Forward Looking Statements

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, without limitations, our 2019 and 2020 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 2018 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:

➢ The accuracy of our assumptions on which our earnings guidance is based;
➢ Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings 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;
➢ The impact of future governmental regulation; and
➢ Other factors discussed from time to time in our filings with the SEC.

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

- **Customer-focused, growth-oriented utility company**
  - Prioritizing safety and reliability
  - Reducing risk and increasing opportunities through strong diversity
    - Strategically diversified natural gas and electric utilities in eight Midwest states

- **Integrated utility-supporting businesses**
  - Efficiently supplying electric utilities under long-term contracts

- **Capital investment opportunities**
  - Forecasting $2.9 billion through 2023 primarily in safety, reliability and growth
    - Incremental opportunities likely beyond 2019
    - Recurring base of investment beyond 2023

- **Dividend increased 49 consecutive years**

- **Commitment to solid investment-grade credit ratings**

- **Strategic execution delivering strong long-term total shareholder returns**
Our Southern Colorado energy system is one of the cleanest in the nation, fueled entirely by natural gas and renewable energy.
Customer-focused, growth-oriented utility company with a tradition of exemplary service and a vision to be the energy partner of choice.

<table>
<thead>
<tr>
<th>Electric and Gas Utility Company*</th>
<th>Strong Financial Base*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.27 Million Utility customers in 8 states</td>
<td>$7.0 billion Total assets</td>
</tr>
<tr>
<td>46,000 Miles Natural gas lines</td>
<td>$3.6 billion Total rate base</td>
</tr>
<tr>
<td>1.1 Gigawatts Electric generation</td>
<td>$2.9 billion Capital investment 2019-2023</td>
</tr>
<tr>
<td>9,000 Miles Electric lines</td>
<td>$4.8 billion Market capitalization</td>
</tr>
<tr>
<td>2,900 Employees</td>
<td></td>
</tr>
</tbody>
</table>

* Information from 2018 10-K as of Dec. 31, 2018; Capital investment forecast and market capitalization as of Oct. 31, 2019
Strategic Objectives
Customer focused strategy grows long-term value for customers and shareholders

Earnings Growth
- Investing in safe, reliable service and meeting growing customer needs
- Incremental growth opportunities likely

Dividend Growth
- 49 consecutive annual dividend increases*
- Targeting 50% to 60% payout

Strong Total Returns

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

VALUED SERVICE
Deliver reliable, highly valued products and services.

PROFITABLE GROWTH
Achieve consistent growth that creates value.

BETTER EVERY DAY
Continuously improve to achieve industry leading results.

* 2019 Dividend of $2.05 represents 49 consecutive years of dividend increases
** Annualized total shareholder return assumes dividend reinvestment in Black Hills; data from Bloomberg Financial total return analysis as of Oct. 31, 2019

Annualized Total Return**
(as of Oct. 31, 2019)

11.7% 10.9% 16.8%
3 Yr 5 Yr 10 Yr
Strategic Execution

Customers

Customer Experience
- Know our customers
- Easy to do business with

Growth
- Natural Gas Saturation
- Renewable Energy
- Data Centers & Blockchain

Safety & Integrity
- Programmatic Integrity Programs
- Grid Modernization

People + Process + Technology + Analytics
Strategic Execution

Electric Utilities

Transmission Line In Service
- On Sept. 17, the final 94-mile segment of 175-mile transmission line placed in service

All-time Peak Loads
- On July 19, Colorado Electric and Wyoming Electric set new peak loads of 422 megawatts and 265 megawatts, respectively

Strong Renewable Ready Demand
- South Dakota Electric and Wyoming Electric received approvals for new voluntary tariffs and $57 million, 40-megawatt Corriedale Wind Energy Project to deliver renewable energy through subscription-based program
- Customer interest exceeds 40 megawatts of available energy; on Nov. 1, South Dakota Electric filed amendment to increase generating capacity under tariff by 12.5 megawatts to 32.5 megawatts
- Corriedale wind project to be constructed near Cheyenne, Wyoming and expected to be placed in service in 2020

Natural Gas Utilities

Natural Bridge Nearly Complete
- $54 million, 35-mile Natural Bridge pipeline project enhances supply reliability and capacity in central Wyoming
- Construction nearly complete; expect to be placed in service in the fourth quarter

Jurisdiction Consolidation Advances
- On Nov. 1, Wyoming Gas filed settlement agreement for consolidated rate review
  - Subject to commission review and approval
  - Decision expected by year-end
- On Oct. 29, Nebraska Gas received approval for legal consolidation; expect consolidation effective Jan. 1, 2020, and to file consolidated rate review mid-year 2020
- Colorado Gas consolidated rate review decision expected in first quarter of 2020
Strategic Execution (continued)

Power Generation and Mining

Wygen I FERC Filing
- On Aug. 2, 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

Busch Ranch II Wind Nearly Complete
- $71 million, 60-megawatt wind generation project will provide renewable energy to utility affiliate Colorado Electric under 25-year power purchase agreement
- Expect project to be in service by mid-November

Price Reopener Complete
- Wyodak power plant contract price reset at $17.94 per ton, effective July 1, 2019, versus $18.25 previously

Corporate and Other

Dividend Increased 5.9%
- Quarterly dividend increased to $0.535 from $0.505

Equity Issuance Complete for 2019
- 389,237 common shares issued under at-the-market equity offering program for net proceeds of $30 million; $99 million issued year-to-date completes 2019 activity

Debt Issued and Repaid
- On Oct. 3, $400 million of 3.05% notes due 2029 and $300 million of 3.875% notes due 2049 issued
- New debt will repay $400 million term loan due 2021 and $200 million 5.875% notes due 2020 and pay down portion of short-term debt

BBB+ Rating Affirmed by Fitch
- On Aug. 29, Fitch Ratings affirmed Black Hills at BBB+ with stable outlook

New Board Members Appointed
- Tony A. Jensen and Kathleen S. McCallister appointed to board of directors effective Nov. 1
Delivering for Shareholders

BKH Daily Closing Stock Price

Market Capitalization

(in billions)

$1.0
$1.2
$1.5
$1.6
$2.3
$2.4
$2.4
$3.3
$3.2
$3.8
$4.8


10-year Total Shareholder Return

Annualized Total Return*

<table>
<thead>
<tr>
<th>Year</th>
<th>BKH</th>
<th>S&amp;P 500</th>
<th>S&amp;P 500 Utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Yr</td>
<td>36.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Yr</td>
<td>11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Yr</td>
<td>10.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Yr</td>
<td>16.6%</td>
<td></td>
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</table>

* Data as of Oct. 31, 2019, from Bloomberg Financial assumes dividend reinvestment in stock. Black Hills Corp. does not guarantee the accuracy of these calculations, does not suggest our stock price will perform in the future comparable to the past, and does not provide this information as investment advice.

