

REFINITIV

DELTA REPORT

10-K

BLACK HILLS CORP /SD/

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	5715

CHANGES	411

DELETIONS	3602

ADDITIONS	1702

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-K

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

For the fiscal year ended December 31, 2022 2023

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

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 (§ 232.405 of this chapter) 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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting common equity held by non-affiliates of the registrant on the last business day of the registrant's most recently completed second fiscal quarter, **June 30, 2022** **June 30, 2023**, was **\$4,702,221,557** **4,016,297,084**

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

<u>Class</u>	<u>Outstanding at January 31, 2023 January 31, 2024</u>
Common stock, \$1.00 par value	66,103,478 68,196,551 shares

Documents Incorporated by Reference

Portions of the registrant's Definitive Proxy Statement being prepared for the solicitation of proxies in connection with the **2023** **2024** Annual Meeting of Stockholders to be held on **April 26, 2023** **April 23, 2024**, are incorporated by reference in Part III of this Form 10-K.

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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:

AC	Alternating Current
AFUDC	Allowance for Funds Used During Construction
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).
ARO	Asset Retirement Obligation
ASC	Accounting Standards Codification
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
BHSC	Black Hills Service Company, LLC, a direct, wholly-owned subsidiary of Black Hills Corporation (doing business as Black Hills Energy)
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 affiliate utilities.

Black Hills Energy	The name used to conduct the business of our utility companies 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 Power	Black Hills Power, Inc., a direct, wholly-owned subsidiary of Black Hills Corporation (doing business as Black Hills Energy). Also known as South Dakota Electric.
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
Blockchain Interruptible Service (BCIS) Tariff	A WPSC-approved tariff applicable to prospective new Wyoming Electric blockchain customers. The tariff allows customers to negotiate rates and terms and conditions for interruptible electric utility service of 10 MW or greater that would be interconnected with Wyoming Electric's system. Agreements under the BCIS tariff must be filed with the WPSC prior to the first customer billing, be at least 2 years in duration and include specific pricing for all electricity purchased (with pricing terms subject to renegotiation every three years). BCIS customers shall not participate in the PCA to the extent of service received under the tariff.
Btu	British thermal unit
Busch Ranch I	The 29 MW wind farm near Pueblo, Colorado, jointly owned by Colorado Electric and Black Hills Electric Generation. Colorado Electric and Black Hills Electric Generation each have a 50% ownership interest in the wind farm. Black Hills Electric Generation provides its share of energy from the wind farm to Colorado Electric through a PPA, which expires in October 2037.

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Busch Ranch II	The 59.4 MW wind farm near Pueblo, Colorado owned by Black Hills Electric Generation to provide wind energy to Colorado Electric through a PPA expiring in November 2044.

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CACJA Adjustment	Clean Air Clean Jobs Act Adjustment is an adjustment mechanism that allows Colorado Electric to collect from customers the capital costs related to Pueblo Airport Generation CT #6.
CFTC	United States Commodity Futures Trading Commission
Cheyenne Light	Cheyenne Light, Fuel and Power Company, a direct, wholly-owned subsidiary of Black Hills Corporation, providing electric service in the Cheyenne, Wyoming area (doing business as Black Hills Energy). Also known as Wyoming Electric.

Cheyenne Prairie	Cheyenne Prairie Generating Station located in Cheyenne, Wyoming serves the utility customers of South Dakota Electric and Wyoming Electric. The facility includes one simple-cycle, 40 MW combustion turbine that is wholly-owned by Wyoming Electric and one combined-cycle, 100 MW unit that is jointly-owned by Wyoming Electric (42 MW) and South Dakota Electric (58 MW).
Chief Operating Decision Maker (CODM)	Chief Executive Officer
Choice Gas Program	Regulator-approved programs in Wyoming and Nebraska that allow certain utility customers to select their natural gas commodity supplier, providing the unbundling of the commodity service from the distribution delivery service.
City of Gillette	Gillette, Wyoming
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 GHG emissions by a minimum of 80% from 2005 levels by 2030. The Based on initial modeling, the preferred resource portfolio calls for proposes the addition of 149 approximately 400 MW of clean energy resources (100 MW of wind, 258 200-250 MW of solar and 50 MW of battery storage storage) to Colorado Electric's Electric's system. The final mix of resources would will be determined by the results of a competitive solicitation starting that was issued in July 2023. 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
Chief Operating Decision Maker (CODM)	Chief Executive Officer
Colorado Electric	Black Hills Colorado Electric, LLC, a direct, wholly-owned subsidiary of Black Hills Utility Electric Parent Holdings, providing electric service 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.
Cooling Degree Day	A cooling degree day is equivalent to each degree that the average of the high and low temperature 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.
Corriedale	The 52.5 MW wind farm near Cheyenne, Wyoming, jointly owned by South Dakota Electric (32.5 MW) and Wyoming Electric (20 MW), serving as the dedicated wind energy supply to the Renewable Ready program.
COVID-19	The official name program, which is a voluntary renewable energy subscription program for the 2019 novel coronavirus disease announced on February 11, 2020, by the World Health Organization, that is causing a global pandemic. large commercial, industrial and governmental customers in South Dakota and Wyoming.
CP Program	Commercial Paper Program
CPCN	Certificate of Public Convenience and Necessity
CPUC	Colorado Public Utilities Commission
CSAPR	The United States Environmental Protection Agency's Cross-State Air Pollution Rule

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CT	Combustion Turbine
CTII	The 40 MW Gillette CT, a simple-cycle, gas-fired combustion turbine owned by the City of Gillette.
Cushion Gas	The portion of natural gas necessary to force saleable gas from a storage field into the transmission system and for system balancing, representing a permanent investment necessary to use storage facilities and maintain reliability.
CVA Cybersecurity incident	Credit Valuation Adjustment An unauthorized occurrence, or a series of related unauthorized occurrences, on or conducted through a registrant's information systems that jeopardizes the confidentiality, integrity, or availability of a registrant's information systems or any information residing therein.
Cybersecurity threat	Any potential unauthorized occurrence on or conducted through a registrant's information systems that may result in adverse effects on the confidentiality, integrity or availability of a registrant's information systems or any information residing therein.
DC	Direct Current
Dividend Payout Ratio	Annual dividends paid on common stock divided by net income from continuing operations available for common stock
DRSPP	Dividend Reinvestment and Stock Purchase Plan
DSM	Demand Side Management
Dth	Dekatherm. A unit of energy equal to 10 therms or one million British thermal units (MMBtu).
EBITDA	Earnings before interest, taxes, depreciation and amortization, a non-GAAP measure.
ECA	Energy Cost Adjustment is an adjustment that allows us to pass the prudently-incurred cost of fuel and purchased energy through to customers.
Economy Energy	Purchased energy that costs less than that produced with the utilities' owned generation.
EECR	Energy Efficiency Cost Recovery is an adjustment mechanism that allows us to recover from customers the costs associated with providing energy efficiency programs.
EIA	Environmental Improvement Adjustment is an annual adjustment mechanism that allows us to recover from customers eligible investments in, and expense related to, new environmental measures.
EGU	Electric generating unit
Energy Assistance Benefit Charge	Energy Assistance Benefit Charge is a Colorado statutory-created surcharge to provide additional funding for bill assistance and weatherization for income-qualified customers. We collect these funds and remit them to a Colorado non-profit organization that assists low-income residents with utility bills, repairs, and energy efficiency upgrades.
Energy Transition	The global energy sector's shift from fossil-based systems of energy production and consumption, including oil, natural gas and coal to renewable energy sources like wind and solar, as well as battery storage solutions.
EPA	United States Environmental Protection Agency
ESG	Environmental, Social and Governance
EV	Electric Vehicle
EWG	Exempt Wholesale Generator
FASB	Financial Accounting Standards Board

FERC	United States Department of Energy's Federal Energy Regulatory Commission
Fitch	Fitch Ratings Inc.
GAAP	Accounting principles generally accepted in the United States of America
Gas Price Risk Management Rider	Gas Price Risk Management Rider is a mechanism that is similar to GCA but designed to also provide a price floor and price ceiling.
GCA	Gas Cost Adjustment is an adjustment that allows us to pass the prudently-incurred cost of gas and certain services through to customers.
GHG	Greenhouse gases
Gillette Energy Complex	The Gillette Energy Complex located in Gillette, Wyoming includes 793 MW of coal-fired generating facilities (Neil Simpson II, Wygen I, Wygen II, Wygen III, Wyodak Plant) which are supplied by WRDC and a 40 MW gas-fired generation facility (Neil Simpson CT). We operate and own majority interests in five of the six facilities and own 20% of Wyodak Plant.

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Global Settlement	Settlement with a utility's commission where the revenue requirement is agreed upon, but the specific adjustments used by each party to arrive at the amount are not specified in public rate orders.
Happy Jack GWh	Happy Jack Wind Farm, LLC, owned by Duke Energy Generation Services Gigawatt Hours
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.
Information systems	Electronic information resources, owned or used by the registrant, including physical or virtual infrastructure controlled by such information resources, or components thereof, organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of the registrant's information to maintain or support the registrant's operations.
Integrated Generation	Non-regulated power generation and mining businesses (Black Hills Electric Generation and WRDC) that are vertically integrated within our Electric Utilities segment.

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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
IRA	Inflation Reduction Act of 2022
IRC	Internal Revenue Code

IRP	Integrated Resource Plan
IRS	United States Internal Revenue Service
ITC	Investment Tax Credit
IUB	Iowa Utilities Board
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).
KCC	Kansas Corporation Commission
kV	Kilovolt
LIBOR	London Interbank Offered Rate
Mcf	Thousand cubic feet
Mcfd	Thousand cubic feet per day
MDU	Montana-Dakota Utilities Co., a subsidiary of MDU Resources Group, Inc.
MEAN	Municipal Energy Agency of Nebraska
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British thermal units
Moody's	Moody's Investors Service, Inc.
MSHA	United States Department of Labor's Mine Safety and Health Administration
MW	Megawatts
MWh	Megawatt-hours
N/A	Not Applicable
NAAQS	National Ambient Air Quality Standards
NAV	Net Asset Value
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 Wyoming energy complex. Energy Complex.
NERC	North American Electric Reliability Corporation
NO _x	Nitrogen oxide

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NOL	Net Operating Loss
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 and operated by completed the sale of Northern Iowa Windpower assets to a third-party. We sell the wind energy generated in the MISO market.

NPSC	Nebraska Public Service Commission
OCI	Other Comprehensive Income
OPEB	Other Post-Employment Benefits
OSHA	United States Department of Labor's Occupational Safety & Health Administration
OSM	United States Department of the Interior's Office of Surface Mining
PacifiCorp	PacifiCorp, a wholly owned subsidiary of MidAmerican Energy Holdings Company, itself an affiliate of Berkshire Hathaway.
PCA	Power Cost Adjustment is an annual adjustment mechanism that allows us to pass a portion of prudently-incurred delivered power costs, including fuel, purchased capacity and energy, and transmission costs, through to customers.

