Forward Focused

2017 Third Quarter Earnings

Nov. 3, 2017

Investor Relations Information

COMPANY INFORMATION

Black Hills Corporation

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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 and 2018 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 execute our strategy to deliver top quartile long-term shareholder returns;
- 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;
- Our ability to sell our remaining oil and gas assets by the end of 2018; 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.

Discussion Agenda

Third Quarter Review	David Emery *Chairman and Chief Executive Officer*
Financial Update	Richard Kinzley *Senior Vice President and Chief Financial Officer*
Strategic Overview	David Emery *Chairman and Chief Executive Officer*
Q&A	

2017 Third Quarter Review

The Pueblo Airport Generating Station, with its highly efficient, gas turbine generators, provides 420-megawatts of safe, reliable energy for our customers in southern Colorado.

2017 Third Quarter Highlights

Utilities

- On Oct. 3, Rocky Mountain Natural Gas filed a rate review with Colorado Public Utilities Commission (COPUC) to recover investments for safety and integrity of its pipeline system during the last three years
  - Filing seeks to increase annual revenues by approximately $2 million; requests 12.25 percent return on equity and a capital structure of 46.63 percent equity and 53.37 percent debt
- On Sept. 22, the Mountain West Transmission Group, which includes all three Black Hills electric utilities and seven other electricity providers, formally expressed an interest in joining the Southwest Power Pool (SPP) regional transmission organization
  - If membership deemed beneficial, filings with Federal Energy Regulatory Commission and state public utility commissions expected in mid-2018 with integration into SPP in late 2019
- On Aug. 4, Colorado Electric received bids related to request for proposals for additional 60 megawatts of renewable energy resources to be in service by 2019 to meet Colorado’s renewable energy requirements
  - Evaluating bids and plan to present results to COPUC by year-end for approval

2017 Third Quarter Highlights

Utilities *continued*

- On July 19, Wyoming Electric set new all-time peak load of 249 megawatts surpassing previous peak load of 236 megawatts in July 2016

Oil and Gas

- On Nov. 1, Black Hills' board of directors approved sale of all remaining oil and gas assets and the exit of the business
  - Segment to be reported as discontinued operations beginning with fourth quarter results
  - Advisors retained to support ongoing property sales efforts; plan to divest all remaining properties before the end of 2018
- Recently signed agreements to sell San Juan Basin assets in New Mexico and portion of Powder River Basin assets in Wyoming for combined $28 million

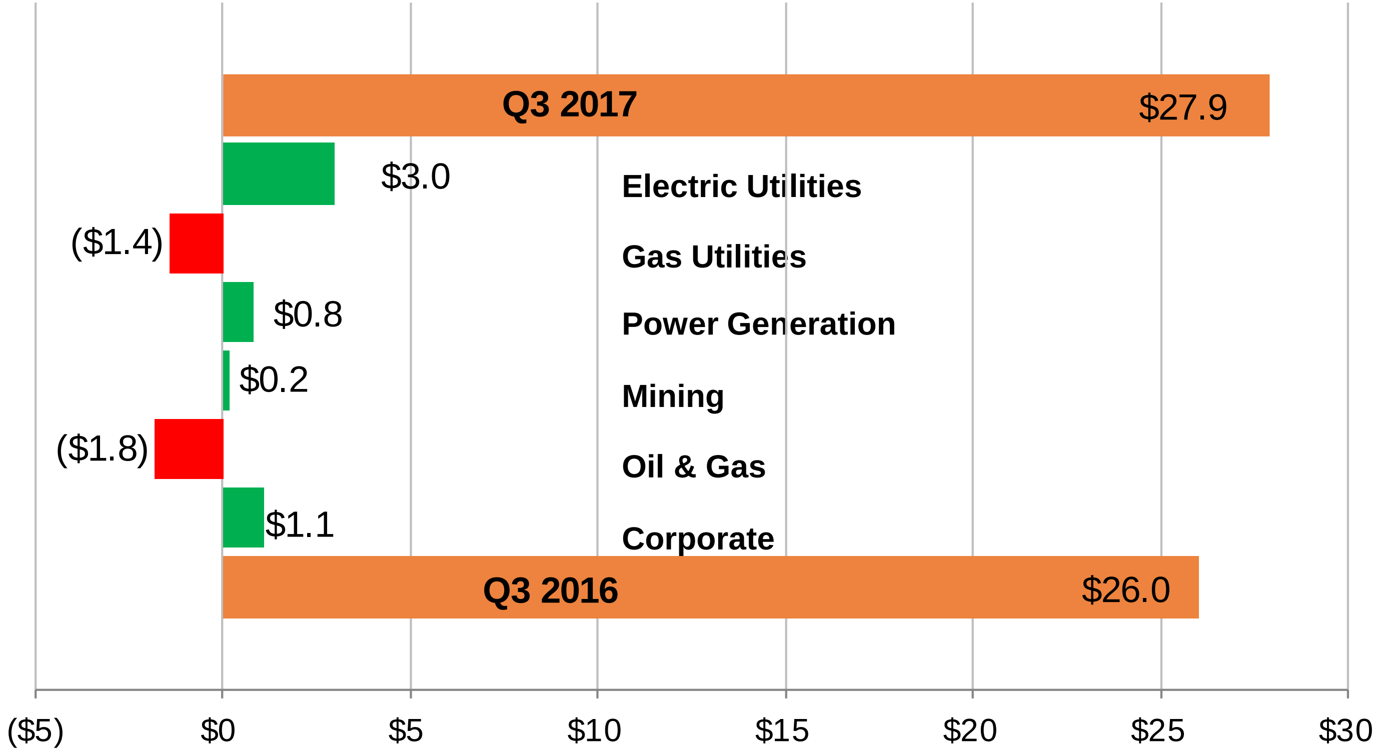
2017 Third Quarter Highlights

Corporate Activities

- On Nov. 1, Black Hills' board of directors approved a 6.7 percent, or $0.03 per share, increase in the quarterly dividend to $0.475 per share; total dividend payout for 2017 will be $1.81 per share
  - Moved up 2018 dividend increase by one quarter
- On Oct. 4, Fitch Ratings affirmed its corporate credit rating of Black Hills Corp. at BBB+ with a stable outlook
- On Aug. 6, new shelf registration statement filed with the Securities Exchange Commission; in conjunction with filing, renewed At-the-Market equity offering program with an aggregate value of up to $300 million
- On July 21, S&P Global Ratings affirmed its corporate credit rating of Black Hills Corp. at BBB with a stable outlook

2017 Third Quarter Financial Highlights

Change in Net Income Available for Common Stock, as adjusted,* from Prior Year



* Non-GAAP measures; reconciled to GAAP in Appendix

Financial 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.

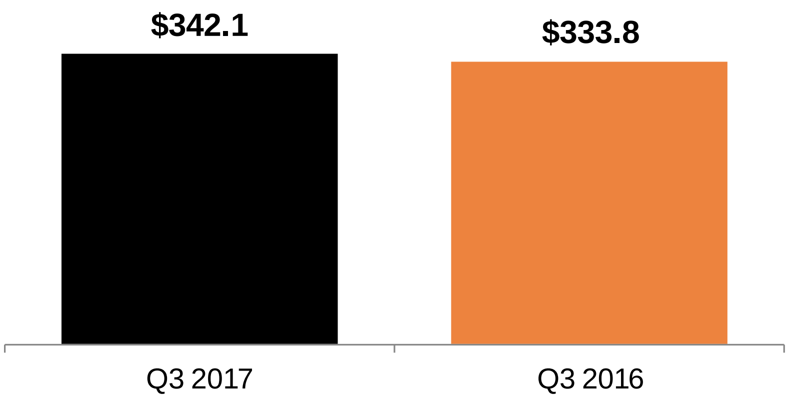
Earnings Per Share Analysis

	Q3-2017	Q2-2017	Q1-2017	Q4-2016	Q3-2016
Net income available for common stock (GAAP)	**$ 0.50**	**$ 0.40**	**$ 1.39**	**$ 0.33**	**$ 0.26**
Adjustments (*pre-tax*)					
Asset impairments (Oil & Gas)	—	—	—	1.01	0.23
Acquisition costs	0.01	0.01	0.03	0.15	0.11
	0.01	**0.01**	**0.03**	**1.16**	**0.34**
Taxes on adjustments					
Asset impairments (Oil & Gas)	—	—	—	(0.37)	(0.08)
Acquisition costs	—	—	(0.01)	(0.05)	(0.04)
	—	**—**	**(0.01)**	**(0.42)**	**(0.12)**
Rounding	(0.01)	—	—	—	—
Total adjustments, net of tax	**—**	**0.01**	**0.02**	**0.74**	**0.22**
Net income available for common stock, as adjusted* (Non-GAAP)	**$ 0.50**	**$ 0.41**	**$ 1.41**	**$ 1.07**	**$ 0.48**
Trailing Twelve Months - Net income, as adjusted	$ 3.39				$ 2.81

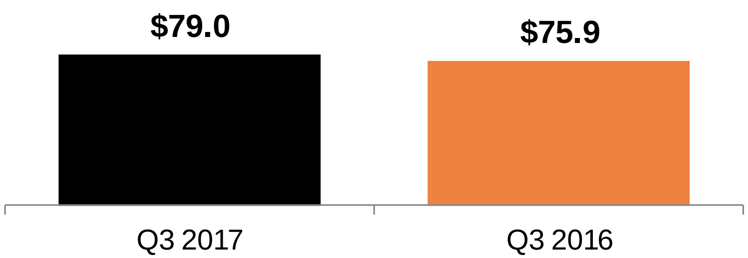
* Non-GAAP measures; reconciled to GAAP in Appendix

