

Investor Meetings

September 2020



Forward-Looking Statements

COMPANY INFORMATION

Black Hills Corporation

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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Item 1A of Part I of our 2019 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:

- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings on periodic applications to recover costs for capital additions, plant retirements and decommissioning, fuel, transmission, purchased power and other operating costs, and the timing in which new rates would go into effect;
- Our ability to complete our capital program in a cost-effective and timely manner;
- Our ability to execute on our strategy, including: targeting a 50 to 60 percent dividend payout ratio and continuing our track record of continuous annual dividend increases;
- Our ability to successfully execute our financing plans;
- Board of Directors’ approval of any future quarterly dividends;
- The impact of future governmental regulation; and
- Other factors discussed from time to time in our filings with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

Investment Highlights



Customer-focused, growth-oriented utility company

- Prioritizing safety and reliability while responsibly adding renewable resources
- Reducing risk and increasing opportunities through strong diversity
 - Large and strategically diversified natural gas and electric utility infrastructure
 - Stable and growing Midwest territories across eight states
 - Integrated electric utility-supporting segments
 - Programmatic investment approach providing greater long-term consistency



Investing significant capital for customer needs

- Forecasting at least \$2.7 billion in capital investment during 2020 through 2024
 - Incremental opportunities likely
 - Recurring base of utility investment of \$375 million annually



Solid financial position with legacy of sustainable growth

- Committed to solid investment-grade credit ratings
- Marking 50 consecutive years of dividend increases in 2020 at current annualized rate
- Strategic execution delivering strong long-term total shareholder returns

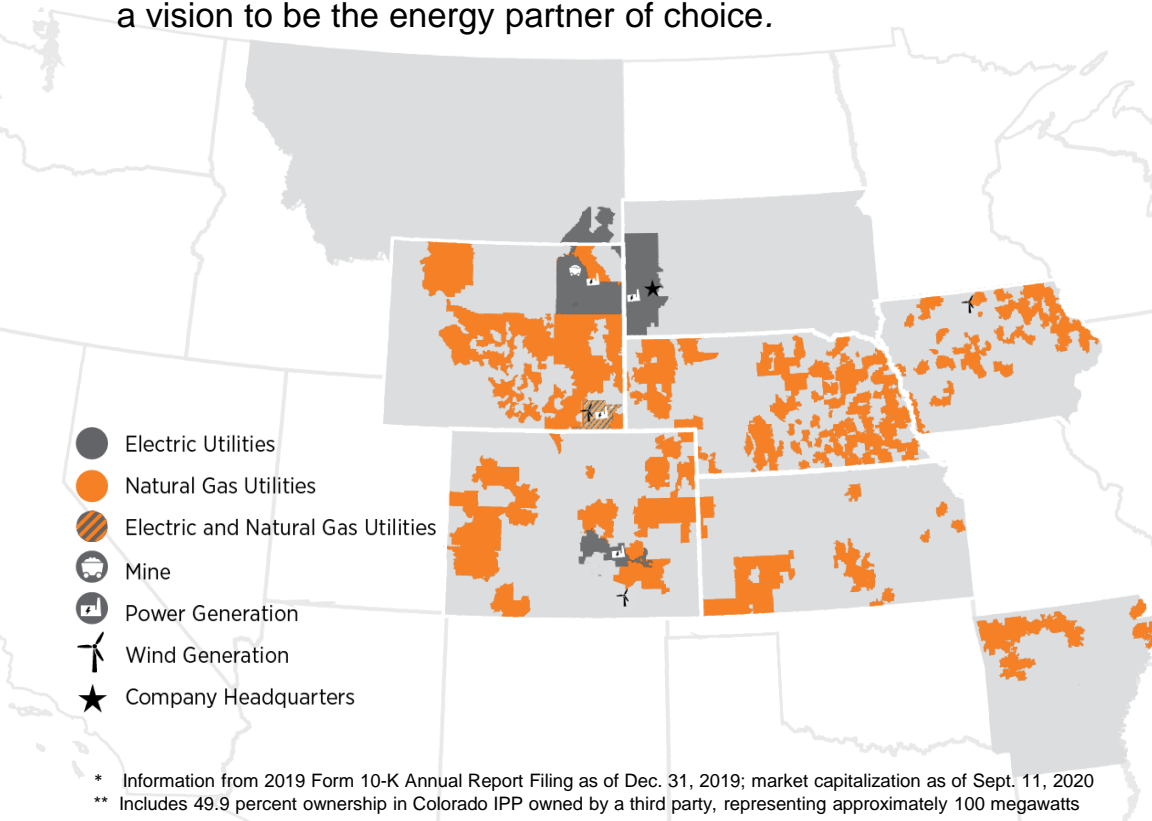
Black Hills Overview and Strategy



Our southern Colorado energy system is one of the cleanest in the nation, fueled entirely by natural gas and renewable energy.

Black Hills Corporation Overview

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



**Electric and Gas
Utility Company***

**Strong
Financial Base***

1.28 Million

Utility customers
in 8 states

\$7.6 billion

Total assets

46,000 Miles

Natural gas lines

\$3.9 billion

Total rate base

1.4 Gigawatts**

Electric generation

\$2.7 billion

Capital investment
2020-2024

9,000 Miles

Electric lines

\$3.4 billion

Market capitalization

2,900

Employees

* Information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019; market capitalization as of Sept. 11, 2020

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

READY. for Customers

READY. for Shareholders

Safety & Integrity

Customer Experience

Growth

Earnings Growth

Dividend Growth

Strong Total Returns

Aligning People + Processes + Technology + Analytics

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

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

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

Committed to maintaining solid investment-grade credit ratings

- \$2.7 billion capital plan (2020-2024)
- Incremental opportunities likely
- Recurring base of utility investment
- Timely investment recovery

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

* On July 27, board of directors approved a quarterly dividend of \$0.535 per share; 2020 annualized rate of \$2.14 would represent 50 consecutive years of increases, pending quarterly board approval

Well-Positioned for Growth

Solid Financial Position

- Strong liquidity of \$770 million at June 30
 - No additional debt or equity financing planned for remainder of 2020
 - No material debt maturities until 2023
 - \$750 million available on revolving credit facility at June 30
 - At-the-market equity offering program available

Strong Investment Outlook With Incremental Opportunities

- \$2.7 billion capital plan well in excess of depreciation
 - Incremental upside opportunities likely especially beyond 2021
- Geographic and utility type diversity provide greater array of growth opportunities



Executing Customer-focused Strategy

Operational Execution for Customers

- Serving customers safely with adapted processes for COVID-19
- Capital investment program on schedule for 2020
- Effectively managing expenses to help offset COVID-19 costs

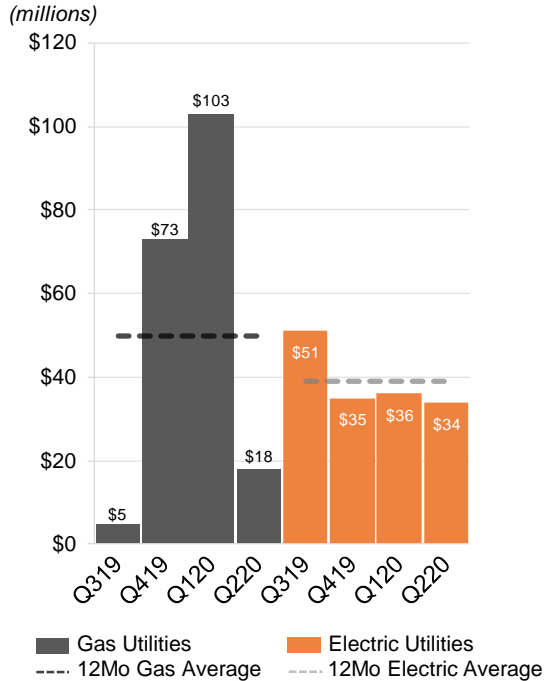
Key Strategic Achievements Year to date 2020

- Completed regulatory consolidation of four gas utilities in Wyoming with new rates and rider
- Reached settlement for Wyoming Electric 60-megawatt capacity need to be filled by Wygen I power plant through 2032
- Filed Nebraska Gas rate review and regulatory consolidation; completed legal consolidation January 1
- Filed Colorado Gas rate review and request for system safety and integrity rider
- Advanced Renewable Ready and Renewable Advantage programs toward delivering renewable energy solutions
- Received favorable franchise vote in Pueblo, Colorado
- Announced strategic alignment of Colorado leadership structure

Strategic Diversity

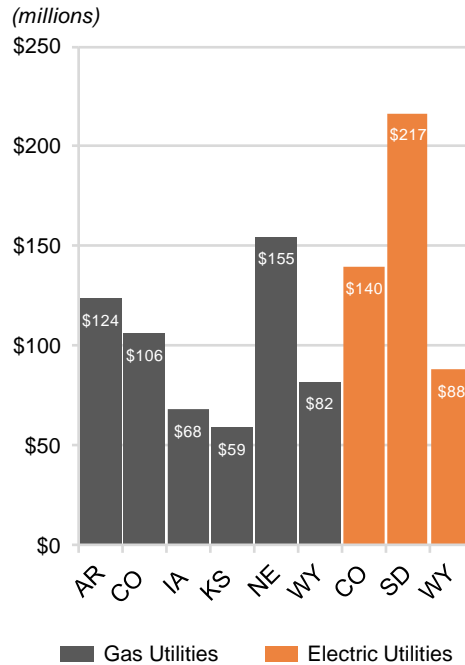
Diversified business risk by type and location

Utility Operating Income

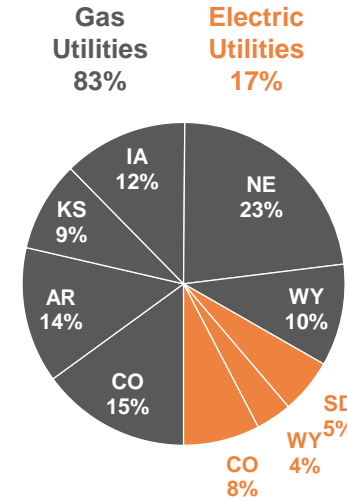


Gross Margin by State*¹

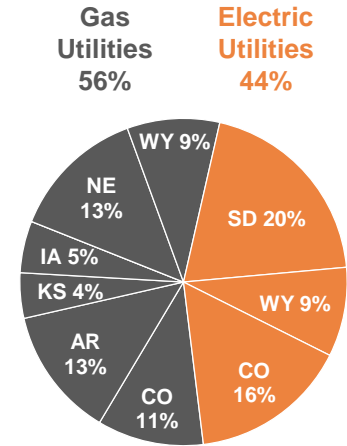
(12 months ending June 30, 2020)



Percent of Customers by State¹



Percent of Utility Rate Base²



* Non-GAAP measure, reconciled to GAAP in Appendix

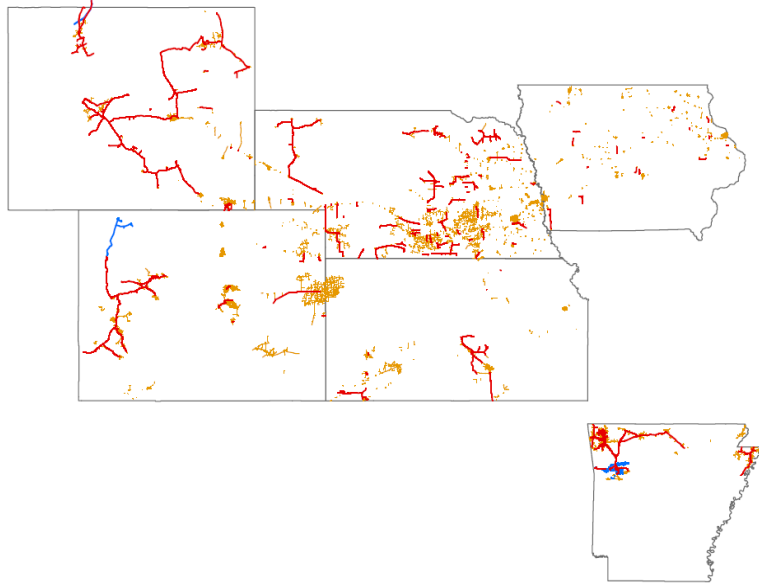
¹ Montana data included in South Dakota totals

