

Investor Meetings

Mizuho Energy Summit - March 2020



READY.



Forward Looking Statements

COMPANY INFORMATION

Black Hills Corporation

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NYSE Ticker: **BKH**
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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. This includes board approval of any future dividends, expectations about the timing and completion of our financing plans, continuity of supply chain, and the impacts of the COVID-19 pandemic on our business. 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 execute our utility jurisdiction consolidation plan;
- 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.

Proactive Response to COVID-19 Pandemic

Prioritizing Health and Safety of our Customers, Employees, Business Partners and Communities

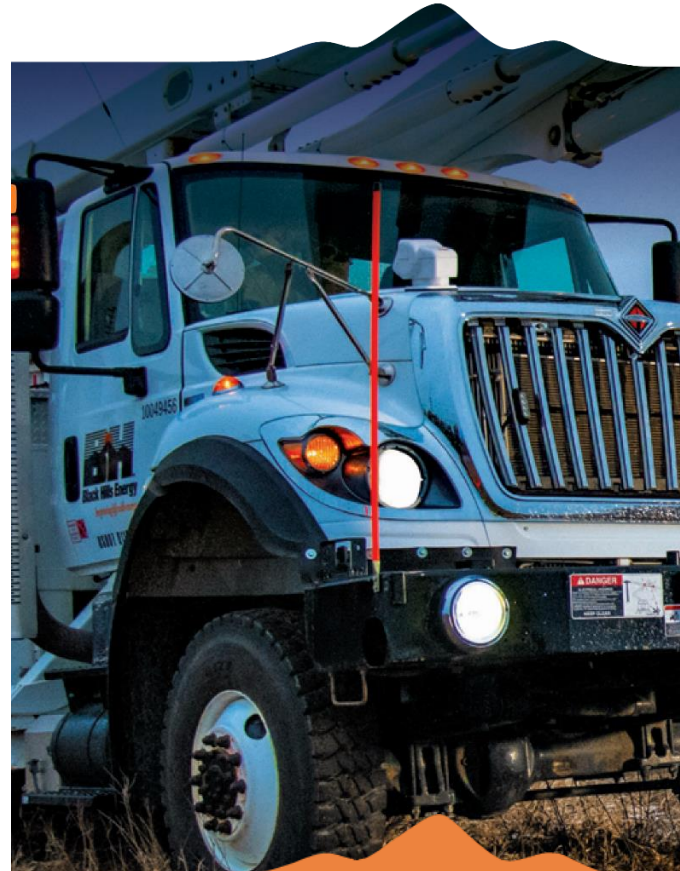
- Temporarily suspended disconnections for nonpayment
- Focusing operations on maintaining safe and reliable service
 - Increased frequency and intensity of cleaning practices
 - Requiring personal protective equipment and social distancing for necessary face-to-face interaction
- Working from home for those able to do so
- Restricted travel, limited in-person meetings, and mandated self-quarantine of at-risk employees
- Providing paid leave to employees in the event of testing positive or placed under quarantine
- Monitoring situation and in close contact with authorities and industry organizations to adjust as necessary



Monitoring Potential Impacts from COVID-19

Fundamentals of Utility-Focused Business Remain Sound*

- Operations and delivery of energy not materially impacted, with sales volume not significantly impacted to date
- Closely monitoring bad debt; premature to determine impact
- Supply chain not materially impacted to support day-to-day operations and large capital projects
- Liquidity for cash needs available; shifted short-term funding from commercial paper to revolving credit facility to improve pricing
- Issued \$100 million of equity in February
- Evaluating a long-term debt issuance for 2020 to term out short-term debt; no material upcoming maturities until 2023
- Pension plan funding consistent with year-end at 85%
- Continuing to monitor and adjust as necessary



* Based on information available March 27; see press release dated March 30 for more detail

READY.



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
 - Strategically diversified natural gas and electric utilities
 - Stable and growing Midwest territories across eight states
 - Integrated electric utility-supporting segments
 - Programmatic investment approach provides greater 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 investment beyond 2024

➤ 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 Utilities
-  Natural Gas Utilities
-  Electric and Natural Gas Utilities
-  Power Generation
-  Mine
-  Company Headquarters

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	\$4.0 billion Market capitalization
2,900 Employees	BKH LISTED NYSE

* Information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019; capital investment forecast and market capitalization as of March 27, 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 consecutive annual dividend increases*
- Targeting 50% to 60% payout

* On Jan. 29, 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

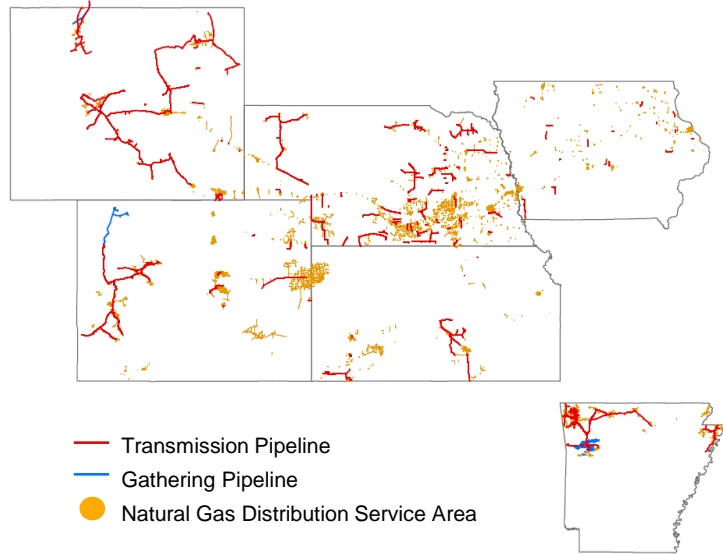
** Annualized total shareholder return assumes dividend reinvestment in Black Hills; data from Bloomberg Financial total return analysis as of Feb. 26, 2020



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



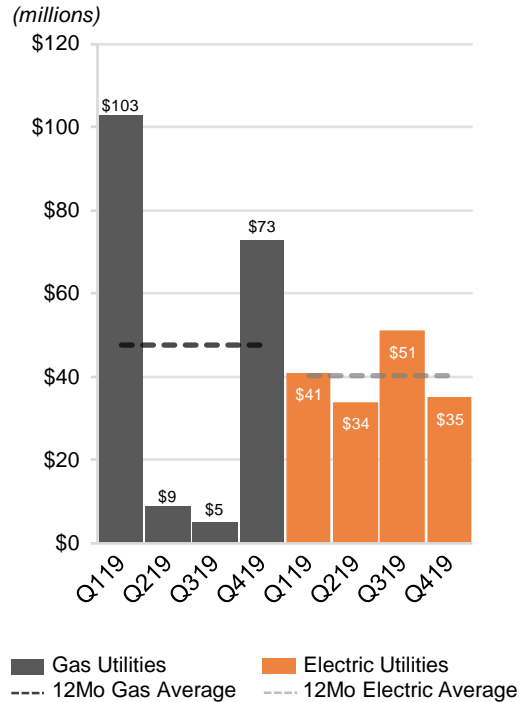
* Includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts

Note: Approximated totals based on information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019

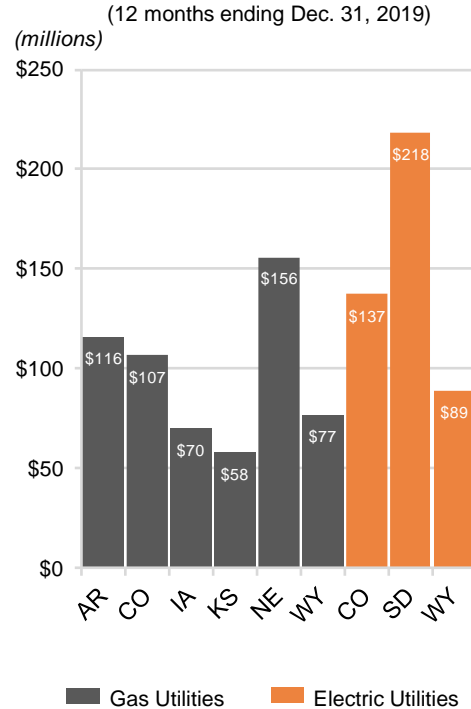
Strength in Diversity

Reduces Business Risk and Drives More Predictable Earnings

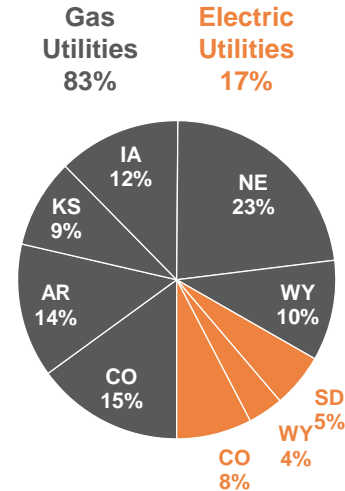
Utility Operating Income



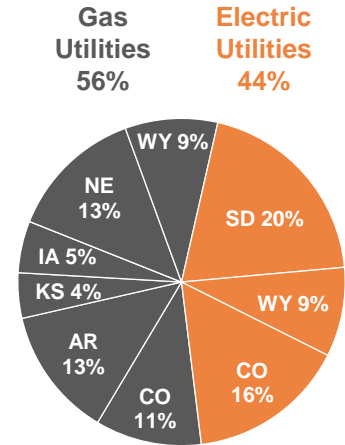
Gross Margin by State*¹



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

Strategic Execution – Recent Highlights

Electric Utilities

Renewable Ready Increased by 12.5 Megawatts

- New voluntary tariffs and \$79 million Corriedale Wind Energy Project to deliver renewable energy through subscription-based program
- Increased initial 40-megawatt project to 52.5 megawatts (South Dakota's share increased to 32.5 megawatts)
- Corriedale wind project expected to be constructed near Cheyenne, Wyoming, and be placed in service in 2020

Renewable Advantage Program In Colorado

- Request for proposals to potentially add up to 200 megawatts of cost-effective, utility-scale renewables in Colorado no later than 2023
- Bids due Feb. 15 for review by independent evaluator

Record Winter Peak Load in Wyoming

- On Dec. 16, 2019, Wyoming Electric set a new record winter peak load of 247 megawatts, surpassing prior winter peak of 238 megawatts in December 2018

Natural Gas Utilities

Natural Bridge Pipeline in Service

- On Dec. 1, 2019, placed in service 35-mile pipeline to enhance supply reliability and delivery capacity in Wyoming