Source: S&P Global Market Intelligence
Capital Investment Opportunities

Natural Bridge Pipeline construction in central Wyoming
Strategic Execution Delivers Opportunities

Large transmission and distribution systems

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

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

* Excludes 49.9 percent ownership in Colorado IPP owned by a third party

Note: Information from 2018 Form 10-K
Investing for Customer Needs Drives Growth

Five-year forecast increased to $2.9 billion

Forecastsed Capital Investment

- Added $148 million primarily in gas utilities
- Additional identified capital opportunities likely
- Rate base growth - investment well in excess of depreciation

Change since second quarter:
- Electric Utilities
- Gas Utilities
- Non-Regulated
- Corporate

^ Incremental identified projects being evaluated and refined for timing and cost.
Timely Investment Recovery
$2.9 Billion Capital Investment Forecasted 2019-2023

91% in Electric and Gas Utilities

Electric Utilities 32%
Gas Utilities 59%

Minimal Lag* 61%
Growth* 14%
Non-regulated 6%
Corporate 3%
Other 25%

* 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
Recurring Investment Opportunities for Customers
$375+ million annual base provides confidence in long-term growth

Annual Capital Investment Beyond 2023*
(in millions)

$375+
$250+
$125+

Gas Utilities  |  Electric Utilities  |  Total Utilities

Safety, Reliability and Integrity  |  General Plant  |  Growth

+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
To better serve our customers and improve the safety and reliability of our natural gas system, we are proactively replacing aging natural gas lines.
Third Quarter 2019 Financial Overview

**EPS from continuing operations available for common stock (GAAP)**

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD 2018</td>
<td>$3.26</td>
<td>$2.15</td>
</tr>
<tr>
<td>YTD 2019</td>
<td>$0.32</td>
<td>$0.19</td>
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</table>

**EPS, as adjusted (Non-GAAP)**

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD 2018</td>
<td>$2.49</td>
<td>$2.40</td>
</tr>
<tr>
<td>YTD 2019</td>
<td>$0.42</td>
<td>$0.44</td>
</tr>
</tbody>
</table>

**Financial Highlights**

- Narrowed earnings guidance for 2019 and 2020**
- Increase of 5% in as adjusted earnings per share
  - 16% growth in earnings from continuing operations, as adjusted outpaced 11% dilution from higher share count
- Q3 weather impact of ($0.02) versus Q3 2018, ($0.06) versus normal
- Impairment of investment in privately held oil and gas company

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* EPS from continuing operations available for common stock, as adjusted is a non-GAAP measure; see slide 48 for detail
** Guidance based on EPS, as adjusted (a non-GAAP measure); see guidance ranges and assumptions on slides 53 and 54 in Appendix
Strong Financial Position

Committed to Strong Investment-Grade Credit Ratings

<table>
<thead>
<tr>
<th>S&amp;P</th>
<th>Moody’s</th>
<th>Fitch</th>
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<tbody>
<tr>
<td>BBB+</td>
<td>Baa2</td>
<td>BBB+</td>
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<tr>
<td>Stable outlook</td>
<td>Stable outlook</td>
<td>Stable outlook</td>
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<tr>
<td>Affirmed Feb. 28, 2019</td>
<td>Affirmed Dec. 12, 2018</td>
<td>Affirmed Aug. 29, 2019</td>
</tr>
</tbody>
</table>

Improved Capital Structure

![Capitalization Graph]

- Net Debt (Net of Cash)
- Net Debt to Capitalization

* Excludes noncontrolling interest; see Appendix for detailed capital structure

Strong Liquidity and Debt Profile

Ample Access to Liquidity

![Liquidity Graph]

Strong Liquidity and Debt Profile

Manageable Debt Maturities

![Maturities Graph]

Includes debt issuance and repayment completed in October

- Accordian feature (with bank consent)
- Revolver availability
- 12-month average notes payable balance

* Excludes noncontrolling interest; see Appendix for detailed capital structure
Strong Dividend Growth Track Record

Dividend Increased for 49 Consecutive Years*

$0.12 increase in both 2018 and 2019

* On Oct. 29, board of directors approved a quarterly dividend of $0.535 per share resulting in an annual dividend payout of $2.05 in 2019

** 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; 2019 payout ratio is based on midpoint of earnings guidance range - see Appendix for guidance range and assumptions
Strategic Execution Delivers Results

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

More than doubled since 2013

EPS from continuing operations available for common stock, as adjusted 2
8.2% CAGR 2013-2018

Annual Dividend Per Share
4.9% CAGR 2013-2018

Total Shareholder Return 3
(10-year annualized return as of Oct. 31, 2019)

Invest for Customer
Earnings Growth
Dividend Growth
Strong Long-term TSR

1 Increase in 2016 rate base primarily driven by February 2016 acquisition of SourceGas
2 EPS from continuing operations available for common stock, as adjusted; a non-GAAP measure reconciled to GAAP in Appendix
3 10-year annualized total shareholder return as of Oct. 31, 2019, based on data from S&P Global Market Intelligence
For 135 years we have been providing essential energy to our customers as a trusted and valued partner.
Appendix - Table of Contents

23  2019 Scorecard
24  Operational Overview
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2019 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

2019 Future Initiatives and Progress

- Increase annual dividend for 49th consecutive year
- Complete key capital projects
  - Rapid City to Stegall transmission line
  - Natural Bridge Pipeline
  - Busch Ranch II wind farm
- Jurisdiction simplification
- Complete Colorado Gas rate review
- Complete Wyoming Gas legal consolidation
- File Wyoming Gas rate review
- File Nebraska Gas legal consolidation
- Receive approval of 40 MW Corriedale Wind Energy Project in Wyoming and Renewable Ready voluntary program
- Focus on improving productivity and reducing costs
- Continue to enhance functionality of tablet-based technology for field technicians
- Develop electric vehicle strategy for customers
- Complete planned plant maintenance to maintain strong long-term generation availability
- Enhance efficiency of financial, accounting and regulatory processes
- Implement program for achieving top-quartile third-party damage prevention for gas utilities by 2020
- Reduce third-party gas line hits 10%
- Achieve safety TCIR of 1.1
- Achieve PMVI rate of 1.7
- Achieve overall employee engagement survey score above U.S. and utility benchmarks
- Achieve 80% employee engagement in BHC Virgin Pulse wellness program
- Expand availability of diversity affinity groups to include support groups for women, American Indians, Hispanics and veterans
- Implement centralized training facility and program for natural gas utilities
Electric Utilities, Power Generation & Mining

- Three electric utilities which generate, transmit and distribute electricity to approximately 210,000 customers in CO, SD, WY and MT
- 1.1 gigawatts** of generation and 8,839 miles of transmission and distribution
  - Five power generation facilities owned by utilities and serving utility customers (921 megawatts)
  - Two power generation facilities delivering capacity and energy under long-term contracts to utility affiliates (160 megawatts**)
  - Efficient mine-mouth generation in WY fueled by low-sulfur Powder River Basin coal (47-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

- 12 natural gas utilities^ which distribute natural gas to approximately 1,042,000 customers in AR, CO, IA, KS, NE and WY
- 4,656 miles of intrastate gas transmission pipelines and 40,455 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
- 146,000 customers served through Choice Gas Program (unbundled natural gas supply) and Service Guard/CAPP programs (contract appliance repair service)