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

Large Systems Require Significant Investment

Eight-state Presence Provides Additional Diversity of Opportunities

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



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

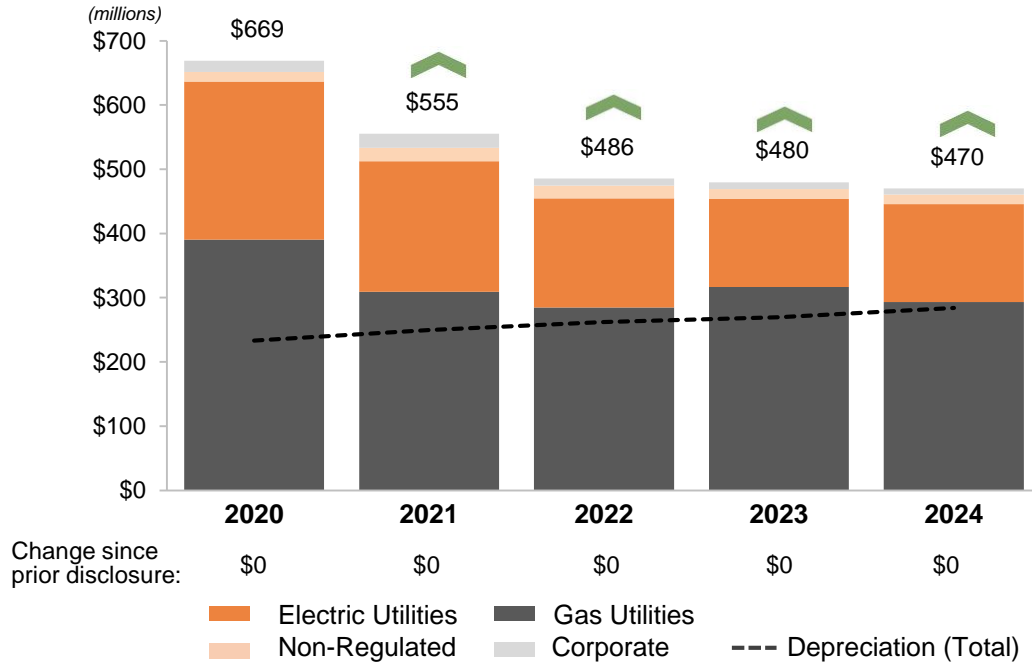


* Excludes 49.9 percent ownership in Colorado IPP owned by a third party
Note: Approximated totals based on information from 2019 Form 10-K

Investing for Customer Needs Drives Growth

2020-2024 Forecast of \$2.7 billion

Forecasted Capital Investment



2020 capital plan on schedule



Additional identified capital opportunities likely[^]



Rate base growth – investment well in excess of depreciation

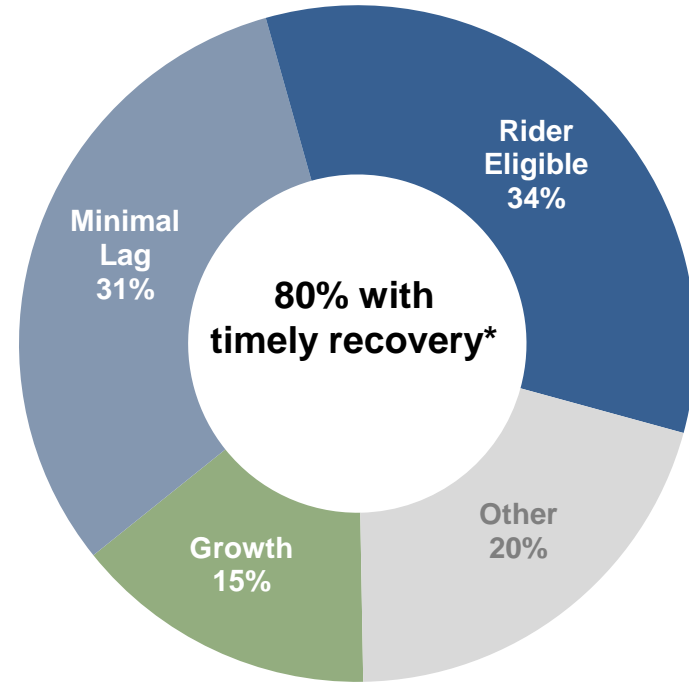
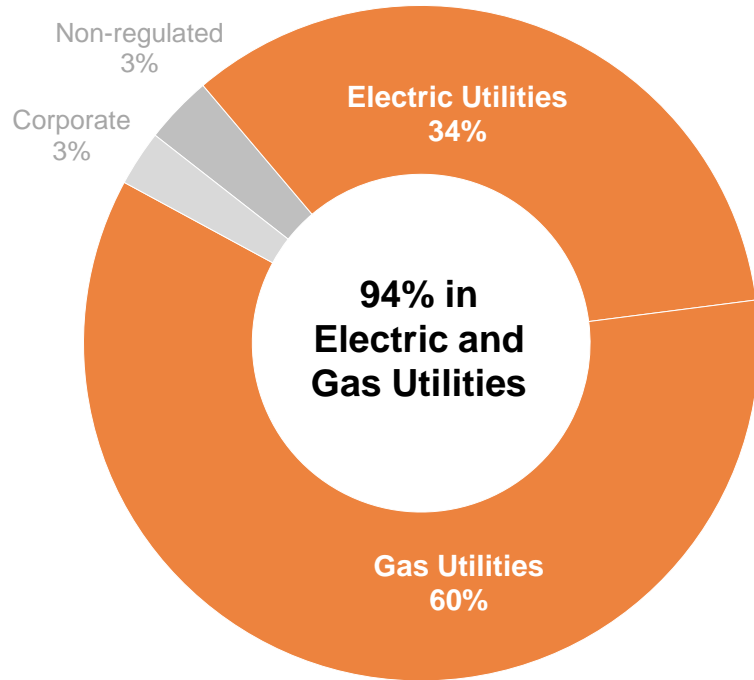


5-year forecast update to be provided at Q3 earnings call

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

Timely Investment Recovery

2020-2024 Capital Forecast of \$2.7 Billion



* Growth Capital - generates immediate revenue on customer connections

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

Rider Eligible Capital - capital expenditures recovered through state specific tariffs and meets Minimal Lag Capital definition

Long-term Capital Investment

Risk-prioritized Programs Focused on Safety and System Integrity

Electric Investment Programs



Replacing aging infrastructure to harden and modernize electric systems

- Distribution
- Transmission
- General plant and facilities modernization

Natural Gas Investment Programs



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

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

Focused on ESG for Sustainable Growth

Environmental

- 16% CO₂ reduction since 2005*
- Responsibly adding renewable generation resources
 - 60MW Busch Ranch II in 2019
 - 52.5MW Renewable Ready in 2020
 - Potentially adding up to 200MW Renewable Advantage in Colorado by year-end 2023
- Coal-free Colorado Electric generation fleet
- 86% of total revenues related to renewables, natural gas and other services**
- 14% of revenues from mining and coal-fired generation / purchase agreements**

Social

- Employee safety performance improved with goal to be industry leader in safety
- 2019 employee engagement survey score above utility average and high-performing companies
- 2019 50 Most Engaged Workplaces award (Achievers)
- 2019 Energy Star Partner of the Year for improving residential efficiency



**In 2019, we donated
\$5.5 million to our communities**
including nearly \$523,000 by employees to 50 United Way
agencies and affiliates across our service territories

Governance

- Diverse and experienced leadership
- Stock ownership requirement and compensation philosophy for officers align interests with stakeholders
- Established succession planning process with Board engagement

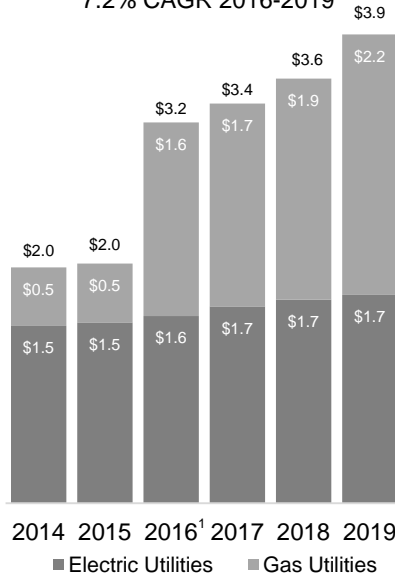
* 16% reduction as of Dec. 31, 2018; includes Colorado Electric emissions prior to acquisition by Black Hills in 2008

** Revenue as a percent of total company revenue based on trailing 12 months as of Dec. 31, 2019

Strategic Execution Delivers Results

Estimated Rate Base ¹ (in billions as of year-end)

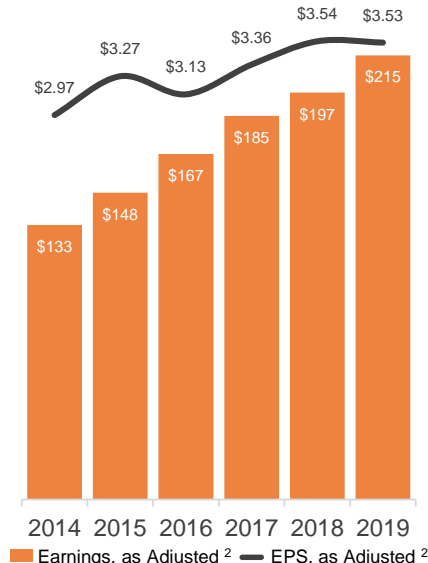
Nearly doubled since 2014
7.2% CAGR 2016-2019



Invest for Customer

EPS, As Adjusted and Earnings, As Adjusted ²

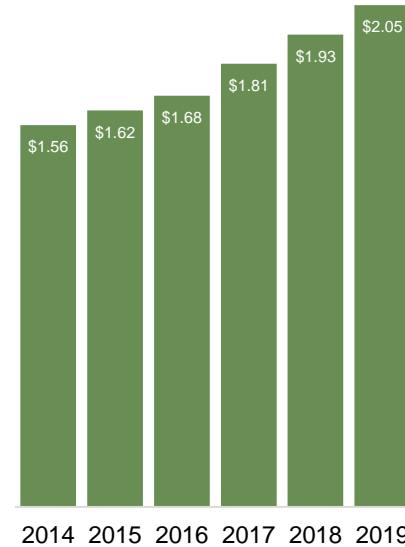
3.5% EPS CAGR 2014-2019
10.1% Earnings CAGR 2014-2019



Earnings Growth

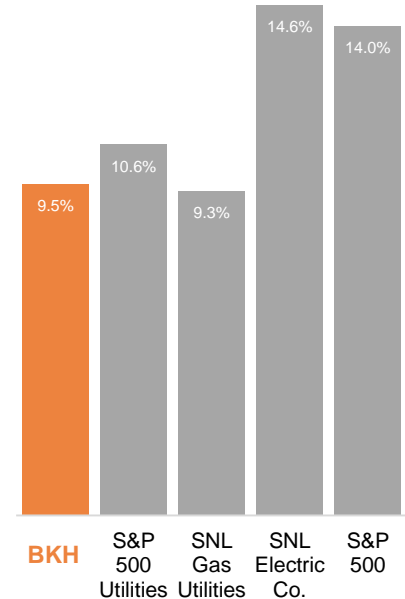
Annual Dividend Per Share

5.6% CAGR 2014-2019



Dividend Growth

Total Shareholder Return ³ (10-year annualized return as of Sept. 11, 2020)



Strong Long-term TSR

¹ Increase in 2016 rate base primarily driven by February 2016 acquisition of SourceGas

² Earnings and EPS from continuing operations available for common stock, as adjusted are non-GAAP measures reconciled to GAAP in Appendix

³ 10-year annualized total shareholder return as of Sept. 11, 2020, based on data from S&P Global Market Intelligence

Financial Update



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

Trailing Five Quarters Earnings Per Share

EPS available for common stock (GAAP)

Special Items:

Impairment of investment

Total adjustments (after tax)

EPS, as adjusted (Non-GAAP)*

Trailing 12 Months EPS, as adjusted*

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
EPS available for common stock (GAAP)	\$ 0.24	\$ 0.19	\$ 1.13	\$ 1.51	\$ 0.33
Impairment of investment	—	0.25	—	0.08	—
Total adjustments (after tax)	—	0.25	—	0.08	—
EPS, as adjusted (Non-GAAP)*	\$ 0.24	\$ 0.44	\$ 1.13	\$ 1.59	\$ 0.33
Trailing 12 Months EPS, as adjusted*	\$ 3.44				\$ 3.49

