

**Black Hills Power**  
**Income Statement GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Income Statement Caption

FERC Form 1 Income Statement Caption

in 000's

Year ended December 31, 2021				
GAAP Income Statement	Reconciliation to FERC Form 1 details		FERC Vs. GAAP Variance	Comments on variances
(A)		(B)	(B) - (A)	
Revenue	\$ 323,331	Revenue (a)= \$ 354,499	\$ 31,168	\$29,699 GAAP nets certain wholesale contracts reducing both Revenue and Fuel & purchased power. FERC Operating Revenues (400) and Operations Expenses (401) are grossed up for this amount.
		Operating Revenues (400) (a) 353,936		
		Revenues From Merchandising, Jobbing, and Contract Work (415) (a) 520		\$1,469 GAAP reduces Revenue for certain transmission contract refunds that are presented as Other Deductions for FERC.
		Revenues From Nonutility Operations (417) (a) 43		
Operating expenses:		Operating expenses:		
Fuel & purchased power	101,461	Fuel & purchased power -	(101,461)	(\$101,317) of Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC. (\$144) of Mark-to-market losses classified as Miscellaneous Non-operating Income for FERC and as Fuel and Purchased Power for GAAP.
				\$101,317 of Fuel & purchased power is presented separately for GAAP but combined in O&M for FERC.
				\$29,699 of Revenue (variance above) includes netting of certain wholesale contracts reducing both Revenue and Fuel & purchased power for GAAP reporting. FERC presents these amounts as gross within their presentation.
				(\$2,068) of Taxes - Property (variance below) is recorded in O&M for GAAP.
				\$ 278 bank fees classified as Operating expenses for FERC and Non-operating Interest expense for GAAP
				\$ 213 of non-service pension costs classified as O&M for FERC and as Non-operating Expense for GAAP
Operations & maintenance	82,405	Operations & maintenance (b)= 211,846	129,441	\$ 2 Rounding
		Operations Expenses (401) (b) 188,445		
		Maintenance Expenses (402) (b) 22,217		
		(Less) Costs & Exp. of Merchandising, Job. & Contract Work (416) (b) 730		
		(Less) Expenses of Nonutility Operations (417.1) (b) 54		
		Gain on Disposition of Property (421.1) (b) (10)		
		Donations (426.1) (b) 345		
		Exp. For Certain Civic, Political & Related Activities (426.4) (b) 65		
Depreciation & amortization	48,102	Depreciation and amortization (c)= 48,327	225	\$ 226 Non-service pension costs classified as depreciation for FERC and as other non-operating expenses for GAAP (\$ 1) rounding
		Depreciation Expense (403) (c) 46,397		
		Depreciation Expense for Asset Retirement Costs (403.1) (c) 33		
		Amort. & Depl. Of Utility Plant (404-405) (c) 1,774		
		Amort. Of Utility Plant Acq. Adj. (406) (c) 97		
		Accretion Expense (411.10) (c) 26		
Taxes - Property	9,149	Taxes - Property (d)= 11,244	2,095	\$2,068 FERC reporting includes sales and use taxes which are included in O&M for GAAP.
		Taxes Other Than Income Taxes (408.1) (d) 11,217		\$ 27 Non-Utility TOIT for FERC classified as "above the line" Property Taxes for GAAP
		Taxes Other Than Income Taxes (408.2) (d) 27		
Total operating expenses	241,117	Total operating expenses	271,417	
<b>Operating income</b>	<b>82,214</b>	<b>Operating income</b>	<b>83,082</b>	
Other income (expense):		Other income (expense):	30,300	