* Information from 2018 Form 10-K
** Excludes 49.9 percent ownership interest in Colorado IPP owned by a third party
^ Excludes minor entities and Shoshone pipeline
Full Service Gas Utility

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**Gas Supply**
- Third-party sources deliver natural gas into Black Hills’ system

---

**Storage and Transmission**
- Compression stations support storage and transmission
- Extensive transmission network transports natural gas to distribution pipelines

---

**Distribution**
- Distribution pipelines deliver natural gas to residential and commercial customers

---

**Variety of procurement sources and hedging programs provide reliable natural gas delivery and improve stability of price**

---

**Third-party sources deliver natural gas into Black Hills’ system**
- Black Hills-owned compression, transmission and storage delivers value through operational flexibility and provides diverse opportunities for growth
- 7 underground storage sites in three states provide reliable natural gas delivery and more stable pricing during peak demand periods
- Diversity of customer location and type reduces business risk

---

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

---

**Storage and Transmission**
- 4,700 miles of intrastate transmission
- 45,000 horsepower of compression
- 7 natural gas storage sites in AR, CO and WY with over 52 million Mcf total capacity
- 148 million Dth natural gas transported and in 2018

---

**Distribution**
- 29,000-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 2018

---

Note: information as of Dec. 31, 2018, from 2018 10-K Annual Report Filing; totals approximated
Natural Gas Infrastructure
Provides Investment Opportunities

- 1.1 million customers
- 29,000 miles of distribution mains
- 4,700 miles of transmission
- 7 active storage fields
- 33 compressors
- 1 natural gas processing plants

**Distribution System Material Type** (in Miles)
- Cathodically Protected Coated Steel: 41%
- Polyethylene (PE): 49%
- Vintage Plastic: 7%
- Bare Steel: 3%

**Transmission System Material Type** (in Miles)
- Cathodically Protected Coated Steel: 95%
- Bare Steel: 4%
- Vintage Plastic: 1%

Note: System information listed as of Dec.31, 2018 from 2018 10-K Annual Report Filing
Material type information from 2018 filing with Pipeline Hazardous Materials Safety Administration
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 785 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

  *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)

- **Combination Cycle Gas-Fired 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 center and warehouse**

**Pueblo Airport Generating Station**
(Pueblo, Colorado - PAGS)

- **Combination Cycle Gas-Fired Plants**
  - Two 100 MW Plants - 2012
  - 50.1% owned by Power Generation with 20-yr PPA to COE

**Transmission Network**

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

**Distribution Systems**

- 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 listed as of Dec.31, 2018 from 2018 10-K Annual Report Filing; totals approximated
Utility Weather and Demand

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

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
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<tr>
<td>HDD</td>
<td>640</td>
<td>292</td>
<td>603</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>86</td>
<td>705</td>
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</table>

Electric Utility Total MWh Sales
(in millions)

- Utility Customers
- Off-system Sales

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
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<tbody>
<tr>
<td>2017</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.16</td>
<td>0.15</td>
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<tr>
<td>2018</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>1.7</td>
</tr>
<tr>
<td>2019</td>
<td>0.15</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>1.7</td>
</tr>
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</table>

Electric Utility Generation Availability (%)

- Coal-fired plants
- Other plants

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
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<th>Q1 2019</th>
<th>Q2 2019</th>
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<tr>
<td>2017</td>
<td>98.3</td>
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<td>2018</td>
<td>94.6</td>
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<td>99.7</td>
<td>93.9</td>
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<tr>
<td>2019</td>
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<td>96.5</td>
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<td>97.0</td>
<td>99.7</td>
<td>93.9</td>
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Electric Utility Total Dth Sales
(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
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<th>Q1 2019</th>
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<td>2017</td>
<td>39.4</td>
<td>23.4</td>
<td>3.159</td>
<td>1.740</td>
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<td>5.3</td>
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<tr>
<td>2018</td>
<td>34.5</td>
<td>23.4</td>
<td>3.159</td>
<td>1.740</td>
<td>7.40</td>
<td>1.19</td>
<td>2.620</td>
<td>2.949</td>
<td>5.3</td>
</tr>
<tr>
<td>2019</td>
<td>39.4</td>
<td>23.4</td>
<td>3.159</td>
<td>1.740</td>
<td>7.40</td>
<td>1.19</td>
<td>2.620</td>
<td>2.949</td>
<td>5.3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDD</td>
<td>117</td>
<td>2,341</td>
<td>3,159</td>
<td>1.740</td>
<td>7.40</td>
<td>1.19</td>
<td>2.620</td>
<td>2.949</td>
<td>5.3</td>
</tr>
<tr>
<td>2017</td>
<td>117</td>
<td>2,341</td>
<td>3,159</td>
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<td>7.40</td>
<td>1.19</td>
<td>2.620</td>
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<td>117</td>
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<td>117</td>
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<td>3,159</td>
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<td>7.40</td>
<td>1.19</td>
<td>2.620</td>
<td>2.949</td>
<td>5.3</td>
</tr>
</tbody>
</table>

* Excludes KS HDD data since state has weather normalization.
Power Generation and Mining

### IPP Generation Contract Availability (%)
- **Coal-fired plants**
- **Gas-fired plants**

### Coal Production
- (Coal in millions of tons and overburden in millions of cubic yards)

### Revenue and Expense per Ton Sold
- (Units = tons sold plus cubic yards of overburden moved)
### Power Generation - Supply Contracts

97% of owned capacity serves Black Hills’ utilities*

<table>
<thead>
<tr>
<th>Plant</th>
<th>Owned Capacity</th>
<th>Contract Capacity</th>
<th>Contracted % Total Owned Capacity</th>
<th>Counter-Party</th>
<th>Expiration</th>
<th>Other Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAGS</td>
<td>200 MW</td>
<td>200 MW</td>
<td>58.2%</td>
<td>Colorado Electric (COE)</td>
<td>Dec. 31, 2031</td>
<td>Excess power and capacity for benefit of COE</td>
</tr>
<tr>
<td>Wygen I</td>
<td>68.9 MW</td>
<td>60 MW</td>
<td>17.5%</td>
<td>Wyoming Electric (WYE)</td>
<td>Dec. 31, 2022</td>
<td>WYE Purchase Option through 2019</td>
</tr>
<tr>
<td>Busch Ranch I</td>
<td>14.5 MW</td>
<td>14.5 MW</td>
<td>4.2%</td>
<td>COE</td>
<td>Oct. 16, 2037</td>
<td></td>
</tr>
<tr>
<td>Busch Ranch II</td>
<td>60 MW</td>
<td>60 MW</td>
<td>17.5%</td>
<td>COE</td>
<td></td>
<td>25-year PPA from in-service date (2044)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>343.4 MW</strong></td>
<td><strong>334.5 MW</strong></td>
<td><strong>97.4%</strong></td>
<td><strong>80% COE 20% WYE</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Information from 2018 10-K Annual Report Filing plus Busch Ranch II being placed in service by mid-November 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

