

REFINITIV

DELTA REPORT

10-Q

BLACK HILLS CORP /SD/

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 644

CHANGES 122

DELETIONS 170

ADDITIONS 352

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, June 30**, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-31303

Black Hills Corporation

Incorporated in South Dakota IRS Identification Number 46-0458824

7001 Mount Rushmore Road

Rapid City, South Dakota 57702

Registrant's telephone number (605) 721-1700

Former name, former address, and former fiscal year if changed since last report

NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock of \$1.00 par value	BKH	New York Stock Exchange

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding at April 30, 2024 July 31, 2024
Common stock, \$1.00 par value	68,933,306 69,748,458 shares

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GLOSSARY OF TERMS AND ABBREVIATIONS

The following terms and abbreviations appear in the text of this report and have the definitions described below:

AFUDC	Allowance for Funds Used During Construction
AI	Artificial Intelligence
AOCI	Accumulated Other Comprehensive Income (Loss)
APSC	Arkansas Public Service Commission
Arkansas Gas	Black Hills Energy Arkansas, Inc., an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Arkansas (doing business as Black Hills Energy).
ASU	Accounting Standards Update as issued by the FASB
ATM	At-the-market equity offering program
Availability	The availability factor of a power plant is the percentage of the time that it is available to provide energy.
BHC	Black Hills Corporation; the Company
Black Hills Colorado IPP	Black Hills Colorado IPP, LLC a 50.1% owned subsidiary of Black Hills Electric Generation

Black Hills Electric Generation	Black Hills Electric Generation, LLC, a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings, providing wholesale electric capacity and energy primarily to our Electric Utilities.
Black Hills Electric Parent Holdings	Black Hills Electric Utility Holdings, LLC., a direct, wholly-owned subsidiary of Black Hills Corporation
Black Hills Energy	The name used to conduct the business of our Utilities
Black Hills Energy Renewable Resources (BHERR)	Black Hills Energy Renewable Resources, LLC, a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings
Black Hills Energy Services	Black Hills Energy Services Company, an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas commodity supply for the Choice Gas Programs (doing business as Black Hills Energy).
Black Hills Non-regulated Holdings	Black Hills Non-regulated Holdings, LLC, a direct, wholly-owned subsidiary of Black Hills Corporation
Black Hills Utility Holdings	Black Hills Utility Holdings, Inc., a direct, wholly-owned subsidiary of Black Hills Corporation (doing business as Black Hills Energy)
Black Hills Wyoming	Black Hills Wyoming, LLC, a direct, wholly-owned subsidiary of Black Hills Electric Generation
Choice Gas Program	Regulator-approved programs in Wyoming and Nebraska that allow certain utility customers to select their natural gas commodity supplier, providing for the unbundling of the commodity service from the distribution delivery service.
Chief Operating Decision Maker (CODM)	Chief Executive Officer
Clean Energy Plan	2030 Ready Plan that establishes a roadmap and preferred resource portfolio for Colorado Electric to cost-effectively achieve the State of Colorado's requirement calling upon electric utilities to reduce greenhouse gas emissions by a minimum of 80% from 2005 levels by 2030. The recommended resource portfolio proposes the addition of 400 MW of clean energy resources to Colorado Electric's system. Colorado legislation allows electric utilities to own up to 50% of the renewable generation assets added to comply with the Clean Energy Plan.
CO ₂	Carbon dioxide
Colorado Electric	Black Hills Colorado Electric, LLC, a direct, wholly-owned subsidiary of Black Hills Electric Parent Holdings, providing electric services to customers in Colorado (doing business as Black Hills Energy).
Colorado Gas	Black Hills Colorado Gas, Inc., an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Colorado (doing business as Black Hills Energy).
Common Use System	The Common Use System is a jointly operated transmission system we participate in with Basin Electric Power Cooperative and Powder River Energy Corporation. The Common Use System provides transmission service over these utilities' combined 230-kilovolt (kV) and limited 69-kV transmission facilities within areas of southwestern South Dakota and northeastern Wyoming.
Consolidated Indebtedness to Capitalization Ratio	Any indebtedness outstanding at such time, divided by capital at such time. Capital being consolidated net worth (excluding non-controlling interest) plus consolidated indebtedness (including letters of credit and certain guarantees issued) as defined within the current Revolving Credit Facility.
CP Program	Commercial Paper Program
CPUC	Colorado Public Utilities Commission

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Cooling Degree Day	A cooling degree day is equivalent to each degree that the average of the high and the low temperatures for a day is above 65 degrees. The warmer the climate, the greater the number of cooling degree days. Cooling degree days are used in the utility industry to measure the relative warmth of weather and to compare relative temperatures between one geographic area and another. Normal degree days are based on the National Weather Service data for selected locations.
CP Program	Commercial Paper Program
CPCN	Certificate of Public Convenience and Necessity
CPUC	Colorado Public Utilities Commission
CT	Combustion Turbine
Dth	Dekatherm. A unit of energy equal to 10 therms or one million British thermal units (MMBtu)
EPA	Environmental Protection Agency

FASB	Financial Accounting Standards Board
Fitch	Fitch Ratings Inc.
GAAP	Accounting principles generally accepted in the United States of America
Heating Degree Day	A heating degree day is equivalent to each degree that the average of the high and the low temperatures for a day is below 65 degrees. The colder the climate, the greater the number of heating degree days. Heating degree days are used in the utility industry to measure the relative coldness of weather and to compare relative temperatures between one geographic area and another. Normal degree days are based on the National Weather Service data for selected locations.
HomeServe	We offer HomeServe products to our natural gas residential customers interested in purchasing additional home repair service plans.
Integrated Generation	Non-regulated power generation and mining businesses (Black Hills Electric Generation and WRDC) that are vertically integrated within our Electric Utilities segment.
Iowa Gas	Black Hills Iowa Gas Utility Company, LLC, a direct, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Iowa (doing business as Black Hills Energy).
IPP	Independent Power Producer
IRS	United States Internal Revenue Service
IUB IUC	Iowa Utilities Board Commission
Kansas Gas	Black Hills Kansas Gas Utility Company, LLC, a direct, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Kansas (doing business as Black Hills Energy).
MMBtu	Million British thermal units
Moody's	Moody's Investors Service, Inc.
MW	Megawatts
MWh	Megawatt-hours
N/A	Not applicable
Nebraska Gas	Black Hills Nebraska Gas, LLC, an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Nebraska (doing business as Black Hills Energy).
Neil Simpson II	A mine-mouth, coal-fired power plant owned and operated by South Dakota Electric with a total capacity of 90 MW located at our Gillette Energy Complex.
Northern Iowa Windpower	Northern Iowa Windpower, LLC, a 87.1 MW wind farm located near Joice, Iowa, previously owned by Black Hills Electric Generation. In March 2023, Black Hills Electric Generation completed the sale of Northern Iowa Windpower assets to a third-party.
OCI	Other Comprehensive Income
PPA	Power Purchase Agreement
Pueblo Airport Generation	Pueblo Airport Generating Station located in Pueblo, Colorado includes 440 MW of combined cycle gas-fired power generation plants jointly owned by Colorado Electric (240 MW) and Black Hills Colorado IPP (200 MW). Black Hills Colorado IPP owns and operates this facility. The plants commenced operation on January 1, 2012.
Ready Wyoming	A 260-mile, multi-phase transmission expansion project in Wyoming. This transmission project is expected to serve the growing needs of customers by enhancing resiliency of Wyoming Electric's overall electric system and expanding access to power markets and renewable resources. The project is expected to help Wyoming Electric maintain top-quartile reliability and enable economic development in the Cheyenne, Wyoming region.

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Revolving Credit Facility	Our \$750 million credit facility used to fund working capital needs, letters of credit and other corporate purposes, which was amended on May 9, 2023 May 31, 2024, and will terminate on July 19, 2026 May 31, 2029. This facility includes an accordion feature that allows us to increase total commitments up to \$1.0 billion with the consent of the administrative agent, the issuing agents and each bank increasing or providing a new commitment.
RMNG	Rocky Mountain Natural Gas LLC, an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas transmission and wholesale services in western Colorado (doing business as Black Hills Energy).

RNG	Renewable Natural Gas
SDPUC	South Dakota Public Utilities Commission
SEC	United States Securities and Exchange Commission
Service Guard Comfort Plan	Appliance protection plan that provides home appliance repair services through on-going monthly service agreements to residential utility customers.
S&P	S&P Global Ratings, a division of S&P Global Inc.
SOFR	Secured Overnight Financing Rate
South Dakota Electric	Black Hills Power, Inc., a direct, wholly-owned subsidiary of Black Hills Corporation, providing electric service to customers in Montana, South Dakota and Wyoming (doing business as Black Hills Energy).

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Tech Services	Non-regulated product lines delivered by our Utilities that 1) provide electrical system construction services to large industrial customers of our Electric Utilities, and 2) serve gas transportation customers throughout its service territory by constructing and maintaining customer-owned gas infrastructure facilities, typically through one-time contracts.
Utilities	Black Hills' Electric and Gas Utilities
Wind Capacity Factor	Measures the amount of electricity a wind turbine produces in a given time period relative to its maximum potential.
Winter Storm Uri	February 2021 winter weather event that caused extreme cold temperatures in the central United States and led to unprecedented fluctuations in customer demand and market pricing for natural gas and energy.
WPSC	Wyoming Public Service Commission
WRDC	Wyodak Resources Development Corp., a coal mine which is a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings, providing coal supply primarily to five on-site, mine-mouth generating facilities at our Gillette Energy Complex (doing business as Black Hills Energy).
Wygen I	A mine-mouth, coal-fired generating facility with a total capacity of 90 MW located at our Gillette Energy Complex. Black Hills Wyoming owns 76.5% of the facility and Municipal Energy Agency of Nebraska (MEAN) owns the remaining 23.5%.
Wyoming Electric	Cheyenne Light, Fuel and Power Company, a direct, wholly-owned subsidiary of Black Hills Corporation, providing electric service to customers in the Cheyenne, Wyoming area (doing business as Black Hills Energy).
Wyoming Gas	Black Hills Wyoming Gas, LLC, an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Wyoming (doing business as Black Hills Energy).
Wyoming Integrity Rider	The Wyoming Integrity Rider (WIR) is a WPSC-approved tariff that allows us to recover costs from customers associated with ongoing infrastructure replacement, gas meter and yard line replacement projects driven by federal regulation.

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FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q includes "forward-looking statements" as defined by the SEC. Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words "anticipates," "estimates," "expects," "intends," "plans," "predicts" and similar expressions, and include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. 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 2023 Annual Report on Form 10-K, Part II, [Item 1A](#) of this Quarterly Report on Form 10-Q 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;
- Our ability to successfully execute our financing plans;
- The effects of changing interest rates;
- Our ability to achieve our greenhouse gas emissions intensity reduction goals;
- Board of Directors' approval of any future quarterly dividends;
- The impact of future governmental regulation;
- Our ability to overcome the impacts of supply chain disruptions on availability and cost of materials;
- The effects of inflation and volatile energy prices;
- Our ability to obtain sufficient insurance coverage at reasonable costs and whether such coverage will protect us against significant losses; 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.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BLACK HILLS CORPORATION CONSOLIDATED STATEMENTS OF INCOME

(unaudited)	Three Months Ended		Three Months Ended		Six Months Ended	
	March 31,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
(in millions, except per share amounts)						
Revenue	\$ 726.4	\$ 921.2	\$ 402.6	\$ 411.3	\$ 1,129.0	\$ 1,332.4
Operating expenses:						
Fuel, purchased power and cost of natural gas sold	316.6	526.3	107.1	121.3	423.7	647.5
Operations and maintenance	133.6	141.0	141.7	145.8	275.2	286.7

Depreciation and amortization	65.9	61.6	66.6	64.7	132.5	126.4
Taxes - property and production	17.0	17.4	16.6	16.0	33.6	33.4
Total operating expenses	533.1	746.3	332.0	347.8	865.0	1,094.0
Operating income	193.3	174.9	70.6	63.5	264.0	238.4
Other income (expense):						
Interest expense incurred net of amounts capitalized	(46.0)	(44.1)	(48.2)	(43.3)	(94.2)	(87.3)
Interest income	2.0	0.6	5.6	1.8	7.5	2.3
Other income (expense), net	(0.8)	0.7	0.4	(1.5)	(0.5)	(0.9)
Total other income (expense)	(44.8)	(42.8)	(42.2)	(43.0)	(87.2)	(85.9)
Income before income taxes	148.5	132.1	28.4	20.5	176.8	152.5
Income tax (expense)	(16.9)	(14.7)				
Income tax benefit (expense)	(3.7)	6.1	(20.6)	(8.6)		
Net income	131.6	117.4	24.7	26.6	156.2	143.9
Net income attributable to non-controlling interest	(3.7)	(3.3)	(1.9)	(3.5)	(5.6)	(6.8)
Net income available for common stock	\$ 127.9	\$ 114.1	\$ 22.8	\$ 23.1	\$ 150.6	\$ 137.1
Earnings per share of common stock:						
Earnings per share, Basic	\$ 1.88	\$ 1.73	\$ 0.33	\$ 0.35	\$ 2.20	\$ 2.07
Earnings per share, Diluted	\$ 1.87	\$ 1.73	\$ 0.33	\$ 0.35	\$ 2.19	\$ 2.06
Weighted average common shares outstanding:						
Basic	68.2	66.0	69.0	66.6	68.6	66.3
Diluted	68.3	66.1	69.0	66.7	68.7	66.4

The accompanying [Condensed Notes to Consolidated Financial Statements](#) are an integral part of these Consolidated Financial Statements.

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BLACK HILLS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)						
	Three Months		Three Months		Six Months	
	Ended March 31, 2024		Ended June 30, 2024		Ended June 30, 2023	
	(in millions)					
Net income	\$ 131.6	\$ 117.4	\$ 24.7	\$ 26.6	\$ 156.2	\$ 143.9

Other comprehensive income (loss), net of tax:						
Reclassification adjustments of benefit plan liability - net loss (net of tax of \$0.0, \$0.0, \$0.0, and \$0.0, respectively)				-	0.1	-
Derivative instruments designated as cash flow hedges:						
Reclassification of net realized (gains) losses on settled/amortized interest rate swaps (net of tax of \$(0.1) and \$(0.2), respectively)	0.6	0.6				
Net unrealized gains (losses) on commodity derivatives (net of tax of \$0.0 and \$0.3, respectively)	(0.1)	(0.9)				
Reclassification of net realized (gains) losses on settled commodity derivatives (net of tax of \$(0.6) and \$(0.5), respectively)	2.0	1.5				
Reclassification of net realized (gains) losses on settled/amortized interest rate swaps (net of tax of \$(0.2), \$(0.2), \$(0.3), and \$(0.3), respectively)	0.6	0.5	1.1	1.1		
Net unrealized gains (losses) on commodity derivatives (net of tax of \$0.0, \$0.0, \$0.0, and \$0.2, respectively)	-	0.1	(0.2)	(0.7)		
Reclassification of net realized (gains) losses on settled commodity derivatives (net of tax of \$(0.1), \$(0.2), \$(0.8), and \$(0.6), respectively)	0.4	0.4	2.5	1.9		
Other comprehensive income, net of tax	2.5	1.2	1.0	1.0	3.5	2.3
Comprehensive income	134.1	118.6	25.7	27.6	159.7	146.2
Less: comprehensive income attributable to non-controlling interest	(3.7)	(3.3)	(1.9)	(3.5)	(5.6)	(6.8)
Comprehensive income available for common stock	\$ 130.4	\$ 115.3	\$ 23.8	\$ 24.1	\$ 154.1	\$ 139.4

See [Note 9](#) for additional disclosures.

The accompanying [Condensed Notes to Consolidated Financial Statements](#) are an integral part of these Consolidated Financial Statements.