Jurisdiction Consolidation Advances

- On Dec. 11, 2019, Wyoming Gas received approval of settlement agreement in consolidated rate review
 - Single statewide rate structure effective March 1, 2020
 - \$13.3 million annual revenue increase for \$150 million of investments for customers
 - 9.40% return on equity
 - 50.23% equity and 49.77% debt capital structure
 - New rider supports integrity investments for customers
- On Jan. 1, 2020, Nebraska Gas completed legal consolidation; expect to file rate review mid-year 2020
- Colorado Gas filed exceptions to an ALJ recommended decision on consolidated rate review which would deny consolidation and recommends a rate decrease

Strategic Execution – Recent Highlights *(continued)*



Power Generation and Mining

Wygen I FERC Filing

- On Aug. 2, 2019, Black Hills Wyoming (Wygen I) and affiliate Wyoming Electric jointly submitted request to FERC seeking approval of new 20-year power purchase agreement
- If approved, Black Hills Wyoming will provide 60 megawatts of energy to Wyoming Electric through agreement that would start Jan. 1, 2023
- On Feb. 21, FERC issued an order establishing settlement and hearing procedures

Busch Ranch II Wind Project In Service

- On Nov. 26, 2019, \$71 million, 60-megawatt wind generation project placed in service
- Project provides renewable energy to utility affiliate Colorado Electric under 25-year power purchase agreement



Corporate and Other

Dividend Increased

- Quarterly dividend increased 5.9% in November 2019
- Total payout for 2019 of \$2.05 completed 49 consecutive years of dividend increases
- Current annualized rate of \$2.14 would represent 50 consecutive years of dividend increases in 2020

New Board Members Appointed

- Tony A. Jensen and Kathleen S. McCallister appointed to board of directors effective Nov. 1, 2019

\$100 Million Equity Issuance

- On Feb. 27, issued 1.22 million shares at \$81.77 per share for \$100 million in gross proceeds



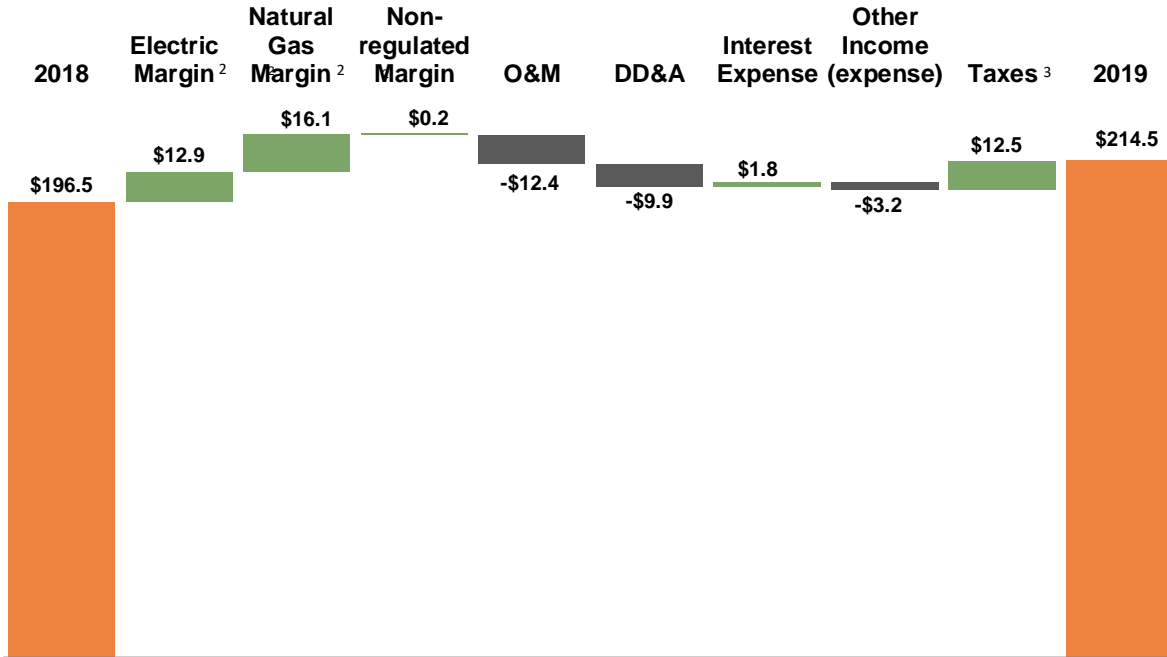
Financial Update



For 136 years, we have been providing essential energy to our customers as a trusted and valued partner.

Full Year 2019 Earnings Drivers

Change in Net Income from Continuing Operations available for Common Stock, as adjusted¹
(in millions)



Primary Earnings Drivers

- ⬆️ New base rates and rider recovery
- ⬆️ Lower purchased power capacity costs
- ⬆️ Improved effective tax rate (13.0% effective tax rate versus 17.6% in 2018)
- ⬆️ Industrial demand
- ⬆️ Customer growth
- ⬆️ Weather (electric utilities)
- ⬇️ Weather (gas utilities)
- ⬇️ O&M spend
- ⬇️ Higher depreciation on larger asset base

¹ Non-GAAP measure; see Income Statement in Appendix

² Utility margin negative impact of \$1.5 million (\$0.2 million electric positive impact more than offset by \$1.7 million natural gas negative impact), net of tax, related to weather

³ 2019 includes \$5.9 million higher tax credits from new wind assets, \$3.4 million one-time federal carry back claim, and \$1.9 million increased repair and development credits



Trailing Five Quarters Earnings Per Share

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2018	2019
EPS from continuing operations available for common stock (GAAP)	\$ 1.51	\$ 1.73	\$ 0.24	\$ 0.19	\$ 1.13	\$ 4.78	\$ 3.28
<u>Special Items:</u>							
Impairment of investment	—	—	—	0.25	—	—	0.25
Tax reform and other tax items	(0.06)	—	—	—	—	0.07	—
Legal restructuring - income tax benefit	(0.40)	—	—	—	—	(1.31)	—
Total adjustments (after tax)	(0.46)	—	—	0.25	—	(1.24)	0.25
EPS, as adjusted (Non-GAAP)*	\$ 1.05	\$ 1.73	\$ 0.24	\$ 0.44	\$ 1.13	\$ 3.54	\$ 3.53

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

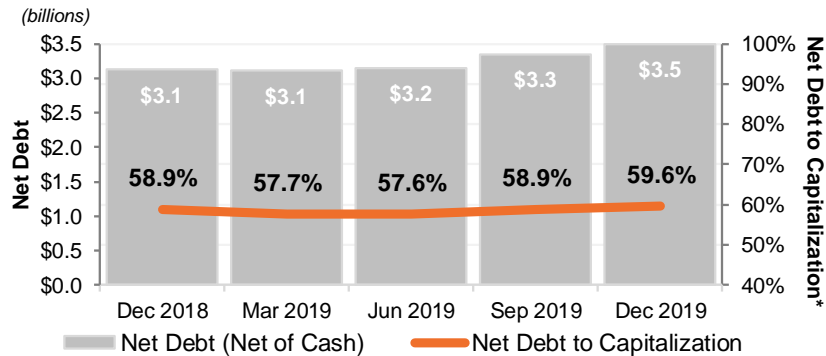


Strong Financial Position

Committed to Strong Investment-Grade Credit Ratings

S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook
Affirmed Feb. 28, 2019	Affirmed Dec. 20, 2019	Affirmed Aug. 29, 2019

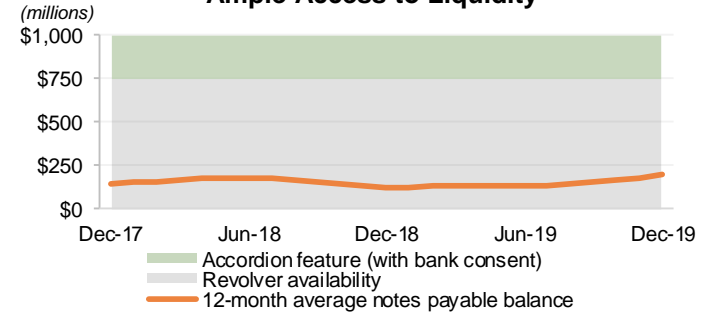
Capital Structure



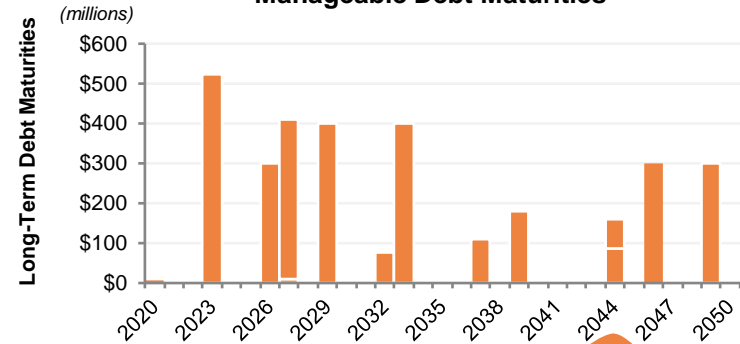
* Excludes noncontrolling interest; see Appendix for detailed capital structure