98% 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

<table>
<thead>
<tr>
<th>Plant</th>
<th>2019F Production (millions of tons)</th>
<th>Pricing</th>
<th>Price Reopener or Adjustment</th>
<th>Expiration</th>
<th>Contract Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyodak Plant (80% owned by PacifiCorp)</td>
<td>1.2</td>
<td>Fixed with escalators</td>
<td>n/a</td>
<td>Dec. 2022</td>
<td>All plant usage</td>
</tr>
<tr>
<td>Wygen I</td>
<td>0.5</td>
<td>Fixed with escalators</td>
<td>July 1, 2023*</td>
<td>Life of plant</td>
<td>All plant usage</td>
</tr>
<tr>
<td>Wygen II</td>
<td>0.5</td>
<td>Cost plus return</td>
<td>Annual True-Up</td>
<td>Life of plant</td>
<td>All plant usage</td>
</tr>
<tr>
<td>Wygen III</td>
<td>0.5</td>
<td>Cost plus return</td>
<td>Annual True-Up</td>
<td>Life of plant</td>
<td>All plant usage</td>
</tr>
<tr>
<td>Other SD Electric coal plants</td>
<td>0.8</td>
<td>Cost plus return</td>
<td>Annual True-Up</td>
<td>Life of plant</td>
<td>All plant usage</td>
</tr>
<tr>
<td>Other sales (truck)</td>
<td>0.1</td>
<td>Fixed</td>
<td>1-3 years</td>
<td>Various</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note differences in total due to rounding

* Wygen I contract pricing adjusts every five years at cost plus return
Natural Gas Utilities Capital Investment

Five-year forecast increased to $1.73 billion

**Forecasted Capital Investment By Type**

<table>
<thead>
<tr>
<th>Year</th>
<th>Safety, Reliability and Integrity</th>
<th>Growth</th>
<th>General Plant</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$490</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$361</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>$297</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>$274</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>$303</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change since prior disclosure:
- 2019: +$26
- 2020: +$38
- 2021: +$8
- 2022: -$3
- 2023: +$29

+$98 total

**Forecasted Capital Investment Recovery**

- Growth 15%
- Minimal Lag 73%
- Other 12%

**Forecasted Capital by State**

- AR 21%
- CO 22%
- KS 7%
- IA 11%
- NE 26%
- WY 13%

* 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
Gas Utilities Recurring Capital Outlook
Strong Long-term Annual Investment Plan

$250+ million annual base investment in Gas Utilities

Large pipeline and storage projects for safety, reliability and customer addition

Normal Customer Growth
- Vehicles 60%
- Facilities 5%
- Other 35%

General Plant
- Normal Customer Growth

Transmission Safety, Reliability, Integrity
- Replacement Programs 50%
- Reliability 20%
- Other 30%

Natural Gas Projected Long-term Annual Capital Investment
- 20%*
- 45%*
- 30%*

* Percent of total annual investment

Distribution Safety, Reliability, Integrity
- Replacement Programs 40%
- Other 20%
- Reliability 40%
- Other 40%
Electric Utilities Capital Investment

Five-year forecast increased to $0.95 billion

Forecasted Capital Investment By Type

<table>
<thead>
<tr>
<th>Year</th>
<th>Safety, Reliability and Integrity</th>
<th>General Plant</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$215</td>
<td>$50</td>
<td>$0</td>
<td>$265</td>
</tr>
<tr>
<td>2020</td>
<td>$229</td>
<td>$50</td>
<td>$8</td>
<td>$287</td>
</tr>
<tr>
<td>2021</td>
<td>$203</td>
<td>$50</td>
<td>$18</td>
<td>$271</td>
</tr>
<tr>
<td>2022</td>
<td>$170</td>
<td>$50</td>
<td>$33</td>
<td>$253</td>
</tr>
<tr>
<td>2023</td>
<td>$137</td>
<td>$50</td>
<td>$50</td>
<td>$237</td>
</tr>
</tbody>
</table>

Change since prior disclosure:
- $10 in 2020
- $8 in 2021
- $18 total

Forecasted Capital Investment Recovery*

- Growth Capital: 16%
- Minimal Lag Capital: 36%
- Other: 48%

Forecasted Capital by State

- CO: 25%
- SD: 50%
- WY: 25%

* 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

Ready | BKH | 2019 EEI Financial Conference
Electric Utilities Recurring Capital Outlook
Strong Long-term Annual Investment Plan

Normal Customer Growth

Transmission 40%
Generation Maintenance 10%
Distribution 50%
Safety, Reliability and Integrity

Electric Projected Long-term Annual Capital Investment
80%*

5%*

15%*

+Incremental Opportunities

Large generation, renewable and transmission projects

$125+ million annual base investment in Electric Utilities

General Plant

Facilities 30%
Vehicles 40%
Technology 25%
Tools 5%

$125+ million annual base investment in Electric Utilities

* Percent of total annual investment

Normal Customer Growth

Strong Long-term Annual Investment Plan

$125+ million annual base investment in Electric Utilities

* Percent of total annual investment
# Capital Investment by Recovery

## (in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal Lag Capital - Electric Utilities¹</td>
<td>$46</td>
<td>$77</td>
<td>$124</td>
<td>$87</td>
<td>$11</td>
<td>$345</td>
</tr>
<tr>
<td>Growth Capital - Electric Utilities²</td>
<td>42</td>
<td>67</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>155</td>
</tr>
<tr>
<td>Other</td>
<td>127</td>
<td>85</td>
<td>63</td>
<td>68</td>
<td>111</td>
<td>454</td>
</tr>
<tr>
<td><strong>Electric Utilities</strong></td>
<td>$215</td>
<td>$229</td>
<td>$203</td>
<td>$170</td>
<td>$137</td>
<td>$954</td>
</tr>
<tr>
<td>Minimal Lag Capital - Gas Utilities¹</td>
<td>319</td>
<td>292</td>
<td>223</td>
<td>190</td>
<td>244</td>
<td>1,268</td>
</tr>
<tr>
<td>Growth Capital - Gas Utilities²</td>
<td>62</td>
<td>48</td>
<td>47</td>
<td>50</td>
<td>47</td>
<td>254</td>
</tr>
<tr>
<td>Other</td>
<td>109</td>
<td>21</td>
<td>27</td>
<td>34</td>
<td>12</td>
<td>203</td>
</tr>
<tr>
<td><strong>Gas Utilities</strong></td>
<td>$490</td>
<td>$361</td>
<td>$297</td>
<td>$274</td>
<td>$303</td>
<td>$1,725</td>
</tr>
<tr>
<td><strong>Total Utilities</strong></td>
<td>$705</td>
<td>$590</td>
<td>$500</td>
<td>$444</td>
<td>$440</td>
<td>$2,679</td>
</tr>
<tr>
<td>Power Generation</td>
<td>84</td>
<td>7</td>
<td>9</td>
<td>11</td>
<td>6</td>
<td>117</td>
</tr>
<tr>
<td>Mining</td>
<td>8</td>
<td>8</td>
<td>12</td>
<td>9</td>
<td>9</td>
<td>47</td>
</tr>
<tr>
<td>Corporate</td>
<td>23</td>
<td>18</td>
<td>22</td>
<td>11</td>
<td>11</td>
<td>84</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$820</td>
<td>$623</td>
<td>$543</td>
<td>$475</td>
<td>$467</td>
<td>$2,927</td>
</tr>
</tbody>
</table>

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.