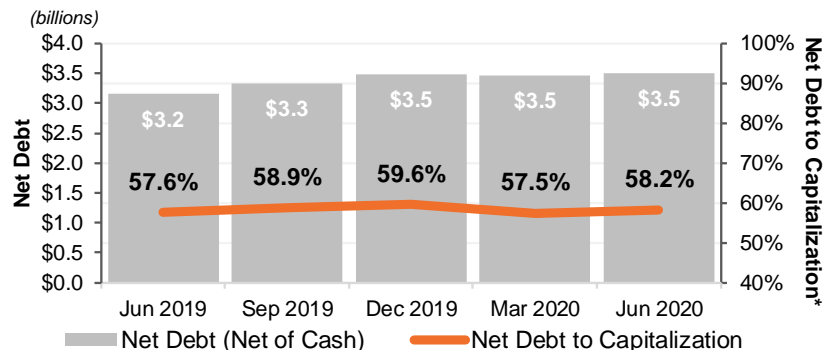
* EPS available for common stock, as adjusted is a non-GAAP measure; see Appendix for definition of Non-GAAP measures

Strong Financial Position

Committed to Strong Investment-Grade Credit Ratings

S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook
Affirmed April 10, 2020	Affirmed Dec. 20, 2019	Affirmed Aug. 29, 2019

Capital Structure

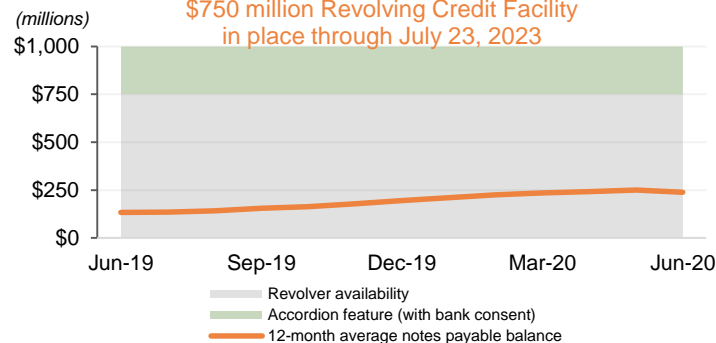


* Excludes noncontrolling interest; see Appendix for detailed capital structure

Strong Liquidity and Debt Profile

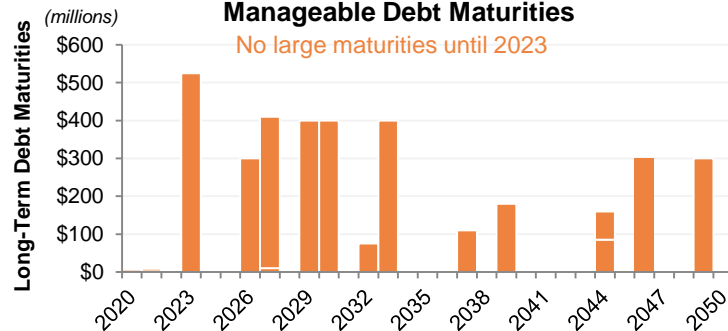
Ample Access to Liquidity

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



Manageable Debt Maturities

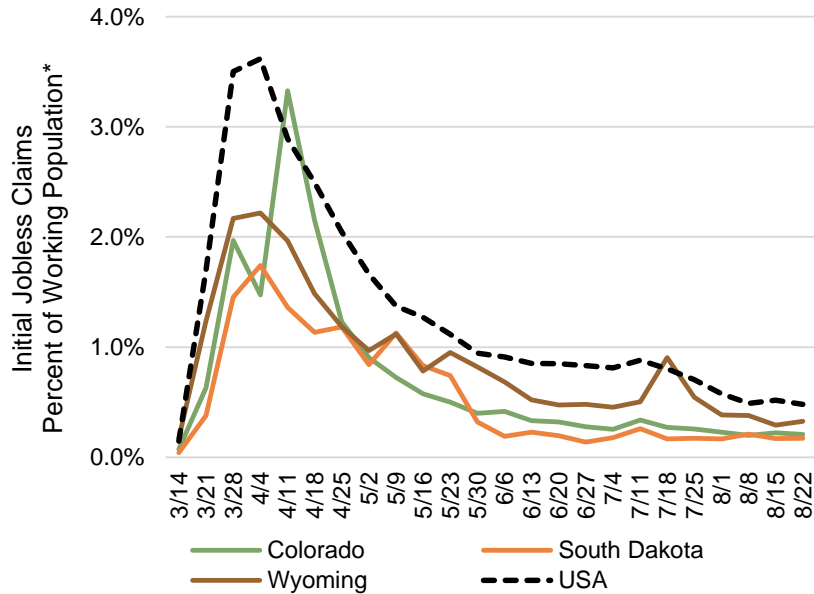
No large maturities until 2023



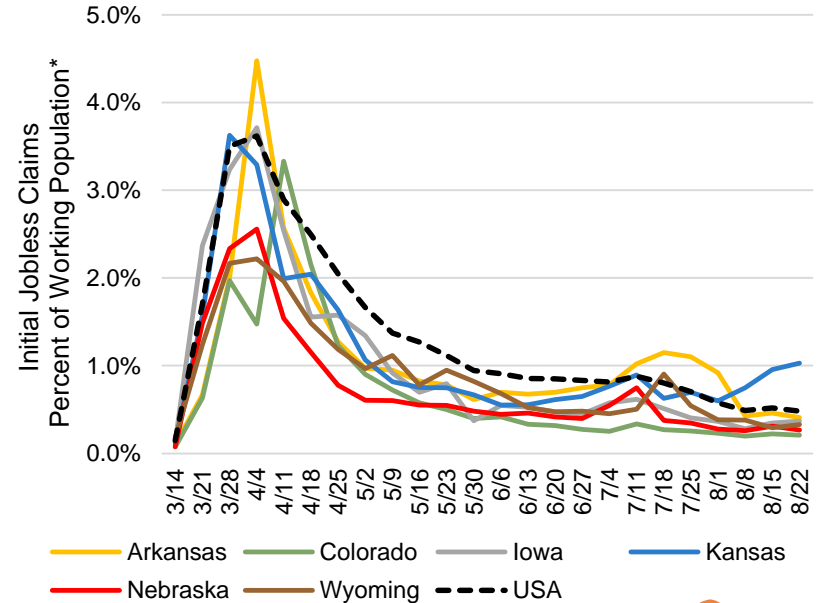
Economic Conditions

Initial Jobless Claims by Electric and Gas Utility State and National Average

Black Hills Electric Utility States



Black Hills Gas Utility States

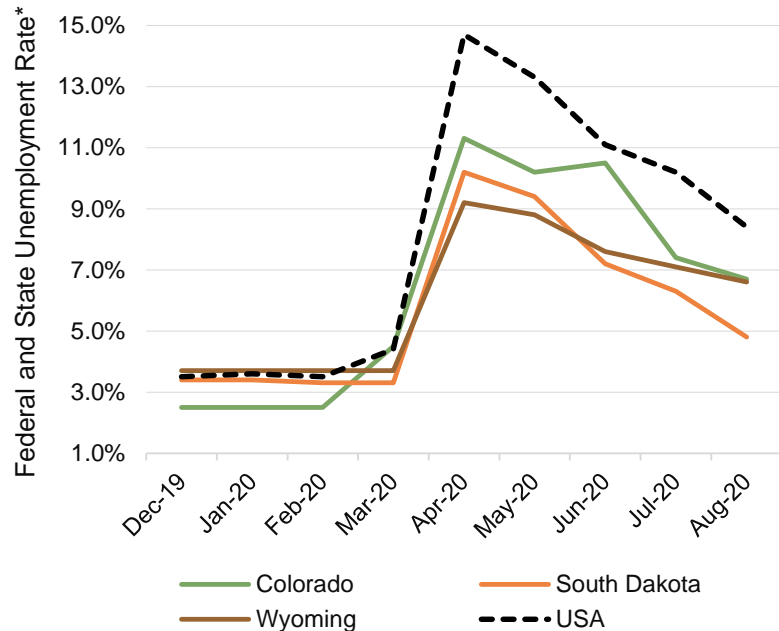


* Data from Bureau of Labor Statistics – Employment Status of the Non-institutional Population

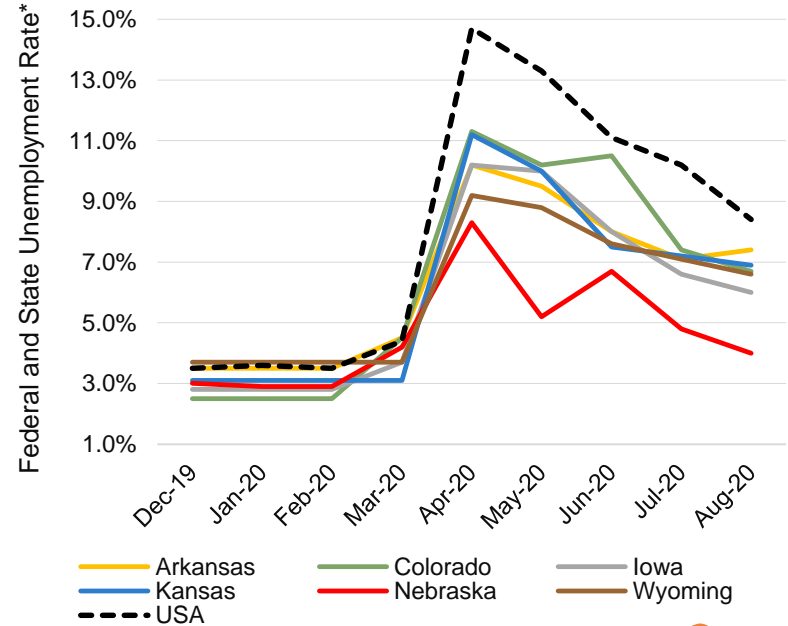
Economic Conditions

Unemployment Rates by Electric and Gas Utility State and National Average

Black Hills Electric Utility States



Black Hills Gas Utility States



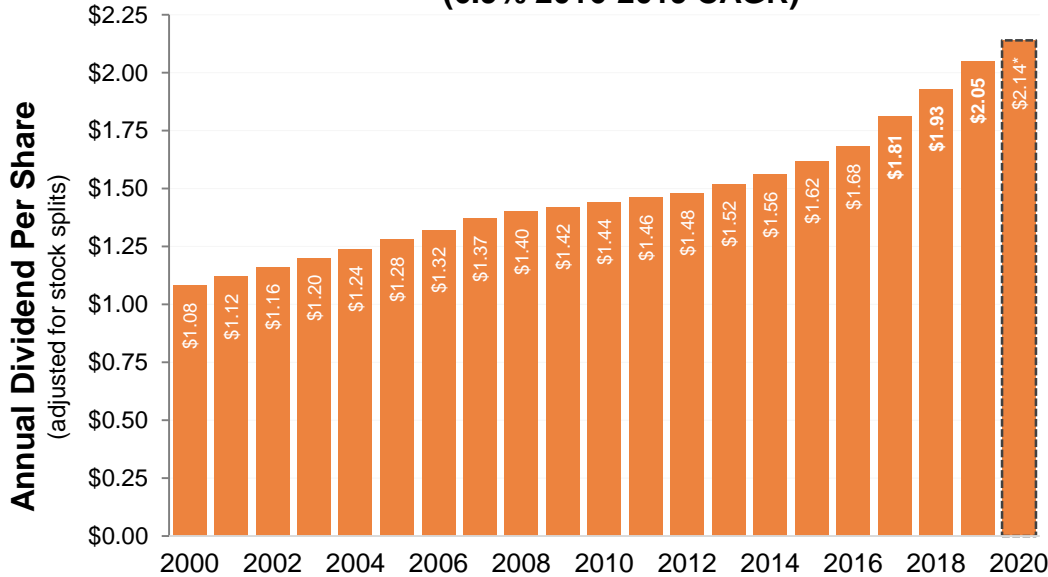
* Data from Bureau of Labor Statistics – unemployment rate for population 16 years of age and over

Strong Dividend Growth Track Record

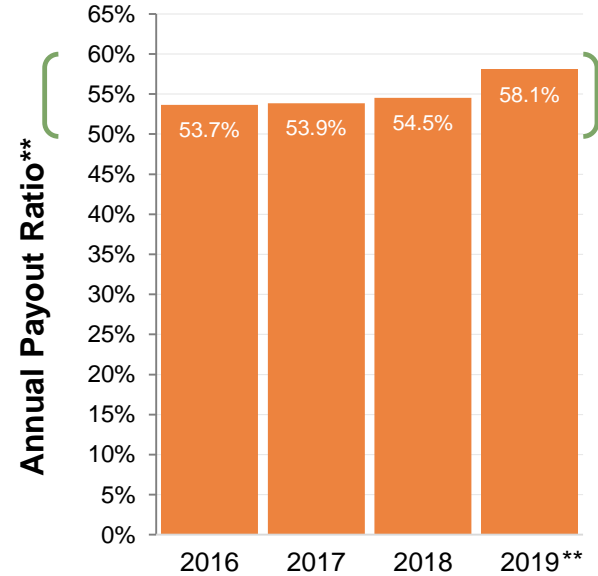
2020 Annual Rate Represents 50 Consecutive Years of Increases*