Strong Liquidity and Debt Profile

Ample Access to Liquidity



Manageable Debt Maturities

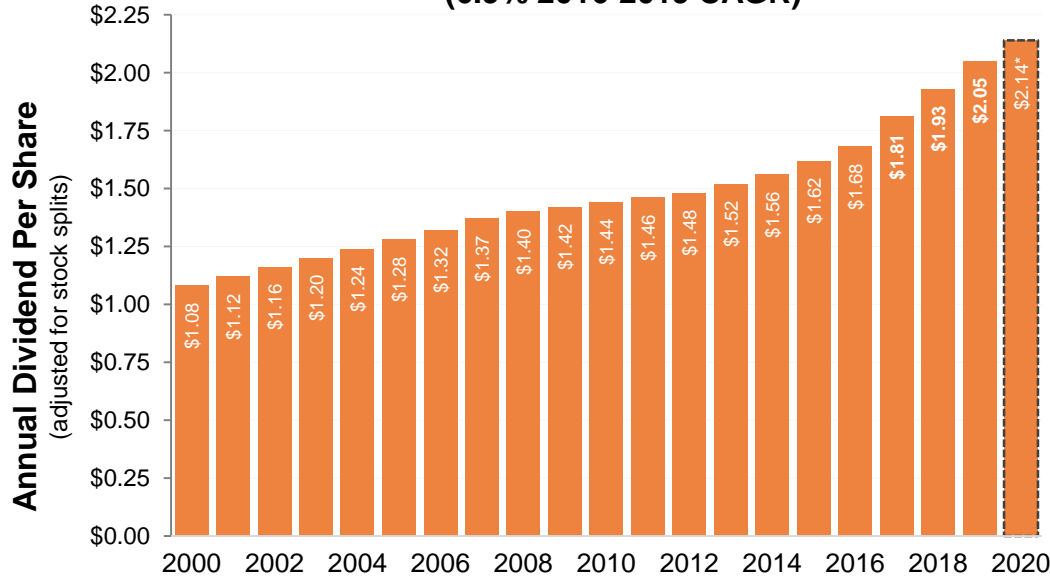


Strong Dividend Growth Track Record

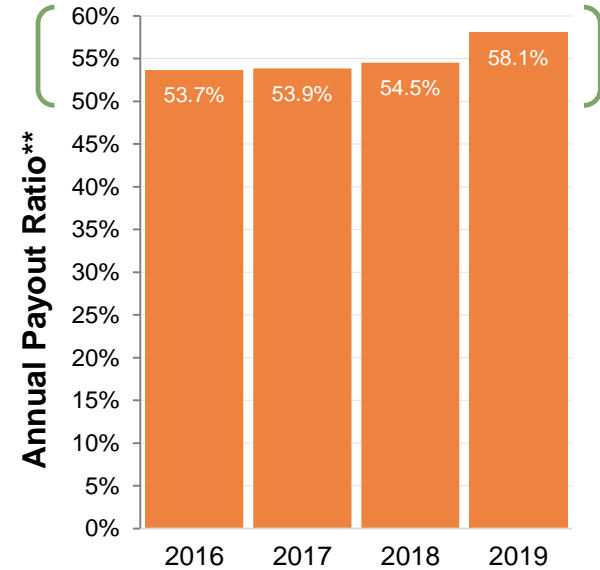
2020 Annual Rate Represents 50 Consecutive Years of Increases*



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



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



* On Jan. 29, 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

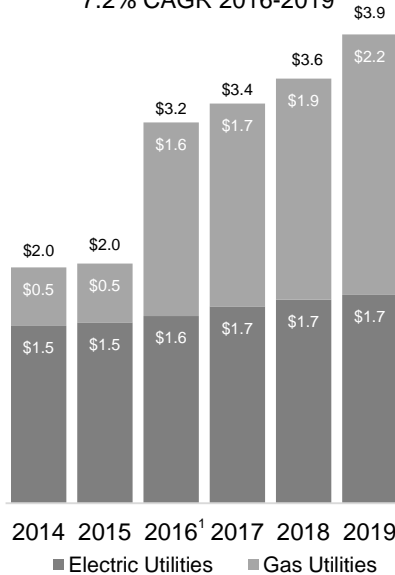
** Annual dividend payout ratio is calculated by dividing annual dividend per share by earnings from continuing operations, as adjusted, per share, a non-GAAP measure reconciled to GAAP in Appendix



Strategic Execution Delivers Results

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

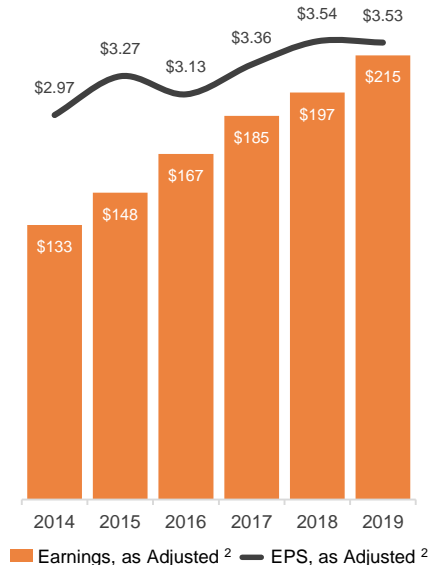
Nearly doubled since 2014
7.2% CAGR 2016-2019



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

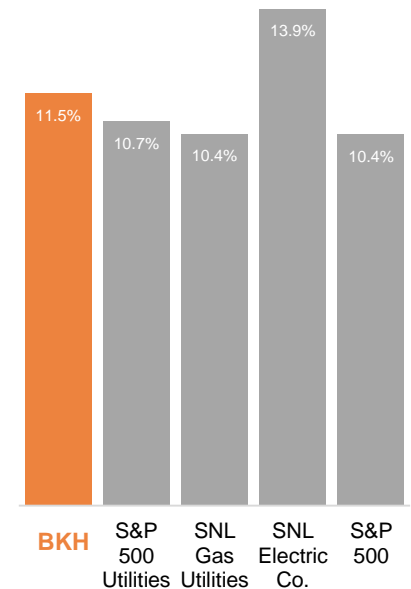
5.6% CAGR 2014-2019



Dividend Growth

Total Shareholder Return ³

(10-year annualized return as of Mar. 27, 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 March 27, 2020, based on data from S&P Global Market Intelligence



Capital Investment for Customer Needs



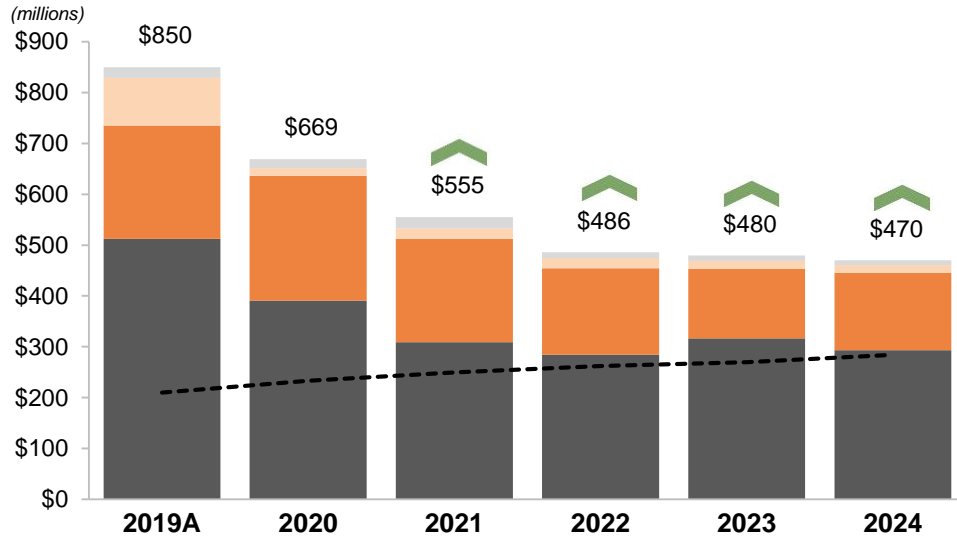
To better serve our customers and improve the safety and reliability of our natural gas system, we are proactively replacing aging natural gas lines.



Investing for Customer Needs Drives Growth

2020-2024 Forecast of \$2.7 billion

Forecasted Capital Investment



Additional identified capital opportunities likely[^]

Rate base growth - investment well in excess of depreciation

Change at Q4 earnings:

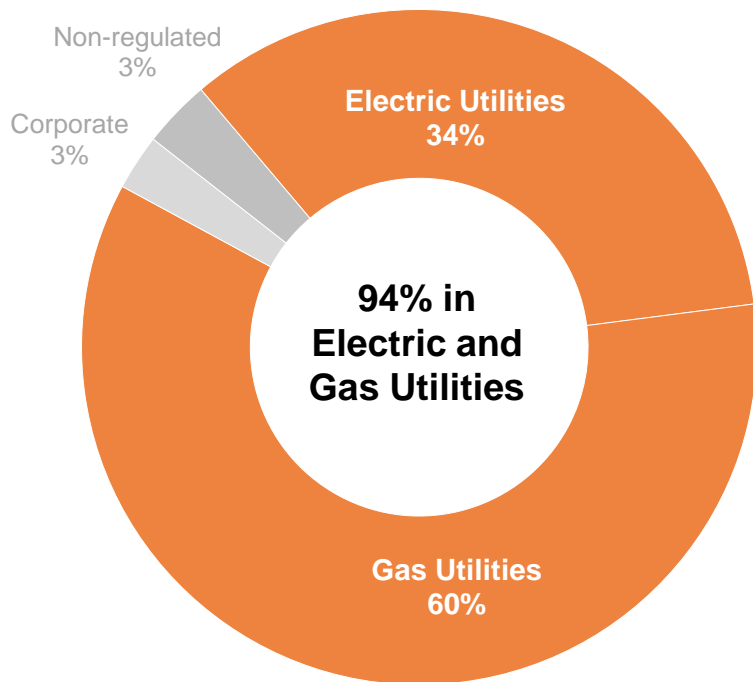
■ Electric Utilities ■ Gas Utilities - - - Depreciation (Total)
■ Non-Regulated ■ Corporate

[^] Incremental identified projects being evaluated and refined for timing and cost.

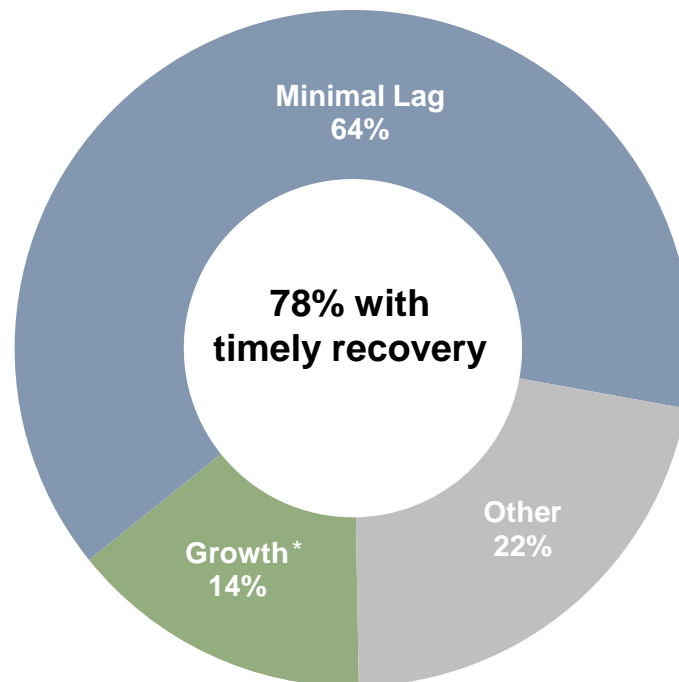


Timely Investment Recovery

\$2.7 Billion Forecast Primarily in Utilities and With Lag of One Year or Less



Note: percentages represent portion of 2020-2024 total capital forecast; for recovery period, power generation and mining included in minimal lag and corporate segment is included in other.