Forecasted capital investment excludes additional opportunities from power generation or other material projects being evaluated for timing.
## Utility Capital Investment by Type

(ina millions)

<table>
<thead>
<tr>
<th>Utility Capital Investment by Type</th>
<th>2019F</th>
<th>2020F</th>
<th>2021F</th>
<th>2022F</th>
<th>2023F</th>
<th>2019-2023F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety, Reliability and Integrity</td>
<td>$142</td>
<td>$135</td>
<td>$166</td>
<td>$137</td>
<td>$106</td>
<td>$685</td>
</tr>
<tr>
<td>Growth</td>
<td>42</td>
<td>67</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>155</td>
</tr>
<tr>
<td>General Plant</td>
<td>31</td>
<td>27</td>
<td>22</td>
<td>18</td>
<td>16</td>
<td>114</td>
</tr>
<tr>
<td>Electric Utilities</td>
<td>$215</td>
<td>$229</td>
<td>$203</td>
<td>$170</td>
<td>$137</td>
<td>$954</td>
</tr>
<tr>
<td>Safety, Reliability and Integrity</td>
<td>325</td>
<td>267</td>
<td>221</td>
<td>195</td>
<td>235</td>
<td>1,244</td>
</tr>
<tr>
<td>Growth</td>
<td>62</td>
<td>48</td>
<td>47</td>
<td>50</td>
<td>47</td>
<td>254</td>
</tr>
<tr>
<td>General Plant</td>
<td>102</td>
<td>46</td>
<td>29</td>
<td>29</td>
<td>21</td>
<td>226</td>
</tr>
<tr>
<td>Gas Utilities</td>
<td>490</td>
<td>361</td>
<td>297</td>
<td>274</td>
<td>303</td>
<td>$1,725</td>
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<tr>
<td>Total Utilities</td>
<td>$705</td>
<td>$590</td>
<td>$500</td>
<td>$444</td>
<td>$440</td>
<td>$2,679</td>
</tr>
</tbody>
</table>

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.

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

<table>
<thead>
<tr>
<th></th>
<th>Colorado</th>
<th>Wyoming</th>
<th>Nebraska</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Colorado Gas</td>
<td>• Wyoming Gas</td>
<td>• Nebraska Gas</td>
</tr>
<tr>
<td></td>
<td>• Colorado Gas Distribution (formerly SourceGas)</td>
<td>• Northeast Wyoming Gas</td>
<td>• Nebraska Gas Distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Northwest Wyoming Gas</td>
<td>(formerly SourceGas)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Wyoming Gas Distribution (formerly SourceGas)</td>
<td></td>
</tr>
<tr>
<td>Approval</td>
<td>Legal consolidation approved and completed</td>
<td>Legal consolidation approved and completed</td>
<td>Legal consolidation approved Oct. 29, 2019</td>
</tr>
<tr>
<td>Action</td>
<td>Filed consolidated rate review and request for integrity investment tracker Feb. 1, 2019</td>
<td>Filed consolidated rate review June 3, 2019</td>
<td>Expect consolidation effective Jan. 1, 2020</td>
</tr>
<tr>
<td>Expected</td>
<td>Expect decision by Q1 2020</td>
<td>Filed settlement agreement Nov. 1; subject to review and approval</td>
<td>Expect to file consolidated rate review mid-year 2020</td>
</tr>
<tr>
<td><strong>Timeline</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>Filed Colorado legal consolidation request</td>
<td>File consolidated rate review in Nebraska mid-year 2020</td>
<td></td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>Filed Colorado consolidated rate review</td>
<td>File consolidated rate review in Nebraska mid-year 2020</td>
<td></td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Current Regulatory Filings

## Rate review and consolidation requests

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Filing Date</th>
<th>Annual Revenue Increase</th>
<th>ROE</th>
<th>Equity / Debt</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyoming Gas</td>
<td>June 3, 2019</td>
<td>$16.1M* and integrity rider</td>
<td>10.4%*</td>
<td>50.2% / 49.8%*</td>
<td>Settlement agreement pending review/approval</td>
</tr>
<tr>
<td>Colorado Gas</td>
<td>Feb. 1, 2019</td>
<td>$2.5M* and integrity rider</td>
<td>10.3%*</td>
<td>50.1% / 49.9%*</td>
<td>In process</td>
</tr>
<tr>
<td>Nebraska Gas (legal consolidation)</td>
<td>March 29, 2019</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Approved Oct. 29, 2019</td>
</tr>
<tr>
<td>Wyoming Gas (legal consolidation)</td>
<td>March 6, 2019</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Approved June 13, 2019</td>
</tr>
<tr>
<td>Colorado Gas (legal consolidation)</td>
<td>2018</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Approved Oct. 10, 2018</td>
</tr>
</tbody>
</table>

### Other major filings

<table>
<thead>
<tr>
<th>Description</th>
<th>Filing Date</th>
<th>State</th>
<th>Filing Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Ready Service Tariff</td>
<td>Dec. 18, 2018</td>
<td>SD and WY</td>
<td>tariff</td>
<td>Approved June 25 and July 3, 2019</td>
</tr>
<tr>
<td>Corriedale Wind Farm</td>
<td>Dec. 18, 2018</td>
<td>Jointly filed by SD, WY</td>
<td>CPCN**</td>
<td>Approved July 3, 2019</td>
</tr>
<tr>
<td>Blockchain Interruptible Service Tariff</td>
<td>Sept. 28, 2018</td>
<td>WY</td>
<td>tariff</td>
<td>Approved April 30, 2019</td>
</tr>
</tbody>
</table>

* Numbers presented as proposed in filings
** Certificate of Public Convenience
## Estimated Utility Rate Base

(in millions)

<table>
<thead>
<tr>
<th>Estimated Rate Base* by State and Segment</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td></td>
<td></td>
<td></td>
<td>$615</td>
</tr>
<tr>
<td>South Dakota (all jurisdictions)</td>
<td></td>
<td></td>
<td></td>
<td>740</td>
</tr>
<tr>
<td>Wyoming</td>
<td></td>
<td></td>
<td></td>
<td>351</td>
</tr>
<tr>
<td><strong>Total Electric Utilities</strong></td>
<td>$1,515</td>
<td>$1,570</td>
<td>$1,650</td>
<td>$1,706</td>
</tr>
<tr>
<td>Arkansas</td>
<td></td>
<td></td>
<td></td>
<td>457</td>
</tr>
<tr>
<td>Colorado</td>
<td></td>
<td></td>
<td></td>
<td>381</td>
</tr>
<tr>
<td>Iowa</td>
<td></td>
<td></td>
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<td>165</td>
</tr>
<tr>
<td>Kansas</td>
<td></td>
<td></td>
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<td>160</td>
</tr>
<tr>
<td>Nebraska</td>
<td></td>
<td></td>
<td></td>
<td>418</td>
</tr>
<tr>
<td>Wyoming</td>
<td></td>
<td></td>
<td></td>
<td>270</td>
</tr>
<tr>
<td><strong>Total Gas Utilities</strong></td>
<td>$493</td>
<td>$1,620</td>
<td>$1,700</td>
<td>$1,851</td>
</tr>
<tr>
<td><strong>Total Utilities</strong></td>
<td>$2,008</td>
<td>$3,190</td>
<td>$3,350</td>
<td>$3,557</td>
</tr>
</tbody>
</table>