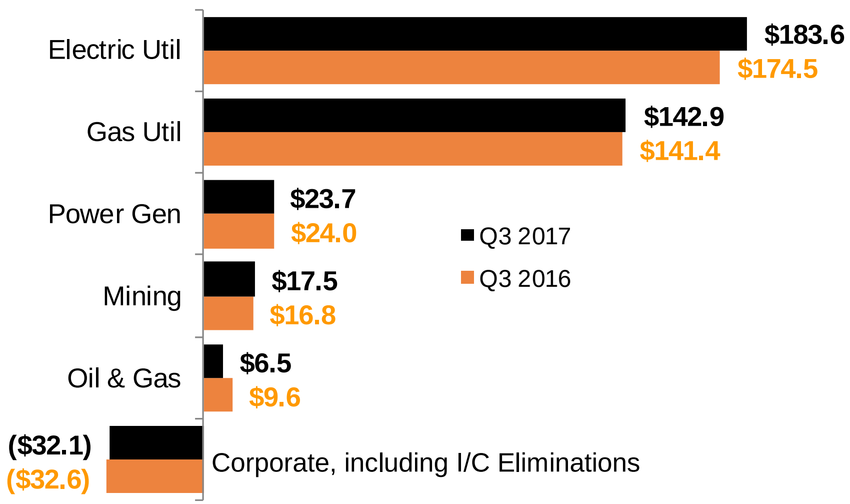
Revenue/Operating Income

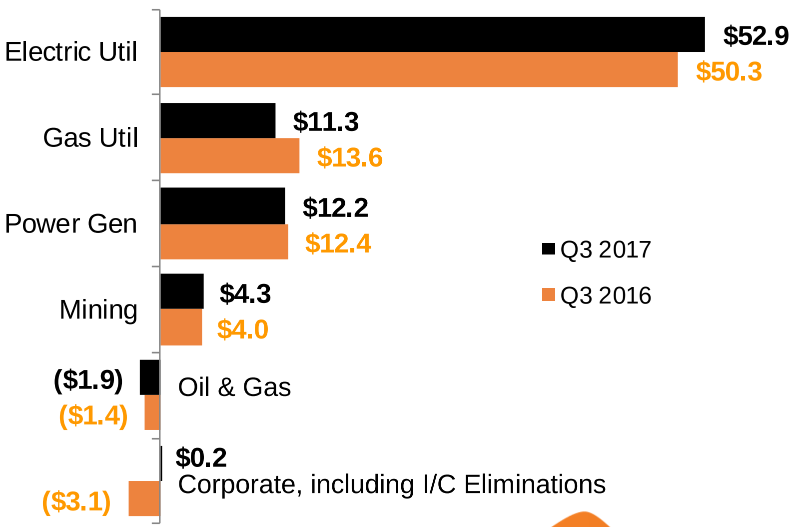
Total Revenue, as adjusted* (in millions)



Total Operating Income, as adjusted* (in millions)







* Non-GAAP measures; reconciled to GAAP in Appendix

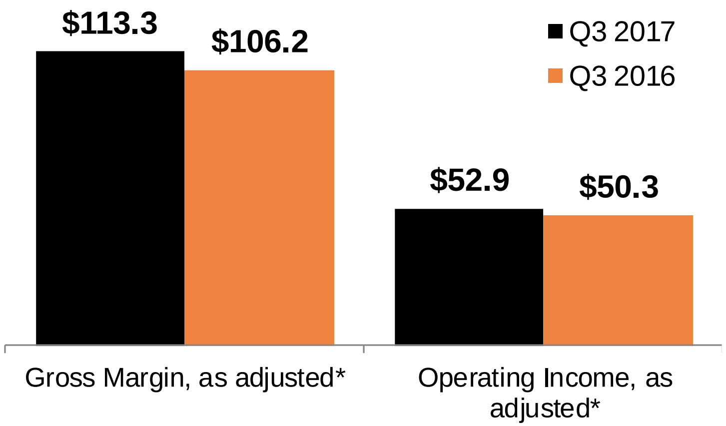
Income Statement

(in millions, except earnings per share)	3rd Qtr	
	2017	**2016**
Revenue	$ 342.1	$ 333.8
Gross margin	255.9	253.6
Operating expenses	(127.5)	(128.8)
DD&A	(49.4)	(48.9)
Subtotal	79.0	75.9
Asset impairments	-	(12.3)
Acquisition costs	(0.4)	(5.2)
Operating income (loss)	**78.6**	**58.4**
Interest expense	(34.0)	(34.3)
Interest rate swap - MTM	-	(1.0)
Other income	0.8	1.4
Income (loss) before taxes	**45.4**	**24.5**
Income taxes	(13.8)	(6.6)
Net income (loss) before non-controlling interest	**$ 31.6**	**$ 17.9**
Non-controlling interest	**(3.9)**	**(3.8)**
Net income (loss) available for common stock	**$ 27.7**	**$ 14.1**
Non-GAAP adjustments	0.2	11.9
Net income available for common stock, as adjusted *	**$ 27.9**	**$ 26.0**
EPS - Net income (loss) available for common stock	$ 0.50	$ 0.26
EPS - Net income available for common stock, as adjusted *	**$ 0.50**	**$ 0.48**
Diluted shares outstanding (in thousands)	55.4	53.7
EBITDA, as adjusted*	**$ 129.2**	**$ 126.1**

* Non-GAAP measures; defined and/or reconciled to GAAP in Appendix and on slide 10

Gross Margin/Operating Income

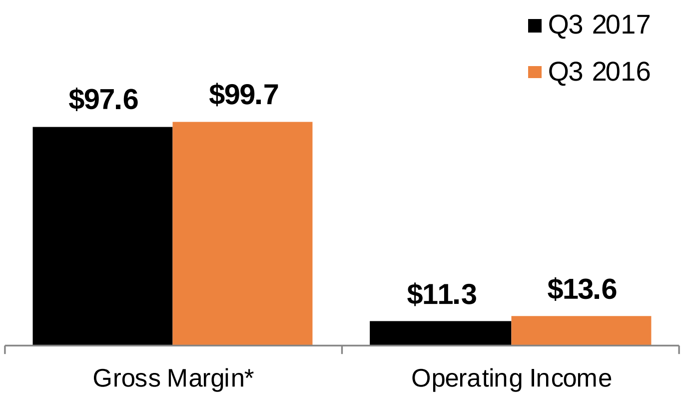
Electric Utilities (in millions)



- Peak View Wind Project
- South Dakota Electric transmission project

- Unfavorable weather
- Higher O&M from new generation assets and higher corporate allocations
- Higher depreciation from larger asset base
- Higher property taxes

Gas Utilities (in millions)



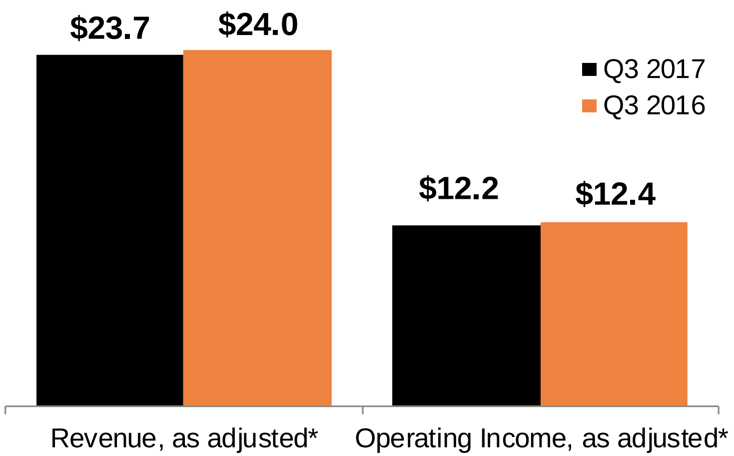
- Integrity rider revenue

- Lower agricultural irrigation demand
- Higher property taxes
- Lower transportation gross margins

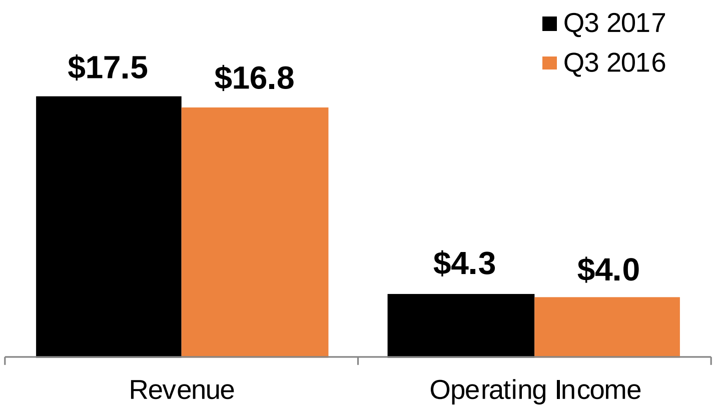
* Non-GAAP measures; reconciled to GAAP in Appendix

Revenue/Operating Income

Power Generation (in millions)**



Mining (in millions)



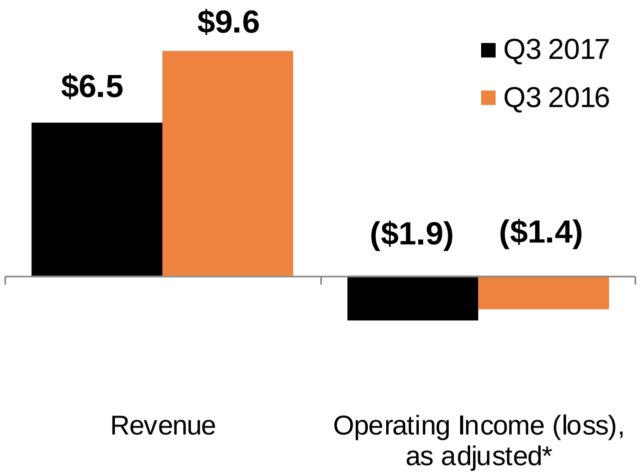
- Higher tons sold

- Higher O&M due to higher stripping ratio and increased equipment maintenance
- Higher production taxes due to higher tons sold

* Non-GAAP measures; reconciled to GAAP in Appendix
** Power Generation includes 100% of Colorado IPP operations; financial results for the 49.9% minority owner of COIPP reflected through a reduction to net income attributable to noncontrolling interest

Revenue/Operating Income

Oil & Gas (in millions)



- Lower employee costs
- Lower production and ad valorem taxes
- Lower depletion due to prior year non-cash impairments

- Lower crude oil and natural gas volumes sold
- Lower crude oil and natural gas average prices received including hedges