**\$0.12 increase in both 2018 and 2019
(6.9% 2016-2019 CAGR)**



**Target payout ratio of
50% to 60%**



* On July 27, board of directors approved a quarterly dividend of \$0.535 per share; 2020 annualized rate of \$2.14 would represent 50 consecutive years of increases, pending quarterly board approval

** Annual dividend payout ratio is calculated by dividing annual dividend per share by earnings from continuing operations, as adjusted, per share, a non-GAAP measure reconciled to GAAP in Appendix

Questions



Appendix

- 24-25** Recent Highlights and 2020 Scorecard
- 26** Business Overview
- 27-30** Electric Utilities, Gas Utilities
- 31-33** Power Generation and Mining
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- 65-66** Strategic Objectives, Values & Mission

Strategic Execution - Recent Highlights

Natural Gas Utilities

- On Sept. 11, Colorado Gas filed a rate review and integrity rider request
 - \$13.5 million annual revenue increase
 - 9.95% return on equity
 - 50.0% / 50.0% debt to equity capital structure
 - Five-year rider for safety and integrity investments
- On June 1, Nebraska Gas filed a rate review application requesting:
 - Consolidation of rate schedules into single, statewide structure
 - \$17.3 million annual revenue increase
 - 10.0% return on equity
 - 50.0% / 50.0% debt to equity capital structure
 - Alignment of riders for safety and integrity investments across consolidated territory

Electric Utilities / Power Generation

- On July 10, Wyoming Electric set new all-time peak load of 271 megawatts
- On June 19, 120-day report was filed outlining the preferred bid for Renewable Advantage program; hearing scheduled for Aug. 18 to review report
- \$79 million, 60-megawatt Corriedale wind project in Wyoming on track for completion by year-end; to be jointly owned by South Dakota and Wyoming Electric utilities and serve Renewable Ready subscription-based program
- On June 1, Wyoming Electric and Black Hills Wyoming filed a settlement agreement with the FERC to continue serving Wyoming Electric from Wygen I power plant through 2032.
 - On July 10, FERC judge certified the settlement and a decision from the FERC is expected by year-end 2020.
- On May 5, citizens in Pueblo, Colorado, voted resoundingly to retain Black Hills Energy as their electric utility provider by 75.6% of votes cast

Corporate

- On Aug. 3, filed shelf registration and dividend reinvestment and direct stock purchase program and renewed At-the-Market equity offering program with an aggregate value of up to \$400 million
- On July 27, quarterly dividend of \$0.535 per share approved
- On June 17, issued \$400 million of 2.50% 10-year notes
- On April 10, S&P reaffirmed its rating of BBB+
- Aligned Colorado natural gas and electric utilities under single state leader

2020 Scorecard

PROFITABLE GROWTH

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

VALUED SERVICE

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

BETTER EVERY DAY

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

GREAT WORKPLACE

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

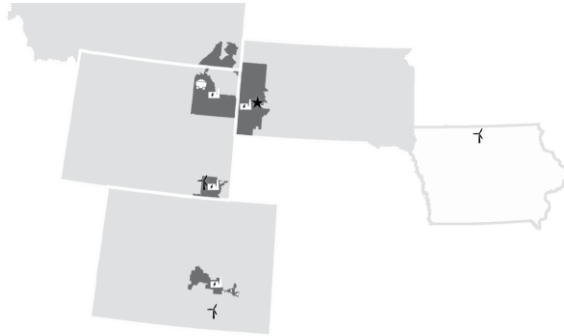
2020 Future Initiatives and Progress

- | | | | |
|---|---|--|--|
| <ul style="list-style-type: none"><input type="checkbox"/> Increase annual dividend for 50th consecutive year<input type="checkbox"/> Place Corriedale wind project in service<input type="checkbox"/> Advance jurisdiction consolidation<ul style="list-style-type: none"><input checked="" type="checkbox"/> Complete Nebraska Gas legal consolidation<input checked="" type="checkbox"/> File Nebraska Gas rate review<input checked="" type="checkbox"/> Complete Colorado Gas rate review (2019 filing)<input type="checkbox"/> Execute data center recruitment strategy to support electric utility load growth<input type="checkbox"/> Enhance electric system reliability through implementation of distribution system integrity program<input type="checkbox"/> Enhance gas utility system safety and reliability by completing 2020 programmatic capital projects | <ul style="list-style-type: none"><input type="checkbox"/> Improve Net Promoter Scores<input type="checkbox"/> Improve JDP OCSAT scores<input type="checkbox"/> Enhance customer self-service options<input type="checkbox"/> File Colorado Electric Resource Plan<input type="checkbox"/> Obtain approval to add up to 200MW of cost-effective renewable energy in Colorado (Renewable Advantage)<input type="checkbox"/> Advance ESG reporting practices by disclosing industry-aligned metrics<input checked="" type="checkbox"/> Provide incentive to add electric vehicle charging stations in our territories | <ul style="list-style-type: none"><input type="checkbox"/> Improve productivity and efficiency, as measured by:<ul style="list-style-type: none"><input type="checkbox"/> Non-fuel O&M as a percentage of gross margin<input type="checkbox"/> Utilize robotic process automation<input type="checkbox"/> Evaluate enterprise data & analytics maturity and design roadmap<input type="checkbox"/> Identify and evaluate investment opportunities for assets that align with our electric and natural gas value chain<input type="checkbox"/> Define strategy and opportunities for renewable and liquefied natural gas<input type="checkbox"/> Complete planned plant maintenance to maintain strong long-term generation availability<input type="checkbox"/> Reduce third-party gas line hits | <ul style="list-style-type: none"><input type="checkbox"/> Achieve safety TCIR of 1.19<input type="checkbox"/> Achieve PMVI rate of 2.36<input type="checkbox"/> Conduct quarterly engagement pulse surveys to measure employee sentiment and organizational culture to continuously improve our employees' experience<input type="checkbox"/> Achieve 80% employee engagement in BHC Virgin Pulse wellness program<input type="checkbox"/> Continue to expand availability and participation in diversity affinity groups |
|---|---|--|--|

Operations Overview

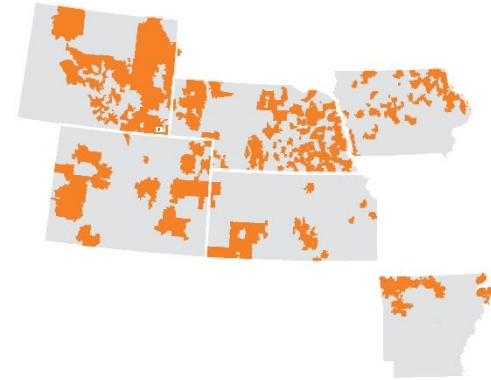
Electric Utilities, Power Generation & Mining*

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



- Three electric utilities which generate, transmit and distribute electricity to approximately 214,000 customers in CO, SD, WY and MT
- 1.4 gigawatts** of generation and 8,892 miles of transmission and distribution
 - Five power generation facilities owned by utilities and serving utility customers (939 megawatts)
 - Three power generation facilities delivering capacity and energy under long-term contracts to utility affiliates (423 megawatts**)
 - Efficient mine-mouth generation in WY fueled by low-sulfur Powder River Basin coal (50-year supply of reserves at current production); mine production contracted to on site generation
- East-West interconnection in SD optimizes off-system sale of power and improves system reliability (1 of only 7 east-west ties)

Natural Gas Utilities*



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

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

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

^ Excludes minor entities and Shoshone pipeline

Integrated Electric Utility

Power Generation and Mining

- 939 MW of utility-owned generation capacity
- 423 MW of generation capacity owned by Power Generation under long-term contracts to Electric Utilities

Gillette Energy Complex

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

Cheyenne Prairie

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

Pueblo Airport Generating Station*

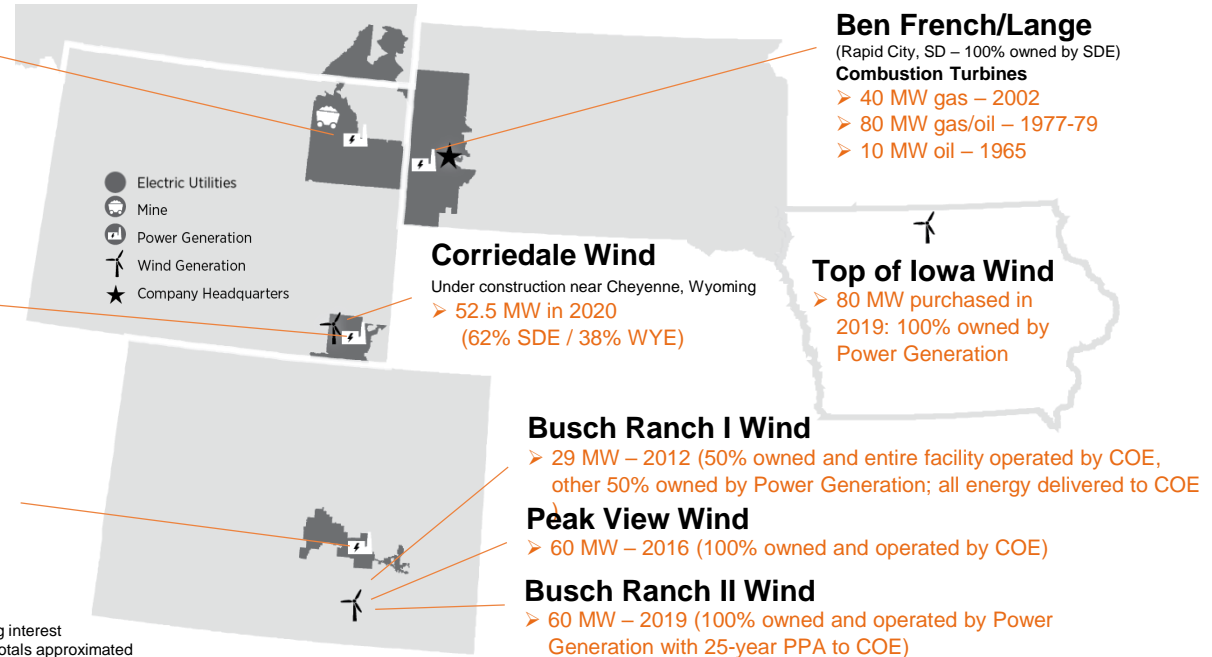
- Combined- Cycle Gas-Fired Plants
 - Two 100 MW Plants – 2012 (50.1%* owned by Power Generation with 20-yr PPA to COE)
- Simple Cycle Gas-Fired Plants
 - Two 90 MW plants – 2011 (100% owned by COE)
- Gas-Fired Combustion Turbine
 - 40 MW – 2016 (100% owned by COE)

Transmission Network

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

Distribution Systems

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



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

Full Service Natural Gas Utility

Gas Supply

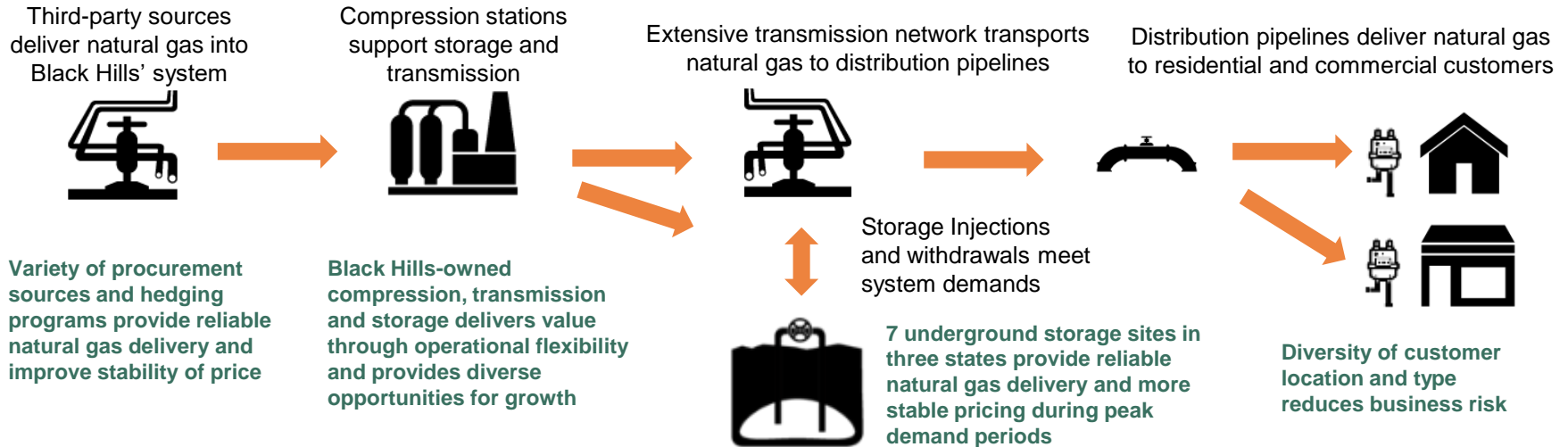
- Diverse procurement sources and hedging programs
- 600 miles of gathering lines