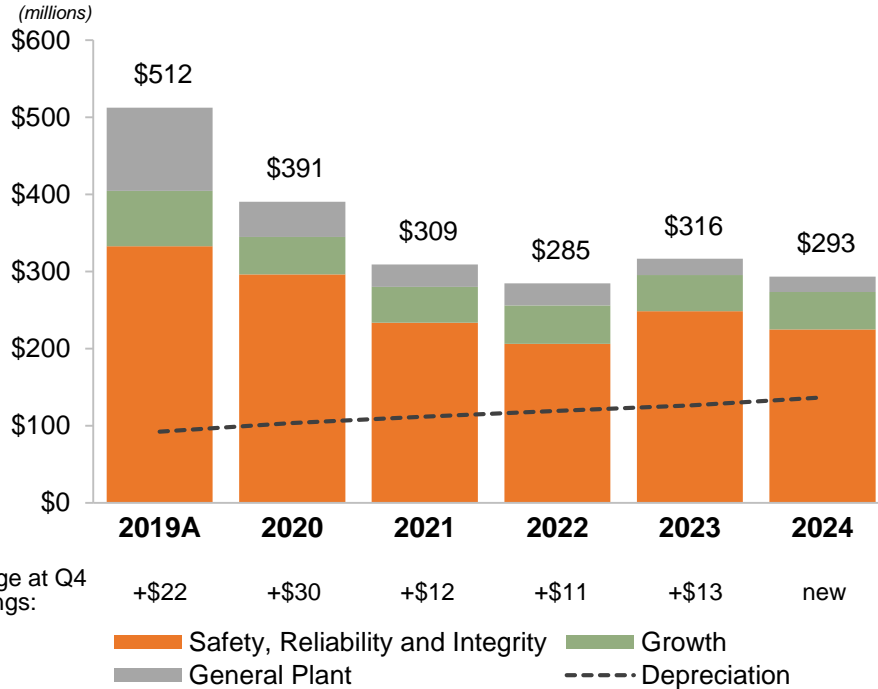


* Growth Capital - generates immediate revenue on customer connections
Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods

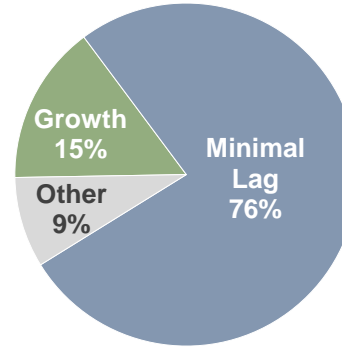
Natural Gas Utilities Capital Investment

2020-2024 Forecast of \$1.6 billion

Forecasted Capital Investment By Type

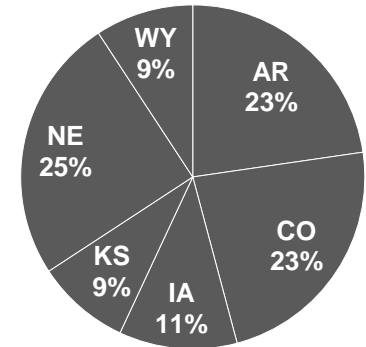


Forecasted Capital Investment Recovery*



2020-2024

Forecasted Capital by State

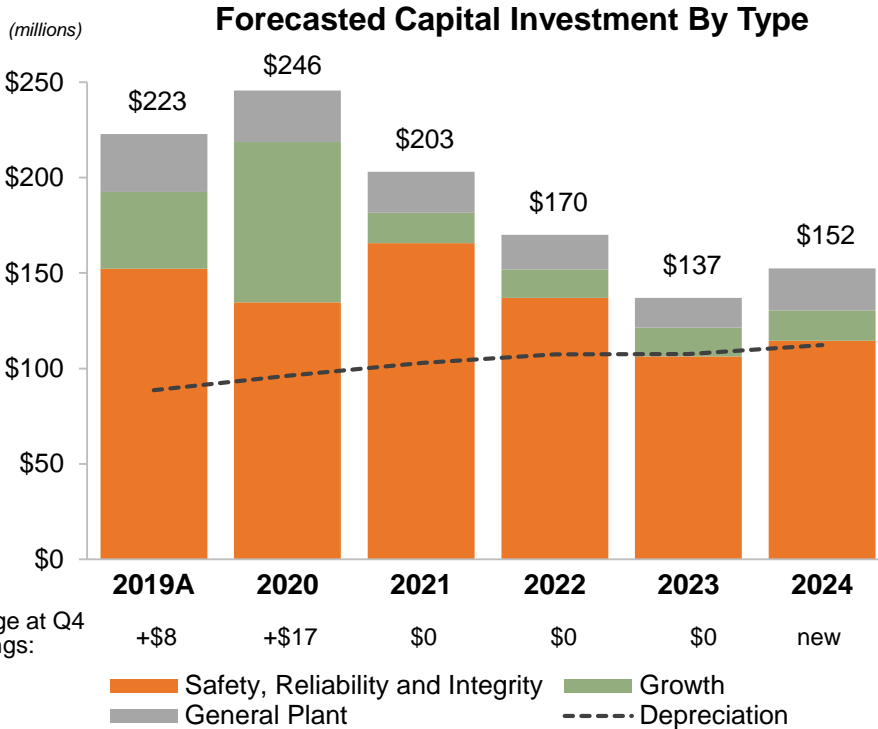


2020-2024

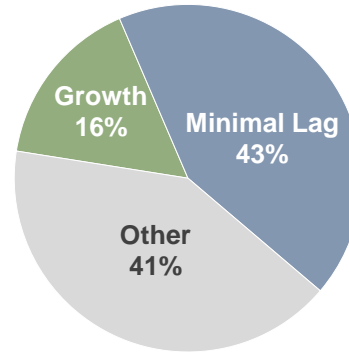
* Growth Capital - generates immediate revenue upon customer connections
Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods

Electric Utilities Capital Investment

2020-2024 Forecast of \$0.9 billion

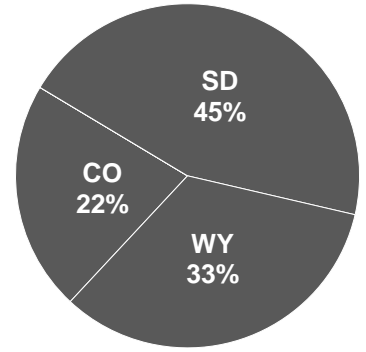


Forecasted Capital Investment Recovery*



2020-2024

Forecasted Capital by State



2020-2024

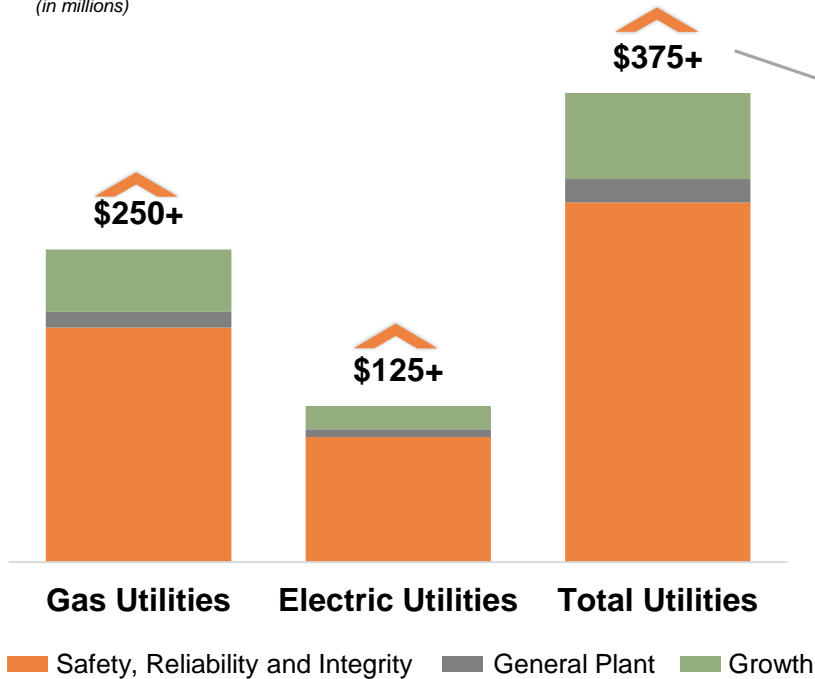
* Growth Capital - generates immediate revenue upon customer connections
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods

Recurring Annual Base Investment

\$375+ million annually provides confidence in long-term growth

Annual Capital Investment Beyond 2024*

(in millions)