**Black Hills Power**  
**Balance Sheet GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2021				
GAAP Balance Sheet		Reconciliation to FERC Form 1 details	FERC Vs. GAAP Variance	Comments on variances
	(A)	(B)	(B) - (A)	
Current assets:				
Cash	\$ 5	Cash (a)= \$ 5	-	
		Cash (131) (a) -		
		Working Fund (135) (a) 5		
Accounts receivable, net	30,715	Accounts receivable, net (b)= 30,838	123	\$123 of Other accounts receivable included in Accounts Receivable for FERC but within Other current assets for GAAP
		Customer Accounts Receivable (142) (b) 17,277		
		Other Accounts Receivable (143) (b) 815		
		(Less) Accum. Prov. For Uncollectible Acct.-Credit (144) (b) (173)		
		Accrued Utility Revenues (173) (b) 12,919		
Accounts receivable from affiliates	13,047	Accounts receivable from affiliates (c)= 13,047	-	
		Accounts Receivable from Assoc. Companies (146) (c) 13,047		
Materials, supplies, and fuel	31,467	Materials, supplies, and fuel (d)= 31,468	1	(\$1 Rounding)
		Fuel Stock (151) (d) 806		
		Plant Materials and Operating Supplies (154) (d) 26,384		
		Stores Expense Undistributed (163) (d) 1,483		
		Miscellaneous Current and Accrued Assets (174) (d) 2,795		
Regulatory assets, current	33,933	Regulatory assets, current -	(33,933)	FERC does not make short-term/long-term distinction for Regulatory assets, see total reported below as part of Regulatory Assets, non-current
Other current assets	6,034	Other current assets (e)= 5,911	(123)	(\$123) of Other accounts receivable included in Accounts Receivable for FERC but within Other current assets for GAAP
		Prepayments (165) (e) 4,526		
		Derivative Instrument Assets (175) (e) -		
		Clearing Accounts (184) (e) 1,385		
Total Current Assets	115,201	Total Current Assets 81,269	(33,932)	
Investments	3,607	Other Property and Investments (f)= 3,608	1	(\$1 Rounding)
		Other investments (124) (f) 703		
		Other Special Funds (128) (f) 2,905		
Property, plant & equipment	1,644,889	Property, plant & equipment (g)= 1,666,572	21,683	\$16,553 of operating lease right-of-use assets included in Utility Plant (101) for FERC but within Other, non-current assets for GAAP \$ 4,550 GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FERC, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation \$ 580 GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense for GAAP
		Utility Plant (101-106, 114) (g) 1,623,662		
		Construction Work in Progress (107) (g) 42,910		
Less accumulated depreciation and amortization	(404,738)	Less accumulated depreciation and amortization (h)= (472,886)	(68,148)	(\$60,355) removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FERC (\$ 4,550) GAAP-to-FERC difference driven by the acquisition of a 20% interest in Wyodak plant -- this was recorded at fair value in accordance with GAAP but recorded at historical cost in accordance with FERC, which causes higher gross Utility Plant offset by lower gross Accumulated Depreciation (\$ 2,762) of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC but within Other, non-current assets for GAAP (\$ 481) GAAP-to-FERC difference due to capitalization (and related depreciation) of non-service pension costs for FERC vs. Other expense for GAAP
		Less Accum. Prov. For Depr. (108, 110, 111, 115) (h) (472,886)		

**Black Hills Power**  
**Balance Sheet GAAP-to-FERC Reconciliation**

**Legend:**

GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2021				FERC Vs. GAAP Variance	Comments on variances
GAAP Balance Sheet		Reconciliation to FERC Form 1 details			
Total property, plant and equipment, net	1,240,151	Total property, plant and equipment, net	1,193,686	(46,465)	
		Net Utility Plant	1,150,776		
Other assets:					
Regulatory assets, non-current	44,334	Regulatory assets, non-current (i)=	78,169	33,835	\$33,933 of Regulatory assets are classified as current assets for GAAP but for FERC does not make distinction between current/non-current (\$ 98) GAAP-to-FERC difference due to capitalization of non-service pension costs for FERC vs. Other expense (and related regulatory asset) for GAAP
		Other Regulatory Assets (182.3) (i)	77,670		
		Unamortized Loss on Reaquired Debt (189) (i)	499		
Other, non-current assets	19,303	Other, non-current assets (j)=	5,511	(13,792)	(\$16,553) of operating lease right-of-use assets included in Utility Plant (101) for FERC but within Other, non-current assets for GAAP \$ 2,762 of operating lease right-of-use asset amortization included in Accumulated Depreciation (108) for FERC but within Other, non-current assets for GAAP (\$1) Rounding
		Prelim. Survey and Investigation Charges (183) (j)	149		
		Miscellaneous Deferred Debits (186) (j)	5,362		
Total other assets, non-current	63,637	Total other assets, non-current	83,680	20,043	
<b>TOTAL ASSETS</b>	<b>\$ 1,422,596</b>	<b>TOTAL ASSETS</b>	<b>\$ 1,362,243</b>	<b>\$ (60,353)</b>	
Current liabilities:					
Accounts payable	\$ 25,729	Accounts payable (k)=	26,027	298	\$298 of employee benefits payable and accrued payroll taxes classified as Accounts payable for FERC but as Accrued liabilities for GAAP
		Accounts Payable (232) (k)	24,876		
		Tax Collections Payable (241) (k)	1,151		
Accounts payable to affiliates	38,756	Accounts payable to affiliates (l)=	38,756	-	
		Accounts Payable to Associated Companies (234) (l)	38,756		
Accrued liabilities	25,751	Accrued liabilities (m)=	22,072	(3,679)	(\$3,026) of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP (\$ 298) of employee benefits payable and accrued payroll taxes classified as Accounts payable for FERC vs. Accrued liabilities for GAAP (\$ 361) intercompany interest classified as Money pool notes payable for FERC vs. Accrued liabilities for GAAP
		Customer Deposits (235) (m)	1,833		
		Taxes Accrued (236) (m)	9,468		
		Interest Accrued (237) (m)	4,666		
		Miscellaneous Current and Accrued Liabilities (242) (m)	5,787		
		Obligations Under Capital Leases-Current (243) (m)	318		
		Derivative Instrument Liabilities (244) (m)	-		
Money pool notes payable	58,031	Money pool notes payable (n)=	172,792	114,761	\$114,400 classified as Money pool notes payable for FERC but presented on separate line Notes payable to Parent for GAAP \$ 361 intercompany interest classified as Money pool notes payable for FERC vs. Accrued liabilities for GAAP
		Notes Payable to Associated Companies (233) (n)	172,792		
Notes payable to Parent	114,400	Notes payable to Parent (o)=	-	(114,400)	(\$114,400) classified as Money pool notes payable for FERC but presented on separate line Notes payable to Parent for GAAP
Regulatory liabilities, current	-	Regulatory liabilities, current (o)=	-	-	
		Accumulates Provision for Rate Refunds (229) (o)	-		
Total current liabilities	262,667	Total current liabilities	259,647	(3,020)	