Storage and Transmission

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

Distribution

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



Natural Gas Infrastructure

Provides Investment Opportunities

1.1 million
customers

30,000 miles
of distribution
mains

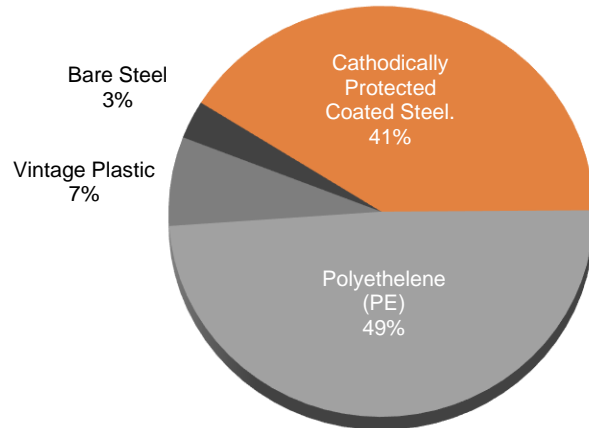
4,800 miles of
transmission

7 active
storage fields

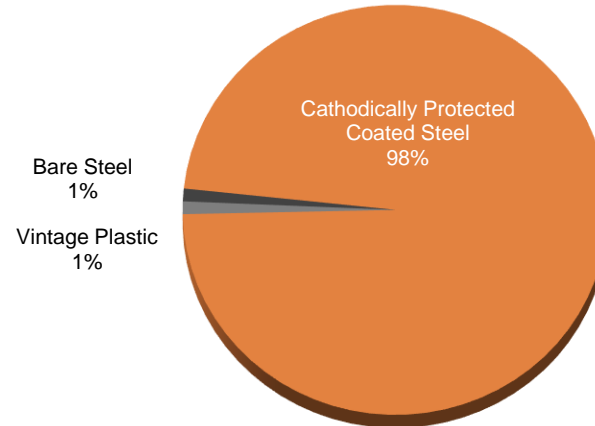
33
compressors

1 natural gas
processing plant

Distribution System Material Type
(in Miles)



Transmission System Material Type
(in Miles)

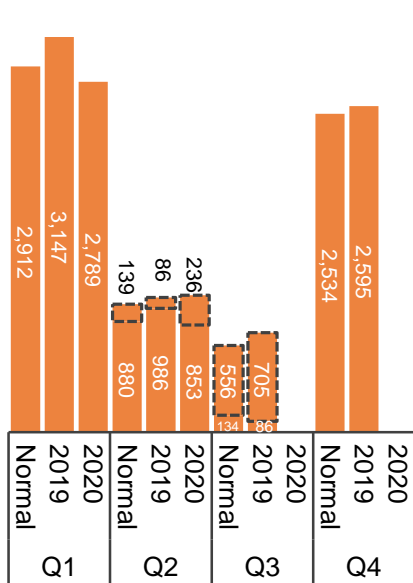


System information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019
Material type information as of Dec. 31, 2019, from 2020 filing with Pipeline Hazardous Materials Safety Administration

Utility Weather and Demand

Electric Degree Days

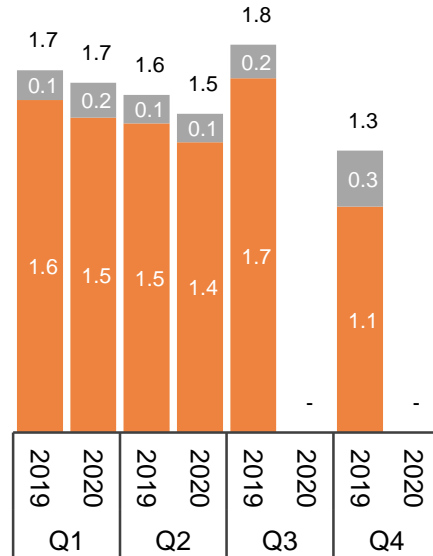
Total for all electric service areas weighted by customer count



Electric HDD
Electric CDD

Electric Utility Total MWh Sales

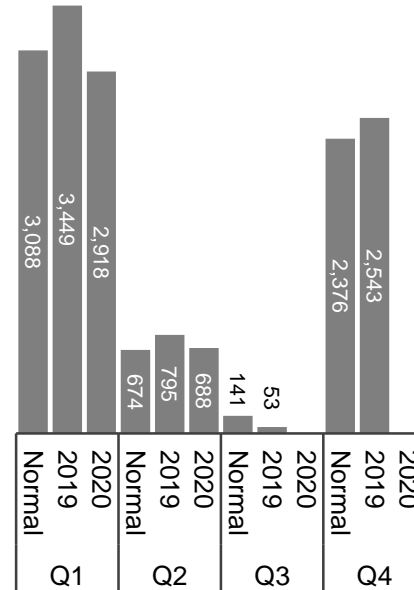
(in millions)



Utility Customer Sales
Off-system Sales

Gas Degree Days*

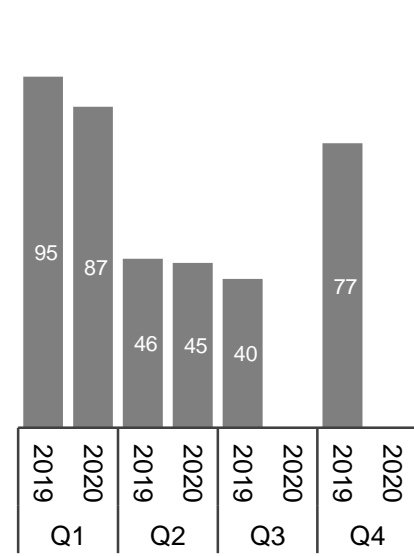
Total for all natural gas service areas weighted by customer count



Natural Gas HDD

Gas Utility Total Dth Sales

(in millions)

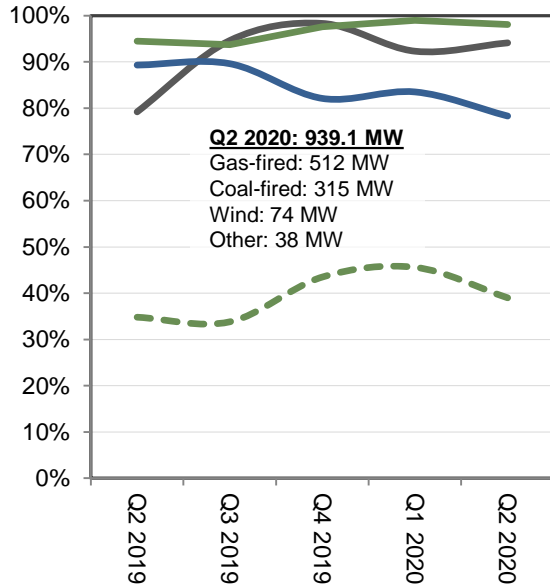


Natural Gas Sales

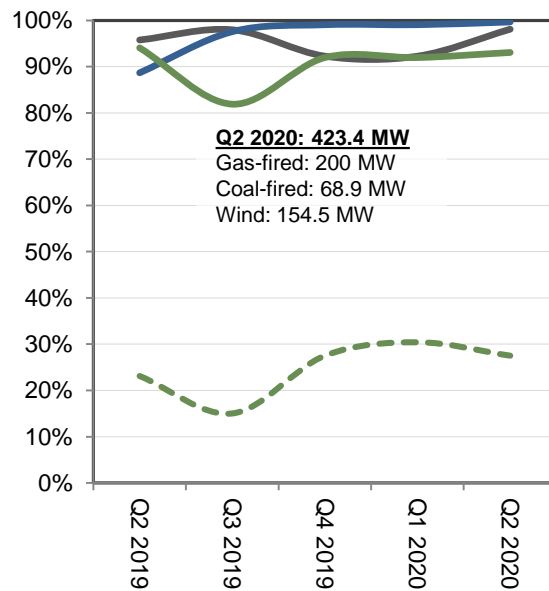
* Gas Degree Days excludes Kansas data due to weather normalization in the state
Note: normal degree days listed for prior quarters based on data as of 2019; current quarter normal based on average of currently available data

Electric Generation and Mining Performance

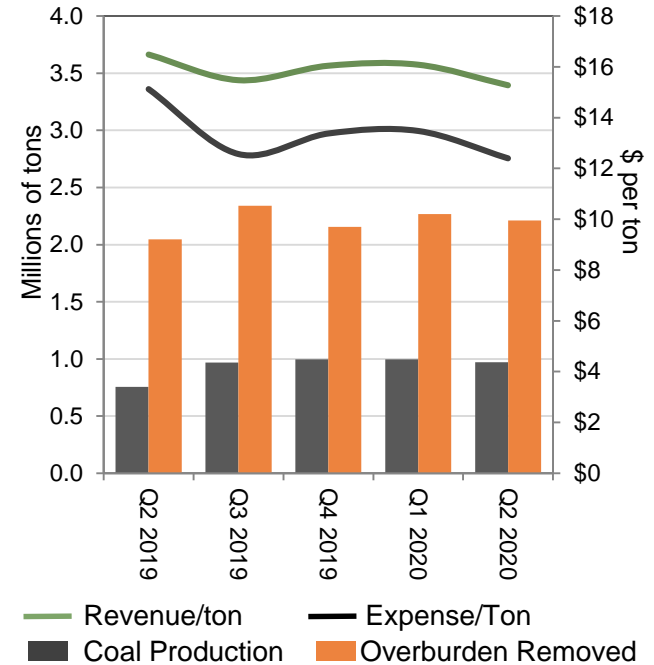
Utility-owned Generation Availability



IPP Generation Contract Availability



Mining Revenue and Expense per Ton Sold



Power Generation Supply Contracts

Capacity Primarily Serves Black Hills' Electric Utilities*



Plant	Owned Capacity	Contract Capacity	Contracted % Total Owned Capacity	Counter-Party	Expiration	Other Terms
PAGS	200 MW	200 MW	47.2%	Colorado Electric (COE)	Dec. 31, 2031	Excess power and capacity for benefit of COE
Wygen I	68.9 MW	60 MW	14.2%	Wyoming Electric (WYE)	Dec. 31, 2022	Proposed new contract through Dec. 31, 2033 awaiting FERC approval
Busch Ranch I	14.5 MW	14.5 MW	3.4%	COE	Oct. 16, 2037	
Busch Ranch II	60 MW	60 MW	14.2%	COE	Nov. 26, 2044	
Top of Iowa	80 MW					
Total	423.4 MW	334.5 MW	79.0%			

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

Note: A third party owns a 49.9% non-operating ownership of Black Hills Electric Generation which is reported as noncontrolling interest

Mining Contracts

92.5% of Production Serves Mine-Mouth Generation

- Nearly 50% of production sold under contracts with price escalators using published indices
 - Wyodak coal price reset at \$17.94 per ton, effective July 1, 2019, versus prior price of \$18.25 per ton
- Nearly 50% of production sold under contracts priced based on actual mining costs plus a return on mine capital investments
 - Price adjusted annually to include actual mining expenses plus return on capital equal to A-rated utility bonds plus 400 bps with 100% equity capital structure

Plant	2020F Production (millions of tons)	Pricing	Price Reopener or Adjustment	Expiration	Contract Quantity
Wyodak Plant <i>(80% owned by PacifiCorp)</i>	1.3	Fixed with escalators	July 1, 2019	Dec. 2022	All plant usage
Wygen I	0.5	Fixed with escalators	July 1, 2023*	Life of plant	All plant usage
Wygen II	0.5	Cost plus return	Annual True-Up	Life of plant	All plant usage
Wygen III	0.6	Cost plus return	Annual True-Up	Life of plant	All plant usage
Other SD Electric coal plants	0.8	Cost plus return	Annual True-Up	Life of plant	All plant usage
Other sales <i>(truck)</i>	0.3	Fixed	1-5 years	1-5 years	Various
Total	4.0				