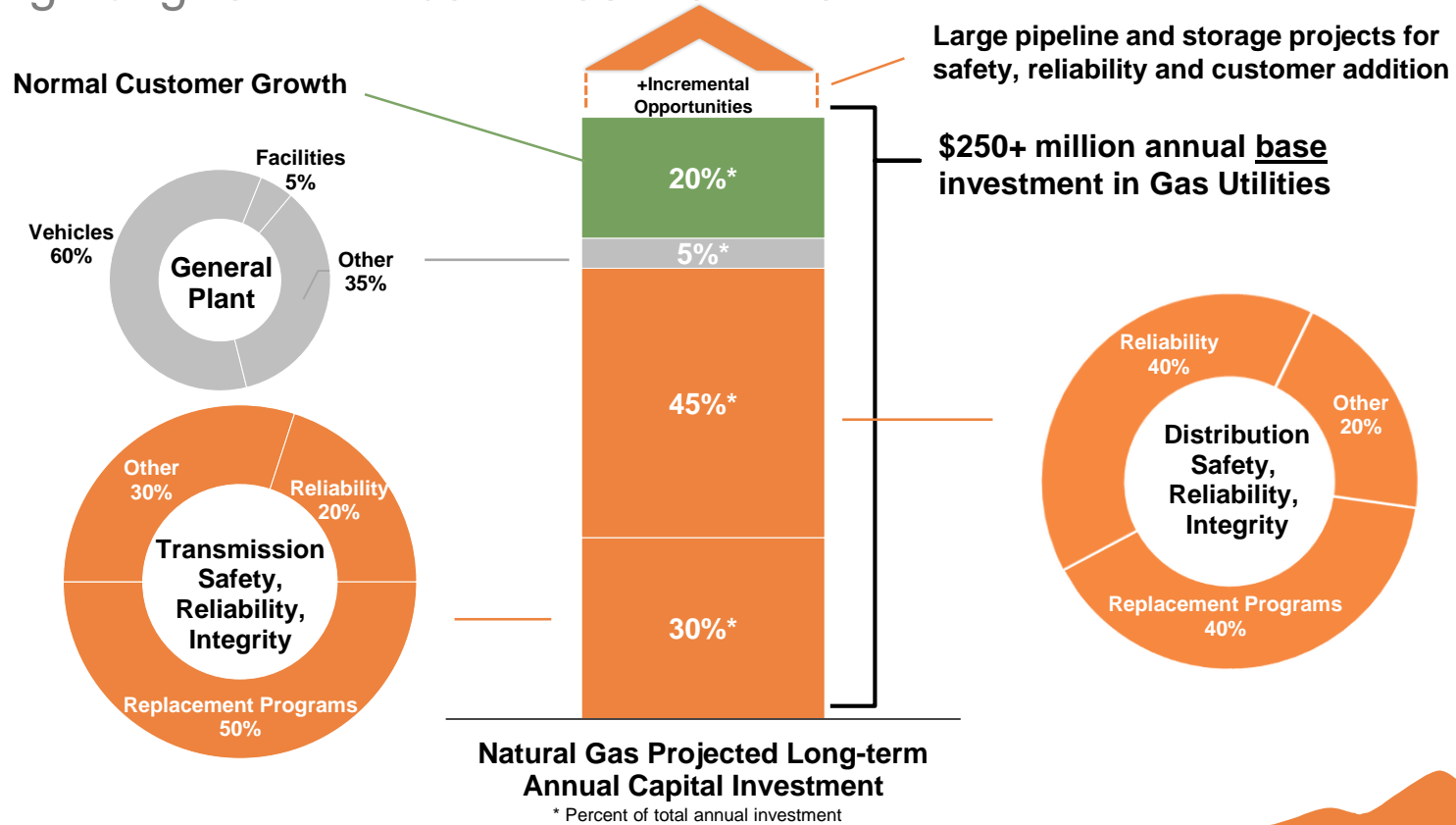
+Incremental Opportunities

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

* See Appendix for detail on type of recurring annual investments expected

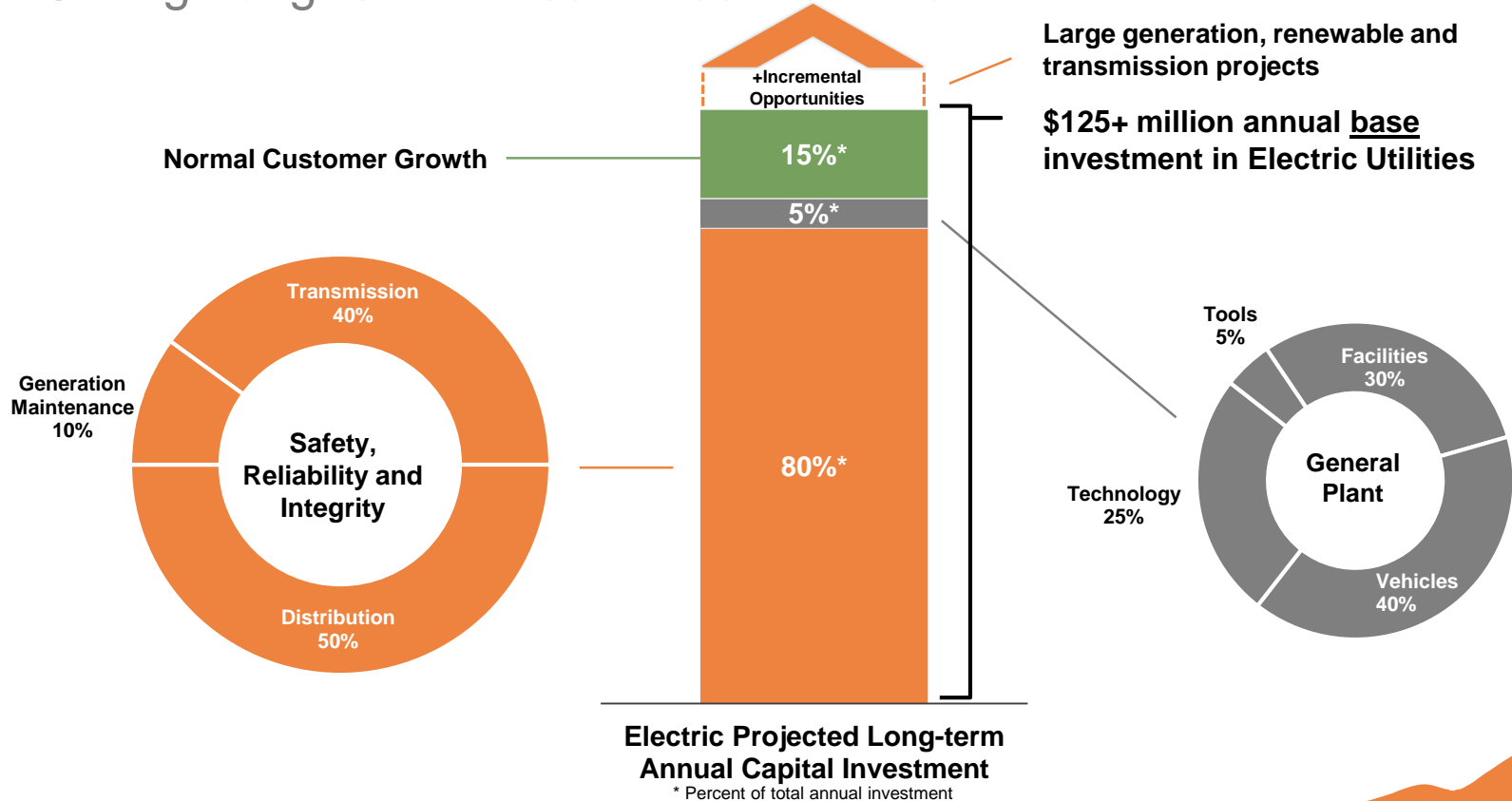
Gas Utilities Recurring Capital Outlook

Strong Long-term Annual Investment Plan



Electric Utilities Recurring Capital Outlook

Strong Long-term Annual Investment Plan



Environmental, Social and Governance



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

Cost-effective renewable energy is an increasingly important part of our balanced mix of generation resources.



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
 - 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

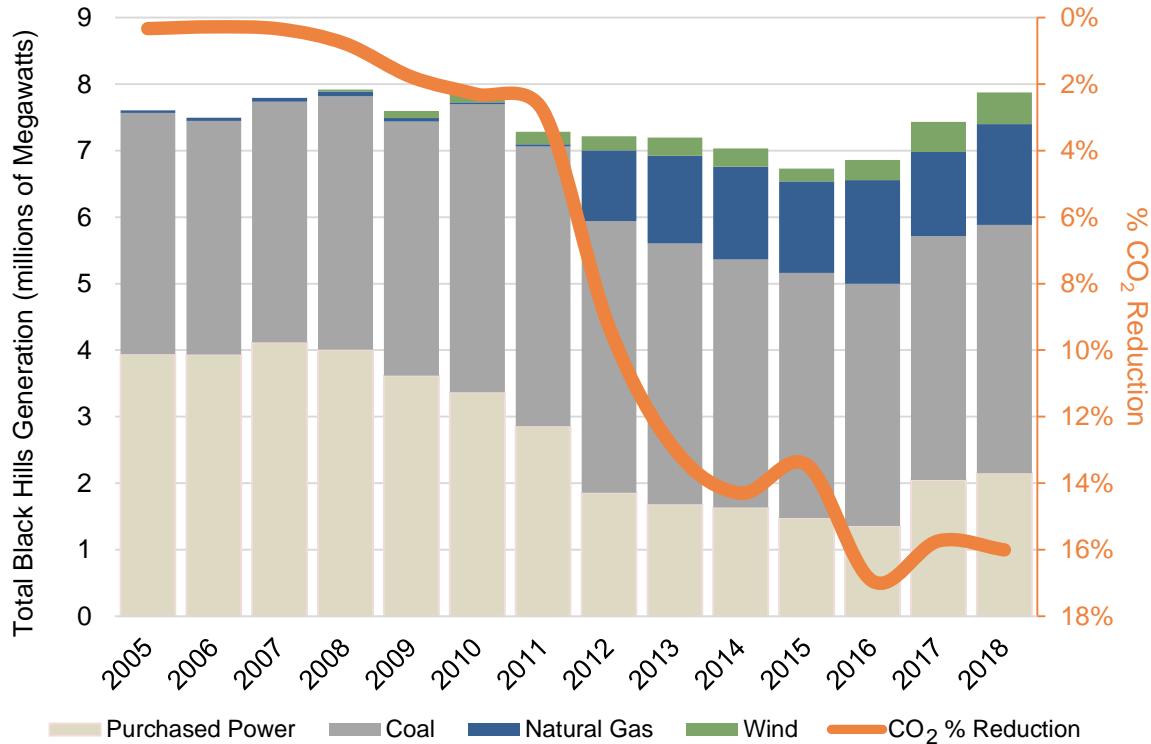
- Diverse and experienced leadership
- Stock ownership requirement and compensation philosophy for officers aligns interests with stakeholders
- Established succession planning process with Board engagement

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

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

Reduced CO₂ Emissions by 16%*

Cleaner Mix of Generation Resources



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



Responsibly adding renewable resources
 pictured: Busch Ranch II wind project in Pueblo, Colorado

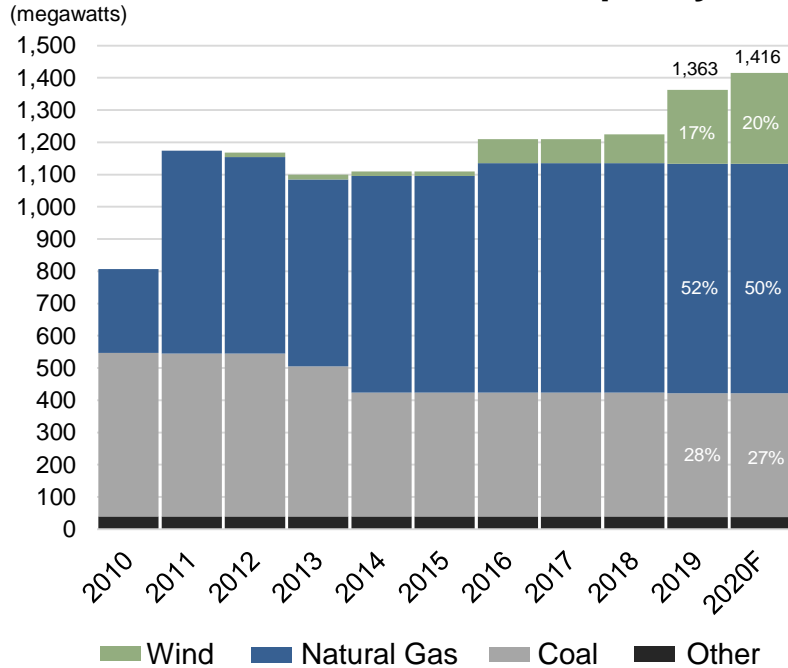


Added reliable, flexible and clean natural gas generation capacity
 pictured: Cheyenne Prairie Generating Station near Cheyenne, Wyoming