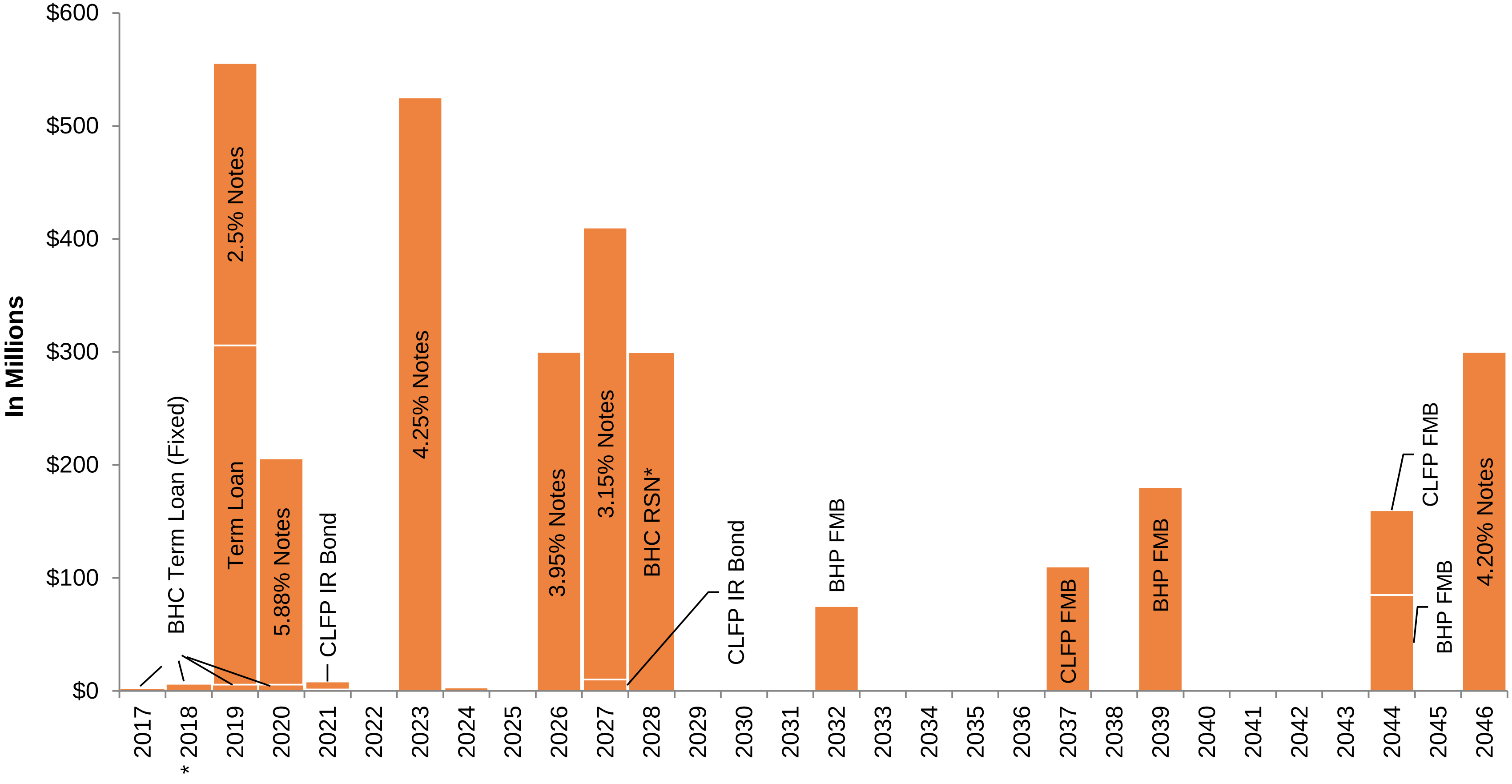
* Non-GAAP measures; reconciled to GAAP in Appendix

Capital Structure

(In millions, except for ratios)	Sep. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sep. 30, 2016
Capitalization					
Short-term Debt	$ 231	$ 114	$ 57	$ 102	$ 81
Long-term Debt	3,110	3,160	3,211	3,211	3,212
Total Debt	3,341	3,274	3,267	3,314	3,293
Equity*	1,683	1,676	1,674	1,615	1,605
Total Capitalization	$ 5,024	$ 4,950	$ 4,942	$ 4,928	$ 4,897
Net Debt to Net Capitalization					
Debt	$ 3,341	$ 3,274	$ 3,267	$ 3,314	$ 3,293
Cash and Cash Equivalents	(14)	(12)	(11)	(14)	(32)
Net Debt	3,327	3,262	3,256	3,300	3,261
Net Capitalization	$ 5,010	$ 4,939	$ 4,930	$ 4,915	$ 4,865
Debt to Capitalization	66.5%	66.1%	66.1%	67.2%	67.2%
Net Debt to Capitalization (Net of Cash)	66.4%	66.1%	66.0%	67.1%	67.0%
Long-term Debt to Total Debt	93.1%	96.5%	98.3%	96.9%	97.5%

* Excludes noncontrolling interest

Long-Term Debt Maturities



* 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.

Credit Rating

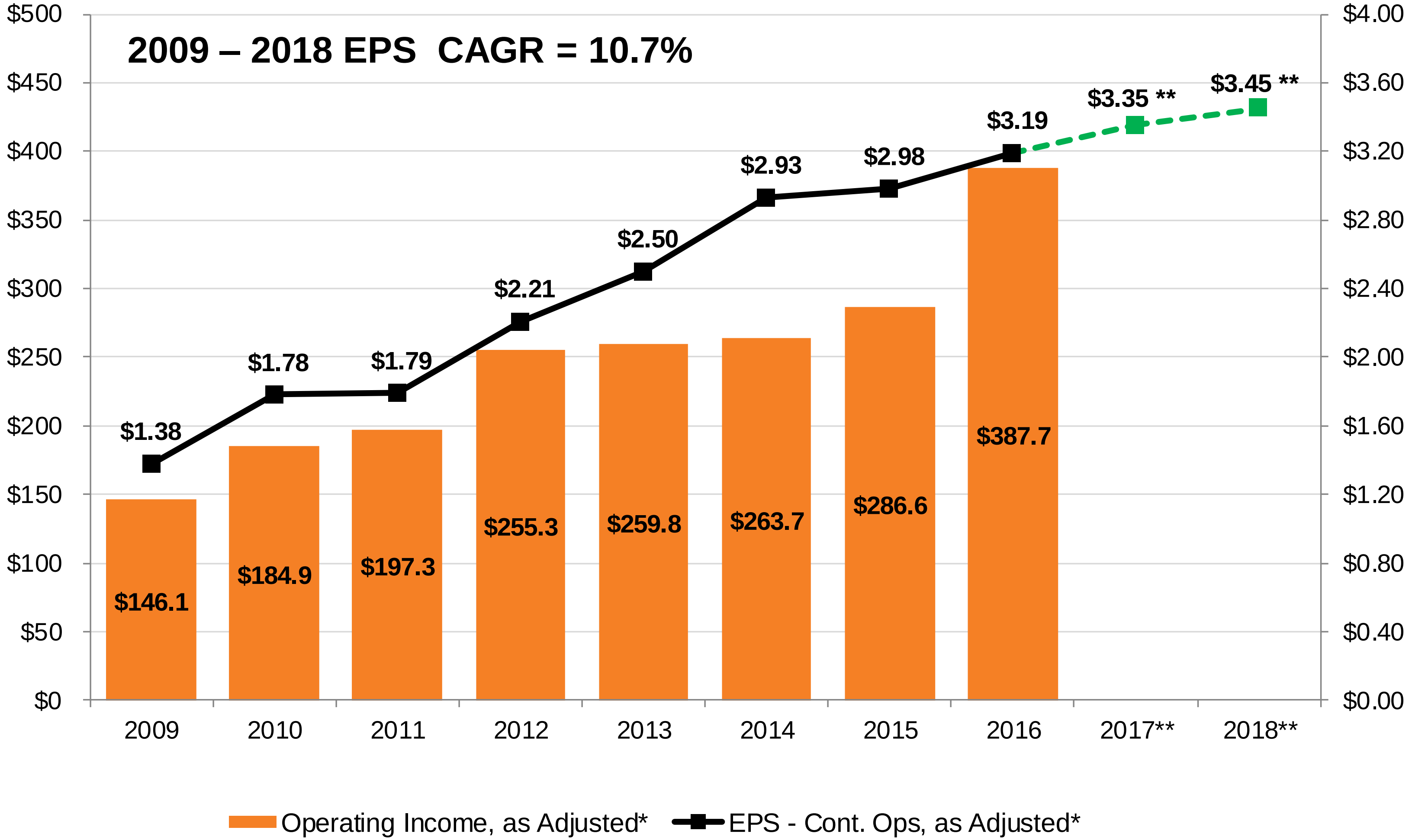
Committed to maintaining strong investment-grade credit ratings

- Fitch Ratings on Oct. 4, 2017, affirmed its corporate credit rating of Black Hills Corp. at BBB+ with a stable outlook
- S&P Global Ratings on July 21, 2017, affirmed its corporate credit rating of Black Hills Corp. at BBB and maintained its stable outlook
- Moody's Investor Service on Dec. 9, 2016, changed its corporate credit rating of Black Hills Corp. to Baa2 with a stable outlook

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

Creating Shareholder Value through Growth

Operating Income and EPS, as Adjusted



* Non-GAAP measures; reconciled to GAAP in Appendix (operating income, as adjusted graph does not include corporate activity)

** Midpoint of Earnings Guidance range of $3.30 to $3.40 for 2017 and $3.35 to $3.55 for 2018

2017 Earnings Guidance Updated*

Black Hills reduced its guidance range for 2017 earnings from continuing operations, as adjusted, to $3.30 to $3.40 per share based from $3.45 to $3.60 per share based on the assumptions most recently listed on Aug. 4, 2017, and the effect of reclassifying our oil and gas segment to discontinued operations in year-end financial results.

- Reduction in guidance reflects negative impacts from unfavorable weather at our natural gas utilities and lower than expected load growth from commercial and industrial customers at our electric utilities

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

2018 Earnings Guidance Initiated*

Black Hills initiated its guidance range for 2018 earnings from continuing operations, as adjusted, at $3.35 to $3.55 per share based on the following assumptions:

- Capital spending of $430 million;
- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions;
- Normal operations for planned construction, maintenance and/or capital investment projects;
- Successful completion of rate reviews for electric and gas utilities;
- No significant unplanned outages at any of our power generation facilities;
- Limited equity financing under our At-the-Market equity offering program and approximately $3 million from the dividend reinvestment program;
- Conversion of equity units prior to Nov. 1, 2018;
- No material discrete tax events including potential tax reform measures;
- No significant acquisitions or divestitures; and
- Oil and gas segment reported as discontinued operations

* Earnings from continuing operations, as adjusted is a non-GAAP measure; the company is not able to provide a forward-looking quantitative GAAP to non-GAAP reconciliation for guidance of 2018 earnings from continuing operations, as adjusted, because unplanned or unique events that may occur are unknown at this time.

Strategic Overview

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.