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BLACK HILLS CORPORATION
CONSOLIDATED BALANCE SHEETS

(unaudited)	As of		As of			
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023		
			(in millions)	(in millions)		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 123.0	\$ 86.6	\$ 624.8	\$ 86.6		
Restricted cash and equivalents	6.7	6.4	6.9	6.4		
Accounts receivable, net	334.4	350.3	221.5	350.3		
Materials, supplies and fuel	130.6	160.9	134.8	160.9		
Income tax receivable, net	18.2	18.5	19.8	18.5		
Regulatory assets, current	147.3	175.7	142.9	175.7		
Other current assets	37.4	28.2	22.9	28.2		

Total current assets	797.6	826.6	1,173.6	826.6
Property, plant and equipment	9,068.4	8,917.2	9,238.1	8,917.2
Less: accumulated depreciation	(1,845.3)	(1,797.9)	(1,882.6)	(1,797.9)
Total property, plant and equipment, net	7,223.1	7,119.3	7,355.5	7,119.3
Other assets:				
Goodwill	1,299.5	1,299.5	1,299.5	1,299.5
Intangible assets, net	8.4	8.4	8.1	8.4
Regulatory assets, non-current	283.8	304.4	281.9	304.4
Other assets, non-current	64.3	62.2	67.3	62.2
Total other assets, non-current	1,656.0	1,674.5	1,656.8	1,674.5
TOTAL ASSETS	\$ 9,676.7	\$ 9,620.4	\$ 10,185.9	\$ 9,620.4

The accompanying [Condensed Notes to Consolidated Financial Statements](#) are an integral part of these Consolidated Financial Statements.

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BLACK HILLS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Continued)

(unaudited)	As of		As of	
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	(in millions)		(in millions)	
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	\$ 132.6	\$ 186.4	\$ 155.2	\$ 186.4
Accrued liabilities	263.9	293.3	259.6	293.3
Derivative liabilities, current	2.0	6.5	1.7	6.5
Regulatory liabilities, current	89.9	98.9	90.3	98.9
Notes payable	-	-	-	-
Current maturities of long-term debt	600.0	600.0	600.0	600.0
Total current liabilities	1,088.4	1,185.1	1,106.8	1,185.1
Long-term debt, net of current maturities	3,802.8	3,801.2	4,247.1	3,801.2
Deferred credits and other liabilities:				
Deferred income tax liabilities, net	576.1	548.0	598.5	548.0
Regulatory liabilities, non-current	463.5	467.7	467.1	467.7

Benefit plan liabilities	124.1	123.9	122.0	123.9
Other deferred credits and other liabilities	199.3	188.7	201.0	188.7
Total deferred credits and other liabilities	1,363.0	1,328.3	1,388.6	1,328.3
Commitments, contingencies and guarantees (Note 3)				
Equity:				
Stockholder's equity -				
Common stock \$1 par value; 100,000,000 shares authorized; issued 68,969,578 and 68,265,042 shares, respectively	69.0	68.3		
Common stock \$1 par value; 100,000,000 shares authorized; issued 69,747,220 and 68,265,042 shares, respectively	69.7	68.3		
Additional paid-in capital	2,040.2	2,007.7	2,084.2	2,007.7
Retained earnings	1,241.7	1,158.2	1,219.6	1,158.2
Treasury stock, at cost - 82,343 and 68,073 shares, respectively	(4.7)	(4.1)		
Treasury stock, at cost - 83,160 and 68,073 shares, respectively	(4.9)	(4.1)		
Accumulated other comprehensive income (loss)	(12.3)	(14.8)	(11.3)	(14.8)
Total stockholders' equity	3,333.9	3,215.3	3,357.3	3,215.3
Non-controlling interest	88.6	90.5	86.1	90.5
Total equity	3,422.5	3,305.8	3,443.4	3,305.8
TOTAL LIABILITIES AND TOTAL EQUITY	\$ 9,676.7	\$ 9,620.4	\$ 10,185.9	\$ 9,620.4

The accompanying [Condensed Notes to Consolidated Financial Statements](#) are an integral part of these Consolidated Financial Statements.

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BLACK HILLS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating activities:		(in millions)		(in millions)
Net income	\$ 131.6	\$ 117.4	\$ 156.2	\$ 143.9
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	65.9	61.6	132.5	126.4
Deferred financing cost amortization	2.7	2.4	5.5	4.9
Stock compensation	2.4	1.8	5.4	4.3
Deferred income taxes	16.7	14.9	36.6	9.2
Employee benefit plans	3.0	3.0	5.6	5.9
Other adjustments, net	(0.3)	(2.9)	(4.0)	(6.7)
Changes in certain operating assets and liabilities:				

Materials, supplies and fuel	30.4	76.1	29.0	73.0
Accounts receivable and other current assets	(11.3)	28.7	117.1	266.8
Accounts payable and other current liabilities	(59.6)	(127.2)	(77.4)	(201.4)
Regulatory assets	54.8	154.7	69.8	186.7
Other operating activities, net	(2.9)	(1.8)	(12.3)	(7.9)
Net cash provided by operating activities	233.4	328.7	464.0	605.1
Investing activities:				
Property, plant and equipment additions	(176.2)	(119.1)	(342.4)	(261.7)
Other investing activities	(0.7)	17.6	1.7	16.3
Net cash (used in) investing activities	(176.9)	(101.5)	(340.7)	(245.4)
Financing activities:				
Dividends paid on common stock	(44.4)	(41.4)	(89.3)	(83.1)
Common stock issued	31.2	27.4	73.0	54.7
Net borrowings (payments) of Revolving Credit Facility and CP Program	-	(535.6)	-	(535.6)
Long-term debt - issuance	-	350.0	450.0	350.0
Distributions to non-controlling interests	(5.6)	(4.5)	(10.0)	(9.0)
Other financing activities	(1.0)	(5.0)	(8.3)	(5.1)
Net cash (used in) financing activities	(19.8)	(209.1)		
Net cash provided by (used in) financing activities	415.4	(228.1)		
Net change in cash, restricted cash and cash equivalents	36.7	18.1	538.7	131.6
Cash, restricted cash and cash equivalents beginning of period	93.0	27.0	93.0	27.0
Cash, restricted cash and cash equivalents end of period	\$ 129.7	\$ 45.1	\$ 631.7	\$ 158.6
Supplemental cash flow information:				
Cash (paid) refunded during the period:				
Interest (net of amounts capitalized)	\$ (33.6)	\$ (27.6)	\$ (89.5)	\$ (75.5)
Income taxes, net of transferred tax credits (Note 11)	14.7	-		
Non-cash investing and financing activities:				
Accrued property, plant and equipment purchases at March 31,	37.7	42.1		
Accrued property, plant and equipment purchases at June 30,	73.0	50.1		

The accompanying [Condensed Notes to Consolidated Financial Statements](#) are an integral part of these Consolidated Financial Statements.

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BLACK HILLS CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY

(unaudited) (in millions except share amounts)	Treasury										Treasury													
	Common Stock		Stock		Additional					Non-					Common Stock		Stock		Additional					
					Paid in	Retained	controlling							controlling					Paid in	Retained	controlling			
	Shares	Value	Shares	Value	Capital	Earnings	AOCI	Interest	Total	Shares	Value	Shares	Value	Capital	Earnings	AOCI	Interest	Total	Shares	Value	AOCI	Interest	Total	
December 31, 2023	68,265,042	\$ 68.3	68,073	\$ (4.1)	\$ 2,007.7	\$ 1,158.2	\$ (14.8)	\$ 90.5	\$ 3,305.8	68,265,042	\$ 68.3	68,073	\$ (4.1)	\$ 2,007.7	\$ 1,158.2	\$ (14.8)	\$ 90.5	\$ 3,305.8						
Net income	-	-	-	-	-	127.9	-	3.7	131.6	-	-	-	-	-	-	127.9	-	3.7	131.6					
Other comprehensive income, net of tax	-	-	-	-	-	-	2.5	-	2.5	-	-	-	-	-	-	-	2.5	-	2.5	-	2.5			
Dividends on common stock (\$0.65 per share)	-	-	-	-	-	(44.4)	-	-	(44.4)	-	-	-	-	-	-	(44.4)	-	-	(44.4)	-	-	(44.4)		
Share-based compensation	104,181	0.1	14,270	(0.6)	1.9	-	-	-	1.4	104,181	0.1	14,270	(0.6)	1.9	-	-	-	-	-	-	-	1.4		
Issuance of common stock	600,355	0.6	-	-	30.9	-	-	-	31.5	600,355	0.6	-	-	-	30.9	-	-	-	-	-	-	31.5		
Issuance costs	-	-	-	-	(0.3)	-	-	-	(0.3)	-	-	-	-	-	(0.3)	-	-	-	(0.3)	-	-	(0.3)		
Distributions to non-controlling interest	-	-	-	-	-	-	-	(5.6)	(5.6)	-	-	-	-	-	-	-	-	-	-	-	(5.6)	(5.6)		
March 31, 2024	68,969,578	\$ 69.0	82,343	\$ (4.7)	\$ 2,040.2	\$ 1,241.7	\$ (12.3)	\$ 88.6	\$ 3,422.5	68,969,578	\$ 69.0	82,343	\$ (4.7)	\$ 2,040.2	\$ 1,241.7	\$ (12.3)	\$ 88.6	\$ 3,422.5						
Net income	-	-	-	-	-	22.8	-	1.9	24.7															
Other comprehensive income, net of tax	-	-	-	-	-	-	1.0	-	1.0															
Dividends on common stock (\$0.65 per share)	-	-	-	-	-	(44.9)	-	-	(44.9)															
Share-based compensation	9,623	-	817	(0.2)	2.9	-	-	-	2.7															
Issuance of common stock	768,019	0.7	-	-	41.5	-	-	-	42.2															
Issuance costs	-	-	-	-	(0.4)	-	-	-	(0.4)															
Distributions to non-controlling interest	-	-	-	-	-	-	-	(4.4)	(4.4)															
June 30, 2024	69,747,220	\$ 69.7	83,160	\$ (4.9)	\$ 2,084.2	\$ 1,219.6	\$ (11.3)	\$ 86.1	\$ 3,443.4															
(unaudited) (in millions except share amounts)	Treasury										Treasury													
	Common Stock		Stock		Additional					Non-					Common Stock		Stock		Additional					
					Paid in	Retained	controlling							controlling					Paid in	Retained	controlling			
	Shares	Value	Shares	Value	Capital	Earnings	AOCI	Interest	Total	Shares	Value	Shares	Value	Capital	Earnings	AOCI	Interest	Total	Shares	Value	AOCI	Interest	Total	
December 31, 2022	66,140,396	\$ 66.1	36,726	\$ (2.4)	\$ 1,882.7	\$ 1,064.1	\$ (15.6)	\$ 95.0	\$ 3,089.9	66,140,396	\$ 66.1	36,726	\$ (2.4)	\$ 1,882.7	\$ 1,064.1	\$ (15.6)	\$ 95.0	\$ 3,089.9						
Net income	-	-	-	-	-	114.1	-	3.3	117.4	-	-	-	-	-	-	114.1	-	3.3	117.4					

Other comprehensive income, net of tax	-	-	-	-	-	1.2	-	1.2	-	-	-	-	-	1.2	-	1.2	
Dividends on common stock																	
(\$0.625 per share)	-	-	-	-	-	(41.4)	-	-	(41.4)	-	-	-	-	(41.4)	-	(41.4)	
Share-based compensation	84,735	0.1	4,388	(0.3)	1.9	-	-	-	1.7	84,735	0.1	4,388	(0.3)	1.9	-	1.7	
Issuance of common stock	445,578	0.5	-	-	27.2	-	-	-	27.7	445,578	0.5	-	-	27.2	-	27.7	
Issuance costs	-	-	-	-	(0.3)	-	-	-	(0.3)	-	-	-	-	(0.3)	-	(0.3)	
Distributions to non-controlling interest	-	-	-	-	-	-	-	-	(4.5)	(4.5)	-	-	-	-	-	(4.5)	
March 31, 2023	66,670,709	\$ 66.7	41,114	\$ (2.7)	\$ 1,911.5	\$ 1,136.8	\$ (14.4)	\$ 93.8	\$ 3,191.7	66,670,709	\$ 66.7	41,114	\$ (2.7)	\$ 1,911.5	\$ 1,136.8	\$ (14.4)	\$ 93.8
Net income	-	-	-	-	-	23.1	-	3.5	26.6								
Other comprehensive income, net of tax	-	-	-	-	-	-	1.0	-	1.0								
Dividends on common stock																	
(\$0.625 per share)	-	-	-	-	-	-	(41.7)	-	-	(41.7)	-	-	-	-	-	-	
Share-based compensation	8,492	-	7,509	(0.5)	2.9	-	-	-	2.4								
Issuance of common stock	436,202	0.4	-	-	27.3	-	-	-	27.7								
Issuance costs	-	-	-	-	(0.4)	-	-	-	(0.4)								
Distributions to non-controlling interest	-	-	-	-	-	-	-	-	(4.5)	(4.5)							
June 30, 2023	67,115,403	\$ 67.1	48,623	\$ (3.2)	\$ 1,941.3	\$ 1,118.2	\$ (13.3)	\$ 92.8	\$ 3,202.8								

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BLACK HILLS CORPORATION

Condensed Notes to Consolidated Financial Statements

(unaudited)

(Reference is made to Notes to Consolidated Financial Statements included in the Company's 2023 Annual Report on Form 10-K)

(1) Management's Statement

The unaudited Consolidated Financial Statements included herein have been prepared by Black Hills Corporation (together with our subsidiaries the "Company", "us", "we" or "our"), pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations; however, we believe that the footnotes adequately disclose the information presented. These Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and the notes included in our 2023 Annual Report on Form 10-K.

Use of Estimates and Basis of Presentation

The information furnished in the accompanying Consolidated Financial Statements reflects certain estimates required and all adjustments, including accruals, which are, in the opinion of management, necessary for a fair presentation of the **March 31, 2024** **June 30, 2024**, December 31, 2023, and **March 31, 2023** **June 30, 2023**, financial information. Certain lines of business in which we operate are highly seasonal, and our interim results of operations are not necessarily indicative of the results of operations to be expected for an entire year.

Recently Issued Accounting Standards

Improvements to Reportable Segment Disclosures, ASU 2023-07

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*, which expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly reviewed by the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The ASU 2023-07 also allows, in addition to the measure that is most consistent with GAAP, the disclosure of additional measures of segment profit or loss that are used by the CODM in assessing segment performance and deciding how to allocate resources. The ASU 2023-07 is effective for our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and subsequent interim periods, with early adoption permitted. We do not expect the ASU 2023-07 to have an impact on our financial position, results of operations and cash flows; however, are currently evaluating the impact on our consolidated financial statement disclosures.

Improvements to Income Tax Disclosures, ASU 2023-09

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which expands public entities' annual disclosures by requiring disclosure of tax rate reconciliation amounts and percentages for specific categories, income taxes paid disaggregated by federal and state taxes, and income tax expense disaggregated by federal and state taxes jurisdiction. The ASU 2023-09 is effective for our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, with early adoption permitted. We do not expect the ASU 2023-09 to have an impact on our financial position, results of operations and cash flows; however, are currently evaluating the impact on our consolidated financial statement disclosures.

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(2) Regulatory Matters

We had the following regulatory assets and liabilities (in millions):

	As of		As of	
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Regulatory assets				
Winter Storm Uri	\$ 144.9	\$ 199.6	\$ 129.0	\$ 199.6
Deferred energy and fuel cost adjustments	57.5	55.1	57.8	55.1
Deferred gas cost adjustments	8.1	4.1	9.6	4.1
Gas price derivatives	-	5.1	0.5	5.1
Deferred taxes on AFUDC	7.4	7.1	7.5	7.1
Employee benefit plans and related deferred taxes	88.2	89.3	87.1	89.3

Environmental	5.9	2.9	10.6	2.9
Loss on reacquired debt	17.0	17.4	16.5	17.4
Deferred taxes on flow through accounting	80.5	74.7	81.1	74.7
Decommissioning costs	2.4	2.4	2.4	2.4
Other regulatory assets	19.2	22.4	22.7	22.4
Total regulatory assets	431.1	480.1	424.8	480.1
Less current regulatory assets	(147.3)	(175.7)	(142.9)	(175.7)
Regulatory assets, non-current	\$ 283.8	\$ 304.4	\$ 281.9	\$ 304.4
Regulatory liabilities				
Deferred energy and gas costs	\$ 85.7	\$ 88.9	\$ 86.5	\$ 88.9
Employee benefit plan costs and related deferred taxes	35.7	36.2	35.1	36.2
Cost of removal	182.2	181.9	187.7	181.9
Excess deferred income taxes	243.2	247.1	241.8	247.1
Other regulatory liabilities	6.6	12.5	6.3	12.5
Total regulatory liabilities	553.4	566.6	557.4	566.6
Less current regulatory liabilities	(89.9)	(98.9)	(90.3)	(98.9)
Regulatory liabilities, non-current	\$ 463.5	\$ 467.7	\$ 467.1	\$ 467.7

Regulatory Activity

Arkansas Gas

On December 4, 2023, Arkansas Gas filed a rate review with the APSC seeking recovery of significant infrastructure investments in its 7,200-mile natural gas pipeline system. The rate review requests \$44.1 million in new annual revenue with a capital structure of 48% equity and 52% debt and a return on equity of 10.5%. The request seeks to finalize rates in the fourth quarter of 2024.