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PCCA	Power Capacity Cost Adjustment is an annual adjustment that allows us to pass the prudently-incurred purchased capacity costs, incremental to costs included in base rates, through to customers.
Peak View	The 60.8 MW wind farm owned by Colorado Electric.
PHMSA	United States Department of Transportation Transportation's Pipeline and Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PRPA	Platte River Power Authority
PSA	Power Sales Agreement
PTC	Production Tax Credit
Pueblo Airport Generation	The 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.
PUHCA 2005	Public Utility Holding Company Act of 2005
Ready	The Company's branding platform which emphasizes that we will 1) prioritize our customers; 2) act as a thoughtful, responsible leader; 3) listen first and lead with a focus on relationships; and 4) be creative in our approach to solutions.
Ready Wyoming	A 260-mile, multi-phase transmission expansion project in Wyoming. This transmission project will 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 will is expected to help Wyoming Electric maintain top-quartile reliability and enable economic development in the Cheyenne, Wyoming region.
Renewable Ready	Voluntary renewable energy subscription program for large commercial, industrial and governmental customers in South Dakota and Wyoming.
RESA	Renewable Energy Standard Adjustment is an incremental retail rate limited to 2% for Colorado Electric customers that provides funding for renewable energy projects and programs to comply with Colorado's Renewable Energy Standard.
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 and restated on July 19, 2021, and now terminates will terminate on July 19, 2026. 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

RTO	Regional Transmission Organization
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.
Silver Sage	Silver Sage Windpower, LLC, owned by Duke Energy Generation Services
SO ₂	Sulfur dioxide
SOFR	Secured Overnight Financing Rate

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S&P	S&P Global Ratings, a division of S&P Global Inc.
SourceGas Transaction	On February 12, 2016, Black Hills Utility Holdings acquired SourceGas pursuant to a purchase and sale agreement executed on July 12, 2015 for approximately \$1.89 billion, which included the assumption of \$760 million in debt at closing.
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).
SPP	Southwest Power Pool, a regional transmission organization (RTO) that oversees the bulk electric grid and wholesale power market in the central United States.
SSIR	System Safety and Integrity Rider is a mechanism that allows us to recover the costs associated with certain pipeline safety and integrity investments, including the replacement of higher risk pipe, the improvement of the data management system, and the mitigation of other safety issues identified on our natural gas system.
System Peak Demand	Represents the highest point of retail customer usage for a single hour.
TCA	Transmission Cost Adjustment is an annual adjustment mechanism that allows us to recover from customers eligible transmission investments prior to the next rate review.

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TCAM	Transmission Cost Adjustment Mechanism is a WPSC-approved tariff based on a formulaic approach that determines the recovery of Wyoming Electric's transmission costs.
TCJA	Tax Cuts and Jobs Act enacted on December 22, 2017, which reduced the U.S. federal corporate tax rate from 35% to 21%. As such, we remeasured our deferred income taxes at the 21% federal tax rate as of December 31, 2017.
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.
TEPR	Transportation Electrification Program Rider is a CPUC-approved mechanism associated with Colorado Electric's EV program.

TFA	Transmission Facility Adjustment is an annual adjustment mechanism that allows us to recover charges for qualifying new and modified transmission facilities from customers.
Transmission Tie	South Dakota Electric owns 35% of a AC-DC-AC transmission tie that interconnects the Western and Eastern transmission grids, which are independently-operated transmission grids serving the western and eastern United States, respectively. Basin Electric Power Cooperative owns the remaining ownership percentage. This transmission tie allows us to buy and sell energy in the Eastern grid without having to isolate and physically reconnect load or generation between the two transmission grids, thus enhancing the reliability of our system. It accommodates scheduling transactions in both directions simultaneously, provides additional opportunities to sell excess generation or to make economic purchases to serve our native load and contract obligations, and enables us to take advantage of power price differentials between the two grids. The total transfer capacity of the tie is 400 MW, including 200 MW from West to East and 200 MW from East to West.
TSA	United States Department of Homeland Security's Security's Transportation Security Administration
Utilities	Black Hills' Electric and Gas Utilities
VEBA	Voluntary Employee Benefit Association
VIE	Variable Interest Entity
WEIS	Western Energy Imbalance Service
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.
Working Capacity	Total gas storage capacity minus cushion gas
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 Wyoming energy complex. Energy Complex. Black Hills Wyoming owns 76.5% of the facility and Municipal Energy Agency of Nebraska (MEAN) owns the remaining 23.5%.

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Wygen II	A mine-mouth, coal-fired power plant owned by Wyoming Electric with a total capacity of 95 MW located at our Gillette Wyoming energy complex. Energy Complex.
Wygen III	A mine-mouth, coal-fired power plant operated by South Dakota Electric with a total capacity of 116 MW located at our Gillette Wyoming energy complex. Energy Complex. South Dakota Electric owns 52% of the power plant, MDU owns 25% and the City of Gillette owns the remaining 23%.
Wyodak Plant	The 402.3 MW mine-mouth, coal-fired generating facility located at our Gillette Wyoming energy complex. Energy Complex, jointly owned by PacifiCorp (80%) and South Dakota Electric (20%). Our WRDC mine supplies all of the fuel for the facility.

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 Wyoming Gas 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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WEBSITE ACCESS TO REPORTS

The reports we file with the SEC are available free of charge at our website www.blackhillscorp.com as soon as reasonably practicable after they are filed. In addition, the charters of our Audit, Governance and Compensation Committees are located on our website along with our Code of Business Conduct, Code of Ethics for our Chief Executive Officer and Senior Finance Officers, Corporate Governance Guidelines of the Board of Directors and Policy for Director Independence. The information contained on our website is not part of this document.

FORWARD-LOOKING INFORMATION

This Form 10-K contains 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. From time to time, the Company may publish or otherwise make available forward-looking statements of this nature, including statements contained within [Item 7 - Management’s Discussion & Analysis of Financial Condition and Results of Operations](#).

Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed. The Company’s expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including, without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties. Nonetheless, the Company’s expectations, beliefs or projections may not be achieved or accomplished.

Any forward-looking statement contained in this document speaks only as of the date on which the statement is made and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, such as adverse macroeconomic conditions, global pandemics or severe weather events, and it is not possible for management to predict all of the factors, nor can it assess the effect of each factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. All forward-looking statements, whether written or oral and whether made by or on behalf of the Company, are expressly qualified by the risk factors and cautionary statements in this Annual Report on Form 10-K, including statements contained within [Item 1A - Risk Factors](#).

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PART I

ITEM 1. BUSINESS

History and Organization

Black Hills Corporation, a South Dakota corporation (together with its subsidiaries, referred to herein as the “Company,” “we,” “us” or “our”), is a customer-focused, growth-oriented utility company headquartered in Rapid City, South Dakota (incorporated in South Dakota in 1941).

We operate our business in the United States, reporting our operating results through our Electric Utilities and Gas Utilities segments. Certain unallocated corporate expenses that support our operating segments are presented as Corporate and Other.

Our Electric Utilities segment generates, transmits and distributes electricity to approximately 220,000 222,000 electric utility customers in Colorado, Montana, South Dakota and Wyoming. We also own and operate non-regulated power generation and mining assets that are vertically integrated into and primarily contracted to our Electric Utilities. Our Electric Utilities own 1,482 1,394 MW of generation and 9,024 9,106 miles of electric transmission and distribution lines.

Our Gas Utilities segment serves approximately 1,107,000 1,116,000 natural gas utility customers in Arkansas, Colorado, Iowa, Kansas, Nebraska, and Wyoming. Our Gas Utilities own and operate 4,713 4,663 miles of intrastate gas transmission pipelines and 42,222 42,514 miles of gas distribution mains and service lines, seven natural gas storage sites, more than 50,000 horsepower of compression and over 515 516 miles of gathering lines.

Electric Utilities

We conduct electric utility operations through our Colorado, South Dakota and Wyoming subsidiaries. Our Electric Utilities generate, transmit and distribute electricity to our retail customers. Our electric generating facilities and power purchase agreements provide for the supply of electricity principally to our retail customers. Additionally, we We also sell excess power to other utilities and marketing companies, including our affiliates. We also Additionally, we provide non-regulated services to our retail customers under the Service Guard Comfort Plan and Tech Services.

Additionally, we We also own and operate non-regulated power generation and mining assets that are vertically integrated into and primarily support our Electric Utilities. Nearly all All of these operations are located at our electric generating complexes and are physically integrated into our Electric Utilities' operations.

Retail Customers	As of December 31,			As of December 31,		
	2022	2021	2020	2023	2022	2021
Residential	188,921	186,852	184,872	190,776	188,921	186,852
Commercial	30,404	30,326	30,225	30,491	30,404	30,326
Industrial	82	81	83	84	82	81
Other	1,024	1,010	1,017	989	1,024	1,010
Total Electric Retail Customers at End of Year	220,431	218,269	216,197	222,340	220,431	218,269

Retail Customers	As of December 31,			As of December 31,		
	2022	2021	2020	2023	2022	2021
Colorado Electric	100,573	99,709	98,735	100,907	100,573	99,709
South Dakota Electric	75,169	74,509	73,700	76,479	75,169	74,509
Wyoming Electric	44,689	44,051	43,762	44,954	44,689	44,051
Total Electric Retail Customers at End of Year	220,431	218,269	216,197	222,340	220,431	218,269

Capacity and Demand. System Peak Demand for the Electric Utilities' retail customers for each of the last three years are listed below:

	System Peak Demand (in MW)						System Peak Demand (in MW)					
	2022 (a)		2021		2020		2023 (a)		2022		2021	
	Summ	Wint	Summ	Wint	Summ	Wint	Summ	Wint	Summ	Wint	Summ	Wint
	er	er	er	er	er	er	Summer	Winter	Summer	Winter	Summer	Winter
Colorado Electric	410	334	407	279	401	297	411	297	410	334	407	279
South Dakota Electric	403	355	397	299	378	304	378	289	403	355	397	299
Wyoming Electric	294	281	274	246	271	246	312	301	294	281	274	246

- (a) In December 2022, each of our Electric Utilities set new winter peak loads. In July 2022, South Dakota Electric and 2023, Wyoming Electric set new all-time summer and summer/winter peak loads. See recent peak discussion in the [Recent Developments](#) section of Management's Discussion and Analysis of Financial Condition and Results of Operations in [Item 7](#) in this Annual Report on Form 10-K for additional information.