* Estimated rate base at year-end calculated using state specific requirements and includes value of rate base recovered through riders
## Recent Utility Rate Review Results

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Utility</th>
<th>Effective Date</th>
<th>Return on Equity</th>
<th>Capital Structure</th>
<th>Authorized Rate Base (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>Arkansas Gas</td>
<td>Oct. 2018</td>
<td>9.61%</td>
<td>50.9% debt / 49.1% equity</td>
<td>$451.5</td>
</tr>
<tr>
<td>Colorado</td>
<td>Colorado Electric</td>
<td>Jan. 2017</td>
<td>9.37%</td>
<td>47.61% debt / 52.39% equity</td>
<td>$597.5</td>
</tr>
<tr>
<td>Colorado</td>
<td>Colorado Gas</td>
<td>Dec. 2012</td>
<td>9.60%</td>
<td>50% debt / 50% equity</td>
<td>$57.5</td>
</tr>
<tr>
<td>Colorado</td>
<td>Colorado Gas Dist</td>
<td>Dec 2010</td>
<td>10.0%</td>
<td>49.52% debt / 50.48% equity</td>
<td>$127.1</td>
</tr>
<tr>
<td>Colorado</td>
<td>RMNG</td>
<td>June 2018</td>
<td>9.9%</td>
<td>53.4% debt / 46.6% equity</td>
<td>$118.7</td>
</tr>
<tr>
<td>Iowa</td>
<td>Iowa Gas</td>
<td>Feb. 2011</td>
<td>Global Settlement</td>
<td>Global Settlement</td>
<td>$109.2</td>
</tr>
<tr>
<td>Kansas</td>
<td>Kansas Gas</td>
<td>Jan. 2015</td>
<td>Global Settlement</td>
<td>Global Settlement</td>
<td>$127.9</td>
</tr>
<tr>
<td>Nebraska</td>
<td>Nebraska Gas</td>
<td>Sept. 2010</td>
<td>10.10%</td>
<td>48% debt / 52% equity</td>
<td>$161.0</td>
</tr>
<tr>
<td>Nebraska</td>
<td>Nebraska Gas Dist</td>
<td>June 2012</td>
<td>9.60%</td>
<td>48.84% debt / 51.16% equity</td>
<td>$87.6*</td>
</tr>
<tr>
<td>South Dakota</td>
<td>South Dakota Electric</td>
<td>Oct. 2014</td>
<td>Global Settlement</td>
<td>Global Settlement</td>
<td>$543.9</td>
</tr>
<tr>
<td>Wyoming</td>
<td>South Dakota Electric</td>
<td>Oct. 2014</td>
<td>9.90%</td>
<td>46.68% debt / 53.32% equity</td>
<td>$46.8</td>
</tr>
<tr>
<td>Wyoming</td>
<td>Wyoming Electric</td>
<td>Oct. 2014</td>
<td>9.90%</td>
<td>46% debt / 54% equity</td>
<td>$376.8</td>
</tr>
<tr>
<td>Wyoming</td>
<td>Wyoming Gas</td>
<td>Oct. 2014</td>
<td>9.90%</td>
<td>46% debt / 54% equity</td>
<td>$59.6</td>
</tr>
<tr>
<td>Wyoming</td>
<td>Wyoming Gas Dist</td>
<td>Jan. 2011</td>
<td>9.92%</td>
<td>49.66% debt / 50.34% equity</td>
<td>$100.5</td>
</tr>
<tr>
<td>Wyoming</td>
<td>Wyoming Gas NW</td>
<td>Sept. 2018</td>
<td>9.60%</td>
<td>46% debt / 54% equity</td>
<td>$12.9</td>
</tr>
</tbody>
</table>

Note: Information from last approved rate review in each jurisdiction
* Includes amounts to serve non-jurisdictional and agriculture customers
## Optimizing Regulatory Recovery

### Electric Utility Jurisdiction

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South Dakota Electric (SD)</td>
<td>✔*</td>
<td></td>
<td>✔</td>
<td>✔</td>
<td>✔*</td>
<td>✔</td>
</tr>
<tr>
<td>South Dakota Electric (WY)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Dakota Electric (MT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Dakota Electric (FERC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wyoming Electric</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Colorado Electric</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

### Legend:
- ✔ Commission approved cost adjustment

* Included in rate moratorium; applies only to non-FERC jurisdictional assets
# Optimizing Regulatory Recovery

<table>
<thead>
<tr>
<th>Gas Utility Jurisdiction</th>
<th>DSM/ Energy Efficiency</th>
<th>Integrity Additions</th>
<th>Bad Debt</th>
<th>Weather Normal</th>
<th>Pension Recovery</th>
<th>Fuel Cost</th>
<th>Revenue Decoupling</th>
<th>Fixed Cost Recovery*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Gas</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47%</td>
</tr>
<tr>
<td>Iowa Gas</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>Kansas Gas</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>64%</td>
</tr>
<tr>
<td>Nebraska Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>55%</td>
</tr>
<tr>
<td>Wyoming Gas¹</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>52%</td>
</tr>
<tr>
<td>Arkansas Gas</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>39%</td>
</tr>
<tr>
<td>Colorado Gas Dist.</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>Nebraska Gas Dist.</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80%³</td>
</tr>
<tr>
<td>Wyoming Gas Dist.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>52%</td>
</tr>
<tr>
<td>Rocky Mountain Natural Gas²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
</tr>
</tbody>
</table>

* Residential customers as of last rate base review
1 Refers to Cheyenne and surrounding area gas customers
2 Rocky Mountain Natural Gas, an intrastate natural gas pipeline
3 Includes first tier of consumption in block rates

Legend:
- ✓ Commission approved cost adjustment

**BKH | 2019 EEI Financial Conference**
Cost-effective renewable energy is an increasingly important part of our balanced mix of generation resources.