Colorado Electric

On June 14, 2024, Colorado Electric filed a rate review with the CPUC seeking recovery of significant infrastructure investments in its 3,200-mile electric distribution and 600-mile electric transmission systems. The rate review requests \$36.7 million in new annual revenue with a capital structure of 53% equity and 47% debt and a return on equity of 10.5%. The request seeks to finalize rates in the first quarter of 2025.

Colorado Gas

On May 9, 2023, Colorado Gas filed a rate review with the CPUC seeking recovery of significant infrastructure investments in its 10,000-mile natural gas pipeline system. In March 2024, Colorado Gas received final approval for a settlement agreement for a general rate increase which is expected to generate \$20.2 million of new annual revenue with a capital structure of 51% equity and 49% debt and a return on equity of 9.3%. Final rates were enacted on May 1, 2024, and replaced interim rates effective February 13, 2024.

Iowa Gas

On May 1, 2024, Iowa Gas filed a rate review with the IUB IUC seeking recovery of significant infrastructure investments in its 5,000-mile natural gas pipeline system. The rate review requests \$20.7 million in new annual revenue with a capital structure of 51% equity and 49% debt and a return on equity of 10.5%. Iowa statute allows implementation of interim rates 10 days after filing a rate review and Iowa Gas plans to implement interim rates, subject to adjustment or refund, effective in May, 2024. May 11, 2024. The request seeks to finalize rates in the first quarter of 2025.

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Wyoming Gas

On May 18, 2023, Wyoming Gas filed a rate review with the WPSC seeking recovery of significant infrastructure investments in its 6,400-mile natural gas pipeline system. On January 17, 2024, the WPSC approved a settlement agreement for a general rate increase which is expected to generate \$13.9 million in new annual revenue with a capital structure of 51% equity and 49% debt and a return on equity of 9.9%. New rates were effective February 1, 2024. The agreement also included approval of a four-year extension of the Wyoming Integrity Rider.

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(3) Commitments, Contingencies and Guarantees

There have been no significant changes to commitments, contingencies and guarantees from those previously disclosed in Note 3 of our Notes to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K, except as described below.

Manufactured Gas Plant

In 2008, we acquired whole and partial liabilities for former manufactured gas plant sites in Nebraska and Iowa, which were previously used to convert coal to natural gas. The acquisition provided for an insurance recovery, now valued at \$1.4 million recorded in Other assets, non-current on our Consolidated Balance Sheets, which will be used to help offset remediation costs. During the six months ended June 30, 2024, we increased our Iowa manufactured gas plant site remediation cost estimate by \$7.4 million based on recent site investigations and remediation work completed, which resulted in a corresponding increase in our Accrued liabilities and Regulatory assets. As of June 30, 2024, we had an Accrued liability of \$11.5 million and a Regulatory asset of \$10.6 million on our Consolidated Balance Sheets for the remediation of the manufactured gas plant site in Iowa. The remediation cost estimate could change materially due to results of further investigations, actions of environmental agencies or the financial viability of other responsible parties.

(4) Revenue

The following tables depict the disaggregation of revenue, including intercompany revenue, from contracts with customers by customer type and timing of revenue recognition for each of the reportable segments for the three and six months ended March 31, 2024, June 30, 2024, and 2023. Sales tax and other similar taxes are excluded from revenues.

Three Months Ended March 31, 2024	Electric Utilities	Gas Utilities	Inter-segment Eliminations	Total
Three Months Ended June 30, 2024	Electric Utilities	Gas Utilities	Inter-segment Eliminations	Total
<u>Customer types:</u>				
Retail	\$ 188.3	\$ 437.4	\$ 625.7	\$ 324.2
Transportation	-	51.7	(0.1)	35.8
Wholesale	8.5	-	8.5	6.5
Market - off-system sales	6.6	-	6.6	5.5
Transmission/Other	18.0	11.2	(4.4)	25.1
Revenue from contracts with customers	\$ 221.4	\$ 500.3	\$ 717.2	\$ 397.1
Other revenues	0.8	8.4	-	5.5
Total revenues	\$ 222.2	\$ 508.7	\$ 726.4	\$ 402.6
<u>Timing of revenue recognition:</u>				
Services transferred at a point in time	\$ 8.7	-	\$ 8.7	\$ 7.8
Services transferred over time	212.7	500.3	(4.5)	389.3

Revenue from contracts with customers	\$ 221.4	\$ 500.3	\$ (4.5)	\$ 717.2	\$ 202.7	\$ 198.9	\$ (4.5)	\$ 397.1
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Three Months Ended March 31, 2023	Electric Utilities	Gas Utilities	Inter-segment		Total
			Eliminations		
<u>Customer types:</u> (in millions)					
Retail	\$ 174.9	\$ 635.5	-	\$	810.4
Transportation	-	52.8	(0.1)		52.7
Wholesale	9.4	-	-		9.4
Market - off-system sales	16.1	0.3	-		16.4
Transmission/Other	17.4	10.1	(4.3)		23.2
Revenue from contracts with customers	\$ 217.8	\$ 698.7	(4.4)	\$	912.1
Other revenues	0.9	8.2	-		9.1
Total revenues	\$ 218.7	\$ 706.9	(4.4)	\$	921.2
<u>Timing of revenue recognition:</u>					
Services transferred at a point in time	\$ 8.7	-	-	\$	8.7
Services transferred over time	209.1	698.7	(4.4)		903.4
Revenue from contracts with customers	\$ 217.8	\$ 698.7	(4.4)	\$	912.1

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Three Months Ended June 30, 2023	Electric Utilities	Gas Utilities	Inter-segment		Total
			Eliminations		
<u>Customer types:</u> (in millions)					
Retail	\$ 156.4	\$ 174.8	-	\$	331.2
Transportation	-	35.9	(0.1)		35.8
Wholesale	5.7	-	-		5.7
Market - off-system sales	8.4	-	-		8.4
Transmission/Other	19.2	9.2	(4.4)		24.0
Revenue from contracts with customers	\$ 189.7	\$ 219.9	(4.5)	\$	405.1
Other revenues	3.4	2.8	-		6.2
Total revenues	\$ 193.1	\$ 222.7	(4.5)	\$	411.3
<u>Timing of revenue recognition:</u>					
Services transferred at a point in time	\$ 7.8	-	-	\$	7.8
Services transferred over time	181.9	219.9	(4.5)		397.3
Revenue from contracts with customers	\$ 189.7	\$ 219.9	(4.5)	\$	405.1
<u>Six Months Ended June 30, 2024</u>					
Customer types:	Electric Utilities	Gas Utilities	Inter-segment		Total
			Eliminations		
Retail	\$ 359.6	\$ 590.3	-	\$	949.9
Transportation	-	87.6	(0.2)		87.4
Wholesale	15.0	-	-		15.0

Market - off-system sales	12.0	0.1	-	12.1
Transmission/Other	37.5	21.1	(8.7)	49.9
Revenue from contracts with customers	\$ 424.1	\$ 699.1	\$ (8.9)	\$ 1,114.3
Other revenues	3.2	11.5	-	14.7
Total revenues	\$ 427.3	\$ 710.6	\$ (8.9)	\$ 1,129.0
Timing of revenue recognition:				
Services transferred at a point in time	\$ 16.5	\$ -	\$ -	\$ 16.5
Services transferred over time	407.6	699.1	(8.9)	1,097.8
Revenue from contracts with customers	\$ 424.1	\$ 699.1	\$ (8.9)	\$ 1,114.3
Inter-segment				
Six Months Ended June 30, 2023	Electric Utilities	Gas Utilities	Eliminations	Total
Customer types: (in millions)				
Retail	\$ 331.3	\$ 810.3	\$ -	\$ 1,141.6
Transportation	-	88.8	(0.2)	88.6
Wholesale	15.1	-	-	15.1
Market - off-system sales	24.5	0.3	-	24.8
Transmission/Other	36.6	19.2	(8.8)	47.0
Revenue from contracts with customers	\$ 407.5	\$ 918.6	\$ (9.0)	\$ 1,317.1
Other revenues	4.3	11.0	-	15.3
Total revenues	\$ 411.8	\$ 929.6	\$ (9.0)	\$ 1,332.4
Timing of revenue recognition:				
Services transferred at a point in time	\$ 16.5	\$ -	\$ -	\$ 16.5
Services transferred over time	391.0	918.6	(9.0)	1,300.6
Revenue from contracts with customers	\$ 407.5	\$ 918.6	\$ (9.0)	\$ 1,317.1

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(5) Financing

Short-term Debt

Revolving Credit Facility and CP Program

On May 31, 2024, we amended and restated our corporate Revolving Credit Facility, maintaining total commitments of \$750 million and extending the term through May 31, 2029, with two one-year extension options (subject to consent from lenders). This facility is similar to the former revolving credit facility, which includes an accordion feature that allows us, with the consent of the administrative agent, the issuing agents and each bank increasing or providing a new commitment, to increase total commitments up to \$1.0 billion. Borrowings continue to be available under a base rate or various SOFR options. Based on our current credit ratings, the margins for base rate borrowings, SOFR borrowings and letters of credit will be 0.125%, 1.125% and 1.125%, respectively, and a 0.175% commitment fee will be charged on unused amounts.

Our Revolving Credit Facility and CP Program, which are classified as Notes payable on the Consolidated Balance Sheets, had the following borrowings, outstanding letters of credit, and available capacity (dollars in millions) as of:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Amount outstanding	\$ -	\$ -	\$ -	\$ -
Letters of credit (a)	\$ 3.7	\$ 3.7	\$ 3.6	\$ 3.7
Available capacity	\$ 746.3	\$ 746.3	\$ 746.4	\$ 746.3
Weighted average interest rates	N/A	N/A	N/A	N/A

(a) Letters of credit are off-balance sheet commitments that reduce the borrowing capacity available on our corporate Revolving Credit Facility.

Revolving Credit Facility and CP Program borrowing activity was as follows (dollars in millions):

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Maximum amount outstanding (based on daily outstanding balances)	\$ -	\$ 548.7	\$ -	\$ 548.7
Average amount outstanding (based on daily outstanding balances)	\$ -	\$ 331.3	\$ -	\$ 164.7
Weighted average interest rates	N/A	4.91 %	N/A	4.91 %

Long-term Debt

On May 16, 2024, we completed a public debt offering of \$450 million, 6.00% senior unsecured notes due January 15, 2035. Proceeds from the offering, which were net of \$5.2 million of deferred financing costs, were used for general corporate purposes. We also plan to use the proceeds from the offering, along with available cash or short-term borrowings under our existing facilities, to repay all of our \$600 million principal amount outstanding, 1.04%, senior unsecured notes due August 23, 2024, on their maturity date.

Financial Covenants

Revolving Credit Facility

We were in compliance with all of our Revolving Credit Facility covenants as of **March 31, 2024** **June 30, 2024**. We are required to maintain a Consolidated Indebtedness to Capitalization Ratio not to exceed 0.65 to 1.00. Subject to applicable cure periods, a violation of this covenant would constitute an event of default that entitles the lenders to terminate their remaining commitments and accelerate all principal and interest outstanding. As of **March 31, 2024** **June 30, 2024**, our Consolidated Indebtedness to Capitalization Ratio was **0.57** **0.59** to 1.00.

Wyoming Electric

Wyoming Electric was in compliance with all covenants within its financing agreements as of **March 31, 2024** **June 30, 2024**. Wyoming Electric is required to maintain a debt to capitalization ratio of no more than 0.60 to 1.00. As of **March 31, 2024** **June 30, 2024**, Wyoming Electric's debt to capitalization ratio was **0.52** **0.51** to 1.00.

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Equity

At-the-Market Equity Offering Program

ATM activity was as follows (in millions, except Average price per share amounts):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
<u>August 4, 2020 ATM Program</u>						
Proceeds, (net of issuance costs of \$0.0 and \$(0.3), respectively)	\$ -	\$ 27.4				

Proceeds, (net of issuance costs of \$0.0, \$(0.2), \$0.0, and \$(0.5), respectively)	\$	-	\$	21.0	\$	-	\$	48.5	
Number of shares issued		-		0.4		-		0.3	-
<u>June 16, 2023 ATM Program</u>									
Proceeds, (net of issuance costs of \$(0.3) and \$0.0, respectively)	\$	31.2	\$	-					
Proceeds, (net of issuance costs of \$(0.4), \$(0.1), \$(0.7), and \$(0.1), respectively)	\$	41.8	\$	6.4	\$	73.0	\$	6.4	
Number of shares issued		0.6		-		0.8		0.1	1.4
<u>Total activity under both ATM Programs</u>									
Proceeds, (net of issuance costs of \$(0.3) and \$(0.3), respectively)	\$	31.2	\$	27.4					
Proceeds, (net of issuance costs of \$(0.4), \$(0.3), \$(0.7), and \$(0.6), respectively)	\$	41.8	\$	27.4	\$	73.0	\$	54.9	
Number of shares issued		0.6		0.4		0.8		0.4	1.4
Average price per share	\$	52.51	\$	62.21	\$	55.02	\$	63.53	\$
									62.86

As of **March 31, 2024** **June 30, 2024**, there were **47,596** **85,946** shares issued under the ATM Program, but not settled.

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(6) Earnings Per Share

A reconciliation of share amounts used to compute earnings per share in the accompanying Consolidated Statements of Income was as follows (in millions, except per share amounts):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Net income available for common stock	\$ 127.9	\$ 114.1	\$ 22.8	\$ 23.1	\$ 150.6	\$ 137.1
Weighted average shares - basic	68.2	66.0	69.0	66.6	68.6	66.3
Dilutive effect of equity compensation	0.1	0.1	-	0.1	0.1	0.1
Weighted average shares - diluted	68.3	66.1	69.0	66.7	68.7	66.4
Net income available for common stock, per share - Diluted	\$ 1.87	\$ 1.73	\$ 0.33	\$ 0.35	\$ 2.19	\$ 2.06

The following securities were excluded from the diluted earnings per share computation because of their anti-dilutive nature (in millions of shares):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Equity compensation	0.1	0.1	-	0.1	-	0.1
Restricted stock	-	-	-	-	-	-
Anti-dilutive shares excluded from computation of earnings per share	0.1	0.1	-	0.1	-	0.1

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(7) Risk Management and Derivatives

Market and Credit Risk Disclosures

Our activities in the energy industry expose us to a number of risks in the normal operations of our businesses. Depending on the activity, we are exposed to varying degrees of market risk and credit risk.

Market Risk

Market risk is the potential loss that may occur as a result of an adverse change in market price, rate or supply. We are exposed but not limited to, the following market risks:

- Commodity price risk associated with our retail natural gas and wholesale electric power marketing activities and our fuel procurement for several of our gas-fired generation asset which include market fluctuations due to unpredictable factors such as weather, geopolitical events, pandemics, market speculation, recession, inflation, pipeline constraints, and factors that may impact natural gas and electric supply and demand; and
- Interest rate risk associated with future debt, including reduced access to liquidity during periods of extreme capital markets volatility.

Credit Risk

Credit risk is the risk of financial loss resulting from non-performance of contractual obligations by a counterparty.

We attempt to mitigate our credit exposure by conducting business primarily with high credit quality entities, setting tenor and credit limits commensurate with counterparty financial strength, obtaining master netting agreements and mitigating credit exposure with less creditworthy counterparties through parental guarantees, cash collateral requirements, letters of credit and other security agreements.