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As of December 31, 2022 December 31, 2023, our Electric Utilities' ownership interests in electric generating plants were as follows:

Unit	Fuel Type	Location	Ownership				Owned Nameplate Capacity (MW)	In Service Date
			Inter est % (d)	ip plate city (MW)	Owned Nameplate Capacity (MW)	Ownership Interest % (d)		
Colorado Electric:								
Busch Ranch I (a)	Wind	Pueblo, Colorado	50%	14.5	2	50%	14.5	2012

Peak View (b) (c)	Wind	Pueblo, Colorado	100%	60.8	2016
Pueblo Airport Generation #1-2	Natural Gas	Pueblo, Colorado	100%	200.0	2011
Pueblo Airport Generation CT #6	Natural Gas	Pueblo, Colorado	100%	40.0	2016
AIP Diesel	Diesel Oil	Pueblo, Colorado	100%	10.0	2001
Diesel #1 and #3-5	Diesel Oil	Pueblo, Colorado	100%	8.0	1964
Diesel #1-5	Diesel Oil	Rocky Ford, Colorado	100%	10.0	1964
South Dakota Electric:					
Cheyenne Prairie	Natural Gas	Cheyenne, Wyoming	58%	58.0	2014
Corriedale (c)	Wind	Cheyenne, Wyoming	62%	32.5	2020
Wygen III	Coal	Gillette, Wyoming	52%	60.3	2010
Neil Simpson II	Coal	Gillette, Wyoming	100%	90.0	1995
Wyodak Plant	Coal	Gillette, Wyoming	20%	80.5	1978
Neil Simpson CT	Natural Gas	Gillette, Wyoming	100%	40.0	2000
Lange CT	Natural Gas	Rapid City, South Dakota	100%	40.0	2002
Ben French Diesel #1-5	Diesel Oil	Rapid City, South Dakota	100%	10.0	1965
Ben French CTs #1-4	Natural Gas/Diesel Oil	Rapid City, South Dakota	100%	100.0	1977-1979

Wyoming Electric:										
Cheyenne Prairie	Ga	Cheyenne			201					
	s	Wyoming	42%	42.0	4	Natural Gas	Cheyenne, Wyoming	42%	42.0	2014
Cheyenne Prairie CT	Ga	Cheyenne	100		201					
	s	Wyoming	%	40.0	4	Natural Gas	Cheyenne, Wyoming	100%	40.0	2014
Corriedale (c)	Wi	Cheyenne			202					
	nd	Wyoming	38%	20.0	0	Wind	Cheyenne, Wyoming	38%	20.0	2020
Wygen II	Co	Gillette,	100		200					
	al	Wyoming	%	95.0	8	Coal	Gillette, Wyoming	100%	95.0	2008
Integrated Generation:										
Wygen I	Co	Gillette,	76.5		200					
	al	Wyoming	%	68.9	3	Coal	Gillette, Wyoming	76.5%	68.9	2003
Pueblo Airport Generation #4-5	Ga	Pueblo,	50.1	200.	201					
	s	Colorado	% (e)	0	2	Natural Gas	Pueblo, Colorado	50.1% (e)	200.0	2012
Busch Ranch I (a)	Wi	Pueblo,			201					
	nd	Colorado	50%	14.5	2	Wind	Pueblo, Colorado	50%	14.5	2012
Busch Ranch II (c)	Wi	Pueblo,	100		201					
	nd	Colorado	%	59.4	9	Wind	Pueblo, Colorado	100%	59.4	2019
Northern Iowa Windpower (c)	Wi	Joice,	100		201					
	nd	Iowa	%	87.1	9					
Total MW Capacity				1,48					1,394.4	
				1.5						

- (a) In 2013, Busch Ranch I was awarded a one-time cash grant in lieu of ITCs under the Section 1603 program created under the American Recovery and Reinvestment Act.
- (b) The PTCs for Peak View flow back to customers through a rider mechanism as a reduction to Colorado Electric's margins.
- (c) This facility qualifies for PTCs at ~~\$26~~ ~~\$28~~/MWh under IRC 45 during the 10-year period beginning on the date the facility was originally placed in service.
- (d) Jointly owned facilities are discussed in [Note 6](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.
- (e) In 2016, Black Hills Electric Generation sold a 49.9% non-controlling interest in Black Hills Colorado IPP to a third party. See [Note 12](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

Our Electric Utilities' power supply by resource as a percent of the total power supply for our energy needs for the years ended December 31 was as follows:

Power Supply	2022	2021	2020
Coal	35.1 %	34.2 %	40.3 %
Natural Gas and Diesel Oil (a)	18.8 %	24.4 %	25.0 %
Wind	11.4 %	11.3 %	8.8 %
Total Generated	65.3 %	69.9 %	74.1 %

Coal, Natural Gas, Oil and Other Market Purchases	29.6 %	25.1 %	21.1 %
Wind Purchases	5.1 %	5.0 %	4.8 %
Total Purchased	34.7 %	30.1 %	25.9 %
Total	100.0 %	100.0 %	100.0 %

Power Supply	2023	2022	2021
Coal	35.0 %	35.1 %	34.2 %
Natural Gas	26.4 %	18.8 %	24.4 %
Wind (a)	8.9 %	11.4 %	11.3 %
Total Generated (b)	70.3 %	65.3 %	69.9 %
Coal, Natural Gas, Diesel Oil and Other Market Purchases	24.1 %	29.6 %	25.1 %
Wind and Solar Purchases	5.6 %	5.1 %	5.0 %
Total Purchased	29.7 %	34.7 %	30.1 %
Total	100.0 %	100.0 %	100.0 %

(a) Wind generation decreased due to the sale of Northern Iowa Windpower assets in March 2023.

(b) The diesel-fueled diesel oil-fueled generating units are generally used as supplemental peaking units. Power generated from these units, as a percentage of total power supply, was 0.0% each of the years presented.

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Our Electric Utilities' weighted average cost of fuel utilized to generate electricity and the average price paid for purchased power (excluding contracted capacity) per MWh for the years ended December 31 were as follows:

Fuel and Purchased Power (dollars per MWh)	2022	2021	2020
Coal	\$ 12.76	\$ 11.55	\$ 11.38
Natural Gas and Diesel Oil	37.09	33.65	8.59
Total Generated Weighted Average Fuel Cost	17.57	17.40	9.09
Coal, Natural Gas, Oil and Other Market Purchases	66.35	64.85	40.80
Wind Purchases	33.78	34.69	42.06
Total Purchased Power Weighted Average Cost	61.56	59.84	41.03
Total Weighted Average Fuel and Purchased Power Cost	\$ 32.82	\$ 30.17	\$ 17.36
Fuel and Purchased Power (dollars per MWh)	2023	2022	2021
Coal	\$ 13.40	\$ 12.76	\$ 11.55
Natural Gas	20.20	37.09	33.65
Total Generated Weighted Average Fuel Cost	14.27	17.57	17.40
Coal, Natural Gas, Diesel Oil and Other Market Purchases	55.61	66.35	64.85

Wind and Solar Purchases	34.99	33.78	34.69
Total Purchased Power Weighted Average Cost	51.68	61.56	59.84
Total Weighted Average Fuel and Purchased Power Cost	\$ 25.39	\$ 32.82	\$ 30.17

Purchased Power. We have executed various PPAs to support our Electric Utilities' capacity and energy needs beyond our regulated power plants' generation, which include long-term related party agreements with our non-regulated power generation businesses. See additional information in [Note 3](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Coal Mining. We own and operate a single coal mine through our WRDC subsidiary which is reported within our Electric Utilities segment. We surface mine, process and sell low-sulfur sub-bituminous coal at our mine located immediately adjacent to our Gillette **energy complex** **Energy Complex** in the Powder River Basin in northeastern Wyoming, where our five coal-fired power plants are located. We produced approximately 3.7 million tons of coal in **2022**, **2023**.

The mine provides low-sulfur coal directly to these five power plants via a conveyor belt system, minimizing transportation costs. The fuel can be delivered to our adjacent power plants at very cost competitive prices (i.e., **\$1.09** **\$1.14** per MMBtu for year ended **December 31, 2022** **December 31, 2023**) when compared to alternatives. Nearly all of the mine's production is sold to our on-site generation facilities under long-term supply contracts.

As of **December 31, 2022** **December 31, 2023**, we estimated our recoverable reserves to be approximately **174 million** **179 million** tons, based on a life-of-mine engineering study utilizing currently available drilling data and geological information prepared by internal engineering analyses. The recoverable reserve life is equal to approximately **47** **48** years at the current production levels.

Transmission and Distribution. Through our Electric Utilities, we own electric transmission and distribution systems composed of high voltage lines (greater than 69 kV) and low voltage lines (69 kV or less). We also jointly operate an electric transmission system, referred to as the Common Use System, with Basin Electric Power Cooperative and Powder River Energy Corporation. Each participant in the Common Use System individually owns assets that are operated together for a single system. The Common Use System also provides transmission service to our Transmission Tie. South Dakota Electric owns 35% of the Transmission Tie. The Transmission Tie is further discussed in [Note 6](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

At **December 31, 2022** **December 31, 2023**, our Electric Utilities owned the electric transmission and distribution lines shown below:

Utility	State	Transmissio	Distributio	State	Transmission ^(a)	Distribution
		n ^(a) (in Line Miles)	n (in Line Miles)		(in Line Miles)	(in Line Miles)
Colorado Electric	Colorado	598	3,198	Colorado	599	3,213
South Dakota Electric ^(b)	South Dakota, Wyoming	1,235	2,587	South Dakota, Wyoming	1,232	2,616
Wyoming Electric	Wyoming	59	1,347	Wyoming	86	1,360
		1,892	7,132		1,917	7,189

(a) Electric transmission line miles include voltages of 69 kV and above.

(b) South Dakota Electric transmission line miles include 43 miles within the Common Use System.

Material transmission services agreements are **disclosed** **included in our disclosures** in [Note 3](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Seasonal Variations of Business. Our Electric Utilities are seasonal businesses and weather patterns may impact their operating performance, results. Demand for electricity is sensitive to seasonal cooling, heating and industrial load requirements, as well as market price. In particular, cooling demand is often greater in the summer and heating demand is often greater in the winter.

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Competition. We generally have limited competition for the retail generation and distribution of electricity in our service areas. Various legislative or regulatory restructuring and competitive initiatives have been discussed in several of the states in which our utilities operate. These initiatives would be aimed at increasing competition or providing for distributed generation. To date, these initiatives have not had a material impact on our utilities. In Colorado, our electric utility is subject to rules which may require competitive bidding for generation supply. Because of these rules, we face competition from other utilities and non-affiliated IPPs for the right to supply electric energy and capacity for Colorado Electric when resource plans require additional resources. Additionally, electrification initiatives in our service territories could increase demand for electricity and increase customer growth.

The independent power industry consists of many strong and capable competitors, some of which may have more extensive operations or greater financial resources than we possess. With respect to the merchant power sector, FERC has taken steps to increase access to the national transmission grid by utility and non-utility purchasers and sellers of electricity to foster competition within the wholesale electricity markets. Our non-regulated power generation businesses could face greater competition if utilities are permitted to robustly invest in power generation assets. Conversely, state regulations requiring utilities to competitively bid generation resources may provide opportunity for IPPs in some regions. To date, these initiatives have not had a material impact on our non-regulated power generation businesses.

