name	Fuel	Size	Project Cost	Utility or IPP	In-Service Date
Neil Simpson II (WY)	Coal	90 MW	\$ 119 million	Utility	9/1995
Neil Simpson CT (WY)	Gas	40 MW	\$ 27 million	Utility	6/2000
Valmont Unit #1 (CO)	Gas	40 MW	\$ 27 million	IPP	5/2001*
Valmont Unit #2 (CO)	Gas	40 MW	\$ 28 million	IPP	7/2001*
Gillette CT (WY)	Gas	40 MW	\$ 23 million	IPP	4/2001*
Harbor CC (CA)	Gas	28 MW	\$ 18 million	IPP	6/2001*
Fountain Valley (CO)	Gas	240 MW	\$ 161 million	IPP	7/2001*
Lange CT (SD)	Gas	40 MW	\$ 30 million	Utility	3/2002
Las Vegas CC (NV)	Gas	224 MW	\$ 266 million	IPP	9/2002*
Arapahoe CC (CO)	Gas	130 MW	\$ 134 million	IPP	10/2002*
Wygen I (WY)	Coal	90 MW	\$ 124 million	IPP	1/2003
Wygen II (WY)	Coal	95 MW	\$ 183 million	Utility	2/2008
Valencia (NM)	Gas	149 MW	\$ 95 million	IPP	6/2008*
Wygen III (WY)	Coal	110 MW	\$ 246 million	Utility	4/2010
Pueblo – CO IPP (CO)	Gas	200 MW	\$ 261 million	IPP	1/2012
Pueblo – COE (CO)	Gas	180 MW	\$ 229 million	Utility	1/2012
Busch Ranch Wind (CO)	Wind	29 MW	\$ 52 million	Utility	10/2012
Cheyenne Prairie (WY)	Gas	132 MW	\$ 222 million	Utility	10/2014
Pueblo – COE (CO)	Gas	40 MW	\$ 63 million	Utility	12/2017
TOTALS		1,937MW	\$2,308 million		19 Projects

* Plant divested or retired

Estimated Utility Rate Base

Estimated Rate Base* by Utility Segment (in millions)	2011	2012	2013	2014	2015	2016
Electric Utilities	\$1,007	\$1,272	\$1,248	\$1,487	\$1,515	\$1,570
Gas Utilities	\$443	\$450	\$454	\$489	\$493	\$1,620
Total	\$1,450	\$1,722	\$1,702	\$1,976	\$2,008	\$3,190

* Estimated rate base determined at year-end and calculated using state specific requirements; includes capital expenditures through trackers but excludes construction work in progress

Utility Regulatory Results

Jurisdiction	Utility	Effective Date	Return on Equity	Capital Structure	Authorized Rate Base (in millions)
Arkansas	Arkansas Gas	Feb. 2016	9.40%	52% debt / 48% equity	\$299.4
Colorado	Colorado Electric*	Jan. 2017	9.37%	47.61% debt / 52.39% equity	\$597.5
Colorado	Colorado Gas	Dec. 2012	9.60%	50% debt / 50% equity	\$57.5
Colorado	Colorado Gas Dist	Dec 2010	10.0%	49.52% debt / 50.48% equity	\$127.1
Colorado	RMNG	March 2014	10.60%	49.23% debt / 50.77% equity	\$90.5
Iowa	Iowa Gas	Feb. 2011	Global Settlement	Global Settlement	\$109.2
Kansas	Kansas Gas	Jan. 2015	Global Settlement	Global Settlement	\$127.4
Nebraska	Nebraska Gas	Sept. 2010	10.10%	48% debt / 52% equity	\$161.3
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	Oct. 2014	9.90%	46% debt / 54% equity	\$59.6
Wyoming	Wyoming Gas Dist	Jan. 2011	9.92%	49.66% debt / 50.34% equity	\$100.5

Note: Information from last approved rate case in each jurisdiction

* Results of this rate review are currently being appealed

** Includes amounts to serve non-jurisdictional and agriculture customers

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"/>	<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 (MT)						
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
- Pursuing

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*
Colorado Gas	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		47%
Iowa Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		70%
Kansas Gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		64%
Nebraska Gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		55%
Wyoming Gas ¹	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		52%
Arkansas Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	39%
Colorado Gas Dist.	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		36%
Nebraska Gas Dist.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		80% ³
Wyoming Gas Dist.						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	52%
Rocky Mountain Natural Gas ²	NA	<input checked="" type="checkbox"/>	NA	NA	NA	NA	NA	NA

Legend:

- Commission approved cost adjustment
- Pursuing

* Residential customers as of last rate base review

1 Refers to Cheyenne Light only

2 Rocky Mountain Natural Gas, an intrastate natural gas pipeline

3 Includes first tier of consumption in block rates

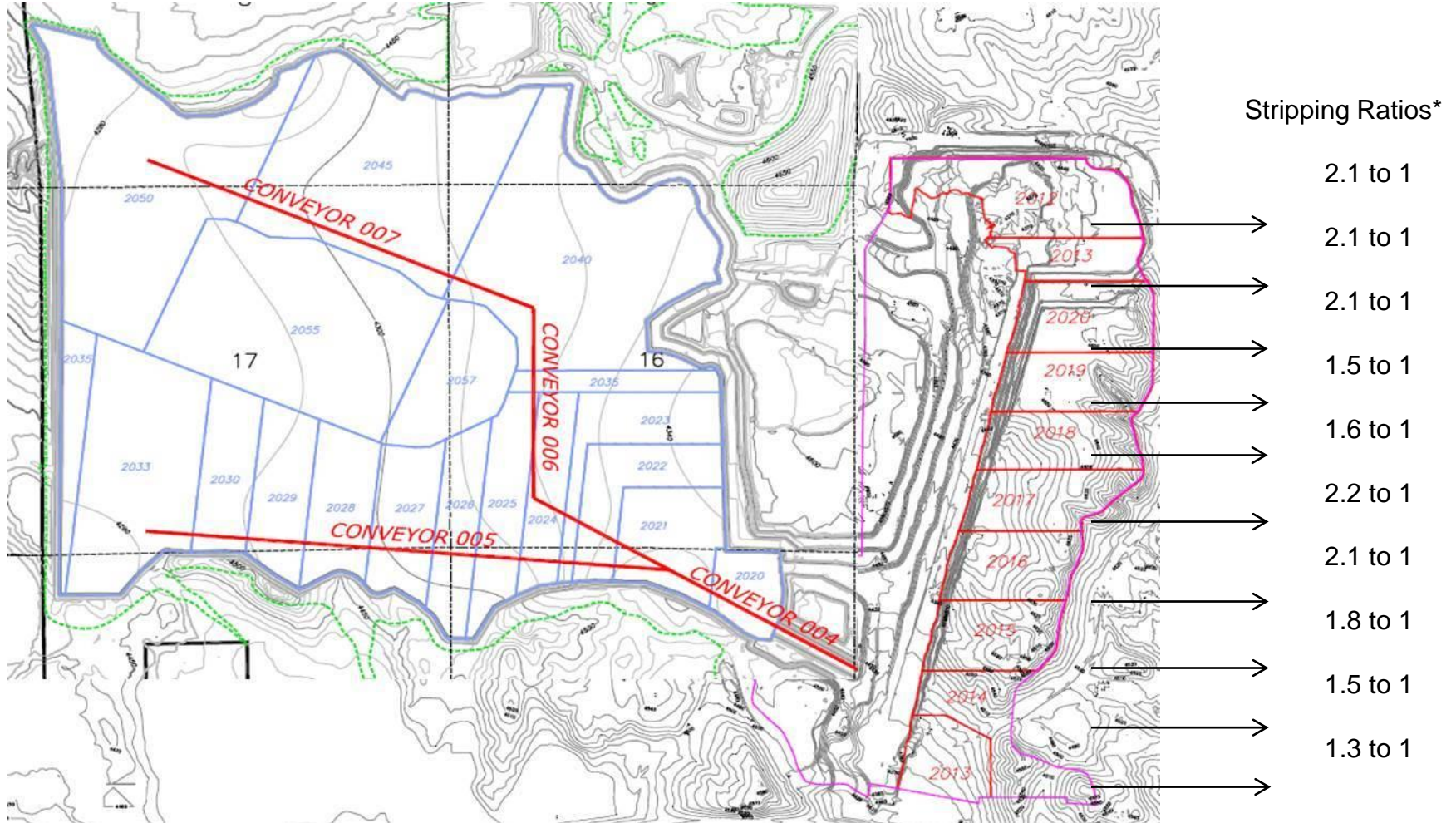
Coal Contracts Summary

- Approximately 50% of coal production sold under contracts that include price adjustments based on actual mining costs plus a return on mine capital investments
- Most of the remaining 50% of coal production sold under contracts where sales price changes are based on published indices but may lag actual mining costs

Plant/Owner	Production Tons (millions) 2017	Pricing Methodology	Date Price Reopener or Adjustment	Contract Expires	Contract Quantity
Existing Contracts					
Wyodak Plant (PacifiCorp)	1.5	Fixed with escalators	July 1, 2019	Dec. 2022	All plant usage
Wygen III	0.6	Cost plus return	Annual True-Up	Life of plant	All plant usage
Other South Dakota Electric coal plants	0.8	Cost plus return	Annual True-Up	Life of plant	All plant usage
Wygen I	0.5	Fixed with escalators	July 1, 2018*	Life of plant	All plant usage
Wygen II	0.5	Cost plus return	Annual True-Up	Life of plant	All plant usage
Other sales (truck)	0.1	Fixed		1-3 years	Various
Total	4.2				

* Adjusts every 5 years

Mine Sequence



* The ratio of the volume of overburden required to be removed to the quantity of coal mined calculated as cubic yards / tons; years represent when coal will be mined

Use of Non-GAAP Financial Measures

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.