Our report is available on our website at:
www.blackhillscorp.com/corporateResponsibility
Environmental, Social and Governance Focus

Reducing Carbon Impact *

- Reduced CO² from delivered electricity by 16% since 2005
- Adding renewable resources
  - Constructing additional 100 megawatts of wind capacity in Colorado and Wyoming
- Recognized with “Gold Leader” status by Colorado Department of Public Health and Environment since 2014 for achieving significant goals in environmental improvement and sustainability

Clean and Modern Assets

- Colorado Electric fleet delivers coal-free electricity; already delivering on state renewable standard
- Mining represents just 1% of company assets and 3% of operating income**; efficiently serving onsite, scrubbed and modern generation

Community Giving

Diverse and Experienced Leadership

- Board – 25% women
- Average Board tenure – 7 years
- Leadership team – 36% women

* Total delivered electricity includes Colorado Electric emissions since 2005
** Mining assets as a percent of total company assets as of Sept. 30, 2019; operating income represented based on trailing 12 months as of Sept. 30, 2019
Electric Generation Fuel Mix

Electric Generation Capacity*^  

Black Hills Owned Generation Capacity Mix  
(Forecasted as of Dec. 31, 2019^)

Utility-Owned Capacity
- **Colorado**
  - **325 MW**
    - Oil: 9%
    - Coal: 23%
    - Natural Gas: 68%

- **South Dakota**
  - **445 MW**
    - Oil: 2%
    - Coal: 48%
    - Natural Gas: 50%

- **Wyoming**
  - **172 MW**
    - Oil: 55%
    - Coal: 45%

Power Generation
99% Contracted to Utilities Under long-term PPA’s
- **243 MW**
  - Oil: 28%
  - Coal: 31%
  - Natural Gas: 31%

Total Black Hills Electric Utilities and Power Generation
- **1,125 MW**
  - Oil: 31%
  - Coal: 17%
  - Natural Gas: 49%

---

* Total Black Hills ownership includes utility-owned capacity and capacity owned by Power Generation segment excluding 49.9 percent ownership in Colorado IPP (~100 megawatts);
^ 2019F includes 60 megawatts of new wind from Busch Ranch II Wind Farm to be in service in Mid-November, 2019 in Colorado; 2020F includes 40 megawatts of new wind from Corriedale Wind Energy Project approved to be constructed in Wyoming
## Renewable Ready Program

<table>
<thead>
<tr>
<th>Customer Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Program provides customer access to renewable energy</td>
</tr>
<tr>
<td>• Utility scale renewable generation provides more attractive economics than distributed projects</td>
</tr>
<tr>
<td>• Program structure maintains fair rates for all customers while keeping larger customers connected to Black Hills’ systems</td>
</tr>
</tbody>
</table>

## Renewable Ready Program

- Tariff approved in South Dakota and Wyoming
- Will serve government agencies and larger commercial and industrial customers
- Can provide up to 100% of energy needs
- Contract periods of 5 years up to 25 years
- Customer interest exceeds 40 megawatts of availability; on Nov. 1, South Dakota Electric filed amendment to tariff seeking approval to increase generating capacity by 12.5 MW to 32.5 MW for South Dakota portion

## Corriedale Wind Energy Project

- Renewable energy to be supplied by $57 million, 40-megawatt wind farm to be located near Cheyenne, Wyoming
- CPCN approved by Wyoming Public Service Commission in July 2019
  - Construction to be completed in 2020
  - Jointly-owned utility asset of South Dakota and Wyoming electric utilities

Pictured: Happy Jack Wind Farm located near Cheyenne, Wyoming, serves Wyoming and South Dakota Electric (owned by Duke Energy)
## Trailing Five Quarters Earnings Per Share

<table>
<thead>
<tr>
<th>EPS from continuing operations available for common stock (GAAP)</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS from continuing operations available for common stock (GAAP)</td>
<td>$0.32</td>
<td>$1.51</td>
<td>$1.73</td>
<td>$0.24</td>
<td>$0.19</td>
</tr>
<tr>
<td>Special Items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of investment</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.25</td>
</tr>
<tr>
<td>Tax reform and other tax items</td>
<td>0.10</td>
<td>(0.06)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal restructuring income tax benefit</td>
<td>—</td>
<td>(0.40)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total adjustments (after tax)</td>
<td>0.10</td>
<td>(0.46)</td>
<td>—</td>
<td>—</td>
<td>0.25</td>
</tr>
<tr>
<td>EPS, as adjusted (Non-GAAP)*</td>
<td>$0.42</td>
<td>$1.05</td>
<td>$1.73</td>
<td>$0.24</td>
<td>$0.44</td>
</tr>
<tr>
<td>Trailing 12 Months EPS, as adjusted*</td>
<td>$3.48</td>
<td></td>
<td></td>
<td></td>
<td>$3.46</td>
</tr>
</tbody>
</table>

* EPS from continuing operations available for common stock, as adjusted is a non-GAAP measure; see Appendix for definition of Non-GAAP measures.
Third Quarter 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
- 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 $1.2 million ($1.4 million electric positive impact more than offset by $2.6 million natural gas negative impact), net of tax, related to weather
Strength in Diversity
Reduces business risk and drives more predictable earnings

Utility Operating Income

Gross Margin by State*1
(12 months ending Sept. 30, 2019)

Percent of Customers by State1

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, 2018; see Appendix for more detail
## Income Statement

*(in millions, except earnings per share)*

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$322.0</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>241.7</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(127.6)</td>
</tr>
<tr>
<td><strong>DD&amp;A</strong></td>
<td>(49.0)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>65.1</td>
</tr>
<tr>
<td><strong>Interest expense, net</strong></td>
<td>(35.3)</td>
</tr>
<tr>
<td><strong>Impairment of investment</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Other income (expense), net</strong></td>
<td>(0.5)</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>29.3</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>(7.5)</td>
</tr>
<tr>
<td><strong>Income from continuing operations</strong></td>
<td>$21.8</td>
</tr>
<tr>
<td><strong>Loss from discontinued operations, net of tax</strong></td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>Net income before non-controlling interest</strong></td>
<td>$20.9</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>(4.0)</td>
</tr>
<tr>
<td><strong>Net Income available to common stock</strong></td>
<td>$17.0</td>
</tr>
<tr>
<td><strong>Income from continuing operations available for common stock</strong></td>
<td>$17.8</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments</strong></td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Income from continuing operations, as adjusted (Non-GAAP)</strong></td>
<td>$23.1</td>
</tr>
<tr>
<td><strong>EPS - Net income available for common stock</strong></td>
<td>$0.31</td>
</tr>
<tr>
<td><strong>EPS - Income from Cont. Ops avail. for common stock, as adjusted</strong></td>
<td>$0.42</td>
</tr>
<tr>
<td><strong>Diluted shares outstanding (in thousands)</strong></td>
<td>54.8</td>
</tr>
<tr>
<td><strong>EBITDA, as adjusted</strong></td>
<td>$113.6</td>
</tr>
</tbody>
</table>