Our mining business strategy is to sell nearly all of our production to on-site generation facilities under long-term supply contracts. Historically, any off-site sales have been to consumers within close proximity to the WRDC mine. Rail transport market opportunities for WRDC are limited due to the lower heating value (Btu) of the coal, combined with the fact that the WRDC mine is served by only one railroad, resulting in less competitive transportation rates. Additionally, coal WRDC. Coal competes with other energy sources, such as natural gas, nuclear, wind, solar and hydropower. Costs and other factors relating to these alternative fuels, such as safety, environmental and availability considerations affect the overall demand for coal as a fuel.

Operating Statistics. See a summary of key operating statistics in the Electric Utilities segment operating results within Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Annual Report on Form 10-K.

Gas Utilities

We conduct natural gas utility operations through our Arkansas, Colorado, Iowa, Kansas, Nebraska and Wyoming subsidiaries. Our Gas Utilities transport and distribute natural gas through our distribution network to approximately 1,107,000 our retail customers. Additionally, we sell contractual pipeline capacity and gas commodities to other utilities and marketing companies, including our affiliates, on an as-available basis.

We also provide non-regulated services to our regulated customers. Black Hills Energy Services provides natural gas supply to approximately 52,600 53,000 retail distribution customers under the Choice Gas Program in Nebraska and Wyoming. Additionally, we provide services under the Service Guard Comfort Plan, Tech Services and HomeServe.

	As of December 31,			As of December 31,		
Retail Customers	2022	2021	2020	2023	2022	2021

Residential	864,038	853,908	844,999	871,930	864,038	853,908
Commercial	85,203	84,234	83,135	84,917	85,203	84,234
Industrial	2,189	2,158	2,235	2,179	2,189	2,158
Transportation	155,685	153,929	152,568	157,367	155,685	153,929
Total Natural Gas Retail Customers at End of Year	1,107,115	1,094,229	1,082,937	1,116,393	1,107,115	1,094,229

Retail Customers	As of December 31,			As of December 31,		
	2022	2021	2020	2023	2022	2021
Arkansas Gas	183,270	180,216	178,281	186,216	183,270	180,216
Colorado Gas	208,060	202,747	197,817	211,155	208,060	202,747
Iowa Gas	162,801	161,905	160,952	163,281	162,801	161,905
Kansas Gas	118,599	117,862	116,973	119,407	118,599	117,862
Nebraska Gas	301,007	298,832	296,778	302,167	301,007	298,832
Wyoming Gas	133,378	132,667	132,136	134,167	133,378	132,667
Total Natural Gas Retail Customers at End of Year	1,107,115	1,094,229	1,082,937	1,116,393	1,107,115	1,094,229

We procure natural gas for our distribution customers from a diverse mix of producers, processors and marketers and generally use hedging, physical fixed-price purchases and market-based price purchases to achieve dollar-cost averaging within our natural gas portfolio. The majority of our procured natural gas is transported in interstate pipelines under firm transportation service agreements.

In addition to company-owned **regulated underground** natural gas storage assets in Arkansas, Colorado and Wyoming, we also contract with third-party transportation providers for natural gas storage service to provide gas supply during the winter heating season and to meet peak day customer demand for natural gas.

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The following table summarizes certain information regarding our company-owned regulated underground gas storage facilities as of **December 31, 2022** **December 31, 2023**:

	Working Capacity (Mcf)	Cushion Gas (Mcf)	Total Capacity (Mcf)	Maximum Daily Withdrawal Capability (Mcf/d)	Working Capacity (Mcf)	Cushion Gas (Mcf)	Total Capacity (Mcf)	Maximum Daily Withdrawal Capability (Mcf/d)
Arkansas Gas	9,273,700	13,433,040	22,706,740	196,000	8,442,700	13,149,040	21,591,740	196,000
Colorado Gas	2,361,495	6,164,715	8,526,210	30,000	2,360,895	6,165,315	8,526,210	30,000
Wyoming Gas	5,733,900	17,545,600	23,279,500	36,000	5,733,900	17,545,600	23,279,500	36,000

Total	37,143,35							
	17,369,095	5	54,512,450	262,000	16,537,495	36,859,955	53,397,450	262,000

The following table summarizes certain information regarding our system infrastructure as of December 31, 2022December 31, 2023:

	Intrastate Gas Transmission Pipelines (in line miles)	Gas Distribution Mains (in line miles)	Gas Distribution Service Lines (in line miles)	Intrastate Gas Transmission Pipelines (in line miles)	Gas Distribution Mains (in line miles)	Gas Distribution Service Lines (in line miles)
Arkansas Gas	877	5,070	1,330	875	5,197	1,380
Colorado Gas	699	7,088	2,372	694	7,188	1,861
Iowa Gas	173	2,879	2,503	173	2,890	2,765
Kansas Gas	331	3,004	1,388	339	3,026	1,400
Nebraska Gas	1,317	8,558	2,796	1,315	8,611	2,845
Wyoming Gas	1,316	3,563	1,671	1,267	3,625	1,726
Total	4,713	30,162	12,060	4,663	30,537	11,977

Seasonal Variations of Business. Our Gas Utilities are seasonal businesses and weather patterns may impact their operating performance. results. Demand for natural gas is sensitive to seasonal heating and industrial load requirements, as well as market price. In particular, demand is often greater in the winter months for heating. Natural gas is used primarily for residential and commercial heating, and demand for this product can depend heavily upon weather throughout our service territories. As a result, a significant amount of natural gas revenue is normally recognized in the heating season consisting of the first and fourth quarters. Demand for natural gas can also be impacted by summer temperatures and precipitation, which can affect demand for irrigation.

Competition. We generally have limited competition for the retail distribution of natural gas in our service areas. Various restructuring and competitive initiatives have been discussed in several of the states in which our utilities operate. These initiatives are aimed at increasing competition. Additionally, electrification initiatives in our service territories could negatively impact demand for natural gas and decrease future growth. To date, these initiatives have not had a material impact on our utilities. Although we face competition from independent marketers for the sale of natural gas to our industrial and commercial customers, in instances where independent marketers displace us as the seller of natural gas, we still collect fees for transporting the gas through our distribution network.

Operating statistics. See a summary of key operating statistics in the [Gas Utilities](#) segment operating results within Management’s Discussion and Analysis of Financial Condition and Results of Operations in [Item 7](#) of this Annual Report on Form 10-K.

Utility Regulation Characteristics

Our Utilities are subject to regulation by a number of federal, state and other organizations, including, but not limited to, the following:

- State public utility commissions, which have jurisdiction over services and facilities, rates and charges, accounting, valuation of property, depreciation rates a various other matters;
- the FERC, which oversees the acquisition and disposition of generation, transmission and other facilities, transmission of electricity and natural gas in interstate commerce, proposals to build and operate interstate natural gas pipelines and storage facilities, and wholesale purchases and sales of electric energy, among

other things;

- the NERC, which, through its regional entities, establishes and enforces mandatory reliability standards, subject to approval by the FERC, to ensure the reliability of the U.S. electric transmission and generation system and to prevent major system blackouts;
- the EPA, which has the responsibility to maintain and enforce national standards under a variety of environmental laws, in some cases delegating authority to agencies. The EPA also works with industries and all levels of government, including federal and state governments, in a wide variety of voluntary pollution prevention programs and energy conservation efforts;
- the TSA, which regulates certain activities related to the safety and security of natural gas pipelines. In May and July 2021 the TSA issued security directives included several new cybersecurity requirements for critical pipeline owners and operators; and
- the PHMSA, which is responsible for administering the federal regulatory program to help ensure the safe transportation of natural gas, petroleum and other hazardous materials by pipelines, including pipelines associated with natural gas storage, and develops regulations and other approaches to risk management help ensure safety in design, construction, testing, operation, maintenance and emergency response of pipeline facilities.

Rates and Regulation

Our Utilities are subject to the jurisdiction of the public utility commissions in the states where they operate and the FERC for certain assets and transactions. These commissions oversee services and facilities, rates and charges, accounting, valuation of property, depreciation rates and various other matters. Rate decisions are influenced by many factors, including the cost of providing service, capital expenditures, the prudence of costs we incur, views concerning appropriate rates of return, general economic conditions and the political environment. Certain commissions also have jurisdiction over the issuance of debt or securities and the creation of liens on property located in their states to secure bonds or other securities.

The regulatory provisions for recovering the costs of service vary by jurisdiction. Our Utilities have cost recovery mechanisms that allow us to pass the prudently-incurred cost of natural gas, fuel and purchased power to customers. These mechanisms allow the utility operating in that state to collect or refund the difference between the cost of commodities and certain services embedded in our base rates and the actual cost of the commodities and certain services without filing a general rate review. In addition, some jurisdictions allow us to recover certain costs or earn a return on capital investments placed in service between base rate reviews through approved rider tariffs, such as energy efficiency plan costs and system safety and integrity investments. These tariffs allow the utility a return on the investment.

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Electric Utilities

The following table provides regulatory information for each of our Electric Utilities:

Subsidiary	Ownership	State of Incorporation	Mechanisms	Customers	Jurisdiction	Authorized		Authorized	Authorized Rate	Effective	Additional Regulatory	Percentage of Power Marketing
						Rate of Return on Equity	Return on Base					
Colorado Electric (a)												
Colorado Electric (a)	C 97.4% O . . 83.9% 3.4% 7.3% 5.1% 2.7% %	\$5.1	ECA, TCA, PCCA, EECR/DSM, RESA	90%	CO	9.37%	7.43%	48%/52%	\$653.7 (a)	1/2017	ECA, TCA, PCCA, EECR/DSM, RESA, TEPR, Energy Assistance Benefit Charge	90%
Colorado Electric					CO	9.37%	6.02%	67%/33%	\$57.9	1/2017	CACJA Adjustment Rider	N/A

	C 9 6 6 \$51 CACJA N/A	FERC	9.80%	6.45%	53%/47%	(a)	9/2022	FERC Transmission Tariff	N/A
	O . . 7 7.9 / Adjust								
	3 0 % 2 ment								
	7 2 / 0 Rider								
	%%3 1								
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	%								
South	W9 8 4 \$41 ECA 65%	WY	9.90%	8.13%	47%/53%	\$46.8	10/2014	ECA	65%
Dakota	Y . . 7 6.8 0								
Electric	9 1 % /								
	0 3 / 2								
	%%5 0								
	3 1								
	% 4								
	SG7G \$51 ECA, 70%	SD	Global	7.76%	Global	\$543.9	10/2014	ECA, TFA, EIA	70%
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	F 1 8 4 2 FERC N/A	FERC	10.80%	8.76%	43%/57%	\$197.7 (b)	2/2009	FERC Transmission Tariff	N/A
	E 0 . 3 \$1 / Transm								
	R . 7 %77.2 ission								
	C 8 6 / 8 0 Tariff								
	0 %5 (b) 0								
	% 7 9								
	%								