Strategic Objectives

Utility-centered energy company 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 that cost 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

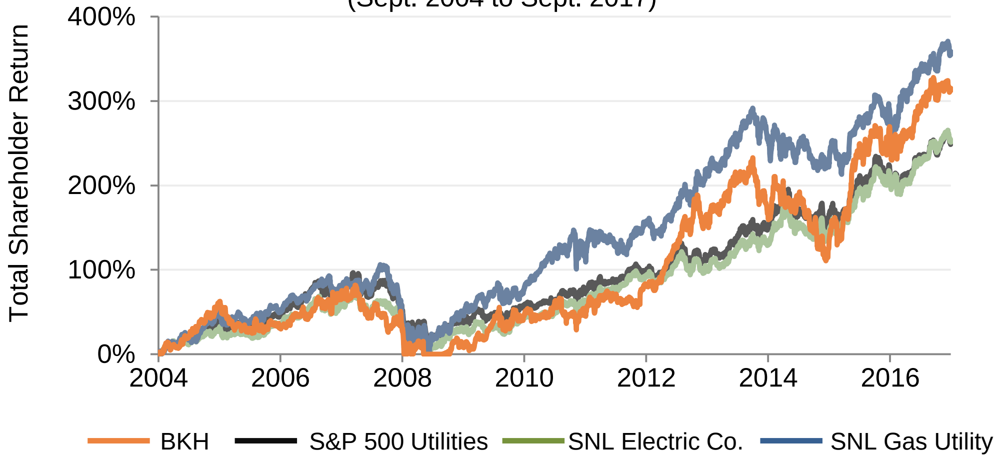
SAFETY: Strive to be the safest energy company in the U.S. by emphasizing our culture to work and live safely every day

Strategy Execution

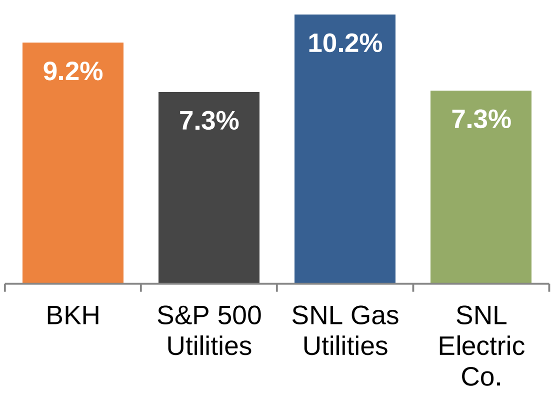
Target long-term total shareholder return in top quartile of utility industry

- **Earnings Growth** – achieve long-term EPS growth 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 increases

Long-term Total Shareholder Return*
(Sept. 2004 to Sept. 2017)



Annualized Total Shareholder Return*
(Sept. 2004 to Sept. 2017)



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

Strategy Transitional Period

Transitioning earnings drivers

PROFITABLE GROWTH

Near-term	Long-term

Invest in safety, reliability and growth for customers and communities

Near-term

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

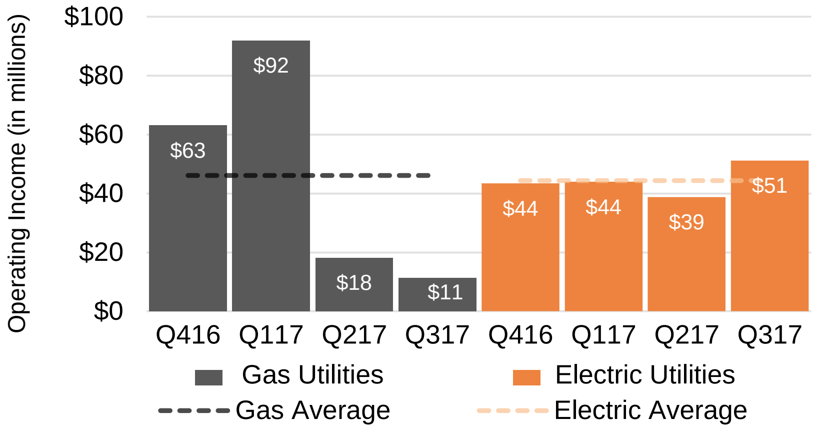
Long-term

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

Strength in Diversity

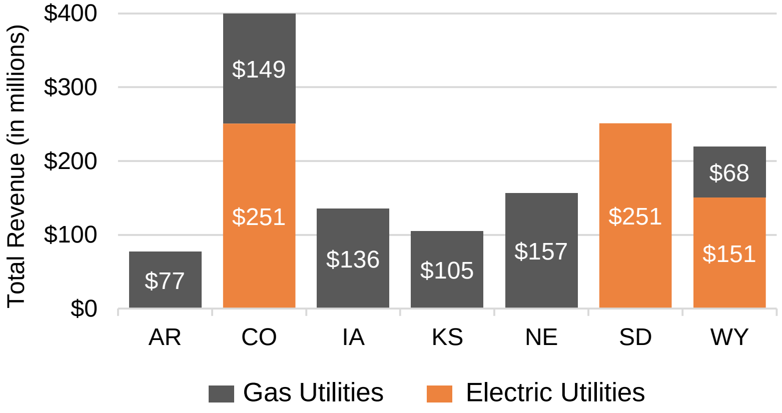
Diversity reduces business risk and drives more predictable earnings

Utility Operating Income*

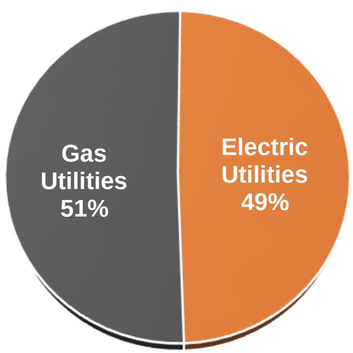


Total Regulated Revenue by State [2]

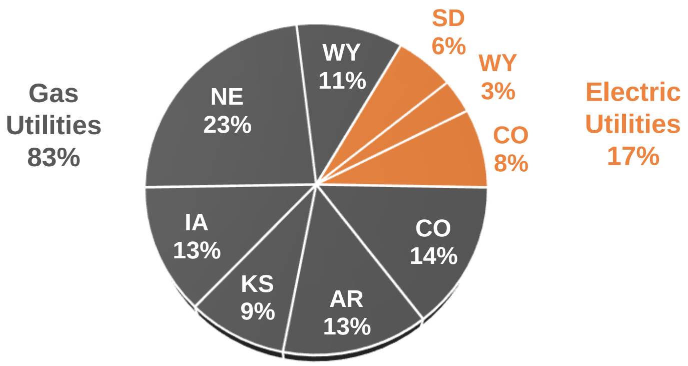
(TTM as of Sept. 2017)



Utility Rate Base[1]



Percent of Customers by State** [2]



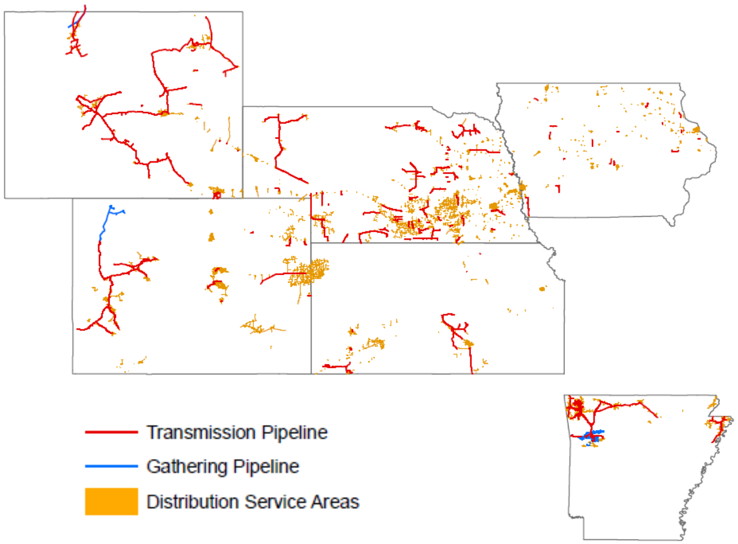
* Operating income as reported in quarterly Form 10-Q ** Based on information from 2016 Form 10-K

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

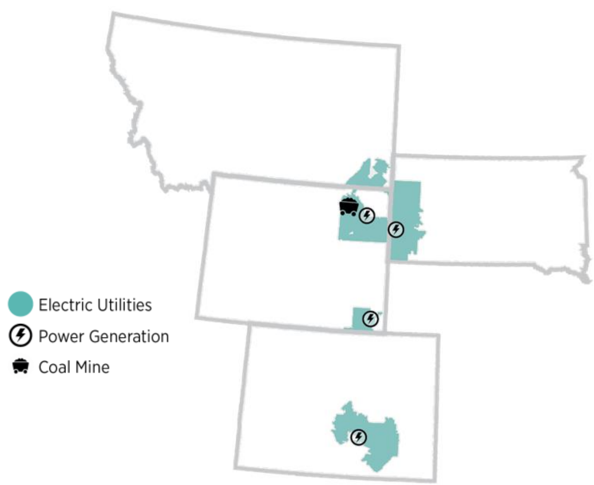
[2] MT data included in SD totals

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

Capital Investment by Segment

PROFITABLE GROWTH

(in millions)	2012	2013	2014	2015	2016	2017F	2018F	2019F	2020-2022F Annual Avg
Minimal Lag Capital - Electric Utilities*					166	30	70	86	
Growth Capital - Electric Utilities**					24	21	19	18	
Other					69	83	60	89	
Electric Utilities	167	222	171	172	259	134	149	193	
Minimal Lag Capital - Gas Utilities*					43	65	129	175	
Growth Capital - Gas Utilities**					65	55	45	59	
Other					67	67	89	45	
Gas Utilities	46	63	93	100	174	187	263	279	
Total Utilities	213	285	264	272	433	321	412	472	
Power Generation	6	14	3	3	5	1	2	14	
Mining	13	6	7	6	6	7	7	7	
Oil and Gas	108	65	109	169	7	21	0	0	
Corporate	7	10	9	10	17	7	9	13	
Total	$347	$379	$391	$459	$467	$357	$430	$506	$350 - $450

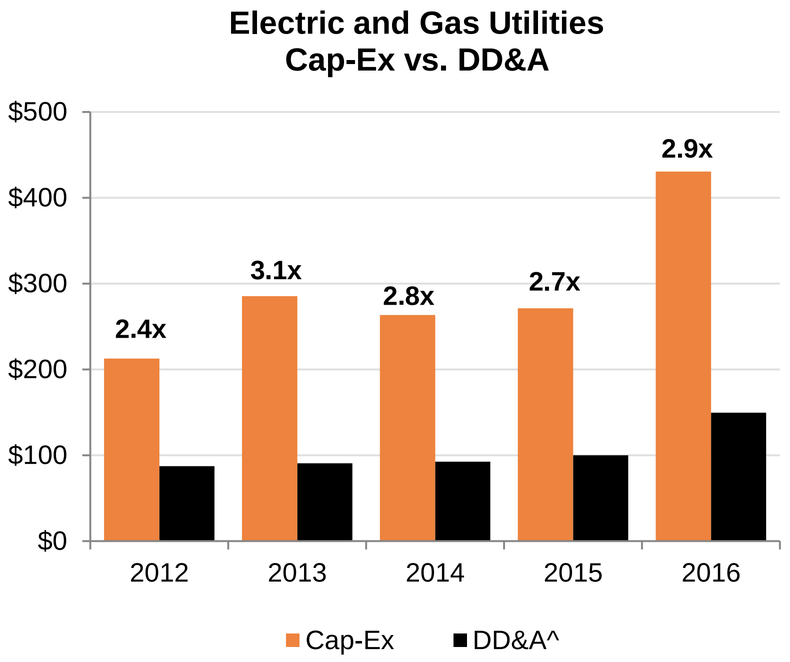
Planned investment range excludes additional upside opportunity from power generation or other material projects