We perform periodic credit evaluations of our customers and adjust credit limits based upon payment history and the customers' current creditworthiness, as determined by review of their current credit information. We maintain a provision for estimated credit losses based upon historical experience, changes in current market conditions, expected losses and any specific customer collection issue that is identified.

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Derivatives and Hedging Activity

Our derivative and hedging activities included in the accompanying Consolidated Balance Sheets, Consolidated Statements of Income and Consolidated Statements of Comprehensive Income are detailed below and in [Note 8](#).

The operations of our Utilities, including natural gas sold by our Gas Utilities and natural gas used by our Electric Utilities' generation plants or those plants under PPAs where our Electric Utilities must provide the generation fuel (tolling agreements), expose our utility customers to natural gas price volatility. Therefore, as allowed or required by state utility commissions, we enter into commission approved hedging programs utilizing natural gas futures, options, over-the-counter swaps and basis swaps to reduce our customers' underlying exposure to these fluctuations. These transactions are considered derivatives, and in accordance with accounting standards for derivatives and hedging, mark-to-market adjustments are recorded as Derivative assets or Derivative liabilities on the accompanying Consolidated Balance Sheets, net of balance sheet offsetting as permitted by GAAP.

For our regulated Utilities' hedging plans, unrealized and realized gains and losses, as well as option premiums and commissions on these transactions, are recorded as Regulatory assets or Regulatory liabilities in the accompanying Consolidated Balance Sheets in accordance with the state regulatory commission guidelines. When the related costs are recovered through our

rates, the hedging activity is recognized in the Consolidated Statements of Income.

To support our Choice Gas Program customers, we buy, sell and deliver natural gas at competitive prices by managing commodity price risk. As a result of these activities, this area of our business is exposed to risks associated with changes in the market price of natural gas. We manage our exposure to such risks using over-the-counter and exchange traded options and swaps with counterparties in anticipation of forecasted purchases and sales during time frames ranging from **April July 2024** through **December 2025, May 2026**. A portion of our over-the-counter swaps have been designated as cash flow hedges to mitigate the commodity price risk associated with deliveries under fixed price forward contracts to deliver gas to our Choice Gas Program customers. The gain or loss on these designated derivatives is reported in AOCI in the accompanying Consolidated Balance Sheets and reclassified into earnings in the same period that the underlying hedged item is recognized in earnings. Effectiveness of our hedging position is evaluated at least quarterly.

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The contract or notional amounts and terms of the electric and natural gas derivative commodity instruments held at our Utilities are composed of both long and short positions. We had the following net long and (short) positions as of:

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
	Notional Amounts (MMBtus)	Maximum Term (months) (a)	Notional Amounts (MMBtus)	Maximum Term (months) (a)	Notional Amounts (MMBtus)	Maximum Term (months) (a)	Notional Amounts (MMBtus)	Maximum Term (months) (a)
Natural gas futures purchased	-	N/A	650,000	3	-	N/A	650,000	3
Natural gas options purchased, net	-	N/A	2,850,000	3	1,140,000	9	2,850,000	3
Natural gas basis swaps purchased	-	N/A	1,050,000	3	-	N/A	1,050,000	3
Natural gas over-the-counter swaps, net (b)	2,600,000	20	3,890,000	21	5,890,000	25	3,890,000	21
Natural gas physical contracts, net (c)	(444,110)	7	12,582,415	10	6,588,860	38	12,582,415	10

(a) Term reflects the maximum forward period hedged.

(b) As of **March 31, 2024 June 30, 2024**, **695,000 315,000** MMBtus of natural gas over-the-counter swaps purchases were designated as cash flow hedges.

(c) Volumes exclude derivative contracts that qualify for the normal purchases and normal sales exception permitted by GAAP.

We have certain derivative contracts which contain credit provisions. These credit provisions may require the Company to post collateral when credit exposure to the Company is in excess of a negotiated line of unsecured credit. At **March 31, 2024 June 30, 2024**, the Company posted \$0.1 million related to such provisions, which is included in Other current assets on the Consolidated Balance Sheets.

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[Derivatives by Balance Sheet Classification](#)

The following table presents the fair value and balance sheet classification of our derivative instruments (in millions) as of:

	Balance Sheet Location	March 31, December 31,		Balance Sheet Location	June 30, December 31,			
		2024	2023		2024	2023		
Derivatives designated as hedges:								
Liability derivative instruments:								
Current commodity derivatives	Derivative liabilities, current	\$ (0.7)	\$ (2.7)	Derivative liabilities, current	\$ (0.3)	\$ (2.7)		
Noncurrent commodity derivatives	Other assets, non-current	(0.1)	(0.2)	Other assets, non-current	-	(0.2)		
Total derivatives designated as hedges		<u>\$ (0.8)</u>	<u>\$ (2.9)</u>		<u>\$ (0.3)</u>	<u>\$ (2.9)</u>		
Derivatives not designated as hedges:								
Liability derivative instruments:								
Current commodity derivatives	Derivative liabilities, current	\$ (1.3)	\$ (3.8)	Derivative liabilities, current	\$ (1.4)	\$ (3.8)		
Noncurrent commodity derivatives	Other deferred credits and other liabilities	-	(0.1)	Other deferred credits and other liabilities	(0.1)	(0.1)		
Total derivatives not designated as hedges		<u>\$ (1.3)</u>	<u>\$ (3.9)</u>		<u>\$ (1.5)</u>	<u>\$ (3.9)</u>		

Derivatives Designated as Hedge Instruments

The impact of cash flow hedges on our Consolidated Statements of Comprehensive Income and Consolidated Statements of Income are presented below for the three **and six** months ended **March 31, 2024** **June 30, 2024**, and 2023. Note that this presentation does not reflect the gains or losses arising from the underlying physical transactions; therefore, it is not indicative of the economic profit or loss we realized when the underlying physical and financial transactions were settled.

	Three Months Ended				Three Months Ended				Three Months Ended			
	March 31,		March 31,		June 30,		June 30,		2024		2023	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Amount of		Amount of Gain/(Loss)		Amount of		Amount of		Amount of Gain/(Loss)		Amount of Gain/(Loss)	
Derivatives in Cash Flow Hedging Relationships	Gain/(Loss)	Income Statement	Reclassified from AOCI into		Gain/(Loss)	Income Statement	Reclassified from AOCI into		Recognized in OCI	Location	Income	
(in millions)												
Interest rate swaps	\$ 0.7	\$ 0.7	Interest expense		\$ (0.7)	\$ (0.7)	0.7	\$ 0.7	Interest expense		\$ (0.7)	\$ (0.7)
			Fuel, purchased power and cost of natural gas						Fuel, purchased power and cost of natural gas			
Commodity derivatives	2.4	0.8	sold		(2.6)	(2.0)	0.6	0.6	sold		(0.6)	(0.5)
Total	\$ 3.1	\$ 1.5			\$ (3.3)	\$ (2.7)	1.3	\$ 1.3			\$ (1.3)	\$ (1.2)

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	Six Months Ended				Six Months Ended			
	June 30,		June 30,		2024		2023	
	2024	2023	2024	2023	2024	2023	2024	2023
Derivatives in Cash Flow Hedging Relationships								
Amount of Gain/(Loss)								
Derivatives in Cash Flow Hedging Relationships	Recognized in OCI		Income Statement Location		Income			
	(in millions)				(in millions)			
Interest rate swaps	\$ 1.4	\$ 1.4	Interest expense					\$ (1.4)
Commodity derivatives	3.0	1.5	Fuel, purchased power and cost of natural gas sold					(2.5)

Total	\$ 4.4	\$ 2.9	\$ (4.6)	\$ (3.9)
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As of **March 31, 2024** **June 30, 2024**, **\$3.6** **3.1** million of net losses related to our interest rate swaps and commodity derivatives are expected to be reclassified from AOCI into earnings within the next 12 months. As market prices fluctuate, estimated and actual realized gains or losses will change during future periods.

Derivatives Not Designated as Hedge Instruments

The following table summarizes the impacts of derivative instruments not designated as hedge instruments on our Consolidated Statements of Income for the three **and six** months ended **March 31, 2024** **June 30, 2024**, and 2023. Note that this presentation does not reflect the expected gains or losses arising from the underlying physical transactions; therefore, it is not indicative of the economic profit or loss we realized when the underlying physical and financial transactions were settled.

Derivatives Not Designated as Hedging Instruments	Three Months Ended March 31,				Three Months Ended June 30,			
	2024		2023		2024		2023	
	Location of Gain/(Loss) on Derivatives Recognized in Income	Amount of Gain/(Loss) on Derivatives Recognized in Income	Location of Gain/(Loss) on Derivatives Recognized in Income	Amount of Gain/(Loss) on Derivatives Recognized in Income	(in millions)		(in millions)	
Commodity derivatives	Fuel, purchased power and cost of natural gas sold	\$ 0.6 \$ (3.1)	Fuel, purchased power and cost of natural gas sold	\$ 0.1 \$ 0.4				
		\$ 0.6 \$ (3.1)		\$ 0.1 \$ 0.4				
					Six Months Ended June 30,			
					2024		2023	
					Location of Gain/(Loss) on Derivatives Recognized in Income			
					Derivatives Not Designated as Hedging Instruments		Amount of Gain/(Loss) on Derivatives Recognized in Income	
							(in millions)	
Commodity derivatives	Fuel, purchased power and cost of natural gas sold				\$ 0.7	\$ (2.7)	\$ 0.7	\$ (2.7)
					\$ 0.7	\$ (2.7)	\$ 0.7	\$ (2.7)

As discussed above, financial instruments used in our regulated Gas Utilities are not designated as cash flow hedges. However, there is no earnings impact because the unrealized gains and losses arising from the use of these financial instruments are recorded as Regulatory assets or Regulatory liabilities. We **did** **had** **\$no** **0.5t** **have any** **million** **in** net unrealized losses included in our Regulatory asset accounts related to these financial instruments in our Gas Utilities as of **March 31, 2024** **June 30, 2024**, and the amount was \$5.1 million as of December 31, 2023.

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(8) Fair Value Measurements

We use the following fair value hierarchy for determining inputs for our financial instruments. Our assets and liabilities for financial instruments are classified and disclosed in one of the following fair value categories:

Level 1 — Unadjusted quoted prices available in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities. Level 1 instruments primarily consist of highly liquid and actively traded financial instruments with quoted pricing information on an ongoing basis.

Level 2 — Pricing inputs include quoted prices for identical or similar assets and liabilities in active markets other than quoted prices in Level 1, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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Level 3 — Pricing inputs are generally less observable from objective sources. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels. We record transfers, if necessary, between levels at the end of the reporting period for all of our financial instruments.

Transfers into Level 3, if any, occur when significant inputs used to value the derivative instruments become less observable, such as a significant decrease in the frequency and volume in which the instrument is traded, negatively impacting the availability of observable pricing inputs. Transfers out of Level 3, if any, occur when the significant inputs become more observable, such as when the time between the valuation date and the delivery date of a transaction becomes shorter, positively impacting the availability of observable pricing inputs.

Recurring Fair Value Measurements

Derivatives

The commodity contracts for our Utilities segments are valued using the market approach and include forward strip pricing at liquid delivery points, exchange-traded futures, options, basis swaps and over-the-counter swaps and options (Level 2) for wholesale electric energy and natural gas contracts. For exchange-traded futures, options and basis swap assets and liabilities, fair value was derived using broker quotes validated by the exchange settlement pricing for the applicable contract. For over-the-counter instruments, the fair value is obtained by utilizing a nationally recognized service that obtains observable inputs to compute the fair value, which we validate by comparing our valuation with the counterparty. The fair value of these swaps includes a credit valuation adjustment based on the credit spreads of the counterparties when we are in an unrealized gain position or on our own credit spread when we are in an unrealized loss position. For additional information, see Note 1 of our Notes to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

The following tables set forth, by level within the fair value hierarchy, our gross assets and gross liabilities and related offsetting as permitted by GAAP that were accounted for at fair value on a recurring basis for derivative instruments.

	As of March 31, 2024									As of June 30, 2024								
	Level			Level			Cash Collateral and Counterparty			Level			Level			Cash Collateral and Counterparty		
	1	2	3	Netting (a)	Total	1	2	3	Netting (a)	Total	1	2	3	Netting (a)	Total	1	2	3
(in millions)															(in millions)			
Assets:																		
Commodity derivatives - Gas																		
Utilities	\$	-	\$	-	\$	-				\$	-	\$	-	\$	0.7	\$	-	(0.7)
Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	0.7	\$	-	\$	(0.7)
Liabilities:																		
Commodity derivatives - Gas																		
Utilities	\$	-	\$	2.1	\$	-				\$	2.1	\$	-	\$	1.9	\$	-	\$
Total	\$	-	\$	2.1	\$	-	\$	-	\$	-	\$	2.1	\$	-	\$	1.9	\$	-
(a)	As of March 31, 2024, we had no \$0.7 million of our commodity derivative assets or \$0.1 million of our commodity derivative liabilities, or as well as related gross collateral amounts, that were subject to master netting agreements.																	

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As of December 31, 2023						
	Level 1	Level 2	Level 3	Cash Collateral and Counterparty Netting ^(a)	Total	
(in millions)						
Assets:						
Commodity derivatives - Gas Utilities	\$ -	\$ 1.9	\$ -	\$ (1.9)	\$ -	
Total	\$ -	\$ 1.9	\$ -	\$ (1.9)	\$ -	
Liabilities:						
Commodity derivatives - Gas Utilities	\$ -	\$ 10.1	\$ -	\$ (3.3)	\$ 6.8	
Total	\$ -	\$ 10.1	\$ -	\$ (3.3)	\$ 6.8	

(a) As of December 31, 2023, \$1.9 million of our commodity derivative assets and \$3.3 million of our commodity derivative liabilities, as well as related gross collateral amounts, were subject to master netting agreements.

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Pension and Postretirement Plan Assets

Fair value measurements also apply to the valuation of our pension and postretirement plan assets. Current accounting guidance requires employers to annually disclose information about the fair value measurements of their assets of a defined benefit pension or other postretirement plan. The fair value of these assets is presented in Note 13 to the Consolidated Financial Statements included in our 2023 Annual Report on Form 10-K.

Other Fair Value Measures

The carrying amount of cash and cash equivalents, restricted cash and equivalents and short-term borrowings approximates fair value due to their liquid or short-term nature. Cash, cash equivalents and restricted cash are classified in Level 1 in the fair value hierarchy. Notes payable consist of commercial paper borrowings and are not traded on an exchange; therefore, they are classified as Level 2 in the fair value hierarchy.

The following table presents the carrying amounts and fair values of financial instruments not recorded at fair value on the Consolidated Balance Sheets (in millions) as of:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current maturities ^(a)	\$ 4,402.8	\$ 4,155.6	\$ 4,401.2	\$ 4,215.6
June 30, 2024				
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$ 4,847.1	\$ 4,589.6	\$ 4,401.2	\$ 4,215.6

(a) Long-term debt is valued based on observable inputs available either directly or indirectly for similar liabilities in active markets and therefore is classified in Level 2 in the fair value hierarchy. Carrying amount of long-term debt is net of deferred financing costs.

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We record deferred gains (losses) in AOCI related to interest rate swaps designated as cash flow hedges, commodity contracts designated as cash flow hedges and the amortization of components of our defined benefit plans. Deferred gains (losses) for our commodity contracts designated as cash flow hedges are recognized in earnings upon settlement, while deferred gains (losses) related to our interest rate swaps are recognized in earnings as they are amortized.