Cleaner Electric Generation Fuel Mix

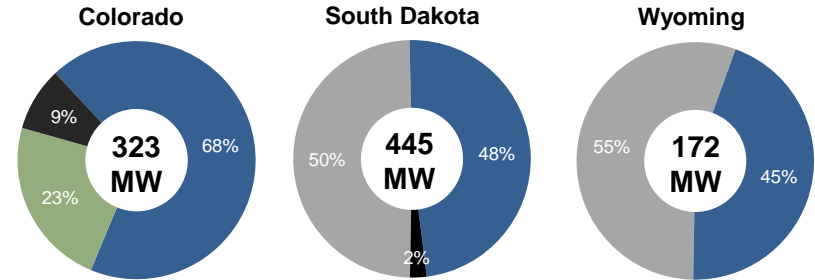
Electric Generation Capacity*^



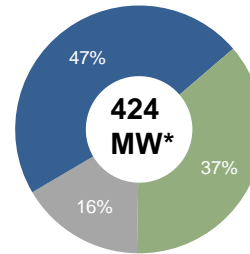
Black Hills Owned Generation Capacity Mix

(as of Dec. 31, 2019)

Utility-Owned Capacity (939 MW total)

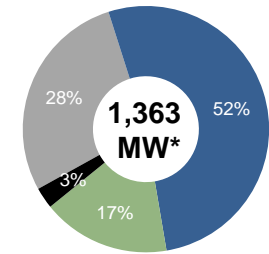


Power Generation



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

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 Colorado Emissions Reduction Goals

- Responsibly add renewable energy resources in Colorado 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

RFP Process Underway

- Currently collecting bids for projects; due by Feb 15, 2020
- Independent evaluator reviewing bids with oversight by Colorado Public Utilities Commission
- Projects to be placed in service by 2023

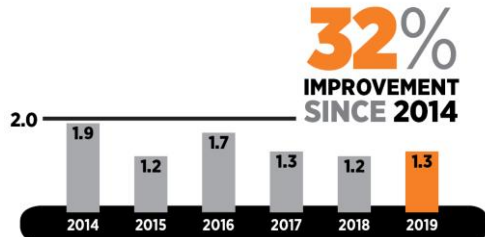


Operational Excellence

Delivering Safe and Reliable Service to Our Customers and Communities

Enhanced Safety Performance

Total Case Incident Rate



— Industry average

2019 data is YTD through December 31, 2019. 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).

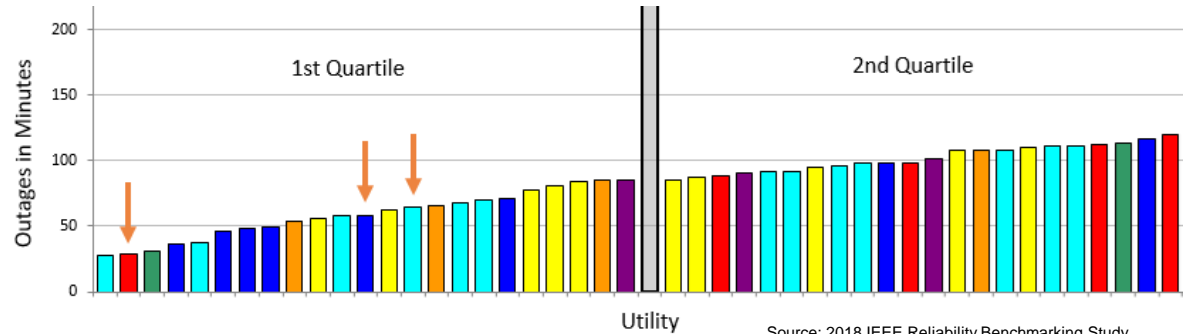
OSHA Voluntary Protection Program Recognizes Pueblo Airport Generating Station With Highest Star Worksite Safety Status



Black Hills' generation facilities in Pueblo, Colorado, completed a rigorous three-year approval process to obtain Star Worksite status, the highest OSHA VPP status, for implementing and maintaining effective safety and health management systems. In December 2019, employees began flying the Star Worksite flag to represent this honor.

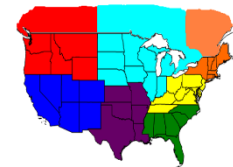
2018 IEEE Reliability Benchmarking Study

All three Black Hills Electric Utilities in top quartile of reliability



Source: 2018 IEEE Reliability Benchmarking Study

- Region 8: Spars States or unknown
- Region 1: Northeast
- Region 2: Mid-Atlantic
- Region 3: Southeast
- Region 4: Midwest
- Region 5: Southwest
- Region 6: South
- Region 7: Northwest



Governance

Diverse, Experienced Oversight and Alignment of Stakeholder Interests

- Diverse and experienced leadership
 - Board – 25% women
 - Average Board tenure – 7 years
 - Leadership team – 36% women
 - Independent lead director
 - Diverse Board experience across multiple industries and sectors; specifically recruited cyber security expertise
- Stock ownership requirement and compensation philosophy for officers aligns interests with stakeholders
- Established succession planning process with Board engagement



Appendix - Table of Contents

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Pictured: Our Cheyenne Prairie Generating Station in Wyoming is one of the most advanced, reliable and efficient power generation facilities in the country.



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

- | | | | |
|--|--|---|--|
| <input type="checkbox"/> Increase annual dividend for 50th consecutive year | <input type="checkbox"/> Improve Net Promoter Scores | <input type="checkbox"/> Improve productivity and efficiency, as measured by: | <input type="checkbox"/> Achieve safety TCIR of 1.19 |
| <input type="checkbox"/> Place Corriedale wind project in service | <input type="checkbox"/> Improve JDP OCSAT scores | <input type="checkbox"/> Non-fuel O&M as a percentage of gross margin | <input type="checkbox"/> Achieve PMVI rate of 2.36 |
| <input type="checkbox"/> Advance jurisdiction consolidation | <input type="checkbox"/> Enhance customer self-service options | <input type="checkbox"/> Utilize robotic process automation | <input type="checkbox"/> Conduct quarterly engagement pulse surveys to measure employee sentiment and organizational culture to continuously improve our employees' experience |
| <input checked="" type="checkbox"/> Complete Nebraska Gas legal consolidation | <input type="checkbox"/> File Colorado Electric Resource Plan | <input type="checkbox"/> Evaluate enterprise data & analytics maturity and design roadmap | <input type="checkbox"/> Achieve 80% employee engagement in BHC Virgin Pulse wellness program |
| <input type="checkbox"/> File Nebraska Gas rate review | <input type="checkbox"/> Obtain approval to add up to 200MW of cost-effective renewable energy in Colorado (Renewable Advantage) | <input type="checkbox"/> Identify and evaluate investment opportunities for assets that align with our electric and natural gas value chain | <input type="checkbox"/> Continue to expand availability and participation in diversity affinity groups |
| <input type="checkbox"/> Complete Colorado Gas rate review | <input type="checkbox"/> Advance ESG reporting practices by disclosing industry-aligned metrics | <input type="checkbox"/> Define strategy and opportunities for renewable and liquefied natural gas | |
| <input type="checkbox"/> Execute data center recruitment strategy to support electric utility load growth | <input type="checkbox"/> Provide incentive to add electric vehicle charging stations in our territories | <input type="checkbox"/> Complete planned plant maintenance to maintain strong long-term generation availability | |
| <input type="checkbox"/> Enhance electric system reliability through implementation of distribution system integrity program | | <input type="checkbox"/> Reduce third-party gas line hits | |
| <input type="checkbox"/> Enhance gas utility system safety and reliability by completing 2020 programmatic capital projects | | | |

Operations overview

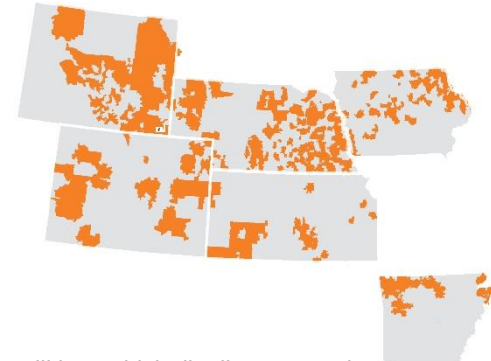
Electric Utilities, Power Generation & Mining

- Electric Utilities
- Natural Gas Utilities
- 🏭 Power Generation
- 🚛 Mine
- ★ 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

Efficient Mine-mouth Generation - Modern Natural Gas Generation - Clean Renewable Generation

Gillette Energy Complex

(Gillette, Wyoming)

Wyodak Mine

Efficient coal delivery to 745 MW of mine-mouth generation under life of plant coal contracts

Fixed price plus escalators[^]

- Wyodak
- Wygen I

Cost plus return[^]

- Wygen II
- Wygen III
- Neil Simpson II

[^]See coal contracts overview for detail

Mine-mouth Coal Plants

Wyodak

360 MW - 1978
20% owned by SDE
(Operated by PacifiCorp)

Wygen I

90 MW - 2003
76.5% owned by Power Generation

Wygen II

95 MW - 2008
100% owned by WYE

Wygen III

110 MW - 2010
52% owned by SDE

Neil Simpson II

90 MW - 1995
100% owned by SDE

Neil Simpson Combustion Turbine (CT)

40 MW - 2000
100% owned by SDE

Centralized work force control centers and warehouse



Cheyenne Prairie

(Cheyenne, Wyoming - CPGS)

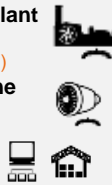
Combined-Cycle Gas-Fired Plant

95 MW - 2014
100% owned (58% SDE/ 42% WYE)

Gas-Fired Combustion Turbine

37 MW - 2014
100% owned by WYE

Centralized work force control center and warehouse



Corriedale Wind

(to be constructed near Cheyenne, Wyoming)
52.5 MW in 2020 (62% SDE / 38% WYE)



Top of Iowa Wind

(Joice, Iowa)

80 MW purchased in 2019: 100% owned by Power Generation



Ben French/Lange

(Rapid City, SD - 100% owned by SDE)

Combustion Turbines

40 MW gas - 2002
80 MW gas/oil - 1977-79
10 MW oil - 1965



Pueblo Airport Generating Station*

(Pueblo, Colorado - PAGS)