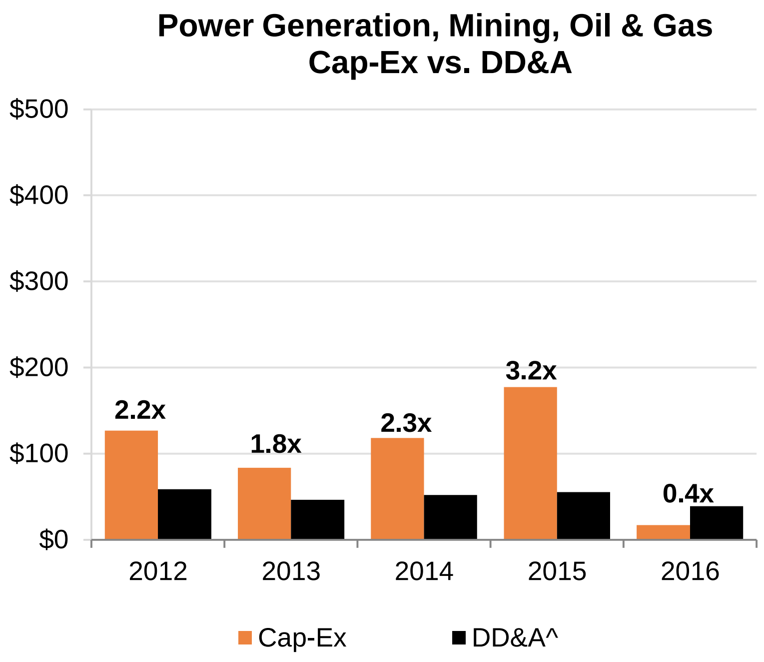
* Minimal Lag Capital – capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods
** Growth Capital - generates immediate revenue on customer connections
Note: Minor differences due to rounding

Capital Expenditures

As compared to DD&A

PROFITABLE GROWTH





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

Regulatory Update

VALUED SERVICE

Colorado Electric - Rate Case Review

- 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
- On July 10, Colorado Electric filed appeal with Denver County District Court
  - Briefing schedule runs through November 2017; timing of a ruling uncertain

Rocky Mountain Natural Gas Rate Review Filed

- On Oct. 3, filed rate review with Colorado Public Utilities Commission to recover investments for safety and integrity of pipeline system during last three years
  - Seeking to increase annual revenue by approximately $2 million
  - Requesting 12.25 percent return on equity and capital structure of 46.63 percent equity and 53.37 percent debt

Additional Rate Review Filings Expected Prior to Year-end 2017

- Northwest Wyoming gas utility
- Arkansas gas utility

Planned Exit of Oil and Gas Business

Sold $28 million in assets and marketing remaining properties

Additional Non-Core Oil and Gas Assets Sold

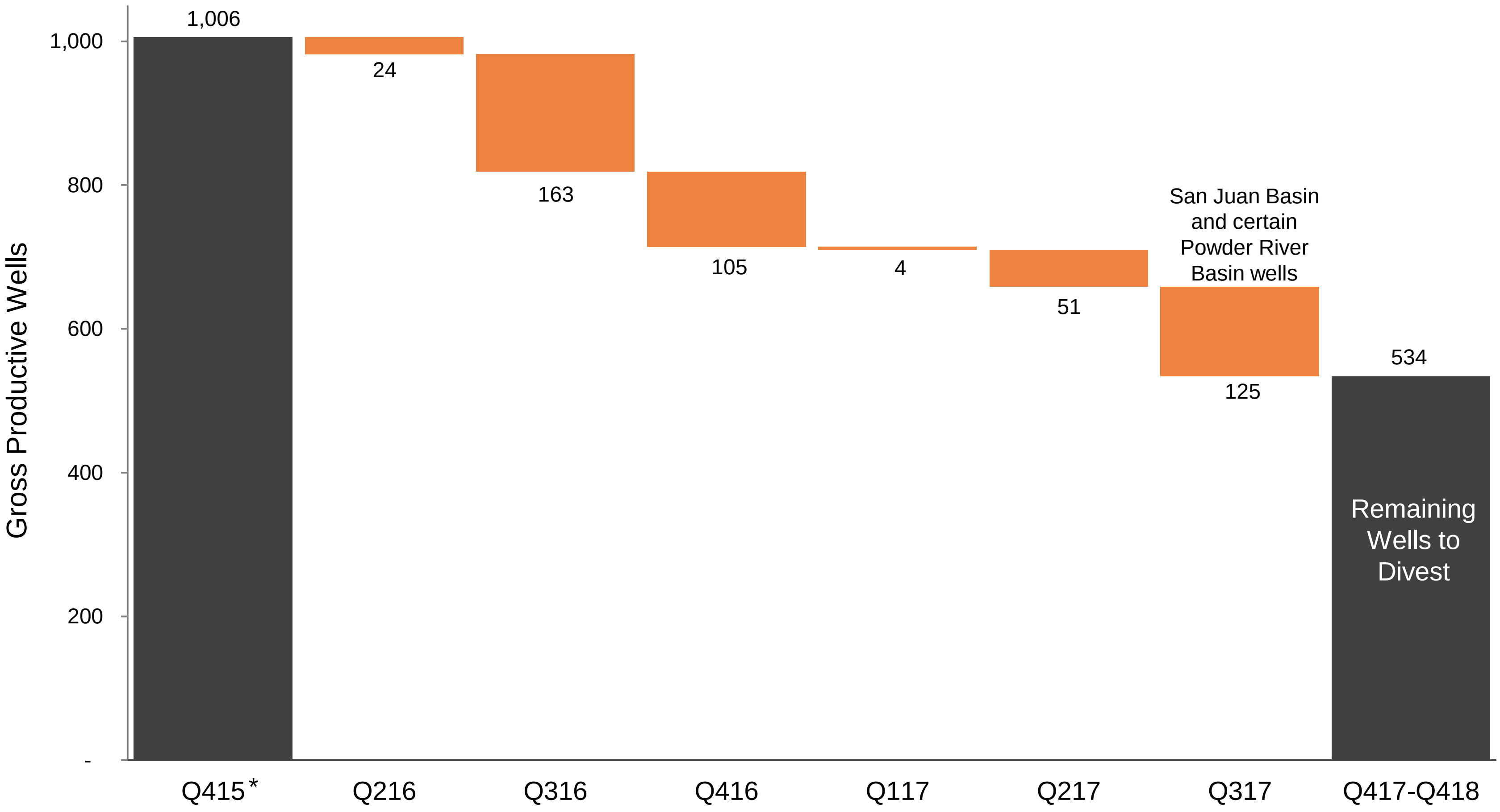
- Recently signed agreements to sell San Juan Basin assets in New Mexico and certain Powder River Basin assets in Wyoming for a combined $28 million
  - San Juan Basin sale subject to final approval from U.S. Bureau of Indian Affairs and U.S. Bureau of Land Management
  - Both transactions expected to close by year-end

Remaining Oil and Gas Assets to be Divested

- On Nov. 1, board of directors authorized sale of all remaining oil and gas assets and the exit of the business
  - Segment to be reported as discontinued operations beginning with fourth quarter results
- Retained advisors to support ongoing property sales efforts
- Plan to divest all remaining properties before the end of 2018

Oil and Gas Asset Divestiture Progress

Plan to divest all assets prior to year-end 2018

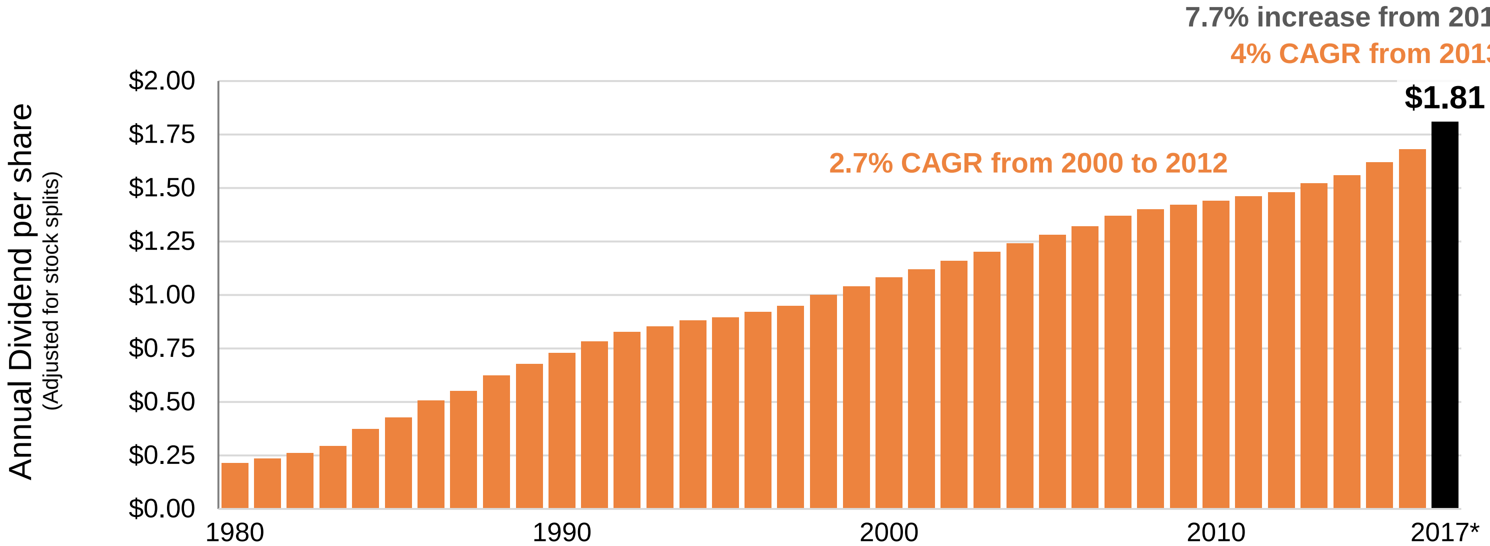


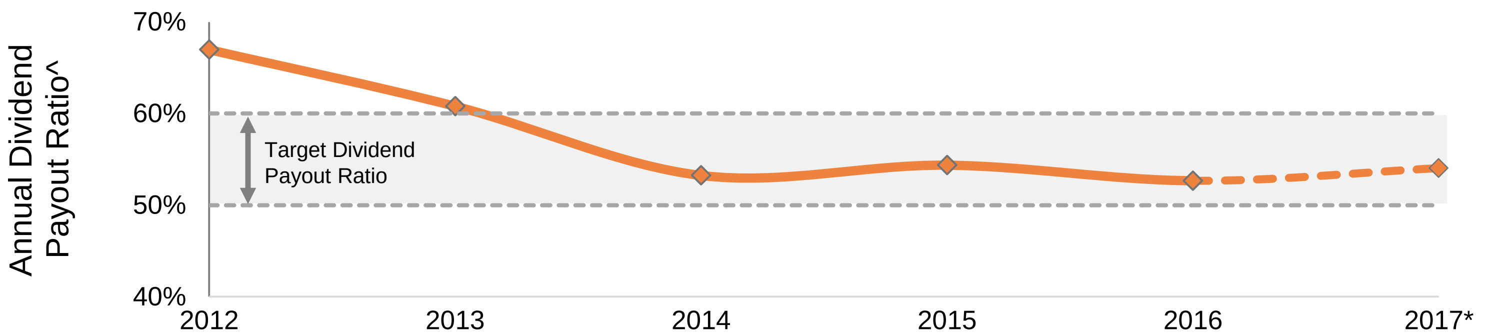
* Gross productive well count on Dec. 31, 2015, as reported in the 2015 Form 10-K