The following table details reclassifications out of AOCI and into Net income. The amounts in parentheses below indicate decreases to Net income in the Consolidated Statements of Income for the period, net of tax (in millions):

	Location on the Consolidated Statements of Income	Amount Reclassified from AOCI		Location on the Consolidated Statements of Income	Amount Reclassified from AOCI		Amount Reclassified from AOCI		
		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,		
		2024	2023		2024	2023	2024	2023	
Gains and (losses) on cash flow hedges:									
Interest rate swaps	Interest expense	\$ (0.7)	\$ (0.7)	Interest expense	\$ (0.7)	\$ (0.7)	\$ (1.4)	\$ (1.4)	
Commodity contracts	Fuel, purchased power and cost of natural gas sold	(2.6)	(2.0)	Fuel, purchased power and cost of natural gas sold	(0.6)	(0.5)	(3.2)	(2.5)	
Income tax	Income tax expense	0.7	0.6	Income tax expense	0.3	0.3	1.0	0.9	
Total reclassification adjustments related to cash flow hedges, net of tax		\$ (2.6)	\$ (2.1)		\$ (1.0)	\$ (0.9)	\$ (3.6)	\$ (3.0)	
Amortization of components of defined benefit plans:									
Actuarial (loss)	Operations and maintenance	-	-		(0.1)	-			
Total reclassification adjustments related to defined benefit plans, net of tax		\$ -	\$ -		(0.1)	\$ -			
Total reclassifications		\$ (2.6)	\$ (2.1)		\$ (1.0)	\$ (0.9)	\$ (3.7)	\$ (3.0)	

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Balances by classification included within AOCI, net of tax on the accompanying Consolidated Balance Sheets were as follows (in millions):

	Derivatives Designated as Cash Flow Hedges			Total
	Interest Rate Swaps	Commodity Derivatives	Employee Benefit Plans	
As of December 31, 2023	\$ (6.1)	\$ (2.5)	\$ (6.2)	\$ (14.8)
Other comprehensive income (loss)				

before reclassifications	-	(0.1)	-	(0.1)
Amounts reclassified from AOCI	0.6	2.0	-	2.6
As of March 31, 2024	\$ (5.5)	\$ (0.6)	\$ (6.2)	\$ (12.3)

Derivatives Designated as Cash Flow Hedges				
	Interest Rate Swaps	Commodity Derivatives	Employee Benefit Plans	Total
As of December 31, 2023	\$ (6.1)	\$ (2.5)	\$ (6.2)	\$ (14.8)
Other comprehensive income (loss) before reclassifications	-	(0.2)	-	(0.2)
Amounts reclassified from AOCI	1.1	2.5	0.1	3.7
As of June 30, 2024	\$ (5.0)	\$ (0.2)	\$ (6.1)	\$ (11.3)

Derivatives Designated as Cash Flow Hedges				
	Interest Rate Swaps	Commodity Derivatives	Employee Benefit Plans	Total
As of December 31, 2022	\$ (8.3)	\$ (1.2)	\$ (6.1)	\$ (15.6)
Other comprehensive income (loss) before reclassifications	-	(0.9)	-	(0.9)
Amounts reclassified from AOCI	0.6	1.5	-	2.1
As of March 31, 2023	\$ (7.7)	\$ (0.6)	\$ (6.1)	\$ (14.4)

Derivatives Designated as Cash Flow Hedges				
	Interest Rate Swaps	Commodity Derivatives	Employee Benefit Plans	Total
As of December 31, 2022	\$ (8.3)	\$ (1.2)	\$ (6.1)	\$ (15.6)
Other comprehensive income (loss) before reclassifications	-	(0.7)	-	(0.7)
Amounts reclassified from AOCI	1.1	1.9	-	3.0
As of June 30, 2023	\$ (7.2)	\$ -	\$ (6.1)	\$ (13.3)

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(10) Employee Benefit Plans

Components of Net Periodic Expense

The components of net periodic expense were as follows (in millions):

	Supplemental Non-Defined Benefit						Supplemental Non-Defined Benefit					
	Pension Plan	qualified Defined Benefit Plans	Non-pension Defined Benefit Postretirement Healthcare Plan	Pension Plan	qualified Defined Benefit Plans	Non-pension Defined Benefit Postretirement Healthcare Plan						
Three Months												
Ended March 31,	2024	2023	2024	2023	2024	2023						
Three Months												
Ended June 30,	2024	2023	2024	2023	2024	2023						
Service cost	\$ 0.6	\$ 0.6	\$ 1.0	\$ 0.9	\$ 0.4	\$ 0.4	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.8	\$ 0.4	\$ 0.4

Interest cost	4.1	4.4	0.3	0.4	0.6	0.6	4.1	4.4	0.3	0.3	0.6	0.6
Expected return on plan assets	(4.5)	(4.7)	-	-	(0.1)	(0.1)	(4.5)	(4.7)	-	-	(0.1)	(0.1)
Net amortization of prior service costs	-	-	-	-	0.1	-	-	-	-	-	0.1	-
Recognized net actuarial loss (gain)	0.5	0.5	-	-	-	-	-	-	-	-	-	-
Net periodic expense (benefit)	\$ 0.7	\$ 0.8	\$ 1.3	\$ 1.3	\$ 1.0	\$ 0.9						
Recognized net actuarial loss	0.5	0.5	-	-	-	-	-	-	-	-	-	-
Net periodic expense	\$ 0.7	\$ 0.8	\$ 1.0	\$ 1.1	\$ 1.0	\$ 0.9						

Six Months Ended June 30,	Supplemental Non-qualified Defined Benefit Plans				Non-pension Defined Benefit Postretirement Healthcare Plan		
	Defined Benefit Pension Plan		Benefit Plans		2024		2023
Service cost	\$ 1.1		\$ 1.2		\$ 1.6		\$ 1.7
Interest cost	8.2		8.7		0.7		0.7
Expected return on plan assets	(9.0)		(9.3)		-		(0.1)
Net amortization of prior service costs	-		-		-		0.1
Recognized net actuarial loss	1.0		1.0		-		-
Net periodic expense	\$ 1.3		\$ 1.6		\$ 2.3		\$ 2.4
							2.0
							1.9

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Plan Contributions

Contributions to the Defined Benefit Pension Plan are cash contributions made directly to the Pension Plan Trust account. Contributions to the Postretirement Healthcare and Supplemental Plans are primarily made in the form of benefit payments. Contributions made in the first **three** months of 2024 and anticipated contributions for 2024 and 2025 are as follows (in millions):

	Contributions Made		Additional Contributions		Contributions Made		Additional Contributions	
			Anticipated				Anticipated	
	Three Months Ended March 31, 2024		Anticipated for 2024		Six Months Ended June 30, 2024		Anticipated for 2024	
	31, 2024		for 2025		30, 2024		2024	for 2025
Defined Benefit Pension Plan	\$ -	\$ 2.3	\$ 1.8	\$ 2.3	\$ -	\$ 1.8	\$ -	\$ 1.8
Non-pension Defined Benefit Postretirement Healthcare Plan	\$ 1.2	\$ 3.4	\$ 4.4	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.3	\$ 4.4
Supplemental Non-qualified Defined Benefit and Defined Contribution Plans	\$ 0.6	\$ 1.8	\$ 2.8	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 2.8

(11) Income Taxes

Transfers of Production Tax Credits

In August 2022, President Biden signed H.R. 5376 into law, commonly known as the Inflation Reduction Act of 2022, or IRA. The IRA contains a tax credit transferability provision that allows us to transfer (e.g. sell) PTCs produced after December 31, 2022, to third parties. In June 2024, under this transferability provision, we entered into an agreement with a third party to sell \$16.9

million of our 2023 generated PTCs. We elected to account for the net proceeds from the transfer of PTCs as a reduction to income taxes payable under the scope of ASC 740 *Income Taxes*. We included the discount from the sale of our tax credits as a component of income tax expense. This sale of tax credits is presented within operating activities in the Consolidated Statement of Cash Flows consistent with the presentation of cash taxes paid.

We expect to continue to explore the ability to efficiently monetize our tax credits through third party transferability agreements. We will also include any expected proceeds from the sale of tax credits in the evaluation of the realizability of deferred tax assets related to PTCs.

IRS Revenue Procedure 2023-15

On April 14, 2023, the IRS released Revenue Procedure 2023-15 "Amounts paid to improve tangible property." The Revenue Procedure provides a safe harbor method of accounting that taxpayers may use to determine whether costs to repair, maintain, replace, or improve natural gas transmission and distribution property must be capitalized. The Revenue Procedure may be adopted in tax years ending after May 1, 2023. We are currently assessing intend to elect the safe harbor for tax year 2024. We do not expect the Revenue Procedure to determine its have a material impact on our tax repairs deduction.

Income Tax Benefit (Expense) and Effective Tax Rates

Three Months Ended March 31, 2024 June 30, 2024, Compared to the Three Months Ended March 31, 2023 June 30, 2023

Income tax benefit (expense) for the three months ended March 31, 2024 June 30, 2024, was \$(16.9) 3.7 million compared to \$14.7 6.1 million reported for the same period in 2023. For the three months ended March 31, 2024 June 30, 2024, the effective tax rate was 11.4 13.0% compared to (29.8)% for the same period in 2023. The higher effective tax rate was primarily driven by a prior year \$8.2 million tax benefit from a Nebraska income tax rate decrease.

Six Months Ended June 30, 2024, Compared to the Six Months Ended June 30, 2023

Income tax (expense) for the six months ended June 30, 2024, was \$(20.6) million compared to \$(8.6) million reported for the same period in 2023. For the six months ended June 30, 2024, the effective tax rate was 11.7% which was comparable compared to 11.1 5.6% for the same period in 2023. The higher effective tax rate was primarily driven by a prior year \$8.2 million tax benefit from a Nebraska income tax rate decrease.

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(12) Business Segment Information

Our Chief Executive Officer, who is considered to be our CODM, reviews financial information presented on an operating segment basis for purposes of making decisions, allocating resources and assessing financial performance. Our CODM assesses the performance of our operating segments based on operating income. Our CODM reviews capital expenditures by operating segment rather than any individual or total asset amount.

We conduct our business operations through two operating segments: Electric Utilities and Gas Utilities. Certain unallocated corporate expenses that support our operating segments are presented as Corporate and Other. Corporate and Other also includes business development activities that are not part of our operating segments and inter-segment eliminations. Our operating segments are equivalent to our reportable segments.

Segment information was as follows (in millions):

	Electric Utilities	Gas Utilities	Corporate and Other	Total	Electric Utilities	Gas Utilities	Corporate and Other	Total
Three Months Ended March 31, 2024								
Three Months Ended June 30, 2024								
External revenues	\$ 219.3	\$ 507.1	\$ -	\$ 726.4	\$ 202.1	\$ 200.5	\$ -	\$ 402.6

Inter-segment revenues	2.9	1.6	(4.5)	-	3.0	1.5	(4.5)	-
Operating income	64.6	130.8	(2.1)	193.3	46.3	23.0	1.3	70.6
Capital expenditures (a)	86.9	85.0	2.4	174.3	98.7	105.4	2.4	206.5
Three Months Ended March 31, 2023								
Three Months Ended June 30, 2023								
External revenues	\$ 215.9	\$ 705.3	\$ -	\$ 921.2	\$ 190.2	\$ 221.1	\$ -	\$ 411.3
Inter-segment revenues	2.8	1.6	(4.4)	-	2.9	1.6	(4.5)	-
Operating income	61.1	114.6	(0.8)	174.9	46.6	17.7	(0.8)	63.5
Capital expenditures (a)	47.8	54.8	1.1	103.7	52.1	98.0	1.7	151.8
Six Months Ended June 30, 2024								
External revenues	\$ 421.4	\$ 707.6	\$ -	\$ 1,129.0				
Inter-segment revenues	5.9	3.0	(8.9)	-				
Operating income	110.9	153.7	(0.6)	264.0				
Capital expenditures (a)	185.6	190.4	4.8	380.8				
Six Months Ended June 30, 2023								
External revenues	\$ 406.1	\$ 926.3	\$ -	\$ 1,332.4				
Inter-segment revenues	5.7	3.3	(9.0)	-				
Operating income	107.7	132.4	(1.7)	238.4				
Capital expenditures (a)	99.9	152.8	2.8	255.5				

(a) Includes accruals for property, plant and equipment as disclosed in supplemental cash flow information in the [Consolidated Statements of Cash Flows](#) in the Consolidated Financial Statements.

(13) Selected Balance Sheet Information

Accounts Receivable and Allowance for Credit Losses

Following is a summary of Accounts receivable, net included in the accompanying Consolidated Balance Sheets (in millions) as of:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Billed Accounts Receivable	\$ 216.1	\$ 198.5	\$ 149.1	\$ 198.5
Unbilled Revenue	122.2	154.0	75.5	154.0
Less: Allowance for Credit Losses	(3.9)	(2.2)	(3.1)	(2.2)
Account Receivable, net	\$ 334.4	\$ 350.3	\$ 221.5	\$ 350.3

Changes to allowance for credit losses for the **three** **six** months ended **March 31, 2024** **June 30, 2024**, and 2023, respectively, were as follows (in millions):

	Balance at		Write-offs and		Balance at		Write-offs and		Balance	
	Beginning of	Additions Charged to	Recoveries and	Other	Balance at	Beginning of	Additions Charged to	Recoveries and	Other	at June
Year	Costs and Expenses	Other Additions	Deductions	March 31,	Year	Costs and Expenses	Other Additions	Deductions	30,	
2024 \$	2.2 \$	2.0 \$	1.1 \$	(1.4) \$	3.9 \$	2.2 \$	2.7 \$	1.8 \$	(3.6) \$	3.1
2023 \$	3.0 \$	3.7 \$	0.6 \$	(1.9) \$	5.4 \$	3.0 \$	4.3 \$	1.4 \$	(5.5) \$	3.2

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Materials, Supplies and Fuel

The following amounts by major classification are included in Materials, supplies and fuel on the accompanying Consolidated Balance Sheets (in millions) as of:

	March 31, 2024	December 31, 2023
Materials and supplies	\$ 107.4	\$ 105.9
Fuel - Electric Utilities	7.5	7.7
Natural gas in storage	15.7	47.3
Total materials, supplies and fuel	\$ 130.6	\$ 160.9

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	June 30, 2024	December 31, 2023
Materials and supplies	\$ 103.2	\$ 105.9
Fuel - Electric Utilities	7.6	7.7
Natural gas in storage	24.0	47.3
Total materials, supplies and fuel	\$ 134.8	\$ 160.9

Accrued Liabilities

The following amounts by major classification are included in Accrued liabilities on the accompanying Consolidated Balance Sheets (in millions) as of:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Accrued employee compensation, benefits and withholdings	\$ 52.2	\$ 74.8	\$ 68.2	\$ 74.8
Accrued property taxes	55.8	52.7	43.7	52.7
Customer deposits and prepayments	60.3	76.0	54.7	76.0
Accrued interest	56.0	46.3	45.5	46.3
Other (none of which is individually significant)	39.6	43.5	47.5	43.5
Total accrued liabilities	\$ 263.9	\$ 293.3	\$ 259.6	\$ 293.3

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Subsequent Events

Except as described in Note 2, there have been no events subsequent to March 31, 2024, which would require recognition in the Consolidated Financial Statements or disclosures. 27

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussions should be read in conjunction with the Notes contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the 2023 Form 10-K.

Executive Summary

We are a customer-focused energy solutions provider with a mission of *Improving Life with Energy* for more than 1.3 million customers and 800+ communities we serve. Our aspiration is to be the trusted energy partner across our growing eight-state footprint, including Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. Our strategy is centered on four critical priorities: *Growth*—to grow strategically and achieve strong financial performance, *Operational Excellence*—delivering safe, reliable and cost-effective energy to meet our customers' needs, *Transformation*—be a simple and connected company positioned for growth, and *People & Culture*—retain and attract a talented, engaged and thriving team.

We conduct our business operations through two operating segments: Electric Utilities and Gas Utilities. Certain unallocated corporate expenses that support our operating segments are presented as Corporate and Other. We conduct our utility operations under the name Black Hills Energy predominantly in rural areas of the Rocky Mountains and Midwestern states. We consider ourselves a domestic electric and natural gas utility company.

We have provided energy and served customers for 140 years, since the 1883 gold rush days in Deadwood, South Dakota. Throughout our history, the common thread that unites the past to the present is our commitment to serve our customers and communities. By being responsive and service focused, we can help our customers and communities thrive while meeting rapidly changing customer expectations.

Recent Developments

Environmental Matters - Power Plant Greenhouse Gas Regulations

In April 2024, the EPA published final rules addressing control of CO₂ emissions from the power sector. The rules regulate new natural gas generating units and emission guidelines for existing coal and certain natural gas generation. The rules create subcategories of coal units based on planned retirement date and subcategories of natural gas combustion turbines and combined cycle units based on utilization. The CO₂ control requirements vary by subcategory. We are currently evaluating the impact of these rules through our integrated resource plans and believe that most costs incurred as a result because of the new rules will be recoverable through our regulatory mechanisms.