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



Centralized work force control center and warehouse



Busch Ranch I Wind Farm

29 MW - 2012
50% owned and entire facility operated by COE (other 50% owned by affiliate entity; all energy delivered to COE)



Peak View Wind Farm

60 MW - 2016
100% owned and operated by COE



Busch Ranch II Wind Farm

60 MW - 2019
100% owned and operated by Power Generation with 25-year PPA to COE



Power Generation and Mining

Transmission Network

Distribution Systems

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

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

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

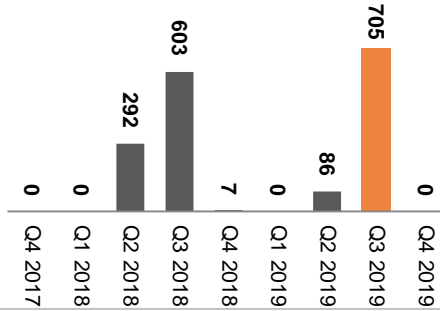
* 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest

Note: information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019; totals approximated

Utility Weather and Demand

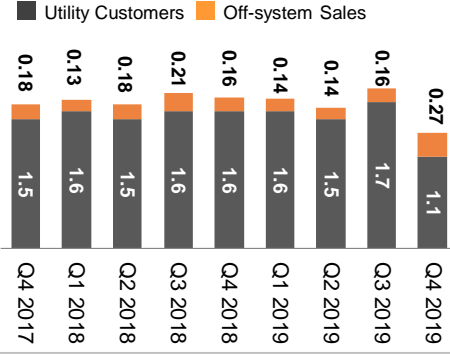
Electric Utility Cooling Degree Days

(Total for all electric service areas weighted by customer count)



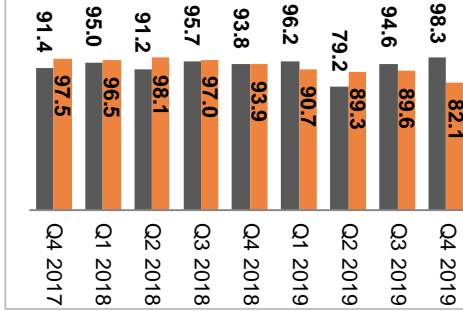
Electric Utility Total MWh Sales

(in millions)



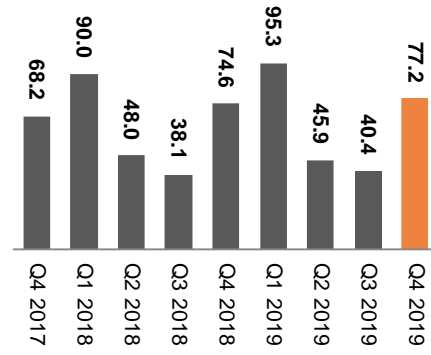
Electric Utility Generation Availability(%)

Coal-fired plants (dark grey), Other plants (orange)



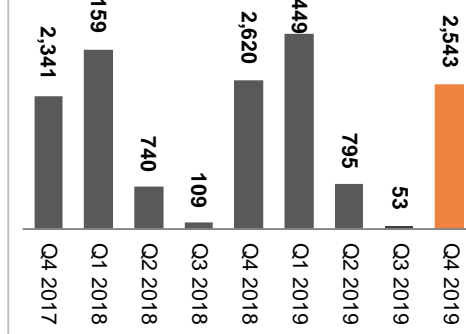
Gas Utility Total Dth Sales

(in millions)



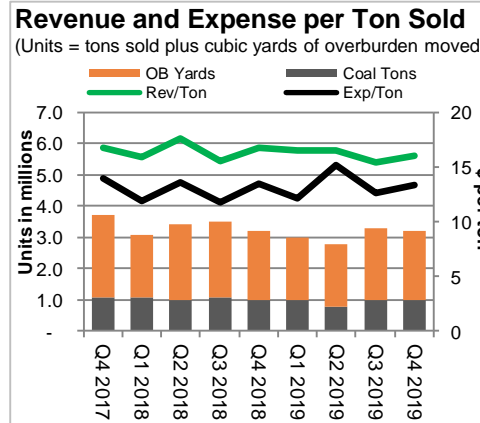
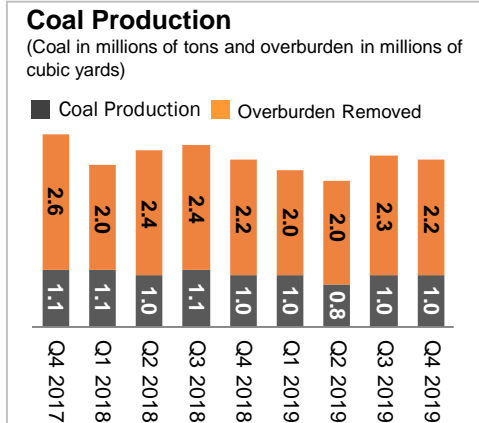
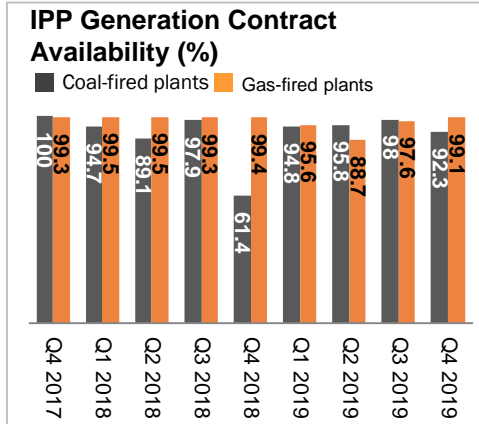
Gas Utility Heating Degree Days

(Total for all gas service* areas weighted by customer count)



* Excludes KS HDD data due to weather normalization in the state

Power Generation and Mining



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	WYE Purchase Option through 2019
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 - Coal Contracts

92.5% of Coal 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

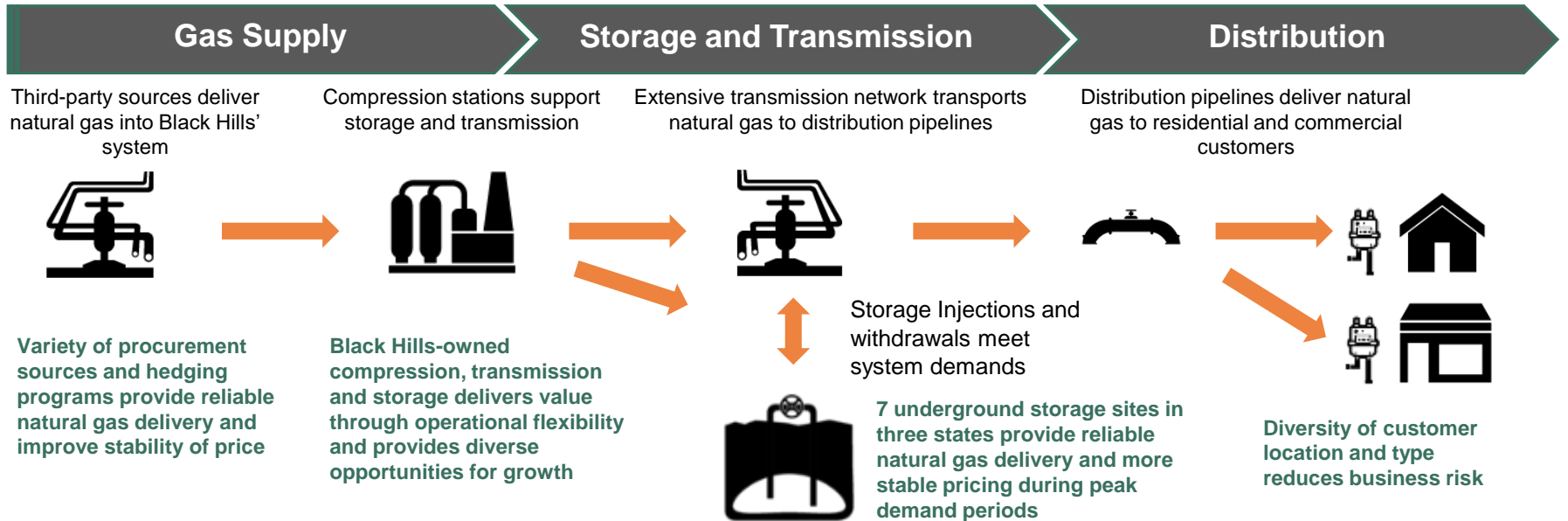
Plant	2020F Production (millions of tons)	Pricing	Price Reopener or Adjustment	Expiration	Contract Quantity
Wyodak Plant <i>(80% owned by PacifiCorp)</i>	1.3	Fixed with escalators	July 1, 2019	Dec. 2022	All plant usage
Wygen I	0.5	Fixed with escalators	July 1, 2023*	Life of plant	All plant usage
Wygen 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 pricing adjusts every five years at cost plus return

Full Service Gas Utility



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

- 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

- 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

29,600 miles
of distribution
mains

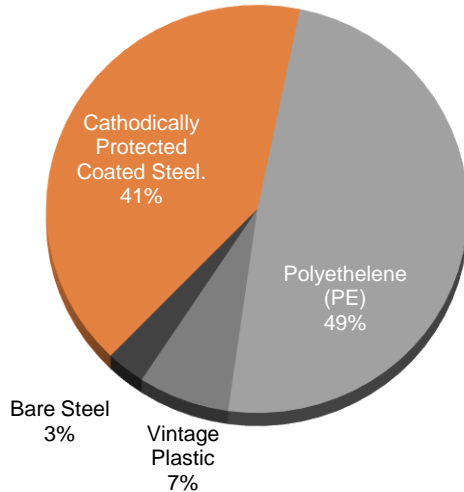
4,800 miles of
transmission

7 active
storage fields

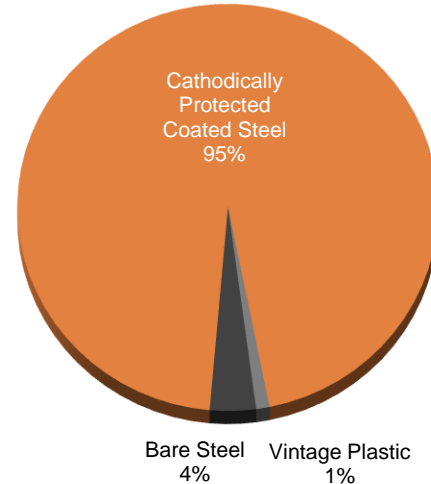
33
compressors

1 natural gas
processing plants

Distribution System Material Type
(in Miles)