Wyoming	W9 7 4	\$5 3	PCA,	N/A
Electric	Y . . 8 06.	/	EECR/	
(a) (c)	7 4 % 4 2	DSM,		
	5 8 /	0	Rate	
	%5	2	Base	
	2	3	Recover	
	%		ry on	
			Acquisit	
			ion	
			Adjust	
			ment,	
			TCAM	

Wyoming	WY	9.75%	7.48%	48%/52%	\$551.2 (a)	3/2023	PCA, EECR/DSM, Rate Base Recovery	N/A
Electric							on Acquisition Adjustment, TCAM	
(c)								
	FERC	9.90%	8.77%	44%/56%	(a)	1/2019	FERC Transmission Tariff	N/A

- (a) For both Wyoming Electric and Colorado Electric and Wyoming Electric, retail customers, transmission investments are recovered through retail rates rather than FERC Transmission Tariffs. Effective September 1, 2022, a formulaic approach determines Transmission investments are recovered from wholesale transmission customers under the revenue component of FERC Formula Transmission rate. The rate base associated with FERC assets is not displayed separate from that collected through the state recovery mechanisms, to avoid double counting. T rate base amounts for Colorado Electric's open access transmission tariff. Electric and Wyoming Electric include rate base recovered through base rates and the authorized regulatory mechanisms.
- (b) Includes \$160.7 million \$180.6 million in 2022 2023 rate base for the 2022 2023 Projected Common Use System formula rate that is updated annually and \$17.1 million in rate base for th Transmission Tie that is based on the approved stated rate from 2005.
- (c) For additional information regarding recent rate review updates, see [Note 2](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

The following table summarizes the mechanisms we have in place for each of our Electric Utilities:

Electric Utility Jurisdiction	Cost Recovery Mechanisms						
	Environmental	Transmission		Fuel	Transmission	Purchase	
	Cost	Expense	Cost	Capital	d	Power	RESA
	EECR/DSM						
Colorado Electric		☒	☒	☒	☒	☒	☒
South Dakota Electric (SD) (a)	☒	☒	☒	☒	☒	☒	☒
South Dakota Colorado Electric		☒	☒	☒		☒	
(WY) (FERC) (b) (a)							
South Dakota Electric (FERC)	☒	☒	☒				
(SD) (c) (b)							
South Dakota Electric (WY) (c)	☒	☒	☒	☒			
South Dakota Electric (FERC)			☒				
Wyoming Electric (a)	☒	☒	☒	☒	☒		
Wyoming Electric (FERC) (d) (a)			☒	☒	☒	☒	☒

- (a) For both Wyoming Electric and Colorado Electric retail customers, transmission investments are recovered through retail rates rather than FERC Transmission Tariffs. Transmission investments are recovered from wholesale transmission customers under the FERC Formula Transmission rate.
- (b) South Dakota Electric's EIA and TFA tariffs were suspended for a six-year moratorium period effective July 1, 2017. On January 7, 2020, South Dakota Electric received approval from th SDPUC to extend the 6-year moratorium period by an additional 3 years whereby these recovery mechanisms will not be effective prior to July 1, 2026.
- (b) (c) South Dakota Electric has WPSC authorization to accumulate certain Energy Efficiency energy efficiency costs in a regulatory asset with determination of recovery to be made in the next review.
- (c) South Dakota Electric has an approved FERC Transmission Tariff based on a formulaic approach that determines the revenue component of South Dakota Electric's open access transm tariff.

(d) Wyoming Electric has a WPSC-approved transmission tariff based on a formulaic approach that determines the recovery of Wyoming Electric's transmission costs.

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Gas Utilities

The following table provides regulatory information for each of our Gas Utilities:

Subsidiary	Jurisdiction	Authorized Rate of Return on Equity	Authorized Return on Rate Base	Authorized Capital Structure Debt/Equity	Authorized Rate Base		Effective Date	Additional Regulatory Mechanisms
					(in millions)			
Wyoming Electric	Wyoming							
Utah Gas	Utah							
Arizona Gas	Arizona							
California Gas	California							
Colorado Gas	Colorado							
Idaho Gas	Idaho							
Montana Gas	Montana							
Nebraska Gas	Nebraska							
Nevada Gas	Nevada							
New Mexico Gas	New Mexico							
North Dakota Gas	North Dakota							
South Dakota Gas	South Dakota							
Wyoming Electric	Wyoming							

Arkansas Gas (a)	A 9 6 5 \$1GCA, Safety and Integrity Rider, 6 2 %7 / Rider, 0 0 / 4 2EECR, %0%4 . 0Weather (5 6 2Normalization b) %0(c 2n) Adjustment, Billing Determinant Adjustment	AR	9.60%	6.20% (b)	55%/45%	\$674.6 (c)	10/2022 GCA, Safety and Integrity Rider, EECR, Weather Normalization Adjustment, Billing Determinant Adjustment
Colorado Gas (a)	C 9 6 5 \$1GCA, SSIR, O . . 0 3 / EECR/DSM 2 5 %0 2 0 6 / 3 0 %0%5 . 2 0 2 2 %0	CO	9.20%	6.56%	50%/50%	\$303.2	1/2022 GCA, SSIR, DSM, Gas Price Risk Management Rider, Energy Assistance Benefit Charge
RMNG	C 9 6 5 \$6SSIR, O . . 3 1 / Liquids/Off- 9 7 %1 2system/Mar 0 1 / 8 0ket Center %0%4 . 1Services 7 7 8Revenue %0 Sharing						
Iowa Gas (a)	I 9 6 5 \$1GCA, A . . 0 3 / EECR, 6 7 %0 2System 0 5 / 0 0Safety and %0%5 . 2Maintenanc 0 9 2e %0 Adjustment Rider, Gas Supply Optimizatio n revenue sharing						



Kansas Gas (a) K Global 1GCA, S Settle / Weather ment 2Normalization Tariff, 2Gas 2System Reliability Surcharge, Ad Valorem Tax Surcharge, Cost of Bad Debt Collected through GCA, Pension Levelized Adjustment, Tax Adjustment Rider, Gas Supply Optimization revenue sharing

RMNG (a)	CO	9.50%-9.70%	6.93%	48%-50%/50%-52%	\$209.3	7/2023	Liquids/Off-system/Market Center Services Revenue Sharing
Iowa Gas	IA	9.60%	6.75%	50%/50%	\$300.9	1/2022	GCA, EECR, System Safety and Maintenance Adjustment Rider, Gas Supply Optimization revenue sharing
Kansas Gas	KS		Global Settlement			1/2022	GCA, Weather Normalization Tariff, Gas System Reliability Surcharge, Ad Valorem Tax Surcharge, Cost of Bad Debt Collected through GCA, Pension Levelized Adjustment, Tax Adjustment Rider, Gas Supply Optimization revenue sharing

Nebraska	N 9 6 5 \$3GCA, Cost	NE	9.50%	6.71%	50%/50%	\$504.2 (e)	3/2021	GCA, Cost of Bad Debt Collected through GCA, Infrastructure System
a Gas (d)	E . . 0 5 / of Bad Debt							Replacement Cost Recovery Surcharge, Choice Gas Program, SSIR, Bad
	5 7 %0 2Collected							Debt expense recovered through Choice Supplier Fee, Line Locate
	0 1 / 4 0through							Surcharge, HEAT Program
	%0%5 . 2GCA,							
	0 2 1Infrastructure							
	%0 e System							
	Replacemen							
	t Cost							
	Recovery							
	Surcharge,							
	Choice Gas							
	Program,							
	SSIR, Bad							
	Debt							
	expense							
	recovered							
	through							
	Choice							
	Supplier							
	Fee, Line							
	Locate							
	Surcharge,							
	HEAT							
	Program							
Wyoming	W 9 6 5 \$3GCA,							
Gas (d)	Y . . 0 3 / EECR, Rate							
	4 9 %5 2Base							
	0 8 / 4 0Recovery on							
	%0%5 . 2Acquisition							
	0 4 0Adjustment,							
	%0 Wyoming							
	Integrity							
	Rider,							
	Choice Gas							
	Program							
Wyoming	WY	9.85%	7.33%	49%/51%	\$450.8	1/2024	GCA, EECR, Rate Base Recovery on Acquisition Adjustment, Wyoming	
Gas (a)(d)							Integrity Rider, Choice Gas Program	

- (a) Colorado Gas regulatory information presented above does not reflect the recent settlement agreement which is subject to CPUC approval. For additional information regarding recent rate review updates, see [Note 2](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.
- (b) Arkansas Gas return on rate base is adjusted to remove certain liabilities from rate review capital structure for comparison with other subsidiaries.
- (c) Arkansas Gas rate base is adjusted to include certain liabilities for comparison with other subsidiaries.
- (d) The Choice Gas Program mechanisms are applicable to only a portion of Nebraska Gas and Wyoming Gas customers.
- (e) Excludes amounts to serve non-jurisdictional and agriculture customers.

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The following table summarizes the mechanisms we have in place for each of our Gas Utilities:

Gas Utility Jurisdiction	Cost Recovery Mechanisms						Revenue Decoupling
	EECR/DSM	Integrity Additions	Bad Debt	Weather Normal	Pension Recovery	Gas Cost (b) (a)	
Arkansas Gas	☑	☑		☑		☑	☑
Colorado Gas	☑	☑				☑	
RMNG				☑			
RMNG (a)		☑					
Iowa Gas	☑	☑				☑	
Kansas Gas		☑	☑	☑	☑	☑	
Nebraska Gas		☑	☑			☑	
Wyoming Gas	☑	☑				☑	

(a) RMNG, which is an intrastate transmission pipeline that provides natural gas transmission and wholesale services in western Colorado, has an SSIR mechanism which allows recovery of investments through December 31, 2021. The other cost recovery mechanisms are not applicable to RMNG.

(b) All of our Gas Utilities, except where the Choice Gas Program is the only option, have GCAs that allow us to pass the prudently-incurred cost of gas and certain services through to the customer between rate reviews.

Recent Tariff Filings

See [Note 2](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for information regarding current regulatory activity.

FERC

The Federal Power Act gives FERC exclusive rate-making jurisdiction over wholesale sales of electricity and the transmission of electricity in interstate commerce. Pursuant to the Federal Power Act, all public utilities subject to FERC's jurisdiction must maintain tariffs and rate schedules on file with FERC that govern the rates, and terms and conditions for the provision of FERC-jurisdictional wholesale power and transmission services. Public utilities are also subject to accounting, record-keeping and reporting requirements administered by FERC. FERC also places certain limitations on transactions between public utilities and their affiliates. Our **public Electric Utility electric utility** subsidiaries provide FERC-jurisdictional services subject to FERC's oversight.

Our Electric Utilities entities are authorized by FERC to make wholesale sales of electric capacity and energy at market-based rates under tariffs on file with FERC. As a condition of their market-based rate authority, Electric Quarterly Reports are filed with FERC. Our Electric Utilities own and operate FERC-jurisdictional interstate transmission facilities and provide open access transmission service under tariffs on file with FERC. Our Electric Utilities are subject to routine audit by FERC with respect to their compliance with FERC's regulations.