Business Segment Recent Developments

Electric Utilities

- See [Note 2](#) of the Condensed Notes to Consolidated Financial Statements for recent rate review activity for Colorado Electric.
- On July 11, 2024, Wyoming Electric announced it will partner with Meta to provide power for its newest AI data center to be constructed in Cheyenne, Wyoming. Wyoming Electric plans to procure market energy under its Large Power Contract Service tariff with customized energy resources essential to Meta's operations and sustainability objectives.
- On April 17, 2024, Colorado Electric filed its 120-Day report with the CPUC, recommending 400 MW of renewable energy resources to advance its Clean Energy Plan. Colorado Electric is proposing a preferred portfolio of resources that will add a 200 MW utility-scale solar build-transfer project, 150 MW of wind energy through a power purchase agreement and a 50 MW battery storage build-transfer project. The energy resources are expected to be in service between 2026 and 2027 and achieve greenhouse gas emission reductions an estimated 89% by 2030 off a 2005 base. The final composition of resources and timing is subject to review and approval by the CPUC, which is expected in the third quarter 2024, later this year.
- On January 11, 2024, Wyoming Electric set a new all-time and winter peak load of 314 MW, surpassing the previous winter peak of 301 MW set on December 26, 2023, and all-time peak of 312 MW set on July 24, 2023.

Gas Utilities

- See [Note 2](#) of the Condensed Notes to Consolidated Financial Statements for recent rate review activity for Arkansas Gas, Colorado Gas, Iowa Gas and Wyoming Gas.

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- In January 2024, Black Hills Energy Renewable Resources acquired a RNG production facility at a landfill in Dubuque, Iowa. The facility currently injects RNG into the natural gas distribution system serving Dubuque, which is owned and operated by Iowa Gas. This acquisition represents our entry into the production of RNG as a nonregulated business while leveraging our expertise in owning and operating regulated natural gas pipeline systems, including RNG interconnections. The RNG produced from the landfill facility captures methane that would otherwise vent into the atmosphere. It is delivered under long-term contracts to a third party that purchases the RNG and its related environmental attributes in conformity with the EPA's Renewable Fuel Standard Program.

Corporate and Other

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See [Table Note 5](#) of [Contents](#) the Condensed Notes to Consolidated Financial Statements for information regarding our May 16, 2024, debt offering.

- On May 31, 2024, we amended and restated our corporate Revolving Credit Facility. See [Note 5](#) of the Notes to Condensed Consolidated Financial Statements for further information.
- During the second quarter, we published our 2023 Corporate Sustainability Report, highlighting our environmental, social and governance impacts and our progress on major projects and climate goals. We reported a 27% reduction in greenhouse gas emissions from our natural gas distribution system since 2022 and are on track to achieve our goal of net zero emissions by 2035. Additionally, we have reduced our electric utility greenhouse gas emissions by nearly one third since 2005 and are on track to achieve our goals to reduce electric emissions intensity by 40% by 2030 and 70% by 2040 compared to 2005.

Results of Operations

Certain lines of business in which we operate are highly seasonal, and revenue from, and certain expenses for, such operations may fluctuate significantly among quarterly periods. Demand for electricity and natural gas is sensitive to seasonal cooling, heating and industrial load requirements. In particular, the normal peak usage season for our Electric Utilities is June through August while the normal peak usage season for our Gas Utilities is November through March. Significant earnings variances can be expected between the Gas Utilities segment's peak and off-peak seasons. Due to this seasonal nature, our results of operations for the three and six months ended [March 31, 2024](#) [June 30, 2024](#), and 2023, and our financial condition as of [March 31, 2024](#) [June 30, 2024](#), and December 31, 2023, are not necessarily indicative of the results of operations and financial condition to be expected as of or for any other period or for the entire year.

All amounts are presented on a pre-tax basis unless otherwise indicated. Minor differences in amounts may result due to rounding.

Consolidated Summary and Overview

	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions, except per share amounts)			(in millions, except per share amounts)					
Operating income (loss):									
Electric Utilities	\$ 64.6	\$ 61.1	\$ 3.5	\$ 46.3	\$ 46.6	\$ (0.3)	\$ 110.9	\$ 107.7	\$ 3.2
Gas Utilities	130.8	114.6	16.2	23.0	17.7	5.3	153.7	132.4	21.3
Corporate and Other ^(a)	(2.1)	(0.8)	(1.3)	1.3	(0.8)	2.1	(0.6)	(1.7)	1.1
Operating income	193.3	174.9	18.4	70.6	63.5	7.1	264.0	238.4	25.6
Interest expense, net	(44.0)	(43.5)	(0.5)	(42.6)	(41.5)	(1.1)	(86.7)	(85.0)	(1.7)
Other income (expense), net	(0.8)	0.7	(1.5)	0.4	(1.5)	1.9	(0.5)	(0.9)	0.4
Income tax (expense)	(16.9)	(14.7)	(2.2)						
Income tax benefit (expense)	(3.7)	6.1	(9.8)	(20.6)	(8.6)	(12.0)			
Net income	131.6	117.4	14.2	24.7	26.6	(1.9)	156.2	143.9	12.3
Net income attributable to non-controlling interest	(3.7)	(3.3)	(0.4)	(1.9)	(3.5)	1.6	(5.6)	(6.8)	1.2
Net income available for common stock	\$ 127.9	\$ 114.1	\$ 13.8	\$ 22.8	\$ 23.1	\$ (0.3)	\$ 150.6	\$ 137.1	\$ 13.5
Total earnings per share of common stock, Diluted	\$ 1.87	\$ 1.73	\$ 0.14	\$ 0.33	\$ 0.35	\$ (0.02)	\$ 2.19	\$ 2.06	\$ 0.13

(a) Includes inter-segment eliminations.

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Three Months Ended March 31, 2024 June 30, 2024, Compared to the Three Months Ended March 31, 2023 June 30, 2023:

The variance to the prior year included the following:

- Electric Utilities' operating income was comparable primarily due to higher operating expenses and impacts from unplanned generation outages mostly offset by new rates and rider recovery;
- Gas Utilities' operating income increased \$5.3 million primarily due to new rates and rider recovery driven by the Colorado Gas, RMNG, Iowa Gas and Wyoming Gas rate review lower operating expenses partially offset by unfavorable weather;
- Income tax expense increased \$9.8 million primarily driven by higher pre-tax income and a higher effective tax rate. The higher effective tax rate was primarily due to a prior year million tax benefit from a Nebraska income tax rate decrease.

Six Months Ended June 30, 2024, Compared to the Six Months Ended June 30, 2023:

The variance to the prior year included the following:

- Electric Utilities' operating income increased \$3.5 million \$3.2 million primarily due to new rates and rider recovery driven by the Wyoming Electric rate review and lower operating expenses partially offset by a prior year one-time gain on the sale of Northern Iowa Windpower; Windpower assets and impacts from unplanned generation outages;
- Gas Utilities' operating income increased \$16.2 million \$21.3 million primarily due to new rates and rider recovery driven by the Colorado Gas, RMNG and Wyoming Gas rate review favorable mark-to-market adjustments on wholesale commodity contracts and lower operating expenses partially offset by unfavorable weather;
- Income tax expense increased \$2.2 million \$12.0 million primarily driven by higher pre-tax income, income and a higher effective tax rate. The higher effective tax rate was primarily due to a prior year \$8.2 million tax benefit from a Nebraska income tax rate decrease.

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Segment Operating Results

A discussion of operating results from our business segments follows. Unless otherwise indicated, segment information does not include inter-company inter-segment eliminations and amounts are presented on a pre-tax basis.

Non-GAAP Financial Measures

The following discussion includes financial information prepared in accordance with GAAP as well as another and a "non-GAAP financial measure, measure", Electric and Gas Utility margin, that is considered a "non-GAAP financial measure." margin. 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. Electric and Gas Utility margin (revenue less cost of sales) is a non-GAAP financial measure due to the exclusion of operation and maintenance expenses, depreciation and amortization expenses, and property and production taxes from the measure.

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

Our Electric and Gas Utility margin measure may not be comparable to other companies' Electric and Gas Utility margin measures. Furthermore, this measure is not intended to replace operating income as determined in accordance with GAAP as an indicator of operating performance.

Table of Contents**Electric Utilities**

Operating results for the Electric Utilities were as follows:

	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions)			(in millions)			(in millions)		
Revenue:									
Electric - regulated	\$ 210.8	\$ 206.7	\$ 4.1	\$ 195.0	\$ 182.8	\$ 12.2	\$ 405.8	\$ 389.5	\$ 16.3
Other - non-regulated	11.4	12.0	(0.6)	10.1	10.3	(0.2)	21.5	22.3	(0.8)
Total revenue	222.2	218.7	3.5	205.1	193.1	12.0	427.3	411.8	15.5
Cost of fuel and purchased power:									
Electric - regulated	54.3	54.7	(0.4)	45.7	36.0	9.7	100.1	90.7	9.4
Other - non-regulated	0.5	0.7	(0.2)	0.2	0.4	(0.2)	0.7	1.1	(0.4)
Total cost of fuel and purchased power	54.8	55.4	(0.6)	45.9	36.4	9.5	100.8	91.8	9.0
Electric Utility margin (non-GAAP)	167.4	163.3	4.1	159.2	156.7	2.5	326.5	320.0	6.5
Operations and maintenance									
Depreciation and amortization	57.5	57.4	0.1	68.1	65.4	2.7	125.5	122.8	2.7
Taxes - property and production	35.3	35.1	0.2	35.5	35.8	(0.3)	70.8	70.9	(0.1)
	10.0	9.7	0.3	9.3	8.9	0.4	19.3	18.6	0.7
	102.8	102.2	0.6	112.9	110.1	2.8	215.6	212.3	3.3
Operating income	\$ 64.6	\$ 61.1	\$ 3.5	\$ 46.3	\$ 46.6	\$ (0.3)	\$ 110.9	\$ 107.7	\$ 3.2

Three Months Ended March 31, 2024 June 30, 2024, Compared to the Three Months Ended March 31, 2023 June 30, 2023

Electric Utility margin increased as a result of the following:

	(in millions)
Weather	\$ 2.4
New rates and rider recovery	2.3
Retail customer growth and usage	1.8
Integrated Generation (a)	(4.4)
Other	0.4
	<u>\$ 2.5</u>

(a) Primarily driven by lower revenues due to unplanned outages at Wygen I and Pueblo Airport Generation #4-5.

Operations and maintenance expense increased primarily due to \$1.9 million of higher outside services expenses driven by unplanned Integrated Generation outages and \$1.2 million of higher insurance expense.

Depreciation and amortization was comparable to the same period in the prior year.

Taxes - property and production was comparable to the same period in the prior year.

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[Six Months Ended June 30, 2024, Compared to the Six Months Ended June 30, 2023:](#)

Electric Utility margin increased as a result of the following:

	(in millions)		(in millions)	
New rates and rider recovery	\$	8.8	\$	10.5
Weather		1.2		
Integrated Generation ^(a)		(3.5)		
Off-system excess energy sales		(2.3)		(3.2)
Weather		(1.2)		
Other		(1.2)		1.5
	\$	4.1	\$	6.5

²⁸ (a)Primarily driven by lower revenues due to unplanned outages at Wygen I and Pueblo Airport Generation #4-5.

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Operations and maintenance expense was comparable to the same period in the prior year increased primarily due to \$4.5 million of lower outside services expenses, \$2.0 million of lower employee-related expenses and \$1.3 million of lower generation expenses driven by the timing of planned outages offset by a prior year one-time \$7.7 million gain on the sale of Northern Iowa Windpower assets, assets and \$1.6 million of higher insurance expense partially offset by \$3.2 million of lower employee-related expenses and \$2.6 million of lower outside services expenses.

Depreciation and amortization was comparable to the same period in the prior year.

Taxes - property and production was comparable to the same period in the prior year.

Operating Statistics

	Revenue (in millions)				Quantities Sold (GWh)				Revenue (in millions)				Quantities Sold (GWh)			
	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023				Three Months Ended June 30, 2024		Six Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2023	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Residential	\$ 62.5	\$ 59.8	388.8	393.9	\$ 50.8	\$ 47.4	\$ 113.3	\$ 107.2	323.5	302.9	712.3	696.7				
Commercial	66.7	62.1	511.8	510.8	64.6	63.5	131.3	125.6	506.9	498.2	1,018.7	1,009.0				
Industrial	44.1	38.9	553.6	455.9	42.3	34.5	86.4	73.4	558.3	502.1	1,111.9	958.1				
Municipal	4.3	4.3	34.2	35.8	4.1	4.2	8.4	8.5	36.1	37.6	70.3	73.4				
Subtotal Retail Revenue - Electric	177.6	165.1	1,488.4	1,396.4	161.8	149.6	339.4	314.7	1,424.8	1,340.8	2,913.2	2,737.2				
Contract Wholesale	5.4	5.4	148.0	144.7	4.0	3.2	9.4	8.6	137.6	118.4	285.6	263.1				
Off-system/Power Marketing Wholesale ^(a)	3.4	16.1	115.6	256.9	4.0	6.0	7.4	22.1	164.2	123.3	279.8	380.1				
Other ^(b)	24.4	20.1	-	-	25.2	24.0	49.6	44.1	-	-	-	-				
Total Regulated	210.8	206.7	1,752.0	1,798.0	195.0	182.8	405.8	389.5	1,726.6	1,582.5	3,478.6	3,380.4				
Non-Regulated ^(c)	11.4	12.0	28.0	54.4	10.1	10.3	21.5	22.3	21.1	22.8	49.1	77.2				
Total Revenue and Quantities Sold	\$ 222.2	\$ 218.7	1,780.0	1,852.4	\$ 205.1	\$ 193.1	\$ 427.3	\$ 411.8	1,747.7	1,605.3	3,527.7	3,457.6				
Other Uses, Losses or Generation, net ^(d)			101.8	138.3					25.1	109.6	126.9	248.0				
Total Energy			1,881.8	1,990.7							1,772.8	1,714.9	3,654.6	3,705.6		

(a) Off-system/Power Marketing Wholesale revenues decreased for the **three** six months ended **March 31, 2024** **June 30, 2024**, compared to the same period in the prior year primarily due to lower excess capacity lower commodity **prices and warmer winter weather**, **prices**.

(b) Primarily related to transmission revenues from the Common Use System.

(c) Includes Integrated Generation and non-regulated services to our retail customers under the Service Guard Comfort Plan and Tech Services.

(d) Includes company uses and line losses.

	Revenue (in millions)				Quantities Sold (GWh)	
	Three Months Ended March 31,		Three Months Ended March 31,		2024	2023
	2024	2023	2024	2023		
Colorado Electric	\$ 69.7	\$ 73.8	555.7	604.5		
South Dakota Electric	80.6	86.6	621.1	708.8		
Wyoming Electric	60.8	46.7	575.2	484.7		
Integrated Generation	11.1	11.6	28.0	54.4		
Total Revenue and Quantities Sold	\$ 222.2	\$ 218.7	1,780.0	1,852.4		
Three Months Ended March 31,						
Quantities Generated and Purchased by Fuel Type (GWh)						
Generated:					2024	2023
Coal			680.7	675.0		
Natural Gas and Oil			523.4	501.1		
Wind ^(a)			174.0	230.7		
Total Generated			1,378.1	1,406.8		
Purchased:						
Coal, Natural Gas, Oil and Other Market Purchases			288.9	489.8		
Wind and Solar ^(b)			214.8	94.1		
Total Purchased			503.7	583.9		
Total Generated and Purchased			1,881.8	1,990.7		

	Revenue (in millions)				Quantities Sold (GWh)			
	Three Months		Six Months		Three Months		Six Months	
	Ended June 30, 2024	2023	Ended June 30, 2024	2023	Ended June 30, 2024	2023	Ended June 30, 2024	2023
Colorado Electric	\$ 64.1	\$ 62.3	\$ 133.8	\$ 136.1	585.7	536.8	1,141.4	1,141.3
South Dakota Electric	75.9	71.0	156.5	157.6	591.4	545.2	1,212.5	1,254.0
Wyoming Electric	55.6	49.9	116.4	96.6	549.5	500.5	1,124.7	985.1
Integrated Generation	9.5	9.9	20.6	21.5	21.1	22.8	49.1	77.2
Total Revenue and Quantities Sold	\$ 205.1	\$ 193.1	\$ 427.3	\$ 411.8	1,747.7	1,605.3	3,527.7	3,457.6

(a) Wind generation decreased for the three months ended March 31, 2024 compared to the same period in the prior year primarily due to the sale of Northern Iowa Windpower assets in March 2023.