Earnings per share, as adjusted, Income from Continuing Operations, as adjusted

Earnings per share, as adjusted, is a Non-GAAP financial measure. Earnings per share, as adjusted, is defined as GAAP Earnings per share, 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.

Depreciation, Depletion and Amortization, as adjusted

Depreciation, Depletion and Amortization (DD&A), as adjusted are defined as DD&A by segment adjusted for additional depreciation expense at our Electric Utilities and reduced depreciation at our Power Generation Segment. We have provided this non-GAAP measure to reflect adjustments by Segment for the requirement under GAAP that the power purchase agreement between Colorado Electric and Colorado IPP be accounted for as a capital lease. The company believes that non-GAAP measures are useful to investors because the lease accounting is not indicative of our rate recovery accounting. The company's management uses these non-GAAP financial measures as an indicator for evaluating current periods and planning and forecasting future periods.

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.

Use of Non-GAAP Financial Measures

EBITDA, as adjusted by segment

(in millions)

	Year Ended - December 31,												Jun-17
	2009	2010	2011	2012	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	TTM
Electric Utilities ⁽¹⁾ -													
Income from continuing operations	\$ 32.7	\$ 47.5	\$ 47.7	\$ 52.0	\$ 49.0	\$ 57.3	\$ 77.6	\$ 85.8	\$ 24.2	\$ 23.2	\$ 22.2	\$ 18.8	\$ 88.4
Depreciation, Depletion and Amortization	43.6	47.3	52.5	72.9	75.4	77.0	80.9	84.6	21.1	21.9	22.9	23.1	89.0
Interest expense, net	33.0	37.0	39.0	48.4	54.5	47.0	51.1	50.3	12.1	13.6	13.4	12.9	52.0
Income tax expense (benefit)	13.1	18.0	23.3	28.5	23.7	29.4	41.2	40.2	13.5	7.0	8.7	7.6	36.8
Rounding	-	-	-	-	-	-	(0.1)	0.1	(0.1)	-	-	-	(0.1)
EBITDA (a Non-GAAP Measure)	\$ 122.4	\$ 149.8	\$ 162.5	\$ 201.8	\$ 202.6	\$ 210.7	\$ 250.7	\$ 261.0	\$ 70.8	\$ 65.7	\$ 67.2	\$ 62.4	\$ 266.1
Adjustment for Intercompany Capital Lease -													
Income from continuing operations	\$ -	\$ -	\$ -	\$ 6.3	\$ 5.9	\$ 5.6	\$ 5.3	\$ 4.9	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.1	\$ 4.7
Depreciation, Depletion and Amortization	-	-	-	(13.0)	(13.1)	(13.1)	(13.1)	(13.1)	(3.3)	(3.3)	(3.3)	(3.3)	(13.2)
Interest expense, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax expense (benefit)	-	-	-	3.6	3.5	3.3	3.1	2.9	0.7	0.7	0.7	0.7	2.8
Net Adjustment for Intercompany Capital Lease	\$ -	\$ -	\$ -	\$ (3.1)	\$ (3.7)	\$ (4.2)	\$ (4.7)	\$ (5.3)	\$ (1.4)	\$ (1.4)	\$ (1.4)	\$ (1.5)	\$ (5.7)
Less Adjustments for Unique Items:													
Sale of Wygen III to City of Gillette	-	(6.2)	-	-	-	-	-	-	-	-	-	-	-
EBITDA, as adjusted	\$ 122.4	\$ 143.6	\$ 162.5	\$ 198.7	\$ 198.9	\$ 206.5	\$ 246.0	\$ 255.7	\$ 69.4	\$ 64.3	\$ 65.8	\$ 60.9	\$ 260.4
Gas Utilities ⁽¹⁾ -													
Income from continuing operations	\$ 24.4	\$ 27.1	\$ 34.2	\$ 27.6	\$ 35.8	\$ 44.2	\$ 39.3	\$ 59.7	\$ (3.0)	\$ 29.7	\$ 46.1	\$ (0.3)	\$ 72.5
Depreciation, Depletion and Amortization	30.1	25.3	24.3	27.5	28.7	28.9	32.3	78.3	21.2	21.2	20.8	20.9	84.1
Interest expense, net	17.1	27.5	26.0	26.5	25.9	17.1	17.3	75.0	21.3	21.1	19.8	19.6	81.8
Income tax expense (benefit)	13.5	14.4	16.4	16.1	21.8	21.8	22.3	27.5	(5.1)	12.4	26.3	(1.3)	32.3
Rounding	-	-	-	-	-	-	0.3	0.1	0.2	-	-	-	0.2
EBITDA (a Non-GAAP Measure)	\$ 85.1	\$ 94.3	\$ 100.9	\$ 97.7	\$ 112.2	\$ 112.0	\$ 111.5	\$ 240.6	\$ 34.6	\$ 84.4	\$ 113.0	\$ 38.9	\$ 270.9
Less Adjustments for Unique Items:													
Sale of Elkhorn	-	(2.7)	-	-	-	-	-	-	-	-	-	-	-
EBITDA, as adjusted	\$ 85.1	\$ 91.6	\$ 100.9	\$ 97.7	\$ 112.2	\$ 112.0	\$ 111.5	\$ 240.6	\$ 34.6	\$ 84.4	\$ 113.0	\$ 38.9	\$ 270.9