Note differences in total due to rounding

* Wygen I contract price will move to cost plus return effective Jan. 1, 2022 under proposed agreement awaiting FERC approval

Regulatory



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

Jurisdiction Consolidation

Wyoming – Completed	Nebraska	Colorado
<ul style="list-style-type: none">Wyoming GasNortheast Wyoming GasNorthwest Wyoming GasWyoming Gas Distribution* <p>➤ Black Hills Wyoming Gas</p>	<ul style="list-style-type: none">Nebraska GasNebraska Gas Distribution* <p>➤ Black Hills Nebraska Gas</p>	<ul style="list-style-type: none">Colorado GasColorado Gas Distribution* <p>➤ Black Hills Colorado Gas</p>
<ul style="list-style-type: none">➤ Legal consolidation filed in Q1 2019; approved and completed in Q2 2019➤ Filed consolidated rate review June 3, 2019; settlement agreement approved Dec. 11, 2019➤ New single statewide rate structure effective March 1, 2020	<ul style="list-style-type: none">➤ Legal consolidation filed in Q1 2019; approved in Q4 2019 and completed Jan. 1, 2020➤ Filed on June 1 consolidated rate review requesting single rate structure and to align safety and integrity investment trackers	<ul style="list-style-type: none">➤ Legal consolidation filed in Q3 2018; approved and completed in Q4 2018➤ Filed consolidated rate review and request for integrity investment tracker on Feb. 1, 2019<ul style="list-style-type: none">• Implemented new rates July 3 reflecting small decrease in rates; planning new rate review by year-end 2020• Rate consolidation and rider denied

* Former SourceGas entity

Current Regulatory Activity

Rate review and consolidation requests

Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	Status
Colorado Gas	Sept. 11, 2020	\$13.5 million*	9.95%*	50.0% / 50.0%*	Filed concurrent with request for 5-year SSIR rider
Nebraska Gas	June 1, 2020	\$17.3 million*	10.0%*	50.0% / 50.0%*	Legal consolidation completed Jan. 1, 2020

Other major activity

Description	Filing Date	State	Filing Type	Status
Renewable Advantage	-	Colorado	Request for Proposals	120-day report filed with identified preferred bid; hearing Aug. 18
Renewable Ready Service Tariff	Dec.18, 2018	SD and WY	tariff	Approved June 25 and July 3, 2019
Corriedale Wind Farm (To serve Renewable Ready)	Dec. 18, 2018	Jointly filed in SD, WY	CPCN**	Approved - construction underway; to be completed by year-end 2020
Wyoming Electric / BH Wyoming PPA	Aug. 2, 2019	WY / FERC	PPA approval	Settlement filed; awaiting FERC decision

* As requested in filing

** Certificate of Public Convenience and Necessity

COVID-19 Cost Recovery

State	Disconnect Policy (waived through)*	Late Fee Policy (waived through)	Deferred Accounting Treatment**
Arkansas	October 13	Not waived	Additional costs and bad debt net of savings
Colorado	September 7	October 7	Settlement adopted by the Commission in Q3 allowing for incremental bad debt expense over an 18-month period in regulatory asset
Iowa	August 24	August 24	Additional costs, bad debt and lost revenues net of savings
Kansas	August 1	December 31	Additional costs, bad debt and lost revenues net of savings
Nebraska	August 15	August 24	Additional costs, bad debt and lost revenues net of savings
South Dakota	July 13	July 13	No request
Wyoming	August 10	August 10	Additional costs, bad debt and lost revenues net of savings

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

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

Optimizing Regulatory Recovery

Electric Utility Jurisdiction	Cost Recovery Mechanisms					
	Environmental Cost	DSM/ Energy Efficiency	Transmission Expense	Fuel Cost	Transmission Cap-Ex	Purchased Power
South Dakota Electric (SD)	☑*	☑	☑	☑	☑*	☑
South Dakota Electric (WY)		☑	☑	☑		☑
South Dakota Electric (FERC)					☑	
Wyoming Electric		☑	☑	☑		☑
Colorado Electric		☑	☑	☑	☑	☑

Legend:

☑ Commission approved cost adjustment

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

Optimizing Regulatory Recovery

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

Legend:

☑ Commission approved cost adjustment

* Residential customers as of last rate base review

¹ Rocky Mountain Natural Gas, an intrastate natural gas pipeline

² Includes first tier of consumption in block rates

Estimated Rate Base

(in millions)

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

* Estimated rate base at year-end calculated using state specific requirements and includes value of rate base recovered through riders

Last Approved Utility Rate Review Results by Jurisdiction

Jurisdiction	Utility	Effective Date	Return on Equity	Capital Structure	Authorized Rate Base (in millions)
Arkansas	Arkansas Gas	Oct. 2018	9.61%	50.9% debt / 49.1% equity	\$451.5
Colorado	Colorado Electric	Jan. 2017	9.37%	47.61% debt / 52.39% equity	\$597.5
Colorado	Colorado Gas	July 2020	9.20%	49.85% debt / 50.15% equity	\$68.3
Colorado	Colorado Gas Dist	July 2020	9.20%	49.85% debt / 50.15% equity	\$162.9
Colorado	RMNG	June 2018	9.90%	53.4% debt / 46.6% equity	\$118.7
Iowa	Iowa Gas	Feb. 2011	Global Settlement	Global Settlement	\$109.2
Kansas	Kansas Gas	Jan. 2015	Global Settlement	Global Settlement	\$127.9
Nebraska	Nebraska Gas	Sept. 2010	10.10%	48% debt / 52% equity	\$161.0
Nebraska	Nebraska Gas Dist	June 2012	9.60%	48.84% debt / 51.16% equity	\$87.6*
South Dakota	South Dakota Electric	Oct. 2014	Global Settlement	Global Settlement	\$543.9
Wyoming	South Dakota Electric	Oct. 2014	9.90%	46.68% debt / 53.32% equity	\$46.8
Wyoming	Wyoming Electric	Oct. 2014	9.90%	46% debt / 54% equity	\$376.8
Wyoming	Wyoming Gas	Mar. 2020	9.40%	49.77% debt / 50.23% equity	\$354.4

Note: Information from last approved rate review in each jurisdiction

* Includes amounts to serve non-jurisdictional and agriculture customers

Capital Investment for Customer Needs

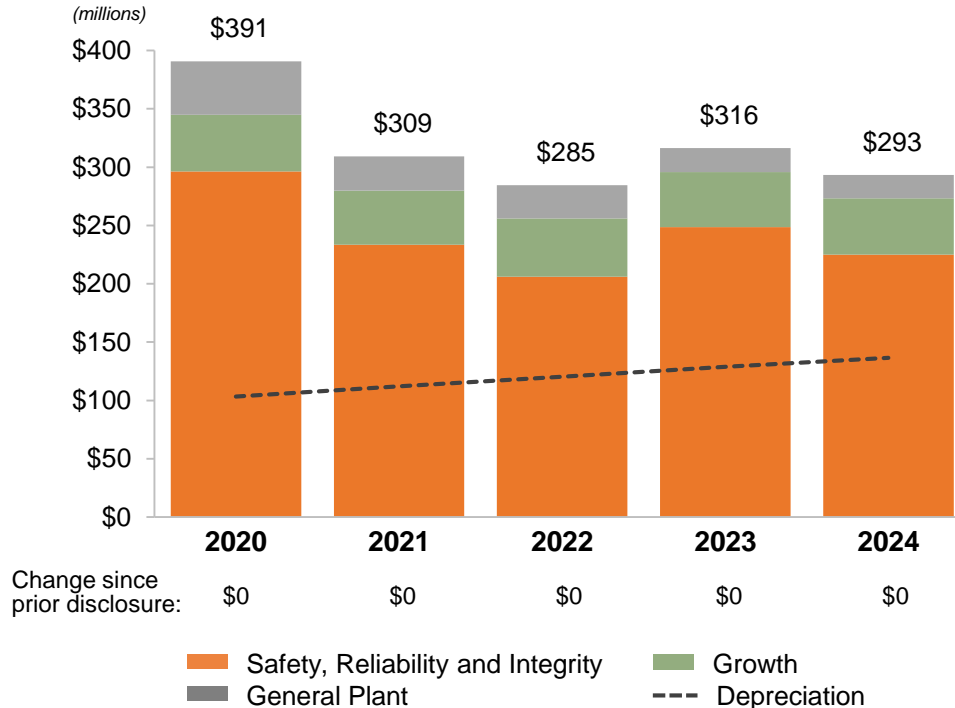


We take a programmatic approach to maintaining, upgrading and replacing critical infrastructure to better serve our customers and communities.

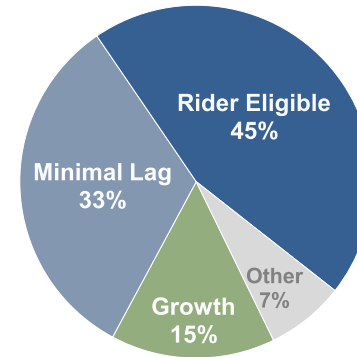
Natural Gas Utilities Capital Investment