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Three Months Ended June 30,	Six Months Ended June 30,
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Quantities Generated and Purchased by Fuel Type (GWh)	2024	2023	2024	2023
Generated:				
Coal	478.1	620.9	1,158.8	1,295.9
Natural Gas and Oil	451.5	451.2	974.9	952.3
Wind	161.7	150.6	335.7	381.3
Total Generated	1,091.3	1,222.7	2,469.4	2,629.5
Purchased:				
Coal, Natural Gas, Oil and Other Market Purchases	350.6	421.1	639.5	910.9
Wind and Solar ^(a)	330.9	71.1	545.7	165.2
Total Purchased	681.5	492.2	1,185.2	1,076.1
Total Generated and Purchased	1,772.8	1,714.9	3,654.6	3,705.6

(b) (a) Renewable energy purchases increased for the three and six months ended March 31, 2024 June 30, 2024, compared to the same period in the prior year primarily due to a new wind and solar energy PPA. P 2022, Wyoming Electric entered into a two new PPA PPAs with a third party parties to purchase up to 106 MW of wind energy and up to 150 MW of solar energy, upon construction of a new renewable generation facility facilities (owned by third party) parties). The new wind generation facility was placed in service in December 2023, 2023 and the solar facility was placed in service in March 2024. The renewable energy this PPA these PPAs is used to serve our expanding partnerships with data centers.

Three Months Ended March 31,

Quantities Generated and Purchased (GWh)	2024	2023
Generated:		
Colorado Electric	161.6	160.2
South Dakota Electric	534.6	564.0
Wyoming Electric	215.2	230.6
Integrated Generation	466.7	452.0
Total Generated	1,378.1	1,406.8
Purchased:		
Colorado Electric	90.2	197.6
South Dakota Electric	100.6	157.0
Wyoming Electric	295.7	209.8
Integrated Generation	17.2	19.5
Total Purchased	503.7	583.9
Total Generated and Purchased	1,881.8	1,990.7

Degree Days	Three Months Ended March 31,				Three Months Ended June 30, Six Months Ended June 30,	
	2024		2023			
	Actual	Variance from Normal	Actual	Variance from Normal		
Heating Degree Days:						
Quantities Generated and Purchased (GWh)	2024		2023		2024	2023
Generated:						
Colorado Electric	2,507	(6)%	2,751	8%	223.0	120.4
South Dakota Electric	3,134	(9)%	3,446	5%	419.8	447.5
Wyoming Electric	2,986	(5)%	3,301	10%	187.8	215.1
Combined ^(a)	2,820	(7)%	3,099	7%		
Integrated Generation		260.7			439.7	727.4
Total Generated		1,091.3			1,222.7	2,469.4
						2,629.5
Purchased:						
Colorado Electric		172.7			128.4	262.9
South Dakota Electric		163.0			104.3	263.6
Wyoming Electric		329.8			246.2	625.5
Integrated Generation		16.0			13.3	33.2
						32.8

Total Purchased	681.5	492.2	1,185.2	1,076.1				
Total Generated and Purchased	1,772.8	1,714.9	3,654.6	3,705.6				
Three Months Ended June 30,				Six Months Ended June 30,				
	2024	2023	2024	2023				
Degree Days	Actual	Variance from Normal	Actual	Variance from Normal	Actual	Variance from Normal	Actual	Variance from Normal
Heating Degree Days:								
Colorado Electric	524	(12)%	588	(5)%	3,031	(7)%	3,339	6%
South Dakota Electric	898	(15)%	1,035	(5)%	4,032	(10)%	4,481	3%
Wyoming Electric	1,040	(10)%	1,081	(9)%	4,026	(7)%	4,382	5%
Combined ^(a)	757	(13)%	840	(6)%	3,577	(8)%	3,940	4%
Cooling Degree Days:								
Colorado Electric	343	25%	131	(56)%	343	25%	131	(56)%
South Dakota Electric	114	8%	36	(67)%	114	8%	36	(67)%
Wyoming Electric	118	75%	14	(82)%	118	75%	14	(82)%
Combined ^(a)	219	25%	75	(60)%	219	25%	75	(60)%

(a) Degree days are calculated based on a weighted average of total customers by state.

Three Months Ended March 31,		
Contracted generating facilities Availability^(a) by fuel type	2024	2023
Coal	95.6%	92.7%
Natural gas and diesel oil	96.7%	94.3%
Wind	90.3%	92.5%
Total Availability	95.5%	93.6%
Wind Capacity Factor ^(a)	39.8%	48.1%

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Three Months Ended June 30, Six Months Ended June 30,				
Contracted generating facilities Availability^(a) by fuel type	2024	2023	2024	2023
Coal ^(b)	75.5%	92.0%	85.6%	92.4%
Natural gas and diesel oil ^(b)	91.6%	93.5%	94.1%	93.9%
Wind	92.1%	93.0%	91.2%	93.4%
Total Availability	87.1%	93.0%	91.3%	93.4%
Wind Capacity Factor ^(a)	36.9%	34.4%	38.4%	41.2%

(a) Availability and Wind Capacity Factor are calculated using a weighted average based on capacity of our generating fleet.

(b) 2024 included unplanned outages at Wygen I and Pueblo Airport Generation #4-5.

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Operating results for the Gas Utilities were as follows:

	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions)			(in millions)			(in millions)		
Revenue:									
Natural gas - regulated	\$ 481.7	\$ 674.8	\$ (193.1)	\$ 186.6	\$ 206.7	\$ (20.1)	\$ 668.3	\$ 881.5	\$ (213.2)
Other - non-regulated	27.0	32.1	(5.1)	15.4	16.0	(0.6)	42.3	48.1	(5.8)
Total revenue	508.7	706.9	(198.2)	202.0	222.7	(20.7)	710.6	929.6	(219.0)
Cost of natural gas sold:									
Natural gas - regulated	259.9	454.1	(194.2)	58.8	81.6	(22.8)	318.4	535.6	(217.2)
Other - non-regulated	2.0	16.9	(14.9)	2.5	3.4	(0.9)	4.8	20.3	(15.5)
Total cost of natural gas sold	261.9	471.0	(209.1)	61.3	85.0	(23.7)	323.2	555.9	(232.7)
Gas Utility margin (non-GAAP)									
	246.8	235.9	10.9	140.7	137.7	3.0	387.4	373.7	13.7
Operations and maintenance	78.6	87.1	(8.5)	79.3	84.0	(4.7)	157.9	171.2	(13.3)
Depreciation and amortization	30.4	26.5	3.9	31.1	28.8	2.3	61.5	55.3	6.2
Taxes - property and production	7.0	7.7	(0.7)	7.3	7.2	0.1	14.3	14.8	(0.5)
	116.0	121.3	(5.3)	117.7	120.0	(2.3)	233.7	241.3	(7.6)
Operating income	\$ 130.8	\$ 114.6	\$ 16.2	\$ 23.0	\$ 17.7	\$ 5.3	\$ 153.7	\$ 132.4	\$ 21.3

Three Months Ended March 31, 2024 June 30, 2024. Compared to the Three Months Ended March 31, 2023 June 30, 2023:

Gas Utility margin increased as a result of the following:

	(in millions)	(in millions)
New rates and rider recovery	\$ 13.1	\$ 9.1
Mark-to-market on non-utility natural gas commodity contracts	3.7	
Retail customer growth and usage	1.1	0.9
Weather	(7.4)	(6.2)
Mark-to-market on non-utility natural gas commodity contracts	(0.5)	
Other	0.4	(0.3)
	\$ 10.9	\$ 3.0

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Operations and maintenance expense decreased primarily due to \$5.3 million of lower employee-related expenses, \$1.6 million of lower bad debt expense attributable to lower customer billings and \$1.2 million of lower travel expenses.

Depreciation and amortization increased primarily due to a higher asset base driven by current year and prior year capital expenditures.

Taxes - property and production was comparable to the same period in the prior year.

31 Six Months Ended June 30, 2024, Compared to the Six Months Ended June 30, 2023:

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Gas Utility margin increased as a result of the following:

	(in millions)	
New rates and rider recovery	\$	22.1
Mark-to-market on non-utility natural gas commodity contracts		3.2
Retail customer growth and usage		2.4
Weather		(13.6)
Other		(0.4)
	<hr/>	<hr/>
	\$	13.7

Operations and maintenance expense decreased primarily due to \$11.5 million of lower employee-related expenses and \$1.9 million of lower outside services expenses.

Depreciation and amortization increased primarily due to a higher asset base driven by current year and prior year capital expenditures.

Taxes - property and production was comparable to the same period in the prior year.

Operating Statistics

	Revenue (in millions)		Quantities Sold and Transported (Dth in millions)		Revenue (in millions)		Quantities Sold and Transported (Dth in millions)	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Residential	\$ 302.0	\$ 428.6	27.8	29.9	\$ 103.6	\$ 116.6	\$ 405.6	\$ 545.2
Commercial	119.8	182.5	13.0	14.0	38.5	44.3	158.3	226.8
Industrial	5.1	9.2	0.9	1.1	5.8	7.1	10.9	16.3
Other	2.8	1.4	-	-	2.6	2.8	5.4	4.2
Total Distribution ^(a)	429.7	621.7	41.7	45.0	150.5	170.8	580.2	792.5
Transportation and Transmission	52.0	53.1	46.7	47.2	36.1	35.9	88.1	89.0
Total Regulated	481.7	674.8	88.4	92.2	186.6	206.7	668.3	881.5
Non-regulated Services ^(b)	27.0	32.1	-	-	15.4	16.0	42.3	48.1
Total Revenue and Quantities Sold	\$ 508.7	\$ 706.9	88.4	92.2	\$ 202.0	\$ 222.7	\$ 710.6	\$ 929.6
							47.1	47.3
							135.5	139.4

(a) Gas distribution revenues decreased for the three and six months ended **March 31, 2024** **June 30, 2024**, compared to the same period in the prior year primarily due to lower commodity prices. Our Utilities have regulatory mechanisms that allow them to pass prudently incurred costs of energy through to the customer. Customer billing rates are adjusted periodically to reflect changes in our cost of energy.

(b) Includes Black Hills Energy Services and non-regulated services under the Service Guard Comfort Plan, Tech Services and HomeServe.

	Revenue (in millions)		Quantities Sold and Transported (Dth in millions)		Revenue (in millions)		Quantities Sold and Transported (Dth in millions)	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Arkansas Gas	\$ 110.7	\$ 126.6	12.0	11.5	\$ 31.2	\$ 35.2	\$ 141.8	\$ 161.8
Colorado Gas	117.7	144.9	12.9	14.1	42.3	51.5	160.0	196.4
Iowa Gas	61.8	125.5	13.5	14.3	27.6	23.9	89.4	149.4
Kansas Gas	50.3	72.2	9.7	11.2	20.9	23.5	71.2	95.7
Nebraska Gas	114.3	164.9	27.1	27.1	50.4	57.7	164.7	222.6
Wyoming Gas	53.9	72.8	13.2	14.0	29.6	30.9	83.5	103.7
Total Revenue and Quantities Sold	\$ 508.7	\$ 706.9	88.4	92.2	\$ 202.0	\$ 222.7	\$ 710.6	\$ 929.6
							47.1	47.3
							135.5	139.4

Heating Degree Days	Three Months Ended March 31,			
	2024		2023	
	Actual	Variance from Normal	Actual	Variance from Normal
Arkansas Gas (a)	1,772	(12)%	1,666	(18)%
Colorado Gas	2,743	(3)%	3,087	10%
Iowa Gas	2,898	(16)%	3,247	(6)%
Kansas Gas (a)	2,291	(7)%	2,373	(4)%
Nebraska Gas	2,802	(9)%	3,054	--%
Wyoming Gas	3,156	(3)%	3,624	21%
Combined (b)	2,865	(8)%	3,196	4%

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Heating Degree Days	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Actual	Variance from	Actual	Variance from	Actual	Variance from	Actual	Variance from
Arkansas Gas (a)	144	(54)%	278	(15)%	1,916	(17)%	1,944	(18)%
Colorado Gas	790	(9)%	900	2%	3,533	(5)%	3,987	8%
Iowa Gas	507	(27)%	583	(20)%	3,405	(18)%	3,830	(9)%
Kansas Gas (a)	266	(37)%	370	(18)%	2,557	(11)%	2,743	(6)%
Nebraska Gas	457	(26)%	516	(21)%	3,259	(12)%	3,570	(4)%
Wyoming Gas	1,096	(9)%	1,149	(3)%	4,252	(5)%	4,773	14%
Combined (b)	587	(20)%	674	(10)%	3,452	(10)%	3,870	1%

(a) Arkansas Gas and Kansas Gas have weather normalization mechanisms that mitigate the weather impact on gross margins.
 (b) The combined heating degree days are calculated based on a weighted average of total customers by state excluding Kansas Gas due to its weather normalization mechanism. Arkansas Gas is partially excluded based on the weather normalization mechanism in effect from November through April.

Corporate and Other

Corporate and Other operating results, including inter-segment eliminations, were as follows:

	Three Months Ended March 31,			2024 vs 2023 Variance		
	2024		2023	2024 vs 2023 Variance		
	(in millions)					
Operating (loss)	\$	(2.1)	\$	(0.8)	\$	(1.3)

	Three Months Ended June 30,			Six Months Ended June 30,								
	2024		2023	2024 vs 2023		2024 vs 2023						
	(in millions)											
Operating income, (loss)	\$	1.3	\$	(0.8)	\$	2.1	\$	(0.6)	\$	(1.7)	\$	1.1

Three Months Ended March 31, 2024 June 30, 2024, Compared to the Three Months Ended March 31, 2023 June 30, 2023:

Operating income was comparable to the same period in the prior year.

Six Months Ended June 30, 2024, Compared to the Six Months Ended June 30, 2023:

Operating loss was comparable to the same period in the prior year.

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Consolidated Interest Expense, Other Income and Income Tax Expense

	Three Months Ended March 31,			Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions)			(in millions)			(in millions)		
Interest expense, net	\$ (44.0)	\$ (43.5)	\$ (0.5)	\$ (42.6)	\$ (41.5)	\$ (1.1)	\$ (86.7)	\$ (85.0)	\$ (1.7)
Other income (expense), net	(0.8)	0.7	(1.5)	0.4	(1.5)	1.9	(0.5)	(0.9)	0.4
Income tax (expense)	(16.9)	(14.7)	(2.2)						
Income tax benefit (expense)	(3.7)	6.1	(9.8)	(20.6)	(8.6)		(12.0)		

Three Months Ended March 31, 2024 June 30, 2024, Compared to the Three Months Ended March 31, 2023 June 30, 2023:

Interest expense, net was comparable to the same period in the prior year primarily due to higher interest rates on higher long-term debt balances mostly offset by increased interest income on higher cash and cash equivalents balances.

Other income, net was comparable to the same period in the prior year.

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Income tax (expense) increased primarily due to higher pre-tax income and a higher effective tax rate. For the three months ended June 30, 2024, the effective tax rate was 13.0% compared to (29.8)% for the same period in 2023. The higher effective tax rate was primarily driven by a prior year \$8.2 million tax benefit from a Nebraska income tax rate decrease.

Six Months Ended June 30, 2024, Compared to the Six Months Ended June 30, 2023:

Interest expense, net was comparable to the same period in the prior year primarily due to higher interest rates on higher long-term debt balances mostly offset by increased interest income on higher cash and cash equivalents balances.

Other income (expense), net was comparable to the same period in the prior year.

Income tax (expense) increased primarily due to higher pre-tax income. The income and a higher effective tax rate. For the six months ended June 30, 2024, the effective tax rate was comparable 11.7% compared to 5.6% for the same period in the prior year. See Note 11 of the Condensed Notes to Consolidated Financial Statements for further information on the 2023. The higher effective tax rate, rate was primarily driven by a prior year \$8.2 million tax benefit from a Nebraska income tax rate decrease.