PUHCA 2005 provides FERC authority with respect to the books and records of a utility holding company. As a utility holding company whose assets consist primarily of investments in our subsidiaries, including subsidiaries that are public utilities and also a centralized service company subsidiary, BHSC, we are subject to FERC's authority under PUHCA 2005.

PUHCA 2005 reiterated the definition and benefits of EWG status. Under PUHCA 2005, an EWG is an entity or generator engaged, directly or indirectly through one or more affiliates, exclusively in the business of owning, operating or both owning and operating all or part of one or more eligible facilities and selling electric energy at

wholesale. Though EWGs are public utilities within the definition set forth in the Federal Power Act and are subject to FERC regulation of rates and charges, they are exempt from other FERC requirements. Through its subsidiaries, Black Hills Corporation is affiliated with **three** **two** EWGs, Wygen I **and** Pueblo Airport Generation (facilities #4-5) **and** Northern Iowa Windpower. **Each** **. Both** of these **three** EWGs have been granted market-based rate authority.

NERC

The Energy Policy Act of 2005 included provisions to create an Electric Reliability Organization, which is required to promulgate mandatory reliability standards governing the operation of the bulk power system in the U.S. FERC certified NERC as the Electric Reliability Organization and also issued an initial order approving many reliability standards that went into effect in 2007. Entities that violate standards can be subject to fines and can also be assessed non-monetary penalties, depending upon the nature and severity of the violation.

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Pipeline Security

In May and July 2021, the TSA issued security directives in response to a ransomware attack on the Colonial Pipeline that occurred earlier in 2021 that included several new cybersecurity requirements for critical pipeline owners and operators. Among these requirements is the implementation of specific mitigation measures to protect against ransomware attacks and other known threats to information and operational technology systems; development and implementation of a cybersecurity contingency and recovery plan; and performance of a cybersecurity architecture design review. **Compliance with these measures has not had a material impact on our operations.** We **have implemented several of these directives and are evaluating** **continue to evaluate** the potential effect of **several others** **these directives** on our operations and facilities **as well as the potential cost of implementation**, and will continue to monitor for any clarifications or amendments to these directives.

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Gas Pipeline and Storage Integrity and Safety

We are subject to regulation by PHMSA, which requires the following for certain gas distribution and transmission pipelines and underground storage facilities: inspection and maintenance plans; integrity management programs, including the determination of pipeline integrity risks and periodic assessments on certain pipeline segments; an operator qualification program, which includes certain trainings; a public awareness program that provides certain information; and a control room management plan. If we fail to comply with applicable statutes and the PHMSA Office of Pipeline Safety's rules and related regulations and orders, we could be subject to significant penalties and fines.

Environmental Matters

We have clean energy goals to reduce GHG emissions that are based on prudent and proven solutions while minimizing cost impacts to and ensuring safety of our customers. See more information in [Key Elements of our Business Strategy](#) within Management's Discussion and Analysis of Financial Condition and Results of Operations in [Item 7](#) of this Annual Report on Form 10-K.

We are subject to significant state and federal environmental regulations that encourage the use of clean energy technologies and regulate emissions of GHGs. We have undertaken initiatives to meet current requirements and to prepare for anticipated future regulations, reduce GHG emissions, and respond to state renewable and energy

efficiency goals. Compliance with future environmental regulations could result in substantial cost.

In July of 2019, the EPA adopted the Affordable Clean Energy rule, which requires states to develop plans by 2022 for GHG reductions from coal-fired power plants. In a January 2021 decision, On May 23, 2023, the U.S. Court of Appeals for the D.C. Circuit issued a decision vacating and remanding EPA proposed to repeal the Affordable Clean Energy rule. Four petitions for review of rule and at the D.C. Circuit's opinion were subsequently granted by the U.S. Supreme Court on October 29, 2021, consolidated under West Virginia v. EPA et al. On June 30, 2022, the U.S. Supreme Court released its opinion in favor of West Virginia and aligned parties. The decision clarifies that there are limits on how the EPA may regulate GHGs absent further direction from the U.S. Congress. The court concluded that emission caps that would cause generation shifting from fossil-fuel-fired power plants to renewable energy facilities would require specific congressional authorization and that such authorization had not been given under the Clean Air Act. The decision by the U.S. Supreme Court may affect the EPA's development of any new regulations to address CO₂ emissions from coal- and natural gas-fired power plants; however, at this same time we cannot predict the impact of any such regulations or the decision by the U.S. Supreme Court on the results of operations, financial position, and liquidity. The EPA has indicated that it intends to issue issued a proposed replacement rule in early 2023 with a new set of emission guidelines for states to follow in submitting state plans to establish and implement standards of performance emissions limits for GHG emissions from existing fossil fuel-fired coal-fired and oil/gas-fired electric power generating units. boilers. The EPA also proposed GHG emission limits for existing stationary combustion turbines. The proposed emissions limitations are based upon the application of carbon capture controls or the use of hydrogen fuel beginning in 2030. The EPA is expected to issue a final rule in the first half of 2024. We will continue to monitor any related guidelines and rulemakings issued by the EPA or state regulatory authorities.

In February 2022, the EPA proposed the Good Neighbor Rule Provisions, which are part of the CSAPR framework and is intended to address ozone transport for the 2015 ozone NAAQS. The proposed rule focuses included the state of Wyoming and imposed a NO_x emissions trading program on reductions fossil fueled electricity generating plants within the state. The EPA's consideration of NO_x, which is a precursor to revised NO_x emissions inventories and revised ozone formation, for states that do not have an approved State Implementation Plan (SIP). On January 31, 2023, the EPA finalized a notice which disapproved 19 SIPs, partially disapproved two other SIPs and deferred action until December 2023 on two SIPs, which included Wyoming. The EPA action on January 31, 2023 was a necessary prerequisite for the EPA to finalize a proposed Good Neighbor Rule by the March 15, 2023 deadline. The EPA also released a new air quality modeling that indicated two states (including Wyoming), which were previously within scope of the Good Neighbor Rule, no longer exceeded the cross-state ozone emissions threshold. It is likely that the EPA will rely on this new air quality modeling as part of resulted in Wyoming's exclusion from the final Good Neighbor Rule. Based Rule published on June 5, 2023. In a subsequent action published on August 14, 2023, the new air quality modeling, EPA approved Wyoming's State Implementation Plan submission addressing interstate transport for the 2015 8-hour ozone NAAQS, and Wyoming sources will not be required subject to purchase additional NO_x allowances during the 2023 ozone season. Until the EPA takes action on Wyoming's SIP, which is anticipated in December 2023, we cannot determine our future CSAPR compliance costs or impacts on our operations, but they could be material. However, we anticipate that any costs incurred as a result of the proposed rule would be recoverable through our regulatory mechanisms. CSAPR.

Environmental risk changes constantly with the implementation of new or modified regulations, changing stakeholder interests and needs, and through the introduction of innovative work practices and technologies. We continually assess risk and develop mitigation strategies to manage and ensure compliance across the enterprise successfully and responsibly. For additional information on environmental matters, see [Item 1A](#) and [Note 3](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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[Human Capital Resources](#)

Overview

We are committed to supporting operational excellence by retaining, attracting motivating, retaining and encouraging the development of cultivating a highly qualified talented, engaged and diverse employee thriving team. Our employees' drive By making our people and dedication culture a strategic priority, our employees are engaged and empowered to their work, and their commitment contribute to the safety success of our customers and their fellow employees, allows us to successfully grow and manage our business year over year. business.

Our Team	As of December 31, 2022	As of December 31, 2021	As of December 31, 2023	As of December 31, 2022
Total employees	2,982	2,884	2,874	2,982
Women in executive leadership positions ^(a)	33%	30%	29%	33%
Gender diversity (women as a % of total employees)	25%	26%	24%	25%
Represented by a union	25%	25%	25%	
Military veterans	11%	14%	10%	11%
Ethnic diversity (non-white employees as a % of total)	14%	12%	15%	14%
	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2023	For the year ended December 31, 2022
Number of external hires	487	214	293	487
External hires gender diversity (as a % of total external hires)	30%	25%	27%	30%
External hires ethnic diversity (as a % of total external hires)	23%	20%	24%	23%
Turnover rate ^(b)	13%	11%	12%	13%
Retirement rate	3%	3%	3%	

(a) Executive leadership positions are defined as positions with Vice President, Senior Vice President or Chief in their title.

(b) Includes voluntary and involuntary separations but excludes internships.

Total Employees

	Number of Employees
As of December 31, 2022	December 31, 2023
Electric Utilities	4
	4
	2
	4
	2
	5

Gas Utilities

1
1
2
2
6
1
1
9
8

Corporate and Other

1
1
3
1
4
1
1
2
5
1

Total

2
1
9
8
2
2
8
7
4

At December 31, 2022 December 31, 2023, approximately 19% 18% of our total employees and 21% 20% of our Electric and Gas Utilities employees were eligible for retirement (age 55 with at least 5 years of service).

Collective Bargaining Agreements

At December 31, 2022 December 31, 2023, certain employees of our Electric Utilities and Gas Utilities were covered by the collective bargaining agreements as shown in the table below. We have not experienced any labor stoppages in decades.

Utility	Number of Employees	Union Affiliation	Expiration Date of Collective Bargaining Agreement
Colorado Electric	1	IBEW Local 667	April 15, 2023 2027
	0		
	5108		

South Dakota Electric	1122		IBEW Local 1250	March 31, 2027
	3			
	0			
Wyoming Electric	3			
	529		IBEW Local 111	June 30, 2024
Total Electric Utilities	2			
	7			
	0	259		
Iowa Gas	1			
	2			
	9		IBEW Local 204	January 31, 2026
			Communications Workers	
			of	
Kansas Gas	115		America, AFL-CIO Local	December 31, 2024
	8		6407	
Nebraska Gas	8			
	392		IBEW Local 244	March 13, 2025
Nebraska Gas	1			
	3			
	7134		CWA Local 7476	October 30, 2023 2026
Wyoming Gas	1			
	516		IBEW Local 111	June 30, 2024
Wyoming Gas	8			
	280		CWA Local 7476	October 30, 2023 2026
Total Gas Utilities	4			
	6			
	4	466		
Total	7			
	3			
	4	725		
		21 22		

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Attraction Diversity, Equity & Inclusion

Attracting talent We believe the benefits of diversity, equity and inclusion can be powerful, and we are committed to join our team building a workforce whose diversity is critical to our ability to serve over 1.3 million customers safely and efficiently. We continuously evaluate our recruitment strategies to determine their effectiveness to attract

and build a high-performing, diverse workforce, representative of the communities we serve. Our diversity recruiting strategies support our efforts to attract qualified individuals with targeted efforts to reach underrepresented talent pools, talent. Our internship program and our partnerships and participation in outreach programs with local schools and colleges attract students to careers in energy, the energy industry. Our commitment to equitable and inclusive hiring practices, including diverse candidate slates and interview panels and pay equity reviews, further supports our vision of retaining, attracting developing and retaining a high-performing workforce cultivating an engaged and thriving team driven by improving life with energy.