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1) Prior to 2012, Wyoming Gas is included in the Electric Segment

Use of Non-GAAP Financial Measures

EBITDA, as adjusted by segment (continued)

(in millions)

	Year Ended - December 31,								Jun-17				
	2009	2010	2011	2012	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	TTM
Power Generation -													
Income from continuing operations	\$ 20.7	\$ 2.2	\$ 3.0	\$ 21.3	\$ 16.3	\$ 28.5	\$ 32.7	\$ 35.5	\$ 9.4	\$ 9.2	\$ 10.0	\$ 8.4	\$ 37.0
Depreciation, Depletion and Amortization	3.9	4.5	4.2	4.6	5.1	4.5	4.3	4.1	1.0	1.0	1.2	1.1	4.3
Interest expense, net	9.4	8.1	7.4	14.8	20.4	3.7	3.2	1.8	0.4	0.4	0.6	0.7	2.1
Income tax expense (benefit)	11.1	0.3	1.6	8.7	11.1	17.7	18.5	17.1	5.0	3.7	3.7	3.0	15.4
Rounding	-	(0.1)	-	-	-	-	-	-	-	-	-	-	-
EBITDA (a Non-GAAP Measure)	\$ 45.1	\$ 15.0	\$ 16.2	\$ 49.4	\$ 52.9	\$ 54.4	\$ 58.7	\$ 58.5	\$ 15.8	\$ 14.3	\$ 15.5	\$ 13.2	\$ 58.8
Adjustment for Intercompany Capital Lease -													
Income from continuing operations	\$ -	\$ -	\$ -	\$ (6.0)	\$ (6.3)	\$ (6.8)	\$ (5.9)	\$ (5.7)	\$ (1.5)	\$ (1.4)	\$ (1.3)	\$ (1.3)	\$ (5.5)
Depreciation, Depletion and Amortization	-	-	-	11.1	11.9	12.8	11.8	11.7	3.1	3.0	2.8	2.8	11.7
Interest expense, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax expense (benefit)	-	-	-	(3.4)	(3.7)	(4.0)	(3.5)	(3.3)	(0.9)	(0.8)	(0.8)	(0.8)	(3.3)
Net Adjustment for Intercompany Capital Lease	\$ -	\$ -	\$ -	\$ 1.7	\$ 1.9	\$ 2.0	\$ 2.4	\$ 2.7	\$ 0.7	\$ 0.8	\$ 0.7	\$ 0.7	\$ 2.9
Less Adjustments for Unique Items:													
Sale of Wygen I to MEAN	(26.0)	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA, as adjusted	\$ 19.1	\$ 15.0	\$ 16.2	\$ 51.1	\$ 54.8	\$ 56.4	\$ 61.1	\$ 61.2	\$ 16.5	\$ 15.1	\$ 16.2	\$ 13.9	\$ 61.7
Mining -													
Income from continuing operations	\$ 6.7	\$ 7.7	\$ (0.4)	\$ 5.6	\$ 6.3	\$ 10.5	\$ 11.9	\$ 10.1	\$ 3.3	\$ 3.1	\$ 2.9	\$ 2.7	\$ 12.0
Depreciation, Depletion and Amortization	13.1	19.1	18.7	13.1	11.5	10.3	9.8	9.3	2.3	2.1	2.2	2.1	8.7
Interest expense, net	(1.5)	(3.2)	(3.9)	(1.0)	0.6	0.4	0.4	0.4	0.1	0.1	-	0.1	0.3
Income tax expense (benefit)	3.2	2.4	(1.9)	0.1	0.9	3.3	3.6	3.1	1.2	1.1	0.9	0.8	4.0
Rounding	0.1	-	-	-	0.1	-	-	-	-	-	-	-	-
EBITDA (a Non-GAAP Measure)	\$ 21.6	\$ 26.0	\$ 12.5	\$ 17.8	\$ 19.4	\$ 24.5	\$ 25.7	\$ 22.9	\$ 6.9	\$ 6.4	\$ 6.0	\$ 5.7	\$ 25.0
Oil and Gas -													
Income from continuing operations	\$ (25.8)	\$ 4.6	\$ 2.3	\$ 18.7	\$ (1.7)	\$ (8.5)	\$ (180.0)	\$ (71.1)	\$ (8.8)	\$ (35.8)	\$ (3.0)	\$ (1.9)	\$ (49.5)
Depreciation, Depletion and Amortization	29.7	23.7	29.5	29.8	17.9	24.2	29.3	13.9	3.5	2.5	2.0	1.9	9.9
Asset impairments	43.3	-	-	49.6	-	-	249.6	107.0	12.3	54.7	-	-	67.0
Interest expense, net	4.7	5.4	5.9	3.9	0.7	1.7	2.5	4.9	1.3	1.3	1.1	1.1	4.8
Income tax expense (benefit)	(21.0)	1.9	0.5	9.9	(2.1)	(4.8)	(104.5)	(52.7)	(6.2)	(21.9)	(1.8)	(1.0)	(30.9)
Rounding	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA (a Non-GAAP Measure)	\$ 30.9	\$ 35.6	\$ 38.2	\$ 111.9	\$ 14.8	\$ 12.6	\$ (3.1)	\$ 2.0	\$ 2.1	\$ 0.8	\$ (1.7)	\$ 0.1	\$ 1.3
Less Adjustments for Unique Items:													
Gain on sale of operating assets	-	-	-	(75.8)	-	-	-	-	-	-	-	-	-
Impairment of equity investments	-	-	-	-	-	-	4.4	-	-	-	-	-	-
EBITDA, as adjusted	\$ 30.9	\$ 35.6	\$ 38.2	\$ 36.1	\$ 14.8	\$ 12.6	\$ 1.3	\$ 2.0	\$ 2.1	\$ 0.8	\$ (1.7)	\$ 0.1	\$ 1.3