Dividend Growth

Dividend Increased for 47 Consecutive Years

PROFITABLE GROWTH





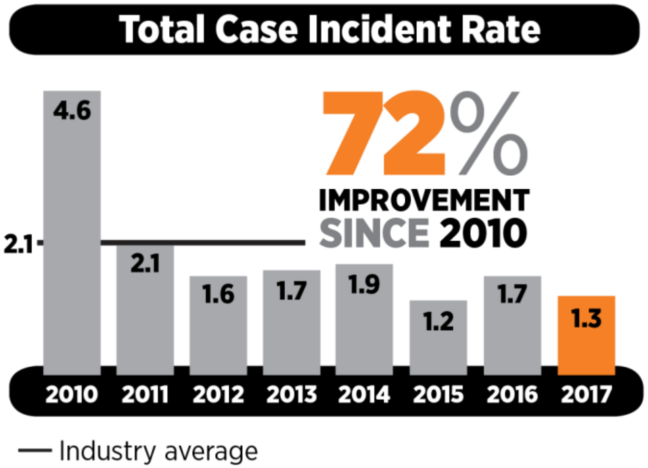
* Board of directors on Nov. 1 approved an increase in quarterly dividend to $0.475 per share; total dividend payout for 2017 will be $1.81 per share

^ Annual dividend payout ratio is calculated by dividing annual dividend per share by earnings, as adjusted, per share, a non-GAAP measure; reconciled to GAAP in the appendix

Operational Excellence

GREAT WORKPLACE

Safety Performance



2017 data is YTD through Sept. 30 (Black Hills and Legacy SourceGas combined). TCIR is defined as the average number of work-related injuries incurred by 100 workers during a one-year period.

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.

2017 Scorecard

Strategy

PROFITABLE GROWTH

- Construct cost effective rate-base generation and transmission to serve existing utility customers
- Acquire regulated utility properties in our geographic region
- Advance COSG Program

VALUED SERVICE

- 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

BETTER EVERY DAY

- 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

GREAT WORKPLACE

- 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

PROFITABLE GROWTH

☑ 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

VALUED SERVICE

☑ 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

BETTER EVERY DAY

☐ 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)

GREAT WORKPLACE

☐ 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

<u>Legend</u>

☑ Completed

☐ Planned in 2017

Questions

The Cheyenne Prairie Generating Station, looking east at sunrise. The facility is owned by two Black Hills Corporation entities and serves customers in Wyoming and South Dakota.

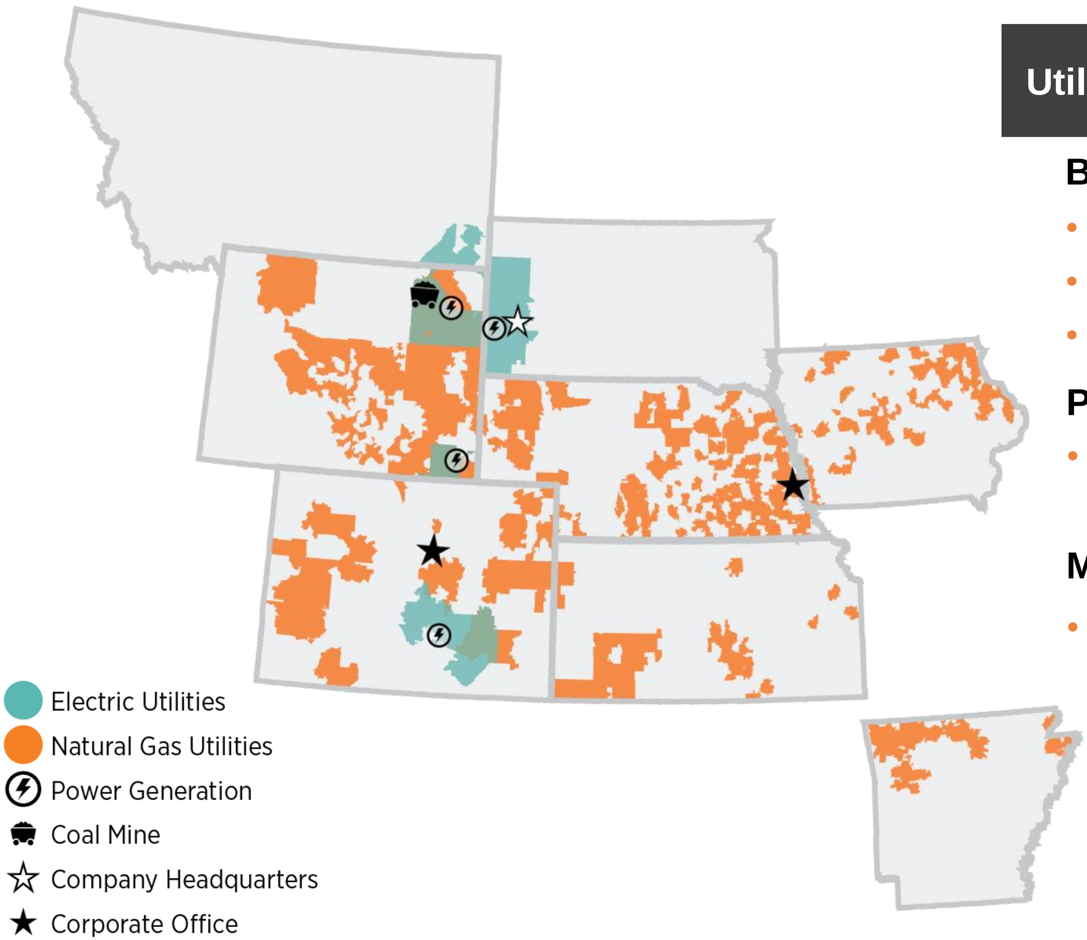
Appendix

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

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

Power Generation

- Black Hills Electric Generation

Mining

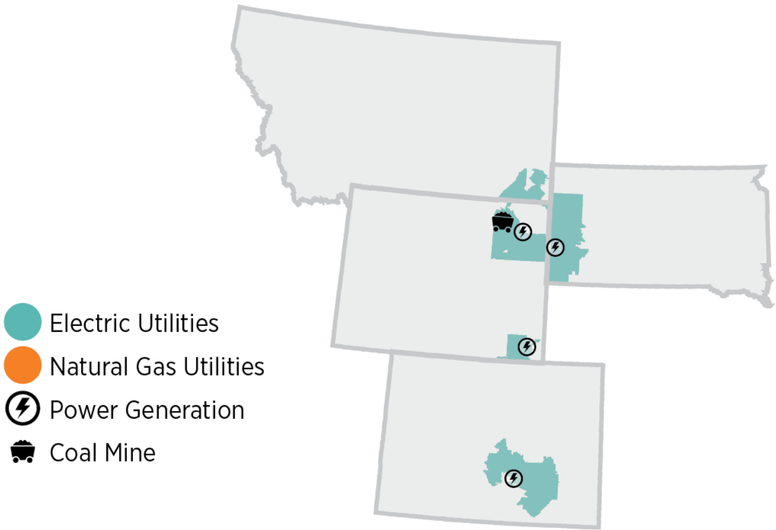
- Wyodak Resources

BHE Gas Utilities

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

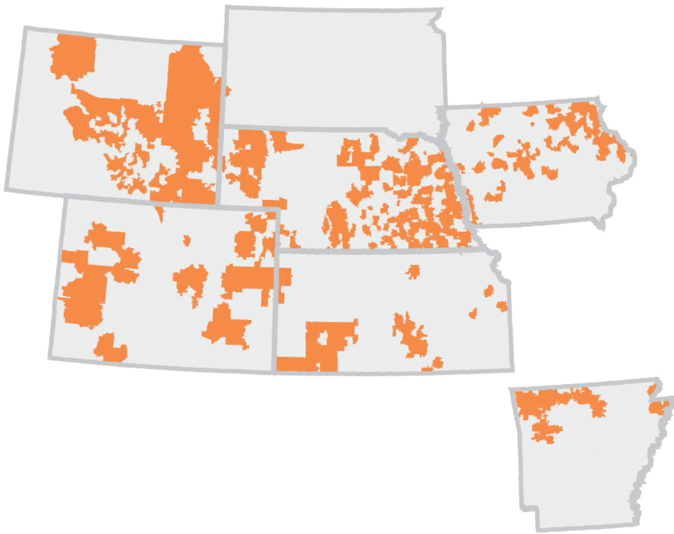
Operations Overview

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*



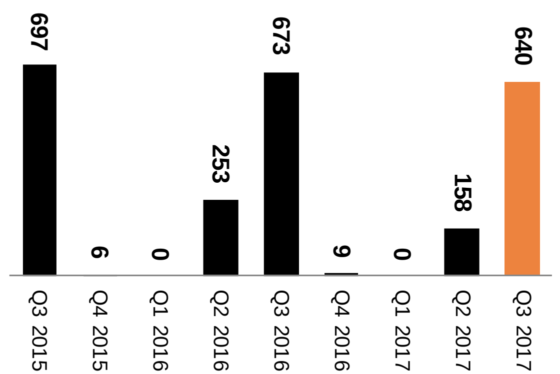
- 12 natural gas utilities** which distribute natural gas to approximately 1,030,800 customers in AR, CO, IA, KS, NE and WY
- 4,585 miles of intrastate gas transmission pipelines and 40,044 miles of gas distribution mains and service lines
- Seven natural gas storage facilities in AR, CO and WY with 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

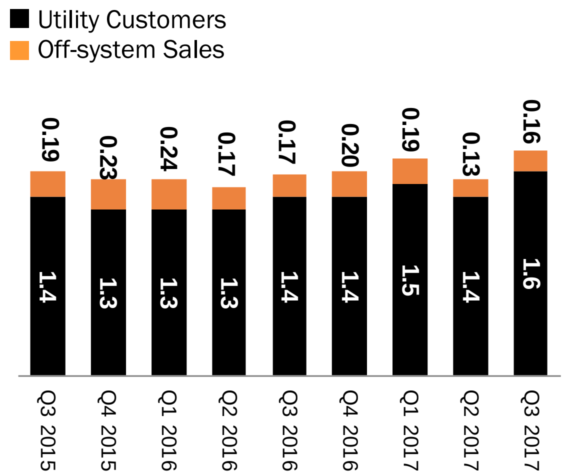
** Excludes minor entities and Shoshone pipeline