Diversity & Inclusion

We believe in the benefits of diversity, equity continuously evaluate our recruitment strategies to determine their effectiveness to attract and inclusion. We believe that build a talented, diverse workforce will assist us in executing our strategic business plans, including our growth strategy, workforce. Workforce diversity trends, which include gender and diverse new hires, promotions and turnover, are monitored at regular intervals throughout the year.

Development and Retention

Retaining Developing and developing team members retaining talent is critical to our continued success. Our development and retention efforts include competitive compensation programs, monitoring employee engagement, internal and external skills training, career development resources for all employees programs, and internal training programs, competitive compensation. Our compensation programs are designed to be strategically aligned, externally competitive, internally equitable, personally motivating, cost effective and legally compliant. We continuously monitor employee engagement through bi-annual engagement surveys and quarterly pulse surveys. Every leader is responsible for creating and implementing an action plan based on their team's engagement survey results. Our career development resources programs include management onboarding, leadership development programs, mentoring programs, individual development assessments, stretch opportunities, talent sharing and more. Internal training opportunities include corporate-wide and specialized training opportunities for different job functions. Our Field Career Path Program (FCPP) promotes career growth for our frontline customer-facing employees through established standards of knowledge, skills, abilities and performance.

Employee Safety and Wellness

Safety is one of our company values, a top priority in all we do and deeply embedded in our culture. We are committed to consistently outperforming utility industry averages in key safety metrics. Meetings of three or more employees begin with a safety share, a practice which contributes to keeping safety top of mind. Since 2009, we have reduced workplace injuries by more than 75% 64% and continue to see long-term, sustained improvements in our safety practices and performance.

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December 31, 2023

Safety Performance Metrics		2022	2023
Total Case Incident Rate (incidents per 200,000 hours worked)		1.39	1.5
Preventable Motor Vehicle Incident Rate (vehicle accidents per 1 million miles driven)		1.65	
Proactive Safety Activities per Employee		1	1
% of injuries reported within 1 day		90.8%	

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ITEM 1A. RISK FACTORS

The nature of our business subjects us to a number of uncertainties and risks. Risks that may adversely affect our business operations, financial condition, results of operations or cash flows are described below. These risk factors, along with other risk factors that we discuss in our periodic reports filed with the SEC should be considered for a better understanding of our Company.

STRATEGIC RISK

Our continued success is dependent on execution of our business plan and growth strategy, including our capital investment program.

Our continued success depends, in significant part, on our ability to execute our strategic business plans, including plans. 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, strategy. Our plans and strategy include building sustainable operations *People & Culture*—retain and supporting the Energy Transition; consistently outperforming utility industry averages in key safety metrics; modernizing utility infrastructure; transforming the customer experience; growing our electric attract a talented, engaged and natural gas customer load; and pursuing operational efficiencies. thriving team. Our current plans and strategy may be negatively impacted by disruptive forces and innovations in the marketplace, workforce capabilities, changing political, business or regulatory conditions and technology advancements.

In addition, we have significant capital investment programs planned for the next five years that are key to our strategic business plans. The successful execution of our capital investment program depends on, or could be affected by, a variety of factors that include, but are not limited to: availability of low cost access to capital to fund projects, weather conditions, effective management of projects, availability of qualified construction personnel including contractors, changes in commodity and other prices, impacts of supply chain disruptions on availability and cost of materials, governmental approvals and permitting, regulatory cost recovery and return on investment.

An inability to successfully and timely adapt to changing conditions and execute our strategic plans could materially affect our financial operating results including earnings, cash flow and liquidity.

REGULATORY, LEGISLATIVE AND LEGAL RISKS

We may be subject to unfavorable or untimely federal and state regulatory outcomes.

Our regulated Electric and Gas Utilities are subject to cost-of-service/rate-of-return regulation and earnings oversight from federal and eight state utility commissions. This regulatory treatment does not provide any assurance as to achievement of desired earnings levels. Our customer rates are regulated based on an analysis of our costs and investments, as reviewed and approved in regulatory proceedings. While rate regulation is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital, there can be no assurance that our various regulatory authorities will judge all of our costs to have been prudently incurred or that the regulatory process in which rates are determined will result in full or timely recovery of our costs with a reasonable return on invested capital. In addition, adverse rate decisions, including rate moratoriums, rate refunds, limits on rate increases, lower allowed returns on investments or rate reductions, could be influenced by competitive, economic, political, legislative, public perception and regulatory pressures and adversely impact earnings, cash flow and liquidity.

Each of our Electric and Gas Utilities are permitted to recover certain costs (such as increased fuel and purchased power costs, including costs from certain severe weather events, or integrity capital investments) outside of a base rate review in order to stabilize customer rates and reduce regulatory lag. If regulators decide to discontinue these tariff-based recovery mechanisms, it could negatively impact earnings, cash flow and liquidity.

Costs could significantly increase to achieve or maintain compliance with existing or future environmental laws, regulations or requirements including those associated with climate change.

Our business segments are subject to numerous environmental laws and regulations affecting many aspects of present and future operations, including air emissions (i.e., SO₂, NO_x, volatile organic compounds, particulate matter and GHG), water quality, wastewater discharges, solid waste and hazardous waste.

These laws and regulations may result in increased capital, operating and other costs. These laws and regulations generally require the business segments to obtain and comply with a wide variety of environmental licenses, permits, inspections and other government approvals. Compliance with environmental laws and regulations may require significant expenditures, including expenditures for cleanup costs and damages arising from contaminated properties. Failure or inability to comply with evolving environmental regulations may result in the imposition of fines, penalties and injunctive measures affecting operating assets.

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Our business segments may not be successful in recovering increased capital and operating costs incurred to comply with new environmental regulations through existing regulatory rate structures and contracts with customers. More stringent environmental laws or regulations could result in additional costs of operation for existing facilities or impede the development of new facilities.

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There is significant uncertainty regarding if and when new climate legislation, regulations or administrative policies will be adopted to reduce or limit GHG and the impact any such regulations would have on us. New or more stringent regulations or other energy efficiency requirements could require us to incur significant additional costs relating to, among other things, the installation of additional emission control equipment, the acceleration of capital expenditures, the purchase of additional emissions allowances or offsets, the acquisition or development of additional energy supply from renewable resources, the closure or capacity reductions of coal-fired power generation facilities or conversion to **natural gas, alternative fuels**, and potential increased production from our combined cycle natural gas-fired generating units. Additional rules and regulations associated with fossil fuels and GHG emissions could result in the impairment or retirement of some of our existing or future transmission, distribution, generation and natural gas storage facilities or our coal mine. Further, these rules could create the need to purchase or build clean-energy fuel sources to fulfill obligations to our customers. These actions could also result in increased operating costs which could adversely impact customers and our financial operating results including earnings, cash flow and liquidity. We cannot definitively estimate the effect of GHG legislation or regulation on our earnings, cash flow and liquidity.

Legislative and regulatory requirements may result in compliance penalties.

Business activities in the energy sector are heavily regulated, primarily by agencies of the federal government. Many agencies employ mandatory civil penalty structures for regulatory violations. The FERC, NERC, PHMSA, CFTC, EPA, OSHA, SEC, TSA and MSHA may impose significant civil and criminal penalties to enforce compliance requirements relative to our business, which could have a material adverse effect on our financial operating results including earnings, cash flow and liquidity.

Municipal governments may seek to limit or deny our franchise privileges.

Municipal governments within our utility service territories possess the power of condemnation and could establish a municipal utility within a portion of our current service territories by limiting or denying franchise privileges for our operations and exercising powers of condemnation over all or part of our utility assets within municipal boundaries. We regularly engage in negotiations on renewals of franchise agreements with our municipal governments. We have from time to time faced challenges or ballot initiatives on franchise renewals. To date, we have been successful in resolving or defending most of these challenges. Although condemnation is a process that is subject to constitutional protections requiring just and fair compensation, as with any judicial procedure, the outcome is uncertain. If a municipality sought to pursue this course of action, we cannot assure that we would secure adequate recovery of our investment in assets subject to condemnation. We also cannot quantify the impact that such action would have on the remainder of our business operations.

Changes in Federal tax law may significantly impact our business.

We are subject to taxation by the various taxing authorities at the federal, state and local levels where we operate. Sweeping legislation or regulation could be enacted by any of these governmental authorities which may affect our tax burden. Changes may include numerous provisions that affect businesses, including changes to corporate tax rates, business-related exclusions, and deductions and credits. The outcome of regulatory proceedings regarding the extent to which a change in corporate tax rate will affect our utility customers and the time period over which that change will occur could significantly impact future earnings and cash flows. Separately, a challenge by a taxing authority, changes in taxing authorities' administrative interpretations, decisions, policies and positions, our ability to utilize tax benefits such as carryforwards or tax credits, or a deviation from other tax-related assumptions may cause actual financial results to deviate from previous estimates.

Our business, financial condition, results of operations and prospects may be materially adversely affected due to adverse results of litigation.

Material legal proceedings are summarized in [Note 3](#) of Notes to Consolidated Financial Statement in this Annual Report on Form 10-K. Unfavorable resolution of legal or administrative proceedings in which we are involved or other future legal or administrative proceedings could have an adverse effect on our financial operating results, including earnings, cash flow and liquidity.

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OPERATING RISKS

Failure to attract and retain an appropriately qualified workforce could have a negative impact on our operations and long-term business strategy.

Recent trends, such as higher turnover, a competitive and tight labor market and an aging workforce may lead to higher costs and increased risk of negative outcomes for safety, compliance, customer service, and operations. Our ability to transition and replace our retirement-eligible utility employees is a risk; at December 31, 2022 December 31, 2023, approximately 19% 18% of our employees were eligible for retirement. Our ability to avoid or minimize supply interruptions, work stoppages and labor disputes is also a risk with approximately 25% of our employees represented by unions. Failure to hire and retain qualified employees, including the ability to transfer significant internal historical knowledge and expertise to new employees, may adversely affect our ability to manage and operate our business. If we are unable to successfully attract and retain an appropriately qualified workforce and maintain satisfactory collective bargaining agreements, safety, service reliability, customer satisfaction and our results of operations could be adversely affected.

Our plans and strategy include building sustainable operations and supporting the Energy Transition; consistently outperforming utility industry averages in key safety metrics; modernizing utility infrastructure; transforming the customer experience; growing our electric and natural gas customer load; and pursuing operating efficiencies.

As part of our strategic plan, business plans, we will need to attract and retain personnel who are qualified to implement our strategy and may need to retrain or re-skill certain employees to support our long-term objectives.