(Continued on next page)

1) Prior to 2012, Wyoming Gas is included in the Electric Segment

Use of Non-GAAP Financial Measures

EBITDA, as adjusted by segment (continued)

(in millions)

	Year Ended - December 31,												Jun-17	
	2009	2010	2011	2012	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	TTM	
Corporate -														
Income from continuing operations	\$ 18.6	\$ (21.6)	\$ (42.3)	\$ (16.1)	\$ 13.0	\$ 0.1	\$ (12.9)	\$ (36.7)	\$ (6.9)	\$ (7.8)	\$ 1.9	\$ (2.3)	\$ (15.1)	
Depreciation, Depletion and Amortization	0.5	0.2	0.2	-	-	-	-	-	-	0.1	0.1	-	0.2	
Asset impairments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest expense, net	19.7	15.3	15.0	18.9	7.8	(0.8)	7.5	1.6	0.1	(1.3)	(0.5)	(0.5)	(2.2)	
Interest rate swaps - unrealized (loss) gain	(55.7)	15.2	42.0	(1.9)	(30.2)	-	-	-	-	-	-	-	-	
Income tax expense (benefit)	13.0	(12.5)	(19.6)	(3.2)	7.8	(0.1)	(2.9)	(24.4)	(1.6)	(2.8)	(4.2)	1.4	(7.2)	
Rounding	-	(0.1)	-	-	0.1	0.1	(0.1)	0.2	(0.1)	-	(0.1)	0.1	-	
EBITDA (a Non-GAAP Measure)	\$ (3.9)	\$ (3.5)	\$ (4.7)	\$ (2.3)	\$ (1.5)	\$ (0.7)	\$ (8.4)	\$ (59.3)	\$ (8.5)	\$ (11.8)	\$ (2.8)	\$ (1.3)	\$ (24.3)	
Less Adjustments for Unique Items:														
Acquisition Costs	5.3	-	-	4.0	-	-	3.6	43.7	5.2	8.5	1.4	0.5	15.6	
EBITDA, as adjusted	\$ 1.4	\$ (3.5)	\$ (4.7)	\$ 1.7	\$ (1.5)	\$ (0.7)	\$ (4.8)	\$ (15.6)	\$ (3.3)	\$ (3.3)	\$ (1.4)	\$ (0.8)	\$ (8.7)	
Total Consolidated -														
Income from continuing operations	\$ 77.3	\$ 67.4	\$ 44.3	\$ 109.4	\$ 118.3	\$ 130.9	\$ (32.1)	\$ 82.6	\$ 17.9	\$ 21.4	\$ 80.1	\$ 25.3	\$ 144.7	
Depreciation, Depletion and Amortization	120.9	120.0	129.4	145.9	137.4	144.7	155.4	189.0	48.9	48.4	48.7	48.6	194.6	
Asset impairments	43.3	-	-	49.6	-	-	249.6	107.0	12.3	54.7	-	-	67.0	
Interest expense, net	82.4	90.1	89.4	111.6	110.1	69.1	82.1	134.0	35.3	35.3	34.3	33.9	138.8	
Interest rate swaps - unrealized (loss) gain	(55.7)	15.2	42.0	(1.9)	(30.2)	-	-	-	-	-	-	-	-	
Income tax expense (benefit)	32.9	24.5	20.4	60.3	63.0	66.6	(22.2)	10.5	6.6	(0.6)	33.4	10.4	49.8	
Rounding	-	-	0.1	-	-	-	-	-	-	-	-	-	0.1	
EBITDA (a Non-GAAP Measure)	\$ 301.1	\$ 317.2	\$ 325.6	\$ 474.9	\$ 398.6	\$ 411.3	\$ 432.8	\$ 523.1	\$ 121.0	\$ 159.2	\$ 196.5	\$ 118.2	\$ 595.0	
Less Adjustments for Unique Items:														
Gain on sale of operating assets -														
Williston basin assets	-	-	-	(75.8)	-	-	-	-	-	-	-	-	-	
Sale of Elkhorn, NE service area	-	(2.7)	-	-	-	-	-	-	-	-	-	-	-	
Partial sale of Wygen III to City of Gillette	-	(6.2)	-	-	-	-	-	-	-	-	-	-	-	
Partial sale of Wygen I to MEAN	(26.0)	-	-	-	-	-	-	-	-	-	-	-	-	
Impairment of equity investments	-	-	-	-	-	-	4.4	-	-	-	-	-	-	
Acquisition Costs	5.3	-	-	4.0	-	-	3.6	43.7	5.2	8.5	1.4	0.5	15.6	
EBITDA, as adjusted	\$ 280.4	\$ 308.3	\$ 325.6	\$ 403.1	\$ 398.6	\$ 411.3	\$ 440.8	\$ 566.8	\$ 126.2	\$ 167.7	\$ 197.9	\$ 118.7	\$ 610.6	