**Black Hills Power**  
**Balance Sheet GAAP-to-FERC Reconciliation**

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GAAP Balance Sheet Caption

FERC Form 1 Balance Sheet Caption

in 000's

Year ended December 31, 2021				FERC Vs. GAAP Variance	Comments on variances
GAAP Balance Sheet		Reconciliation to FERC Form 1 details			
Long term debt	337,676	Long term debt	(p)= 337,676	-	
		Bonds (221)	(p) 340,000		
		Other Ling-Term Debt (224)	(p) -		
		(Less) Unamortized Discounts (226)	(p) (74)		
		Unamortized Debt Expenses (181)	(p) (2,250)		
Deferred credits and other liabilities:					
Deferred income tax liabilities, net	120,286	Deferred income tax liabilities, net	(q)= 120,282	(4) (\$ 4)	miscellaneous immaterial variance
		Accum. Deferred Income Taxes-Other Property (282)	(q) 138,786		
		Accum. Deferred Income Taxes-Other (283)	(q) 18,955		
		Accumulated Deferred Income Taxes (190)	(q) (37,459)		
Regulatory liabilities, non-current	160,148	Regulatory liabilities, non-current	(r)= 99,793	(60,355)	(\$60,355) removal costs classified as Regulatory liabilities for GAAP but part of Accumulated Depreciation for FERC
		Other Regulatory Liabilities (254)	(r) 99,793		
Benefit plan liabilities	7,957	Benefit plan liabilities	(s)= 7,957	-	
		Accumulated Provision for Pensions and Benefits (228.3)	(s) 7,957		
Other, non-current liabilities	21,863	Other, non-current liabilities	(t)= 24,889	3,026	\$3,026 of contractor retainage, deferred revenue, and provisions for employee injuries and damages classified as Other, non-current liabilities for FERC vs. Accrued liabilities for GAAP
		Obligations Under Capital Leases - Noncurrent (227)	(t) 13,497		
		Accumulates Provision for Injuries and Damages (228.2)	(t) 406		
		Asset Retirement Obligations (230)	(t) 784		
		Customer Advances for Construction (252)	(t) 7,851		
		Other Deferred Credits (253)	(t) 2,351		
Total deferred credits and other liabilities	310,254	Total deferred credits and other liabilities	252,921	(57,333)	
Stockholder's equity:					
Common Stock	23,416	Common Stock	(u)= 23,416	-	
		Common Stock Issued (201)	(u) 23,416		
Additional paid-in-capital	39,575	Additional paid-in-capital	(v)= 39,575	-	
		Premium on Capital Stock (207)	(v) 42,077		
		Less Capital Stock Expense (214)	(v) (2,502)		
Retained earnings	450,137	Retained Earnings	(w)= 450,137	-	
		Retained Earnings (216)	(w) 450,137		
Accumulated other comprehensive (loss)	(1,129)	Accumulated Other comprehensive income	(x)= (1,129)	-	
		Accumulated Other comprehensive income (219)	(x) (1,129)		
Total stockholder's equity	511,999	Total stockholder's equity	511,999	-	
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 1,422,596</b>	<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 1,362,243</b>	<b>\$ (60,353)</b>	

FERC Form 1 Total Assets and/or Total Liabilities and  
Stockholder Equity  
\$ 1,401,952  
Variance to the totals in E56 and E113 above  
39,709  
(2,250) Unamortized Debt Expenses (181)  
(37,459) Accumulated Deferred Income Taxes (190)  
- Remaining Variance

\$ 1,401,952  
39,709  
(2,250) Presented net with Long-term debt for GAAP reporting, presented as gross asset for FERC reporting  
(37,459) Presented net with def tax liabilities for GAAP reporting, presented as gross asset for FERC reporting  
-