Transmission System Material Type
(in Miles)

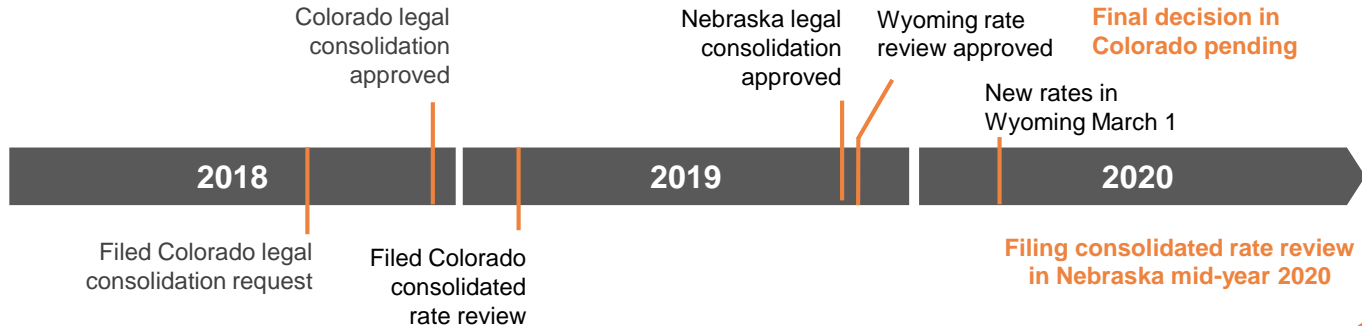


Note: System information from 2019 Form 10-K Annual Report Filing as of Dec. 31, 2019
Material type information from 2018 filing with Pipeline Hazardous Materials Safety Administration

Jurisdiction Consolidation

Colorado	Wyoming (completed)	Nebraska
<ul style="list-style-type: none"> Colorado Gas Colorado Gas Distribution* ➤ Black Hills Colorado Gas	<ul style="list-style-type: none"> Wyoming Gas Northeast Wyoming Gas Northwest Wyoming Gas Wyoming Gas Distribution* ➤ Black Hills Wyoming Gas	<ul style="list-style-type: none"> Nebraska Gas Nebraska Gas Distribution* ➤ Black Hills Nebraska Gas

- ✓ Legal consolidation approved and completed
 - ✓ Filed consolidated rate review and request for integrity investment tracker Feb. 1, 2019
 - ALJ filed recommended decision Dec. 27; continued engagement in remaining procedural schedule with decision expected in 2020
- ✓ Legal consolidation approved and completed
 - ✓ Filed consolidated rate review June 3, 2019
 - ✓ Settlement agreement approved Dec. 11
 - ✓ New rates effective March 1, 2020
- ✓ Legal consolidation approved Oct. 29, 2019
 - ✓ Consolidation completed Jan. 1, 2020
 - Expect to file consolidated rate review mid-year 2020



* Former SourceGas entity

Current and Recent Regulatory Filings

Rate review and consolidation requests

Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	Status
Colorado Gas	Feb. 1, 2019	\$2.5M* and integrity rider	10.3%*	49.9%* / 50.1%	In process
Wyoming Gas	June 3, 2019	\$13.3M and integrity rider	9.4%	49.77% / 50.23 %	Approved Dec. 11, 2019
Nebraska Gas (legal consolidation)	March 29, 2019	n/a	n/a	n/a	Approved Oct. 29, 2019
Wyoming Gas (legal consolidation)	March 6, 2019	n/a	n/a	n/a	Approved June 13, 2019
Colorado Gas (legal consolidation)	2018	n/a	n/a	n/a	Approved Oct. 10, 2018

Other major filings

Description	Filing Date	State	Filing Type	Status
Corriedale Wind Farm	Dec. 18, 2018	Jointly filed in SD, WY	CPCN**	Approved July 3, 2019; increased to 52.5MW in December 2019
Wyoming Electric / BH Wyoming PPA (2023-2043)	Aug. 2, 2019	WY / FERC	PPA approval	FERC order on Feb. 21, 2020, established hearing and settlement procedures

* As filed

** Certificate of Public Convenience



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	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	June 2018	9.9%	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



Estimated Utility 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



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



Capital Structure

(in millions, except for ratios)

Capitalization

	Dec. 31, 2018	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019
Short-term Debt	\$ 191	\$ 170	\$ 108	\$ 301	\$ 355
Long-term Debt	2,951	2,950	3,050	3,049	3,140
Total Debt	3,142	3,121	3,158	3,350	3,495
Equity*	2,182	2,279	2,317	2,329	2,362
Total Capitalization	\$ 5,324	\$ 5,400	\$ 5,475	\$ 5,679	\$ 5,857

Net Debt to Net Capitalization

Debt	\$ 3,142	\$ 3,121	\$ 3,158	\$ 3,350	\$ 3,495
Cash and Cash Equivalents	(21)	(12)	(7)	(13)	(10)
Net Debt	3,121	3,109	3,151	3,337	3,486
Net Capitalization	\$ 5,303	\$ 5,387	\$ 5,468	\$ 5,666	\$ 5,848

Debt to Capitalization	59.0%	57.8%	57.7%	59.0%	59.7%
Net Debt to Capitalization (Net of Cash)	58.9%	57.7%	57.6%	58.9%	59.6%
Long-term Debt to Total Debt	93.9%	94.5%	96.6%	91.0%	89.8%

* Excludes noncontrolling interest



Income Statement

(in millions, except earnings per share)

	Fourth Quarter		Full Year	
	2018	2019	2018	2019
Revenue	\$501.2	\$477.7	\$1,754.3	\$1,734.9
Gross margin	307.5	320.3	1,126.3	1,164.1
Operating expenses	(143.4)	(144.3)	(533.0)	(548.9)
DD&A	(50.0)	(54.6)	(196.3)	(209.1)
Operating income	114.1	121.4	397.0	406.0
Interest expense, net	(35.1)	(35.2)	(140.0)	(137.7)
Impairment of investment	0.0	0.0	0.0	(19.7)
Other income (expense), net	0.7	(5.8)	(1.2)	(5.7)
Income before taxes	79.7	80.4	255.8	242.9
Income tax benefit (expense)	11.9	(7.5)	23.7	(29.6)
Income from continuing operations	\$91.6	\$72.9	\$279.5	\$213.3
Loss from discontinued operations, net of tax	(1.3)	0.0	(6.9)	0.0
Net income before non-controlling interest	\$90.3	\$72.9	\$272.7	\$213.3
Non-controlling interest	(3.8)	(3.7)	(14.2)	(14.0)
Net Income available to common stock	\$86.6	\$69.2	\$258.4	\$199.3
Income from continuing operations available for common stock	\$87.8	\$69.2	\$265.3	\$199.3
Non-GAAP adjustments	(26.8)	0.0	(68.8)	15.2
Income from continuing operations, as adjusted (Non-GAAP)	\$61.0	\$69.2	\$196.5	\$214.5
EPS - Net income available for common stock	\$1.49	\$1.13	\$4.66	\$3.28
EPS - Income from Cont. Ops avail. for common stock, as adjusted *	\$1.05	\$1.13	\$3.54	\$3.53
Diluted shares outstanding (in thousands)	58.3	61.4	55.5	60.8
EBITDA, as adjusted*	\$164.9	\$170.2	\$592.2	\$609.4

* Non-GAAP measure; defined and/or reconciled to GAAP in Appendix and on slide 15



Capital Investment by Recovery

(in millions)

Capital Investment By Segment and Recovery	2019A	2020F	2021F	2022F	2023F	2024F	2020-2024F
Minimal Lag Capital - Electric Utilities ¹	\$48	\$77	\$124	\$87	\$11	\$89	\$388
Growth Capital - Electric Utilities ²	\$40	\$84	\$16	\$15	\$15	\$16	146
Other	\$135	\$85	\$63	\$68	\$111	\$48	375
Electric Utilities	\$223	\$246	\$203	\$170	\$137	\$152	\$908
Minimal Lag Capital - Gas Utilities ¹	\$335	\$316	\$232	\$197	\$254	\$218	1,218
Growth Capital - Gas Utilities ²	\$72	\$48	\$47	\$50	\$47	\$48	240
Other	\$105	\$26	\$31	\$38	\$15	\$27	136
Gas Utilities	\$512	\$391	\$309	\$285	\$316	\$293	\$1,594
Total Utilities	\$735	\$636	\$512	\$455	\$453	\$446	\$2,503
Power Generation	85	7	9	11	6	6	40
Mining	8	8	12	9	9	9	47
Corporate	21	18	22	11	11	9	71
Total	\$850	\$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

Note: Some totals may differ due to rounding



Utility Capital Investment by Type

(in millions)

Utility Capital Investment by Type	2019A	2020F	2021F	2022F	2023F	2024F	2020-2024F
Safety, Reliability and Integrity ¹	\$152	\$135	\$166	\$137	\$106	\$114	\$658
Growth ²	40	84	16	15	15	16	146
General Plant	30	27	22	18	16	22	104
Electric Utilities	\$223	\$246	\$203	\$170	\$137	\$152	\$908
Safety, Reliability and Integrity ¹	333	296	233	206	248	225	1,209
Growth ²	72	48	47	50	47	48	240
General Plant	108	46	29	29	21	20	144
Gas Utilities	512	391	309	285	316	293	\$1,594
Total Utilities	\$735	\$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



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

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. 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.

Use of 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

Use of 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 available for common stock (excluding discontinued operations); as adjusted (Non-GAAP)	\$ 2.97	\$ 3.27	\$ 3.13	\$ 3.36	\$ 3.54	\$ 3.53

Use of Non-GAAP Financial Measures

EBITDA

<i>(in thousands)</i>	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2018	2019	2018	2019
Income from continuing operations	\$ 91,604	\$ 72,872	\$ 279,549	\$ 213,322
Depreciation, depletion and amortization	49,983	54,613	196,328	209,120
Interest expense, net	35,149	35,190	139,975	137,659
Income tax expense (benefit)	(11,883)	7,502	(23,667)	29,580
EBITDA (a Non-GAAP Measure)	\$ 164,853	\$ 170,177	\$ 592,185	\$ 589,681
Less adjustments for unique items:				
Impairment of investment	—	—	—	19,741
EBITDA, as adjusted	\$ 164,853	\$ 170,177	\$ 592,185	\$ 609,422

Strategic Execution – Recent Key Capital Projects

35-mile Natural Bridge pipeline - Central Wyoming



60-megawatt Busch Ranch II Wind Farm - Pueblo, CO



175-mile electric transmission line - Rapid City to Stegall, NE



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.

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

READY.



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