1) Prior to 2012, Wyoming Gas is included in the Electric Segment

Use of Non-GAAP Financial Measures

Earnings Per Share, as adjusted

Earnings Per Share, as adjusted	2009	2010	2011	2012	2013	2014	2015	2016
Net income (GAAP)	\$ 2.11	\$ 1.87	\$ 1.34	\$ 2.32	\$ 2.64	\$ 2.93	\$ (0.71)	\$ 1.55
(Income) loss from discontinued operations	(0.11)	(0.14)	(0.23)	0.16	0.02	-	-	-
Income (loss) from continuing operations (GAAP)	2.00	1.73	1.11	2.48	2.66	2.93	(0.71)	1.55
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	(0.18)
Net income available for common stock (excluding discontinued operations)	2.00	1.73	1.11	2.48	2.66	2.93	(0.71)	1.37
<u>Adjustments (loss) (after tax)</u>								
Interest rate swaps - MTM	(0.94)	0.25	0.68	(0.03)	(0.44)	-	-	-
Costs associated with prepayment of BHW project financing (Net of interest savings)	-	-	-	-	0.15	-	-	-
Financing costs, net of interest savings (\$250M bond payoff)	-	-	-	-	0.13	-	-	-
Make-whole premium net of interest savings (\$225M bond payoff)	-	-	-	0.07	-	-	-	-
Credit Facility fee write-off	-	-	-	0.02	-	-	-	-
Asset impairment - Oil and Gas	0.72	-	-	0.72	-	-	3.48	1.26
Impairment of equity investments - Oil and Gas	-	-	-	-	-	-	0.06	-
Gain on sale of operating assets -								
Williston Basin assets (net of incentive comp)	-	-	-	(1.05)	-	-	-	-
Sale of Elkhorn, NE service area	-	(0.04)	-	-	-	-	-	-
Partial sale of Wygen III to City of Gillette	-	(0.10)	-	-	-	-	-	-
Partial sale of Wygen I to MEAN	(0.44)	-	-	-	-	-	-	-
Improved effective tax rate	(0.10)	(0.06)	-	-	-	-	-	-
Integration expenses	0.09	-	-	-	-	-	0.15	0.56
Acquisition facility fee	0.05	-	-	-	-	-	-	-
Total Non-GAAP adjustments	(0.62)	0.05	0.68	(0.27)	(0.16)	-	3.69	1.82
Net income available for common stock (excluding discontinued operations); as adjusted (Non-GAAP)	\$ 1.38	\$ 1.78	\$ 1.79	\$ 2.21	\$ 2.50	\$ 2.93	\$ 2.98	\$ 3.19

Use of Non-GAAP Financial Measures

Assets, as adjusted

(in thousands)

June 30, 2017

	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil & Gas	Corporate	Total
Assets (GAAP)	\$ 2,901,570	\$ 3,242,461	\$ 66,292	\$ 67,365	\$ 103,044	\$ 108,360	\$ 6,489,092
Capital lease adjustment	(261,441)	-	261,441	-	-	-	-
Assets, as adjusted (non-GAAP)	\$ 2,640,129	\$ 3,242,461	\$ 327,733	\$ 67,365	\$ 103,044	\$ 108,360	\$ 6,489,092

Use of Non-GAAP Financial Measures

Depreciation, Depletion & Amortization, adjusted for Intercompany Capital Lease*

(in thousands, pre-tax)