2020-2024 Forecast of \$1.6 billion

Forecasted Capital Investment By Type

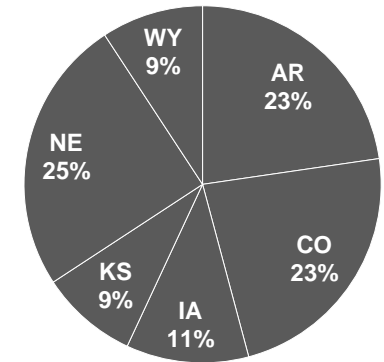


Forecasted Capital Investment Recovery*



2020-2024

Forecasted Capital by State



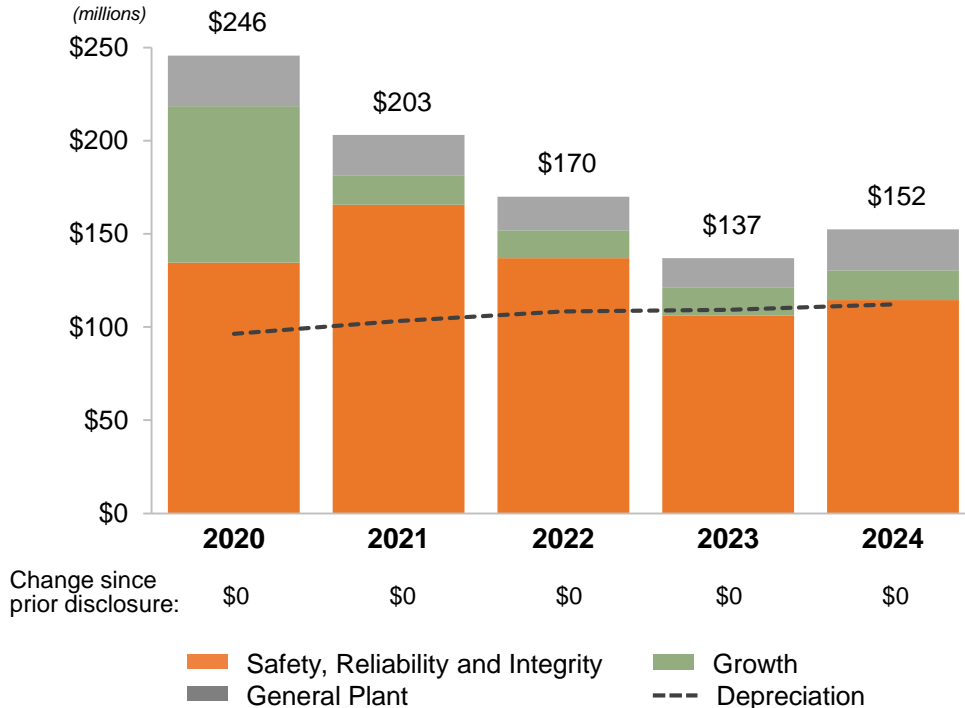
2020-2024

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

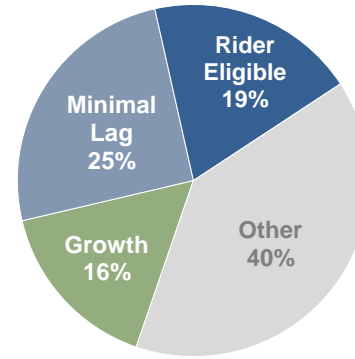
Electric Utilities Capital Investment

2020-2024 Forecast of \$0.9 billion

Forecasted Capital Investment By Type

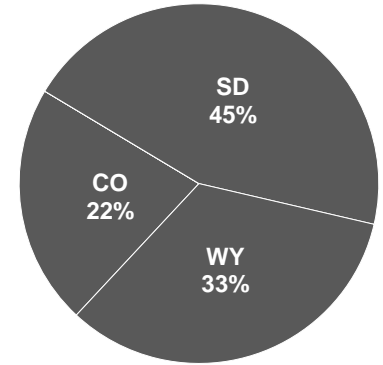


Forecasted Capital Investment Recovery*



2020-2024

Forecasted Capital by State



2020-2024

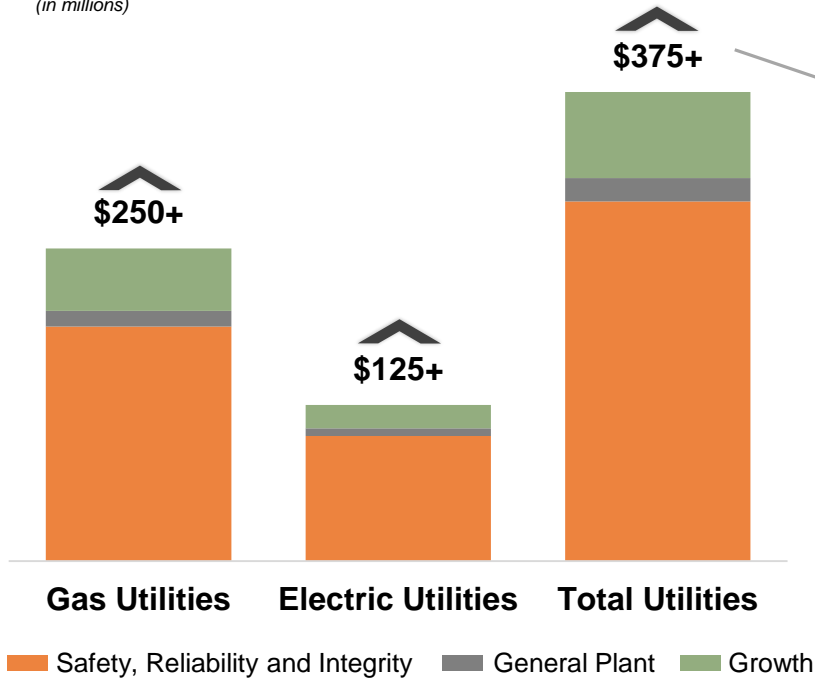
* Growth Capital - generates immediate revenue upon customer connections
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs or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

Recurring Annual Base Investment

\$375+ million Annually Provides Confidence in Long-term Growth

Annual Capital Investment Beyond 2024

(in millions)

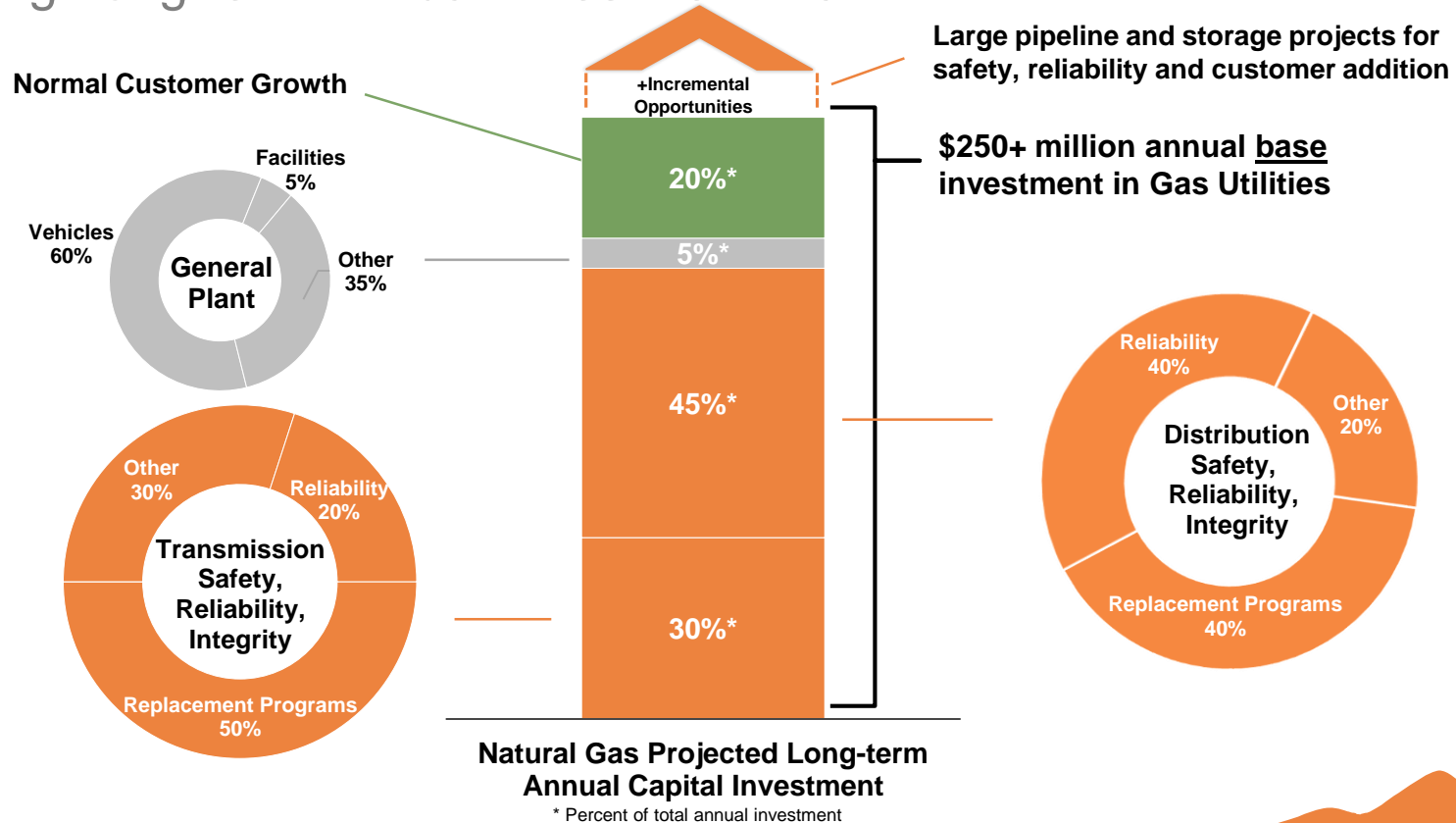


+Incremental Opportunities

- Large natural gas pipeline and storage projects for customers
- Large electric generation, renewable and transmission projects
- Additional programmatic investment
- New governmental safety requirements

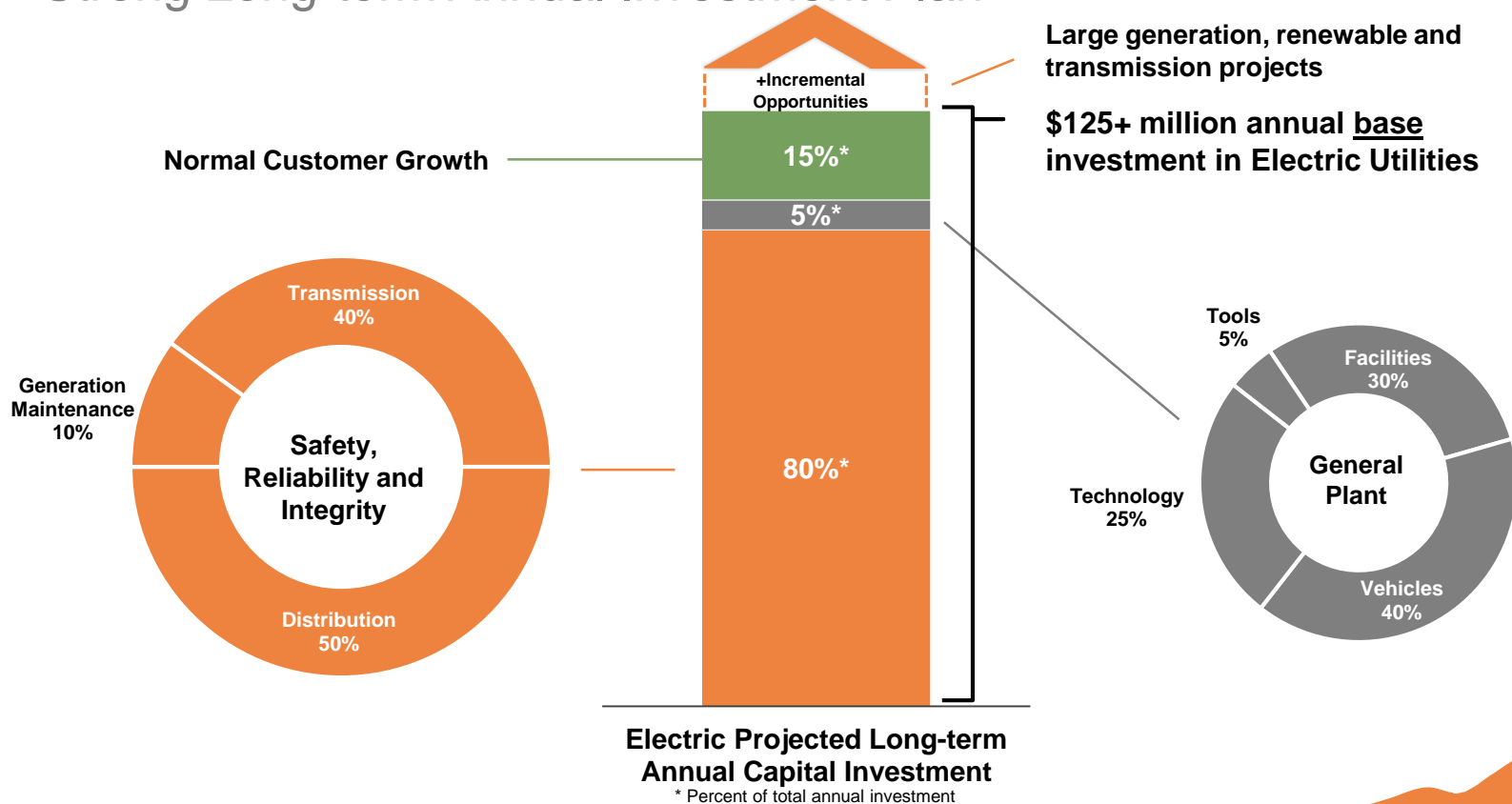
Gas Utilities Recurring Capital Outlook

Strong Long-term Annual Investment Plan



Electric Utilities Recurring Capital Outlook

Strong Long-term Annual Investment Plan



Capital Investment by Recovery

(in millions)

Capital Investment By Segment and Recovery	2020F	2021F	2022F	2023F	2024F	2020-2024F
Minimal Lag Capital - Electric Utilities ¹	\$38	\$76	\$48	\$0	\$66	\$228
Rider Eligible Capital - Electric Utilities	39	53	43	12	28	175
Growth Capital - Electric Utilities ²	84	16	15	15	16	146
Other	85	58	65	110	42	359
Electric Utilities	\$246	\$203	\$170	\$137	\$152	\$908
Minimal Lag Capital - Gas Utilities ¹	\$189	\$83	\$51	\$113	\$84	\$520
Rider Eligible Capital - Gas Utilities	125	156	150	149	138	719
Growth Capital - Gas Utilities ²	48	47	50	47	48	240
Other	28	24	34	7	22	115
Gas Utilities	\$391	\$309	\$285	\$316	\$293	\$1,594
Total Utilities	\$636	\$512	\$455	\$453	\$446	\$2,503
Power Generation	7	9	11	6	6	40
Mining	8	12	9	9	9	47
Corporate	18	22	11	11	9	71
Total	\$669	\$555	\$486	\$480	\$470	\$2,660

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

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

² Growth Capital - generates immediate revenue on customer connections

³ Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets minimal lag capital definition

Note: Some totals may differ due to rounding

Utility Capital Investment by Type

(in millions)

Utility Capital Investment by Type	2020F	2021F	2022F	2023F	2024F	2020-2024F
Safety, Reliability and Integrity ¹	\$135	\$166	\$137	\$106	\$114	\$658
Growth ²	84	16	15	15	16	146
General Plant	27	22	18	16	22	104
Electric Utilities	\$246	\$203	\$170	\$137	\$152	\$908
Safety, Reliability and Integrity ¹	296	233	206	248	225	1,209
Growth ²	48	47	50	47	48	240
General Plant	46	29	29	21	20	144
Gas Utilities	391	309	285	316	293	\$1,594
Total Utilities	\$636	\$512	\$455	\$453	\$446	\$2,503