Utility Weather and Demand

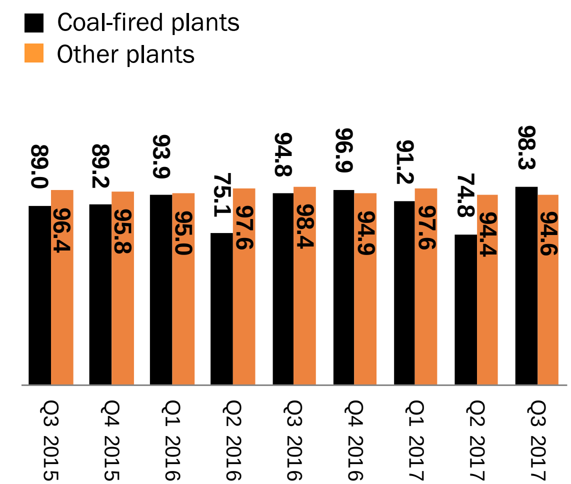
Electric Utility Cooling Degree Days
(Total for all electric service areas weighted by customer count)



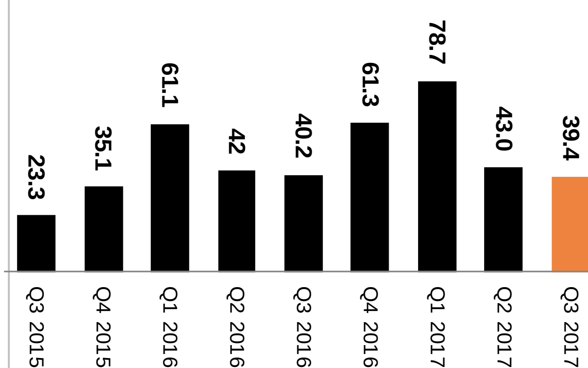
Electric Utility Total MWh Sales
(in millions)



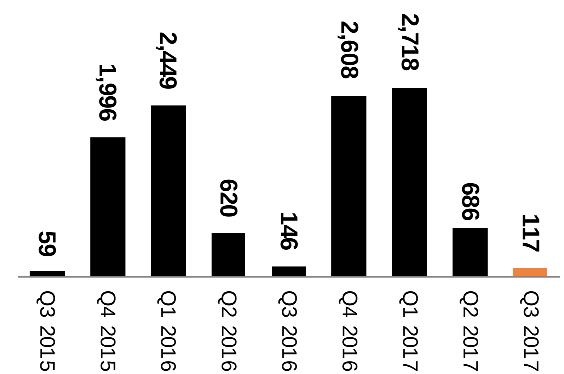
Electric Utility Generation Availability(%)



Gas Utility Total Dth Sales
(in millions)



Gas Utility Heating Degree Days
(Total for all gas service* areas weighted by customer count)



*** Excludes KS HDD data since state has weather normalization**

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	Trans-mission Expense	Fuel Cost	Transmission Cap-Ex	Purchased Power
South Dakota Electric (SD)	☑	☑	☑	☑	☑	☑
South Dakota Electric (WY)		☑	☑	☑		☑
South Dakota Electric (MT)						
South Dakota Electric (FERC)					☑	
Wyoming Electric		☑	☑	☑		☑
Colorado Electric		☑	☑	☑	☑	☑

Legend:
☑ Commission approved cost adjustment
☐ Pursuing

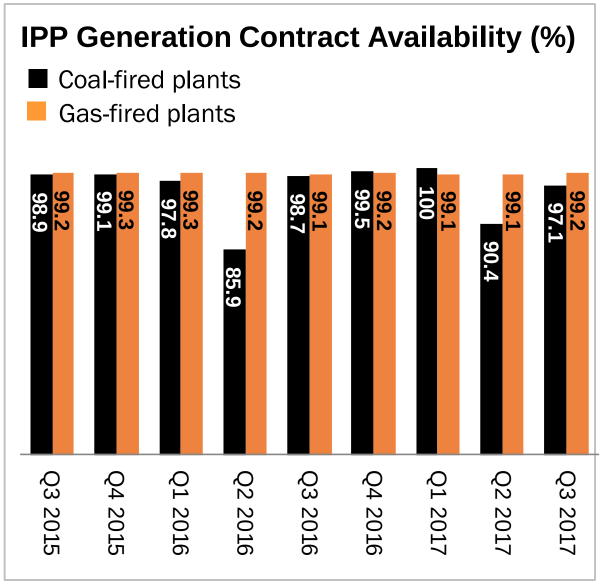
Optimizing Regulatory Recovery

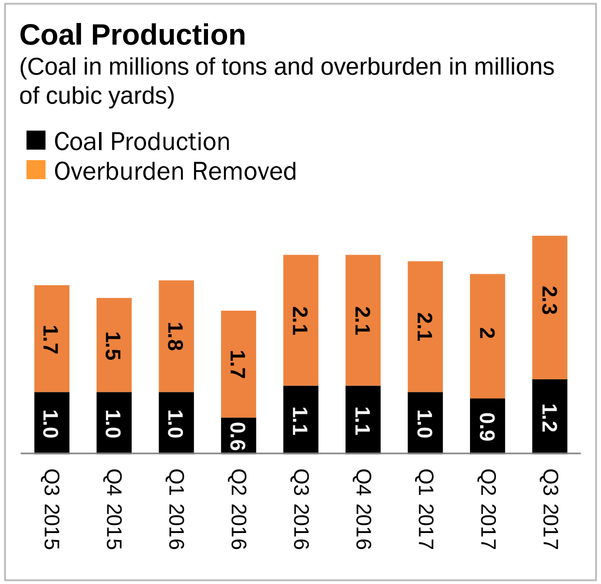
Gas Utility Jurisdiction	Cost Recovery Mechanisms							
	DSM/ Energy Efficiency	Integrity Additions	Bad Debt	Weather Normal	Pension Recovery	Fuel Cost	Revenue Decoupling	Fixed Cost Recovery*
Colorado Gas	☑					☑		47%
Iowa Gas	☑	☑				☑		70%
Kansas Gas		☑	☑	☑	☑	☑		64%
Nebraska Gas		☑	☑			☑		55%
Wyoming Gas[1]	☑					☑		52%
Arkansas Gas	☑	☑		☑		☑	☑	39%
Colorado Gas Dist.	☑					☑		36%
Nebraska Gas Dist.		☑	☑			☑		80%[3]
Wyoming Gas Dist.						☑	☑	52%
Rocky Mountain Natural Gas [2]	NA	☑	NA	NA	NA	NA	NA	NA

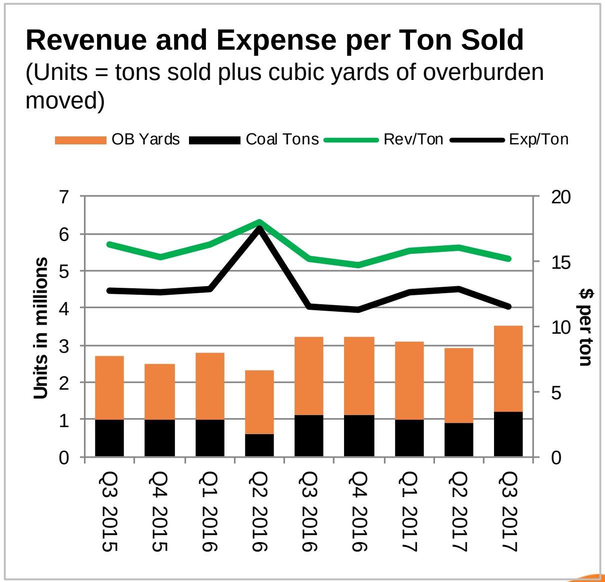
Legend:
☑ Commission approved cost adjustment
☐ Pursuing

* 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

Power Generation and Mining







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

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

Segment Revenue, Operating Income, 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. Segment Revenue, as adjusted, 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, 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, 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.

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 Utilities Group and reduced depreciation at our Non-regulated Group. We have provided this non-GAAP measure to reflect adjustments by Business Group 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

Revenue / Gross Margin, as adjusted

(in thousands)

QTD - September 30, 2017	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate - I/C Elim	Total
Revenue	$ 181,238	$ 142,821	$ 1,810	$ 9,742	$ 6,527	$ -	$ 342,138
Inter-company revenue	2,333	73	21,117	7,751	-	(31,274)	-
Total revenue (GAAP)	183,571	142,894	22,927	17,493	6,527	(31,274)	342,138
Less: - Inter-company capital lease	-	-	781	-	-	(781)	-
Revenue, as adjusted - (Non-GAAP)	**$ 183,571**	**$ 142,894**	**$ 23,708**	**$ 17,493**	**$ 6,527**	**$ (32,055)**	**$ 342,138**
Less: Cost of Goods sold	(68,733)	(45,293)	-	-	-	27,745	(86,281)
Less: Inter-company capital lease	(1,514)	-	-	-	-	1,514	-
Gross margin, as adjusted - (Non-GAAP)	**$ 113,324**	**$ 97,601**	**$ 23,708**	**$ 17,493**	**$ 6,527**	**$ (2,796)**	**$ 255,857**

QTD - September 30, 2016	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate - I/C Elim	Total
Revenue	$ 171,754	$ 141,445	$ 1,906	$ 9,042	$ 9,639	$ -	$ 333,786
Inter-company revenue	2,747	-	21,431	7,778	-	(31,956)	-
Total revenue (GAAP)	174,501	141,445	23,337	16,820	9,639	(31,956)	333,786
Less: - Inter-company capital lease	-	-	688	-	-	(688)	-
Revenue, as adjusted - (Non-GAAP)	**$ 174,501**	**$ 141,445**	**$ 24,025**	**$ 16,820**	**$ 9,639**	**$ (32,644)**	**$ 333,786**
Less: Cost of Goods sold	(66,953)	(41,730)	-	-	-	28,489	(80,194)
Less: Inter-company capital lease	(1,340)	-	-	-	-	1,340	-
Gross margin, as adjusted - (Non-GAAP)	**$ 106,208**	**$ 99,715**	**$ 24,025**	**$ 16,820**	**$ 9,639**	**$ (2,815)**	**$ 253,592**

Use of Non-GAAP Financial Measures

Operating Income, as adjusted

(in thousands, pre-tax)

QTD - September 30, 2017	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 51,188	$ 11,274	$ 14,245	$ 4,254	$ (1,940)	$ (502)	$ 78,519
Capital lease adjustment	1,754	—	(2,042)	—	—	288	—
Operating income without capital lease (Non-GAAP)	52,942	11,274	12,203	4,254	(1,940)	(214)	78,519
Significant Unique Items:							
Acquisition costs	—	—	—	—	—	351	351
Total adjustments	—	—	—	—	—	351	351
Operating income (loss), as adjusted (Non-GAAP)	**$ 52,942**	**$ 11,274**	**$ 12,203**	**$ 4,254**	**$ (1,940)**	**$ 137**	**$ 78,870**