Liquidity and Capital Resources

There have been no material changes in Liquidity and Capital Resources from those reported in Item 7 of our 2023 Annual Report on Form 10-K except as described below.

CASH FLOW ACTIVITIES

The following tables summarize our cash flows for the three six months ended March 31, 2024 June 30, 2024:

Operating Activities:

	Three Months Ended March 31,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions)			(in millions)		
Net income	\$ 131.6	\$ 117.4	\$ 14.2	\$ 156.2	\$ 143.9	\$ 12.3
Non-cash adjustments to Net income	\$ 90.4	\$ 80.8	\$ 9.6	\$ 181.6	\$ 144.0	\$ 37.6
Total earnings	\$ 222.0	\$ 198.2	\$ 23.8	\$ 337.8	\$ 287.9	\$ 49.9
Changes in certain operating assets and liabilities:						
Accounts receivable and other current assets	19.1	104.8	(85.7)			
Accounts payable and accrued liabilities	(59.6)	(127.2)	67.6			
Materials, supplies and fuel, Accounts receivable and other current assets	146.1	339.8	(193.7)			
Accounts payable and other current liabilities	(77.4)	(201.4)	124.0			
Regulatory assets	54.8	154.7	(99.9)	69.8	186.7	(116.9)
	\$ 14.3	\$ 132.3	\$ (118.0)			
Net inflow (outflow) from changes in certain operating assets and liabilities	\$ 138.5	\$ 325.1	\$ (186.6)			
Other operating activities	(2.9)	(1.8)	(1.1)	(12.3)	(7.9)	(4.4)
Net cash provided by operating activities	\$ 233.4	\$ 328.7	\$ (95.3)	\$ 464.0	\$ 605.1	\$ (141.1)

Three Six Months Ended March 31, 2024 June 30, 2024, Compared to the Three Six Months Ended March 31, 2023 June 30, 2023

Net cash provided by operating activities was \$95.3 million \$141.1 million lower than the same period in 2023. The variance to the prior year was primarily attributable to:

- Total earnings (net income plus non-cash adjustments) were \$23.8 million \$49.9 million higher for the three six months ended March 31, 2024 June 30, 2024, compared to the same period in the prior year primarily due to increased Electric and Gas Utility margins driven by new rates and increased rider revenues and lower operating expenses.

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- Net inflows from changes in certain operating assets and liabilities were **\$118.0 million** **\$186.6 million** lower, primarily attributable to:
 - Cash inflows decreased by **\$85.7 million** **\$193.7 million** as a result of changes in **materials, supplies, fuel, accounts receivable and other current assets** primarily driven by fluctuations in commodity prices and weather conditions;
 - Cash outflows decreased by **\$67.6 million** **\$124.0 million** as a result of changes in accounts payable and accrued liabilities primarily driven by fluctuations in commodity payment timing of natural gas and power purchases and changes in other working capital requirements; and
 - Cash inflows decreased by **\$99.9 million** **\$116.9 million** as a result of changes in our regulatory assets and liabilities primarily due to lower recoveries of deferred gas and cost adjustments driven by fluctuations in commodity **prices, prices** and lower recoveries of Winter Storm Uri costs from customers.
- Cash outflows increased by **\$1.1 million** for **\$4.4 million** from other operating activities, activities primarily due to higher contributions to our Defined Benefit Pension Plan.

Investing Activities:

	Three Months Ended March 31,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions)			(in millions)		
Capital expenditures	\$ (176.2)	\$ (119.1)	\$ (57.1)	\$ (342.4)	\$ (261.7)	\$ (80.7)
Other investing activities	(0.7)	17.6	(18.3)	1.7	16.3	(14.6)
Net cash (used in) investing activities	\$ (176.9)	\$ (101.5)	\$ (75.4)	\$ (340.7)	\$ (245.4)	\$ (95.3)

Three Six Months Ended March 31, 2024 June 30, 2024, Compared to the Three Six Months Ended March 31, 2023 June 30, 2023

Net cash used in investing activities was **\$75.4 million** **\$95.3 million** higher than the same period in 2023. The variance to the prior year was primarily attributable to:

- Cash outflows increased by **\$57.1 million** **\$80.7 million** as a result of higher capital expenditures which were primarily driven by Wyoming Electric's Ready Wyoming electric transmission expansion project and Black Hills Energy Renewable Resources' acquisition of a RNG production facility at a landfill in Dubuque, Iowa; and
- Cash inflows decreased by **\$18.3 million** **\$14.6 million** for other investing activities primarily due to prior year proceeds from the sale of Northern Iowa Windpower assets.

Financing Activities:

	Three Months Ended March 31,			Six Months Ended June 30,		
	2024	2023	2024 vs 2023 Variance	2024	2023	2024 vs 2023 Variance
	(in millions)			(in millions)		
Dividends paid on common stock	\$ (44.4)	\$ (41.4)	\$ (3.0)	\$ (89.3)	\$ (83.1)	\$ (6.2)
Common stock issued	31.2	27.4	3.8	73.0	54.7	18.3
Short-term and long-term debt borrowings, net	-	(185.6)	185.6	450.0	(185.6)	635.6
Distributions to non-controlling interests	(5.6)	(4.5)	(1.1)	(10.0)	(9.0)	(1.0)
Other financing activities	(1.0)	(5.0)	4.0	(8.3)	(5.1)	(3.2)
Net cash (used in) financing activities	\$ (19.8)	\$ (209.1)	\$ 189.3			
Net cash provided by (used in) financing activities	\$ 415.4	\$ (228.1)	\$ 643.5			

Three Six Months Ended March 31, 2024 June 30, 2024, Compared to the Three Six Months Ended March 31, 2023 June 30, 2023

Net cash **used in** **provided by** financing activities was **\$189.3 million** **\$643.5 million** higher than the same period in 2023. The variance to the prior year was primarily attributable to:

- Cash **outflows** decreased **\$185.6 million** **inflows** increased **\$635.6 million** as a result of **proceeds from the May 16, 2024, debt offering** and prior year net repayment activity under Revolving Credit Facility and CP Program;
- Cash inflows increased **\$3.8 million** **\$18.3 million** due to higher issuances of common stock;

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- Cash outflows increased **\$3.0 million** **\$6.2 million** due to increased dividends paid on common stock; and
- Cash outflows **decreased by \$4.0 million** **increased \$3.2 million** for other financing activities. activities due to financing costs from the May 16, 2024, debt offering.

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CAPITAL RESOURCES

See [Note 5](#) of the Condensed Notes to Consolidated Financial Statements for recent financing updates.

Covenant Requirements Financial Covenants

The Revolving Credit Facility and Wyoming Electric's financing agreements contain covenant requirements. We were in compliance with these covenants as of **March 31, 2024** **June 30, 2024**. See [Note 5](#) of the Condensed Notes to Consolidated Financial Statements for more information.

Future Financing Plans

We will continue to assess debt and equity needs to support our capital investment plans and other strategic objectives. We plan to fund our capital plan and strategic objectives by using cash generated from operating activities and various financing alternatives, which could include our Revolving Credit Facility, our CP Program, the issuance of common stock under our ATM program or in an opportunistic block trade. **We plan** **Proceeds from the May 16, 2024, debt offering, along with available cash or short-term borrowings, will be used to re-finance** **repay** our \$600 million, **1.037%** **1.04%**, senior unsecured notes due August 23, 2024, **at or before** **on their** maturity date.

CREDIT RATINGS

The following table represents the credit ratings and outlook and risk profile of BHC at **March 31, 2024** **June 30, 2024**:

Rating Agency	Senior Unsecured Rating	Outlook
S&P ^(a)	BBB+	Stable
Moody's	Baa2	Stable
Fitch ^{(a) (b)}	BBB+	Negative

(a) On May 9, 2024, S&P reported BBB+ rating and maintained a Stable outlook.
 (b) On January 26, 2024, Fitch reported BBB+ rating and revised to a Negative outlook.

The following table represents the credit ratings of South Dakota Electric at **March 31, 2024** **June 30, 2024**:

Rating Agency	Senior Secured Rating
S&P	A

CAPITAL REQUIREMENTS**Capital Expenditures**

Capital Expenditures by Segment (in millions)	Actual		Forecasted				Actual		Forecasted			
	Three Months Ended						Six Months Ended					
	March 31, 2024 (a)	2024 (b)	2025	2026	2027	2028	June 30, 2024 (a)	2024 (b)	2025	2026	2027	2028
(in millions)												
Electric Utilities	\$ 87	\$ 409	\$ 287	\$ 466	\$ 199	\$ 264	\$ 186	\$ 409	\$ 287	\$ 466	\$ 199	\$ 264
Gas Utilities	85	407	387	368	372	373	190	407	387	368	372	373
Corporate and Other	2	24	29	29	27	29	5	24	29	29	27	29
Incremental Projects (c)	-	-	100	400	50	50	-	-	100	400	50	50
	\$ 174	\$ 840	\$ 803	\$ 1,263	\$ 648	\$ 716	\$ 381	\$ 840	\$ 803	\$ 1,263	\$ 648	\$ 717

(a) Includes accruals for property, plant and equipment as disclosed in supplemental cash flow information in the [Consolidated Statements of Cash Flows](#) in the Consolidated Financial Statements.

(b) Includes actual capital expenditures for the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024.

(c) These represent projects that are being evaluated by our segments for timing, cost and other factors.

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[Table of Contents](#)**Dividends**

Dividends paid on our common stock totaled ~~\$44.4 million~~ \$89.3 million for the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024, or \$0.65 per share. On ~~April 22, 2024~~ July 22, 2024, our board of directors declared a quarterly dividend of \$0.65 per share payable ~~June 1, 2024~~ September 1, 2024, equivalent to an annual dividend of \$2.60 per share. The amount of any future cash dividends to be declared and paid, if any, will depend upon, among other things, our financial condition, funds from operations, the level of our capital expenditures, restrictions under our Revolving Credit Facility and our future business prospects.

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[Table of Contents](#)**Critical Accounting Estimates**

A summary of our critical accounting estimates is included in our 2023 Annual Report on Form 10-K. There were no material changes made as of ~~March 31, 2024~~ June 30, 2024.

New Accounting Pronouncements

Other than the pronouncements reported in our 2023 Annual Report on Form 10-K and those discussed in [Note 1](#) of the Condensed Notes to Consolidated Financial Statements, there have been no new accounting pronouncements that are expected to have a material effect on our financial position, results of operations or cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our quantitative and qualitative disclosures about market risk previously disclosed in Item 7A of our 2023 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of [March 31, 2024](#) [June 30, 2024](#). Based on their evaluation, they have concluded that our disclosure controls and procedures were effective at [March 31, 2024](#) [June 30, 2024](#).

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarter ended [March 31, 2024](#) [June 30, 2024](#), there have been no changes in our internal controls over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, see [Note 3](#) of the Condensed Notes to Consolidated Financial Statements and Note 3 in Item 8 of our 2023 Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

There are no material changes to the risk factors previously disclosed in Item 1A of Part I in our 2023 Annual Report on Form 10-K.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains monthly information about our acquisitions of equity securities for the three months ended [March 31, 2024](#) [June 30, 2024](#):

Period	Purchased ^(a)	Total Number of Shares	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
January 1, 2024 - January 31, 2024		1	\$ 53.43	-	-
February 1, 2024 - February 29, 2024		14,597	51.62	-	-
March 1, 2024 - March 31, 2024		1	51.44	-	-

Total	14,599	\$ 51.62	-	-
Period	Total Number of Shares Purchased ^(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
April 1, 2024 - April 30, 2024	1	\$ 53.86	-	-
May 1, 2024 - May 31, 2024	70	\$ 56.47	-	-
June 1, 2024 - June 30, 2024	1	\$ 56.44	-	-
Total	72	\$ 56.44	-	-

(a) Shares were acquired under the share withholding provisions of the Amended and Restated 2015 Omnibus Incentive Plan for payment of taxes associated with the vesting of various equity compensation plan

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ITEM 4. MINE SAFETY DISCLOSURES

Information concerning mine safety violations or other regulatory matters required by Sections 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in [Exhibit 95](#).

ITEM 5. OTHER INFORMATION

None of our directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the three months ended [March 31, 2024](#) June 30, 2024.

ITEM 6. EXHIBITS

Exhibits filed herewithin are designated by an asterisk (*). All exhibits not so designated are incorporated by reference to a prior filing, as indicated.

Exhibit Number	Description
4.1	Thirteenth Supplemental Indenture dated as of May 16, 2024, (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on May 16, 2024).
10.1	Second Amendment to Fourth Amended and Restated Credit Agreement dated as of May 31, 2024, (relating to \$750 million Revolving Credit Facility), among Black Hills Corporation, as Borrower, the financial institutions party thereto, as Banks, and U.S. Bank, National Association, as Administrative Agent, (filed as Exhibit 10.1 to the Registrant's Form 8-K on June 5, 2024).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a - 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a - 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
95*	Mine Safety and Health Administration Safety Data.

101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document Documents
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACK HILLS CORPORATION

/s/ Linden R. Evans

Linden R. Evans, President and
Chief Executive Officer

/s/ Kimberly F. Nooney

Kimberly F. Nooney, Senior Vice President and
Chief Financial Officer

Dated: [May 9, August 1, 2024](#)

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Exhibit 31.1

CERTIFICATION

I, Linden R. Evans, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Hills Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's most recent fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 9, 2024** August 1, 2024

/s/ Linden R. Evans

Linden R. Evans

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Kimberly F. Nooney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Hills Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's most recent fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 9, 2024** August 1, 2024

/s/ Kimberly F. Nooney

Kimberly F. Nooney

Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Black Hills Corporation (the "Company") on Form 10-Q for the period ended **March 31, 2024** **June 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Linden R. Evans, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 9, 2024** August 1, 2024

/s/ Linden R. Evans

Linden R. Evans

President and Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Black Hills Corporation (the "Company") on Form 10-Q for the period ended **March 31, 2024** **June 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kimberly F. Nooney, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 9, 2024** **August 1, 2024**

/s/ Kimberly F. Nooney

Kimberly F. Nooney

Senior Vice President and Chief Financial Officer

Information concerning mine safety violations or other regulatory matters required by Sections 1503(a) of Dodd-Frank is included below.

Mine Safety and Health Administration Safety Data

Safety is a core value at Black Hills Corporation and at each of its subsidiary operations. We have in place a comprehensive safety program that includes extensive health and safety training for all employees, site inspections, emergency response preparedness, crisis communications training, incident investigation, regulatory compliance training and process auditing, as well as an open dialogue between all levels of employees. The goals of our processes are to eliminate exposure to hazards in the workplace, ensure that we comply with all mine safety regulations, and support regulatory and industry efforts to improve the health and safety of our employees along with the industry as a whole.

Under the recently enacted Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results in its periodic reports filed with the SEC. Our mining operation, consisting of Wyodak Coal Mine, is subject to regulation by the federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). Below we present the following information regarding certain mining safety and health matters for the three month period ended **March 31, 2024** **June 30, 2024**. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the coal mine, (ii) the number of citations issued will vary from inspector to inspector and mine to mine, and (iii) citations and orders can be contested and appealed, and in that process, are often reduced in severity and amount, and are sometimes dismissed. The information presented includes:

- Total number of violations of mandatory health and safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Act for which we have received a citation from MSHA;
- Total number of orders issued under section 104(b) of the Mine Act;
- Total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health and safety standards under section 104(d) of the Mine Act;
- Total number of imminent danger orders issued under section 107(a) of the Mine Act; and
- Total dollar value of proposed assessments from MSHA under the Mine Act.

The table below sets forth the total number of citations and/or orders issued by MSHA to BHE – Wyodak Mine under the indicated provisions of the Mine Act, together with the total dollar value of proposed MSHA assessments received during the three months ended **March 31, 2024** **June 30, 2024**, and legal actions pending before the Federal Mine Safety and Health Review Commission, together with the Administrative Law Judges thereof, for BHE – Wyodak Mine, our only mining complex. All citations were abated within 24 hours of issue.

Mine Act															Mine Act														
Section															Section														
104 S&S															104 S&S														
Citations															Citations														
Issued															Issued														
Mine Act															Mine Act														
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Notice of Legal															Notice of Legal														
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