YTD Dec. 31, 2016

	Electric Utilities	Gas Utilities	Total Utilities	Power Generation	Mining	Oil and Gas	Total Non-Reg	Corporate	Total
Depreciation, depletion and amortization (GAAP)	\$ 84,645	\$ 78,335	\$ 162,980	\$ 4,104	\$ 9,346	\$ 13,902	\$ 27,352	\$ (1,289)	\$ 189,043
Capital lease adjustment	(13,072)	-	(13,072)	11,735	-	-	11,735	1,337	-
Deprec, depletion and amortization, as adjusted (non-GAAP)	\$ 71,573	\$ 78,335	\$ 149,908	\$ 15,839	\$ 9,346	\$ 13,902	\$ 39,087	\$ 48	\$ 189,043
Capital Expenditures	\$ 258,739	\$ 173,930	\$ 432,669	\$ 4,729	\$ 5,709	\$ 6,669	\$ 17,107	\$ 17,353	\$ 467,129
Cap Ex to Depreciation Ratio							2.9 to 1	0.4 to 1	

YTD Dec. 31, 2015

	Electric Utilities	Gas Utilities	Total Utilities	Power Generation	Mining	Oil and Gas	Total Non-Reg	Corporate	Total
Depreciation, depletion and amortization (GAAP)	\$ 80,929	\$ 32,326	\$ 113,255	\$ 4,329	\$ 9,806	\$ 29,287	\$ 43,422	\$ (1,307)	\$ 155,370
Capital lease adjustment	(13,071)	-	(13,071)	11,764	-	-	11,764	1,307	-
Deprec, depletion and amortization, as adjusted (non-GAAP)	\$ 67,858	\$ 32,326	\$ 100,184	\$ 16,093	\$ 9,806	\$ 29,287	\$ 55,186	\$ -	\$ 155,370
Capital Expenditures	\$ 171,897	\$ 99,674	\$ 271,571	\$ 2,694	\$ 5,767	\$ 168,925	\$ 177,386	\$ 9,864	\$ 458,821
Cap Ex to Depreciation Ratio							2.7 to 1	3.2 to 1	

YTD Dec. 31, 2014

	Electric Utilities	Gas Utilities	Total Utilities	Power Generation	Mining	Oil and Gas	Total Non-Reg	Corporate	Total
Depreciation, depletion and amortization (GAAP)	\$ 77,011	\$ 28,912	\$ 105,923	\$ 4,540	\$ 10,276	\$ 24,247	\$ 39,063	\$ (241)	\$ 144,745
Capital lease adjustment	(13,072)	-	(13,072)	12,831	-	-	12,831	241	-
Deprec, depletion and amortization, as adjusted (non-GAAP)	\$ 63,939	\$ 28,912	\$ 92,851	\$ 17,371	\$ 10,276	\$ 24,247	\$ 51,894	\$ -	\$ 144,745
Capital Expenditures	\$ 171,475	\$ 92,252	\$ 263,727	\$ 2,379	\$ 6,676	\$ 109,439	\$ 118,494	\$ 9,046	\$ 391,267
Cap Ex to Depreciation Ratio							2.8 to 1	2.3 to 1	

YTD Dec. 31, 2013

	Electric Utilities	Gas Utilities	Total Utilities	Power Generation	Mining	Oil and Gas	Total Non-Reg	Corporate	Total
Depreciation, depletion and amortization (GAAP)	\$ 75,355	\$ 28,730	\$ 104,085	\$ 5,090	\$ 11,523	\$ 17,876	\$ 34,489	\$ (1,250)	\$ 137,324
Capital lease adjustment	(13,100)	-	(13,100)	11,850	-	-	11,850	1,250	-
Deprec, depletion and amortization, as adjusted (non-GAAP)	\$ 62,255	\$ 28,730	\$ 90,985	\$ 16,940	\$ 11,523	\$ 17,876	\$ 46,339	\$ -	\$ 137,324
Capital Expenditures	\$ 212,269	\$ 73,198	\$ 285,467	\$ 13,533	\$ 5,528	\$ 64,687	\$ 83,748	\$ 10,319	\$ 379,534
Cap Ex to Depreciation Ratio							3.1 to 1	1.8 to 1	

YTD Dec. 31, 2012

	Electric Utilities	Gas Utilities	Total Utilities	Power Generation	Mining	Oil and Gas	Total Non-Reg	Corporate	Total
Depreciation, depletion and amortization (GAAP)	\$ 72,899	\$ 27,508	\$ 100,407	\$ 4,599	\$ 13,060	\$ 29,785	\$ 47,444	\$ (1,928)	\$ 145,923
Capital lease adjustment	(13,044)	-	(13,044)	11,071	-	-	11,071	1,973	-
Deprec, depletion and amortization, as adjusted (non-GAAP)	\$ 59,855	\$ 27,508	\$ 87,363	\$ 15,670	\$ 13,060	\$ 29,785	\$ 58,515	\$ 45	\$ 145,923
Capital Expenditures	\$ 162,136	\$ 50,838	\$ 212,974	\$ 5,547	\$ 13,420	\$ 107,839	\$ 126,806	\$ 7,376	\$ 347,156
Cap Ex to Depreciation Ratio							2.4 to 1	2.2 to 1	