QTD - September 30, 2016	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 48,377	$ 13,601	$ 14,876	$ 4,013	$ (13,729)	$ (8,729)	$ 58,409
Capital lease adjustment	1,928	—	(2,429)	—	—	501	—
Operating income without capital lease (Non-GAAP)	50,305	13,601	12,447	4,013	(13,729)	(8,228)	58,409
Significant Unique Items:							
Asset impairment (Oil & Gas)	—	—	—	—	12,293	—	12,293
Acquisition costs	—	—	—	—	—	5,151	5,151
Total adjustments	—	—	—	—	12,293	5,151	17,444
Operating income (loss), as adjusted (Non-GAAP)	**$ 50,305**	**$ 13,601**	**$ 12,447**	**$ 4,013**	**$ (1,436)**	**$ (3,077)**	**$ 75,853**

Use of Non-GAAP Financial Measures

YTD Operating Income, as adjusted

(in thousands, pre-tax)

YTD Dec. 31, 2016	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 173,153	$ 162,017	$ 54,391	$ 11,358	$ (118,959)	$ (59,374)	$ 222,586
Capital lease adjustment	7,788	—	(9,026)	—	—	1,238	—
Operating income without capital lease (Non-GAAP)	180,941	162,017	45,365	11,358	(118,959)	(58,136)	222,586
Significant unique items:							
Asset impairment (Oil & Gas)	—	—	—	—	106,957	—	106,957
Acquisition costs	—	—	—	—	—	43,688	43,688
Total adjustments	—	—	—	—	106,957	43,688	150,645
Operating income (loss), as adjusted (Non-GAAP)	**$ 180,941**	**$ 162,017**	**$ 45,365**	**$ 11,358**	**$ (12,002)**	**$ (14,448)**	**$ 373,231**

YTD Dec. 31, 2015	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 168,581	$ 78,606	$ 54,321	$ 13,630	$ (277,205)	$ (8,138)	$ 29,795
Capital lease adjustment	8,395	—	(9,380)	—	—	985	—
Operating income without capital lease (Non-GAAP)	176,976	78,606	44,941	13,630	(277,205)	(7,153)	29,795
Significant unique items:							
Asset impairment (Oil & Gas)	—	—	—	—	249,608	—	249,608
Acquisition costs	—	—	—	—	—	3,610	3,610
Total adjustments	—	—	—	—	249,608	3,610	253,218
Operating income (loss), as adjusted (Non-GAAP)	**$ 176,976**	**$ 78,606**	**$ 44,941**	**$ 13,630**	**$ (27,597)**	**$ (3,543)**	**$ 283,013**

Use of Non-GAAP Financial Measures

Operating Income, as adjusted

(in thousands, pre-tax)

YTD Dec. 31, 2014	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 132,649	$ 82,806	$ 49,892	$ 11,910	$ (11,791)	$ (1,598)	$ 263,868
Capital lease adjustment	8,931	—	(10,733)	—	—	1,802	—
Operating income without capital lease (Non-GAAP)	141,580	82,806	39,159	11,910	(11,791)	204	263,868
Significant unique items:							
	—	—	—	—	—	—	—
Total adjustments	—	—	—	—	—	—	—
Operating income (loss), as adjusted (Non-GAAP)	**$ 141,580**	**$ 82,806**	**$ 39,159**	**$ 11,910**	**$ (11,791)**	**$ 204**	**$ 263,868**

YTD Dec. 31, 2013	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 126,713	$ 83,654	$ 47,760	$ 5,586	$ (3,357)	$ (910)	$ 259,446
Capital lease adjustment	9,413	—	(10,003)	—	—	590	—
Operating income without capital lease (Non-GAAP)	136,126	83,654	37,757	5,586	(3,357)	(320)	259,446
Significant unique items:							
Total adjustments	—	—	—	—	—	—	—
Operating income (loss), as adjusted (Non-GAAP)	**$ 136,126**	**$ 83,654**	**$ 37,757**	**$ 5,586**	**$ (3,357)**	**$ (320)**	**$ 259,446**

YTD Dec. 31, 2012	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 127,770	$ 70,130	$ 44,799	$ 2,165	$ 32,302	$ (725)	$ 276,441
Capital lease adjustment	9,820	—	(9,445)	—	—	(375)	—
Operating income without capital lease (Non-GAAP)	137,590	70,130	35,354	2,165	32,302	(1,100)	276,441
Significant unique items:							
Gain on sale of Williston Basin assets	—	—	—	—	(75,853)	—	(75,853)
Incentive compensation - Williston Basin asset sale	1,595	1,104	105	237	967	—	4,008
Asset impairment (Oil & Gas)	—	—	—	—	49,571	—	49,571
Total adjustments	1,595	1,104	105	237	(25,315)	—	(22,274)
Operating income (loss), as adjusted (Non-GAAP)	**$ 139,185**	**$ 71,234**	**$ 35,459**	**$ 2,402**	**$ 6,987**	**$ (1,100)**	**$ 254,167**

Use of Non-GAAP Financial Measures

Operating Income, as adjusted

(in thousands, pre-tax)

YTD Dec. 31, 2011	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 109,457	$ 76,336	$ 10,935	$ (8,395)	$ 8,967	$ (4,832)	$ 192,468
Total adjustments	—	—	—	—	—	—	—
Operating income (loss), as adjusted (Non-GAAP)	**$ 109,457**	**$ 76,336**	**$ 10,935**	**$ (8,395)**	**$ 8,967**	**$ (4,832)**	**$ 192,468**

YTD Dec. 31, 2010	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 99,292	$ 68,968	$ 9,673	$ 4,731	$ 11,143	$ (3,826)	$ 189,981
Significant unique items:							
Sale of Elkhorn	—	(2,683)	—	—	—	—	(2,683)
Sale of Wygen III to City of Gillette	(6,238)	—	—	—	—	—	(6,238)
Total adjustments	(6,238)	(2,683)	—	—	—	—	(8,921)
Operating income (loss), as adjusted (Non-GAAP)	**$ 93,054**	**$ 66,285**	**$ 9,673**	**$ 4,731**	**$ 11,143**	**$ (3,826)**	**$ 181,060**

YTD Dec. 31, 2009	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Operating income (loss) (GAAP)	$ 70,968	$ 55,210	$ 40,055	$ 5,055	$ (42,521)	$ (4,612)	$ 124,155
Capital lease adjustment	—	—	—	—	—	—	—
Operating income without capital lease (Non-GAAP)	70,968	55,210	40,055	5,055	(42,521)	(4,612)	124,155
Significant unique items:							
Asset impairment (Oil & Gas)	—	—	—	—	43,301	—	43,301
23.5% of Wygen I to MEAN	—	—	(25,971)	—	—	—	(25,971)
Integration expense (Aquila Transaction)	—	—	—	—	—	5,291	5,291
Total adjustments	—	—	(25,971)	—	43,301	5,291	22,621
Operating income (loss), as adjusted (Non-GAAP)	**$ 70,968**	**$ 55,210**	**$ 14,084**	**$ 5,055**	**$ 780**	**$ 679**	**$ 146,776**

Use of Non-GAAP Financial Measures

Net Income Available for Common Stock, as adjusted

(in thousands, after-tax)

QTD - September 30, 2017	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Net income (loss) available for common stock (GAAP)	$ 27,324	$ (4,329)	$ 6,155	$ 3,477	$ (2,712)	$ (2,252)	$ 27,663
Capital lease adjustment	1,104	—	(1,285)	—	—	181	—
Net income (loss) available for common stock without capital lease (Non-GAAP)	**28,428**	**(4,329)**	**4,870**	**3,477**	**(2,712)**	**(2,071)**	**27,663**
Significant unique items:							
Acquisition costs	—	—	—	—	—	228	228
Total adjustments	—	—	—	—	—	228	228
Net Income (Loss) available for common stock, as adjusted (Non-GAAP)	**$ 28,428**	**$ (4,329)**	**$ 4,870**	**$ 3,477**	**$ (2,712)**	**$ (1,843)**	**$ 27,891**

QTD - September 30, 2016	Electric Utilities	Gas Utilities	Power Generation	Mining	Oil and Gas	Corporate	Total
Net income (loss) available for common stock (GAAP)	$ 24,181	$ (2,939)	$ 5,642	$ 3,307	$ (8,828)	$ (7,232)	$ 14,131
Capital lease adjustment	1,217	—	(1,533)	—	—	316	—
Net income (loss) available for common stock without capital lease (Non-GAAP)	**25,398**	**(2,939)**	**4,109**	**3,307**	**(8,828)**	**(6,916)**	**14,131**
Significant unique items:							
Asset impairment (Oil & Gas)	—	—	—	—	7,943	—	7,943
Acquisition costs	—	—	—	—	—	3,348	3,348
Interest rate derivative - MTM loss	—	—	—	—	—	620	620
Total adjustments	—	—	—	—	7,943	3,968	11,911
Net Income (Loss) available for common stock, as adjusted (Non-GAAP)	**$ 25,398**	**$ (2,939)**	**$ 4,109**	**$ 3,307**	**$ (885)**	**$ (2,948)**	**$ 26,042**

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
EBITDA

(in thousands)	For the Three Months Ended September 30, 2017		2016	
Net Income	$	31,598	$	17,884
Depreciation, depletion and amortization		49,434		48,925
Asset impairments (Oil & Gas)		—		12,293
Interest expense, net		34,001		35,252
Income tax expense (benefit)		13,805		6,644
Rounding		—		—
EBITDA (a Non-GAAP Measure)		**128,838**		**120,998**
Less adjustments for unique items:				
Acquisition costs		351		5,151
EBITDA, as adjusted	**$**	**129,189**	**$**	**126,149**

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 (loss) (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 (loss) available for common stock (excluding discontinued operations)	**2.00**	**1.73**	**1.11**	**2.48**	**2.66**	**2.93**	**(0.71)**	**1.37**
Adjustments (after tax)								
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**

2017 Guidance Reconciliation

2017 Guidance Reconciliation

	Low	High
Earnings from continuing operations per share (GAAP)	$ 3.28	$ 3.38
Adjustments*, pre-tax:		
Acquisition costs	0.03	0.03
Tax on Adjustments*:		
Acquisition costs	(0.01)	(0.01)
Earnings from continuing operations per share, as adjusted (Non-GAAP)	**$ 3.30**	**$ 3.40**

* Additional adjustments will likely occur in the fourth quarter. Adjustments shown reflect the actual adjustments made year to date through September 30, 2017.

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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
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Safety
We commit to live and work safely every day.

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