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

(in millions, except for ratios)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capitalization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term Debt</td>
<td>$368</td>
<td>$191</td>
<td>$170</td>
<td>$108</td>
<td>$301</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>2,951</td>
<td>2,951</td>
<td>2,950</td>
<td>3,050</td>
<td>3,049</td>
</tr>
<tr>
<td>Total Debt</td>
<td>3,319</td>
<td>3,142</td>
<td>3,121</td>
<td>3,158</td>
<td>3,350</td>
</tr>
<tr>
<td><strong>Equity</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,813</td>
<td>2,182</td>
<td>2,279</td>
<td>2,317</td>
<td>2,329</td>
</tr>
<tr>
<td><strong>Total Capitalization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$5,132</td>
<td>$5,324</td>
<td>$5,400</td>
<td>$5,475</td>
<td>$5,679</td>
</tr>
<tr>
<td><strong>Net Debt to Net Capitalization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td>$3,319</td>
<td>$3,142</td>
<td>$3,121</td>
<td>$3,158</td>
<td>$3,350</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>(10)</td>
<td>(21)</td>
<td>(12)</td>
<td>(7)</td>
<td>(13)</td>
</tr>
<tr>
<td>Net Debt</td>
<td>3,309</td>
<td>3,121</td>
<td>3,109</td>
<td>3,151</td>
<td>3,337</td>
</tr>
<tr>
<td>Net Capitalization</td>
<td>$5,122</td>
<td>$5,303</td>
<td>$5,387</td>
<td>$5,468</td>
<td>$5,666</td>
</tr>
<tr>
<td><strong>Debt to Capitalization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>64.7%</td>
<td>59.0%</td>
<td>57.8%</td>
<td>57.7%</td>
<td>59.0%</td>
</tr>
<tr>
<td><strong>Net Debt to Capitalization (Net of Cash)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>64.6%</td>
<td>58.9%</td>
<td>57.7%</td>
<td>57.6%</td>
<td>58.9%</td>
</tr>
<tr>
<td><strong>Long-term Debt to Total Debt</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>88.9%</td>
<td>93.9%</td>
<td>94.5%</td>
<td>96.6%</td>
<td>91.0%</td>
</tr>
</tbody>
</table>
2019 Earnings Guidance Assumptions

Black Hills narrowed its guidance for 2019 earnings per share from continuing operations available for common stock, as adjusted* to be in the range of $3.45 to $3.55 from $3.40 to $3.60 per share. The guidance range is based on the following assumptions:

- Capital spending of $820 million;
- No further equity issuances in 2019 through our at-the-market equity offering program;
- Normal weather conditions for the remainder of the year within our utility service territories including temperatures, precipitation levels and wind conditions;
- Normal operations and weather conditions for the remainder of the year for planned construction, maintenance and/or capital investment projects;
- Completion of utility regulatory dockets;
- Complete construction and place in service the Busch Ranch II wind energy project and Natural Bridge pipeline project by year-end 2019;
- No significant unplanned outages at any of our facilities; and
- No significant acquisitions or divestitures.

* EPS, as adjusted, is a non-GAAP item: The company is not able to provide a forward-looking quantitative GAAP to non-GAAP reconciliation of guidance for 2019 earnings, as adjusted, because unplanned or unique events that may occur are unknown at this time.
Black Hills narrowed its guidance for 2020 earnings per share available for common stock, as adjusted*, to be in the range of $3.55 to $3.75 from $3.50 to $3.80, based on the following assumptions:

- Capital spending of $820 million and $623 million in 2019 and 2020, respectively;
- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions;
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects;
- Completion of utility regulatory dockets;
- Complete construction and place in service the Busch Ranch II wind energy project and the Natural Bridge pipeline project by year-end 2019, and the Corriedale Wind Energy Project by year-end 2020;
- No significant unplanned outages at any of our facilities;
- No further equity issuances in 2019 and $80 million to $100 million of equity issuances in 2020 through our at-the-market equity offering program; and
- No significant acquisitions or divestitures.

* EPS, as adjusted, is a non-GAAP item; The company is not able to provide a forward-looking quantitative GAAP to non-GAAP reconciliation of guidance for 2020 earnings, as adjusted, because unplanned or unique events that may occur are unknown at this time.
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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss) available for common stock (GAAP)</strong></td>
<td>$2.64</td>
<td>$2.93</td>
<td>$(0.71)</td>
<td>$1.37</td>
<td>$3.21</td>
<td>$4.66</td>
</tr>
<tr>
<td><strong>(Income) loss from discontinued operations (GAAP)</strong></td>
<td>$(0.09)</td>
<td>0.04</td>
<td>3.83</td>
<td>1.20</td>
<td>0.31</td>
<td>0.12</td>
</tr>
<tr>
<td><strong>Net income (loss) available for common stock</strong> (excluding discontinued operations)</td>
<td>2.55</td>
<td>2.97</td>
<td>3.12</td>
<td>2.57</td>
<td>3.52</td>
<td>4.78</td>
</tr>
</tbody>
</table>

### Adjustments (after tax)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swaps - MTM</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(interest savings)</td>
<td>0.15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financing costs, net of interest savings ($250M bond payoff)*</td>
<td>0.13</td>
<td>-</td>
<td>0.15</td>
<td>0.56</td>
<td>0.05</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition / integration costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax reform and other tax items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.21</td>
<td>0.07</td>
</tr>
<tr>
<td>Legal restructuring - income tax benefit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.31</td>
</tr>
<tr>
<td><strong>Total Non-GAAP adjustments</strong></td>
<td>(0.16)</td>
<td>-</td>
<td>0.15</td>
<td>0.56</td>
<td>(0.16)</td>
<td>(1.24)</td>
</tr>
</tbody>
</table>

**Net income available for common stock (excluding discontinued operations); as adjusted (Non-GAAP)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income available for common stock (excluding discontinued operations); as adjusted (Non-GAAP)</strong></td>
<td>$2.39</td>
<td>$2.97</td>
<td>$3.27</td>
<td>$3.13</td>
<td>$3.36</td>
<td>$3.54</td>
</tr>
</tbody>
</table>
### Use of Non-GAAP Financial Measures

#### EBITDA

*(in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations</td>
<td>$21,801</td>
<td>$15,395</td>
</tr>
<tr>
<td>Depreciation, depletion and amortization</td>
<td>49,046</td>
<td>51,884</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>35,297</td>
<td>33,487</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>7,477</td>
<td>2,508</td>
</tr>
<tr>
<td>Impairment of investment</td>
<td>—</td>
<td>19,741</td>
</tr>
<tr>
<td><strong>EBITDA (a Non-GAAP Measure)</strong></td>
<td><strong>$113,621</strong></td>
<td><strong>$123,015</strong></td>
</tr>
</tbody>
</table>
## 2019 Guidance Reconciliation

### Non-GAAP Earnings Guidance Adjustments

### 2019 Guidance Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings from continuing operations per share (GAAP)</td>
<td>$3.20</td>
<td>$3.30</td>
</tr>
<tr>
<td>Adjustments*:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of investment</td>
<td>0.33</td>
<td>0.33</td>
</tr>
<tr>
<td>Tax on Adjustments*:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of investment</td>
<td>(0.07)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Rounding</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.01)</td>
<td>(0.01)</td>
</tr>
<tr>
<td><strong>Earnings from continuing operations per share, as adjusted (Non-GAAP)</strong></td>
<td><strong>$3.45</strong></td>
<td><strong>$3.55</strong></td>
</tr>
</tbody>
</table>
Operational Excellence
Delivering safe and reliable service to our customers

Black Hills Energy recognized for 50 Most Engaged Workplaces

In September, Black Hills was awarded the achievers 50 Most Engaged Workplaces Award. This annual award recognizes top employers that display leadership and innovation in engaging their workplaces.
Strategic Execution – 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, Nebraska
Strategic Objectives
Natural gas and electric utility focused on long-term total shareholder returns

**PROFITABLE GROWTH**
Achieve consistent growth that creates value.

**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

**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

**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

**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

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**EARNINGS:** Lead industry peers in earnings growth

**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

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