* PPA between Colorado Electric and Colorado IPP is considered a capital lease for GAAP purposes; this PPA went into effect Jan. 1, 2012

Use of Non-GAAP Financial Measures

Return on equity and assets, as adjusted

Return on Equity, as adjusted

(in thousands, except for ratios)

	2009	2010	2011	2012	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Jun-17 TTM
Income from continuing operations (GAAP)	\$ 77,269	\$ 67,362	\$ 44,374	\$ 109,417	\$ 118,307	\$ 130,889	\$ (32,111)	\$ 82,631	\$17,884	\$21,414	\$80,146	\$25,311	\$ 144,755
Adjustments (after tax) -													
Interest rate swaps - MTM	(36,174)	9,875	27,306	(1,223)	(19,609)	-	-	-	-	-	-	-	-
Costs associated with prepayment of BHW project financing (net of interest savings)	-	-	-	-	6,577	-	-	-	-	-	-	-	-
Financing costs, net of interest savings (\$250M bond payoff)	-	-	-	-	5,934	-	-	-	-	-	-	-	-
Asset impairment -Oil and Gas	27,805	-	-	31,899	-	-	157,540	67,309	-	-	-	-	-
Impairment of Equity Investments-Oil and Gas	-	-	-	-	-	-	2,863	-	7,943	34,498	-	-	42,441
Gain on sale of operating assets -													
- Williston Basin assets	-	-	-	(49,001)	-	-	-	-	-	-	-	-	-
- Sale of Elkhorn, NE service area	-	(1,744)	-	-	-	-	-	-	-	-	-	-	-
- Partial sale of Wygen III to City of Gillette	-	(4,055)	-	-	-	-	-	-	-	-	-	-	-
- Partial sale of Wygen I to MEAN	(16,881)	-	-	-	-	-	-	-	-	-	-	-	-
Incentive compensation - Williston Basin sale	-	-	-	2,605	-	-	-	-	-	-	-	-	-
Credit facility fee write-off	-	-	-	973	-	-	-	-	-	-	-	-	-
Make-whole provision, net of interest savings	-	-	-	3,011	-	-	-	-	-	-	-	-	-
Improved effective tax rate	(3,800)	(2,400)	-	-	-	-	-	-	-	-	-	-	-
Acquisition/integration expenses	3,439	-	-	-	-	-	6,679	29,721	3,968	5,541	941	296	10,746
Acquisition facility fee	1,873	-	-	-	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-GAAP Adjustments	(23,738)	1,676	27,306	(11,736)	(7,098)	-	167,082	97,030	11,911	40,039	941	296	53,187
Income from Cont. Ops., as adjusted (non-GAAP)	\$ 53,531	\$ 69,038	\$ 71,680	\$ 97,681	\$ 111,209	\$ 130,889	\$ 134,971	\$ 179,661	\$29,795	\$61,453	\$81,087	\$25,607	\$ 197,942
Average Common Stock Equity	\$1,067,687	\$1,002,928	\$1,069,093	\$1,157,689	\$1,249,518	\$1,321,542	\$1,361,048	\$1,629,456	\$ 1,741,298				
Return on Equity, as adjusted	5.0%	6.9%	6.7%	8.4%	8.9%	9.9%	9.9%	11.0%	11.4%				

Return on Assets, as adjusted

(in thousands, except for ratios)

	2009	2010	2011	2012	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Jun-17 TTM
Income from Cont. Ops., as adjusted (non-GAAP)	\$ 53,531	\$ 69,038	\$ 71,680	\$ 97,681	\$ 111,209	\$ 130,889	\$ 134,971	\$ 179,661	\$ 197,942				
Average Total Assets	\$3,348,794	\$3,514,604	\$3,759,805	\$3,736,213	\$3,743,204	\$3,974,623	\$4,294,164	\$6,184,324	\$ 6,479,031				
Return on Assets, as adjusted	1.6%	2.0%	1.9%	2.6%	3.0%	3.3%	3.1%	2.9%	3.1%				

1) Prior to 2012, Wyoming Gas is included in the Electric Segment

2017 Guidance Reconciliation

	Low	High
Earnings (loss) per share (GAAP)	\$ 3.43	\$ 3.58
Adjustments*, pre-tax:		
Acquisition costs	0.03	0.03
Tax on Adjustments*:		
Acquisition costs	(0.01)	(0.01)
Earnings (loss), as adjusted, per share (Non-GAAP)	\$ 3.45	\$ 3.60

* Additional adjustments will likely occur in the third and fourth quarters. Adjustments shown reflect the actual adjustments made for the first six months of the year.

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.



To see more ways we're improving life with energy, visit www.blackhillscorp.com.