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

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

² Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

Environmental, Social and Governance

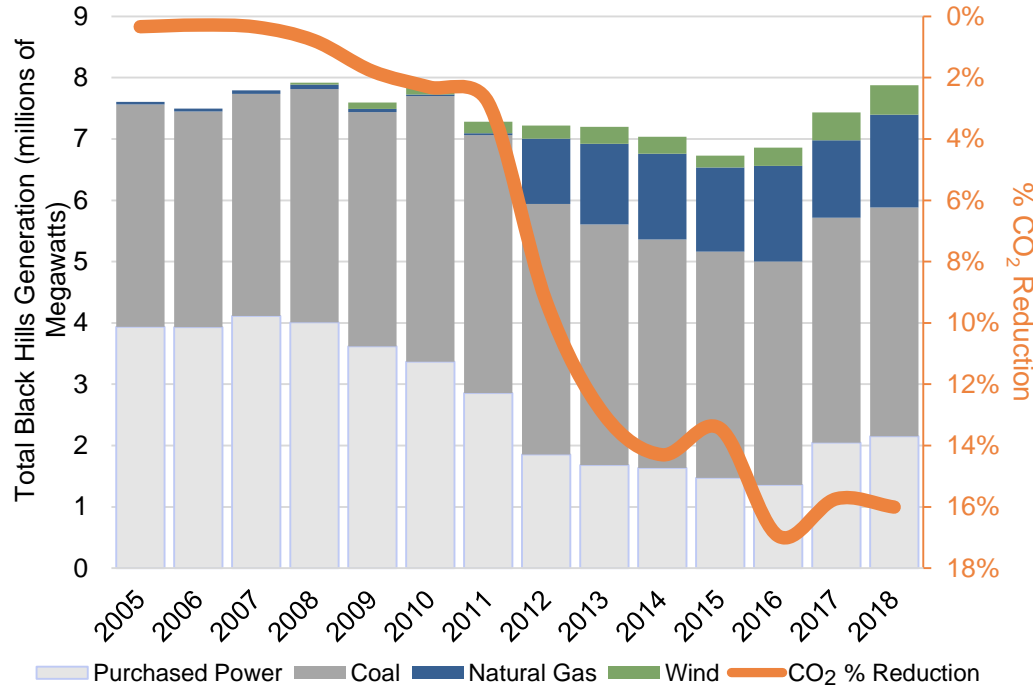


Our corporate responsibility report is available on our website at:
www.blackhillscorp.com/corporateresponsibility

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

Reduced CO₂ Emissions by 16%*

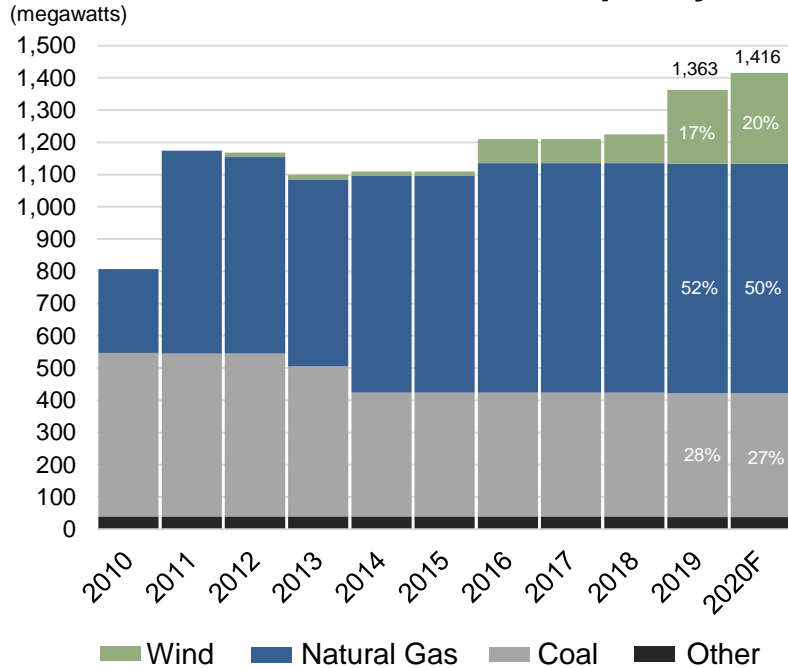
Cleaner Mix of Generation Resources



* 16% reduction as of Dec. 31, 2018; includes Colorado Electric emissions since 2005

Cleaner Electric Generation Fuel Mix

Electric Generation Capacity*[^]

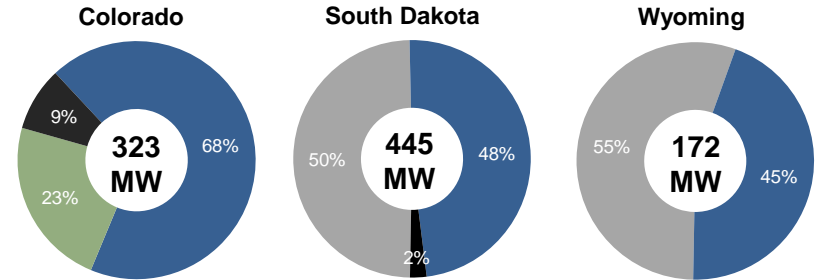


Black Hills Owned Generation Capacity Mix

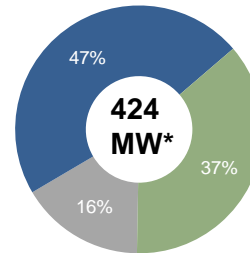
(as of Dec. 31, 2019)

Utility-Owned Capacity

(939 MW total)

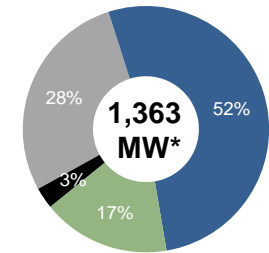


Power Generation



Primarily Contracted to Utilities Under Long-term PPA's

Total Black Hills



Electric Utilities and Power Generation

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

[^] 2020F includes 52.5 megawatts of new wind from Corriedale Wind Energy Project approved and planned for construction in Wyoming by year-end 2020

Renewable Ready Subscription Program

Responsibly Adding Renewable Resources for South Dakota and Wyoming

Innovative Solution to Benefit Customers

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

Program to be Supplied by Corriedale Wind Project

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



Renewable Advantage

Responsibly Expanding Renewable Resources in Colorado

Supporting Emissions Reduction Goals

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

Strong Bid Response with Low Energy Costs

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



Governance

Diverse, Experienced Oversight and Alignment of Stakeholder Interests

- Diverse and experienced leadership
 - Average Board tenure – 6 years
 - Diverse Board experience across multiple industries and sectors
 - Board – 33% women
 - Leadership team – 37% women
- Stock ownership requirement and compensation philosophy for officers aligns interests with stakeholders
- Established succession planning process with Board engagement

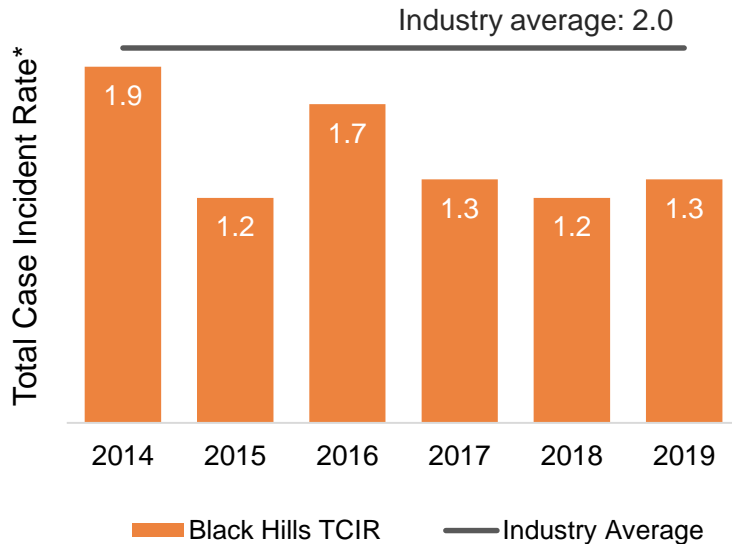


Placing our customers at the center of our business is an important part of our culture.

Operational Excellence

! Safety Focus

- **TCIR better than industry average**
- **32% improvement since 2014**



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



Community Support

Black Hills Signing a Statement of Support

On June 30, our CEO, Linn Evans, signed a statement of support for the United States Army Reserve and Army National Guard, promising to support our employees who are also members of our Nation's Guard and Reserve units in all eight states that we operate in.

We are proud to partner with Employer Support of the Guard & Reserve (ESGR) in continued recognition of the important contributions our employees make. Our citizen warriors could not defend and protect us at home and abroad without the continued promise of meaningful civilian employment.



Other Financial Information



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

Income Statement

(in millions, except earnings per share)

	Second Quarter	
	2019	2020
Revenue	\$ 333.9	\$ 326.9
Gross margin	243.7	255.3
Operating expenses	(138.1)	(131.7)
DD&A	(51.6)	(56.7)
Operating income	54.0	66.9
Interest expense, net	(34.3)	(35.5)
Other income (expense), net	0.3	(1.9)
Income before taxes	20.0	29.5
Income tax (expense)	(2.3)	(4.8)
Net income before non-controlling interest	\$ 17.7	\$ 24.7
Non-controlling interest	(3.1)	(3.7)
Net income available to common stock	\$ 14.6	\$ 21.0
Non-GAAP adjustments	-	-
Net income available to common stock, as adjusted (Non-GAAP)	\$ 14.6	\$ 21.0
EPS - Net income available for common stock	\$ 0.24	\$ 0.33
EPS - Net income available for common stock, as adjusted *	\$ 0.24	\$ 0.33
Diluted shares outstanding (in thousands)	60.6	62.6
EBITDA, as adjusted*	\$ 105.9	\$ 121.7

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

Capital Structure

(in millions, except for ratios)

Capitalization

Short-term Debt

Long-term Debt

Total Debt

Equity*

Total Capitalization

Net Debt to Net Capitalization

Debt

Cash and Cash Equivalents

Net Debt

Net Capitalization

Debt to Capitalization

Net Debt to Capitalization (Net of Cash)

Long-term Debt to Total Debt

	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020
	\$ 108	\$ 301	\$ 355	\$ 325	\$ 4
	3,050	3,049	3,140	3,137	3,533
	3,158	3,350	3,495	3,462	3,537
	2,317	2,329	2,362	2,523	2,513
	\$ 5,475	\$ 5,679	\$ 5,857	\$ 5,985	\$ 6,051
	\$ 3,158	\$ 3,350	\$ 3,495	\$ 3,462	\$ 3,537
	(7)	(13)	(10)	(54)	(32)
	3,151	3,337	3,486	3,408	3,506
	\$ 5,468	\$ 5,666	\$ 5,848	\$ 5,931	\$ 6,019
	57.7%	59.0%	59.7%	57.8%	58.5%
	57.6%	58.9%	59.6%	57.5%	58.2%
	96.6%	91.0%	89.8%	90.6%	99.9%

* Excludes noncontrolling interest

Use of Non-GAAP Financial Measures

Gross Margin

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

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

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

EBITDA and EBITDA, as adjusted

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

Note: continued on next page

Use of Non-GAAP Financial Measures

Net Income Available for Common Stock and EPS, as adjusted

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

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

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

Limitations on the Use of Non-GAAP Measures

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

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

Non-GAAP Financial Measures

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

Non-GAAP Financial Measures

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

Non-GAAP Financial Measures

EBITDA

<i>(in thousands)</i>	For the Three Months Ended June 30,	
	2019	2020
Net Income	\$ 17,693	\$ 24,694
Depreciation, depletion and amortization	51,595	56,663
Interest expense, net	34,264	35,545
Income tax expense (benefit)	2,307	4,831
EBITDA (a Non-GAAP Measure)	\$ 105,859	\$ 121,733

Strategic Objectives

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

PROFITABLE GROWTH

Achieve consistent growth that creates value.

EARNINGS: Lead industry peers in earnings growth

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

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

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

VALUED SERVICE

Deliver reliable, highly valued products and services.

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

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

BETTER EVERY DAY

Continuously improve to achieve industry leading results.

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

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

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

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

GREAT WORKPLACE

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

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

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

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

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

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

VISION

Be the Energy Partner of Choice.

MISSION

Improving Life with Energy.

COMPANY VALUES



Agility

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



Customer Service

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



Partnership

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



Communication

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



Integrity

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



Respect

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



Creating Value

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



Leadership

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



Safety

We commit to live and work safely every day.