The nature 25

[Table of our business subjects us to climate-related risk, stemming from both physical risk and transition risk of climate change, over varying time horizons. Contents](#)

Physical risks of climate change refer to risks to our facilities or operations that may result from changes in the physical climate, such as changes to temperature and weather patterns. Our utility businesses are seasonal businesses and weather conditions and patterns can have a material impact on our operating performance. To the extent weather conditions are affected by climate change, fluctuations in customers' energy usage could be magnified. Climate change may lead to increased intensity and frequency of storms, resulting in increased likelihood of fire, wind and extreme temperature events. Severe weather events, such as snow and ice storms (e.g., Winter Storm Uri), fire, and strong winds could negatively impact our operations, including our ability to provide energy safely, reliably and profitably and our ability to complete construction, expansion or refurbishment of facilities as planned. Unmitigated impacts of climate change may intensify these events or increase the frequency of their occurrence. Over time, we may need to make additional investments to protect our facilities from physical risks of climate change.

Transition risks of climate change include changes to the energy systems as a result of new technologies, changing customer demand and/or expectations and voluntary GHG reduction goals, as well as local, state or federal regulatory requirements (discussed above) intended to reduce GHG emissions. Policies such as a carbon or methane tax could increase costs associated with fossil fuel usage, resulting in higher operating costs including costs of energy generation, construction, and transportation. Risks of the transition to a low-carbon economy could result in shrinking customer demand for fossil fuel-based energy sources. This could come from increased use of behind the meter technology, such as residential solar and storage. Risk of investor pressure over climate risk and/or ESG standards, activist campaigns against coal producers, employee preferences to work for sustainable companies and consumers preference for renewable energy could impact our reputation and overall access to capital and/or adequate insurance policies.

Supply chain challenges could negatively impact our operations.

We rely on various suppliers in our supply chain for the materials necessary to execute on our capital investment program that is key to our strategic business plans and to respond to a significant unplanned event such as a natural disaster. Our largest customers also rely on our supply chain and delays in critical materials could impact their ability to operate and grow as planned. Our supply chain, material costs, and capital investment program may be negatively impacted by:

- Unanticipated price increases due to recent macroeconomic factors, such as inflation, including wage inflation, or rising demand for raw materials associated with the Energy Transition; and

- Supply restrictions beyond our control or the control of our suppliers such as disruption of the freight system (e.g. [railroad labor union strikes](#)), increased environmental threats from weather-related disasters, rising demand for raw materials associated with the Energy Transition and/or geopolitical unrest (e.g. [Russian invasion of Ukraine](#)) [Russia-Ukraine and Middle East conflicts](#)).

An inability to successfully manage challenges in our supply chain network could materially affect our [ability to execute our business plan and growth strategy and our financial operating results including earnings, cash flow and liquidity](#).

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Cyberattacks, terrorism, or other malicious acts targeting our key technology systems could disrupt our operations or lead to a loss or misuse of confidential and proprietary information.

To effectively operate our business, we rely upon a sophisticated electronic control system, information and operation technology systems and network infrastructure to generate, distribute and deliver energy, and collect and retain sensitive information including personal information about our customers and employees. Cyberattacks, terrorism or other malicious acts targeting electronic control systems could result in a full or partial disruption of our electric and/or natural gas operations. Attacks targeting other key technology systems, including our third-party vendors' information systems, could further add to a full or partial disruption of our operations. Recent geopolitical conflicts (e.g. Russia's invasion of Ukraine) have increased the risk of cyberattack. Any disruption of these operations could result in a loss of service to customers and associated revenues, as well as significant expense to repair damages and remedy security breaches. In addition, any theft, loss and/or fraudulent use of customer, shareowner, employee or proprietary data could subject us to significant litigation, liability and costs, as well as adversely impact our reputation with customers and regulators, among others. We maintain cyber risk insurance to mitigate a portion, but not all, of these risks and losses.

As discussed in [Utility Regulation Characteristics](#) above, in 2021 the TSA issued security directives that included several new cybersecurity requirements for critical pipeline owners and operators. Such directives or other requirements may require expenditure of significant additional resources to respond to cyberattacks, to continue to modify or enhance protective measures, or to assess, investigate and remediate any critical infrastructure security vulnerabilities. Any failure to comply with such government regulations or failure in our cybersecurity protective measures may result in enforcement actions that may have a material adverse effect on our business, results of operations and financial condition. In addition, there is no certainty that costs incurred related to securing against threats will be recovered through rates. We have instituted security measures and safeguards to protect our operational systems and information technology assets, including certain safeguards required by FERC. Despite our implementation of security measures and safeguards, all of our technology systems may still be vulnerable to disability, failures or unauthorized access.

Our financial performance depends on the successful operation of electric generating facilities, electric and natural gas transmission and distribution systems, natural gas storage facilities and a coal mine.

The risks associated with managing these operations include:

- Operating hazards. Operating hazards such as leaks, mechanical problems and accidents, including fires or explosions, could impact employee and public safety, reliability and customer confidence;
- Inherent dangers. Electricity and natural gas can be dangerous to employees and the general public. Failures of or contact with power lines, natural gas pipelines or service facilities and equipment may result in fires, explosions, property damage and personal injuries, including death. While we maintain liability and property insurance coverage, such policies are subject to certain limits and deductibles. The occurrence of any of these events may not be fully covered by our insurance;
- Weather, natural conditions and disasters including impacts from climate change (discussed [above](#) [below](#));
- Acts of sabotage, terrorism or other malicious [physical](#) attacks. Damage to our facilities due to deliberate acts could lead to outages or other adverse effects;
- Equipment and processes. Breakdown or failure of equipment or processes, unavailability or increased cost of equipment, and performance below expected output or efficiency could negatively impact our results of operations;
- Disrupted transmission and distribution. We depend on transmission and distribution facilities, including those operated by unaffiliated parties, to deliver the electricity and natural gas that we sell to our retail and wholesale customers. If transmission is interrupted physically, mechanically or with cyber means, our ability to sell or deliver utility services and satisfy our contractual obligations may be hindered;
- Natural gas supply for generation and distribution. Our regulated [utilities](#) [Utilities](#) and non-regulated entities purchase natural gas from a number of suppliers at generating facilities and for distribution to our customers. Our results of operations could be negatively impacted by the lack of availability and cost of natural gas and disruptions in the delivery of natural gas due to various factors, including but not limited to, transportation delays, labor relations, weather, sabotage, cyber attacks and environmental regulations;
- Replacement power. The cost of supplying or securing replacement power during scheduled and unscheduled outages of generation facilities could negatively impact our results of operations.

impact our results of operations;

- Governmental permits. The inability to obtain required governmental permits and approvals along with the cost of complying with or satisfying conditions imposed upon such approvals could negatively impact our ability to operate and our results of operations;

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- Operational limitations. Operational limitations imposed by environmental and other regulatory requirements and contractual agreements, including those that restrict the timing of generation plant scheduled outages, could negatively impact our results of operations;
- Increased costs. Increased capital and operating costs to comply with increasingly stringent laws and regulations, unexpected engineering, environmental and geological problems, and unanticipated cost overruns could negatively impact our results of operations;
- Supply chain challenges (discussed above);
- Workforce capabilities and labor relations (discussed above); and

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- Public opposition. Opposition by members of public or special-interest groups could negatively impact our ability to operate our businesses.

Any of these risks described above could damage our reputation and public confidence. These risks could also cause us to incur significant costs or be unable to deliver energy and/or operate below expected capacity levels, which in turn could reduce revenues or cause us to incur higher operating and maintenance costs and penalties. While we maintain insurance, obtain warranties from vendors and obligate contractors to meet certain performance levels, the proceeds of such insurance and our rights under contracts, warranties or performance guarantees may not be timely or adequate to cover lost revenues, increased expenses, liability or liquidated damage payments.

The nature of our business subjects us to climate-related risk, stemming from both physical risk and transition risk of climate change, over varying time horizons.

Physical risks of climate change refer to risks to our facilities or operations that may result from changes in the physical climate, such as changes to temperature and weather patterns. Our utility businesses are seasonal businesses and weather conditions and patterns can have a material impact on our operating results. To the extent weather conditions are affected by climate change, fluctuations in commodity prices and customers' energy usage could be magnified. Climate change may lead to increased intensity and frequency of storms, resulting in increased likelihood of fire, wind and extreme temperature events. Severe weather events, such as snow and ice storms (e.g., Winter Storm Uri), fire, and strong winds could negatively impact our operations, including our ability to provide energy safely, reliably and profitably and our ability to complete construction, expansion or refurbishment of facilities as planned. Climate change may intensify these events or increase the frequency of their occurrence. Over time, we may need to make additional investments to protect our facilities from physical risks of climate change.

Transition risks of climate change include changes to the energy systems as a result of new technologies, changing customer demand and/or expectations and voluntary GHG reduction goals, as well as local, state or federal regulatory requirements (discussed above). Policies such as a carbon or methane tax could increase costs associated with fossil fuel usage, resulting in higher operating costs including costs of energy generation, construction, and transportation. Risks of the transition to a low-carbon economy could result in shrinking customer demand for fossil fuel-based energy sources. This could come from increased use of behind the meter technology, such as residential solar and storage. Risk of investor pressure over climate risk and/or ESG standards, activist campaigns against coal producers, employee preferences to work for companies with certain sustainability goals and consumers preference for renewable energy could impact our reputation, ability to attract and retain an appropriately trained workforce, and overall access to capital and/or adequate insurance policies.

Cybersecurity incidents, terrorism, or other malicious acts targeting our key technology systems could disrupt our operations or lead to a loss or misuse of confidential and proprietary information.

To effectively operate our business, we rely upon a sophisticated electronic control system, information and operation technology systems and network infrastructure to generate, distribute and deliver energy, and collect and retain sensitive information including personal information about our customers and employees. Cybersecurity incidents, terrorism or other malicious acts targeting electronic control systems could result in a full or partial disruption of our electric and/or natural gas operations.

Attacks targeting other key technology systems, including our third-party vendors' information systems, could further add to a full or partial disruption of our operations. The utility industry has been the target of several cyberattacks on operational systems and has seen an increased volume and sophistication of cybersecurity incidents from international activist organizations, other nation state actors and individuals. To date, we have not experienced a cybersecurity incident that has had a material impact on our business or results of operations. Any disruption of our electric and/or natural gas operations could result in a loss of service to customers and associated revenues, as well as significant expense to repair damages and remedy security breaches. In addition, any theft, loss and/or fraudulent use of customer, shareowner, employee or proprietary data could subject us to significant litigation, liability and costs, as well as adversely impact our reputation with customers and regulators, among others. We maintain cyber risk insurance to mitigate a portion, but not all, of these risks and losses.

As discussed in [Utility Regulation Characteristics](#) above, in 2021 the TSA issued security directives that included several new cybersecurity requirements for critical pipeline owners and operators. Such directives or other requirements may require expenditure of significant additional resources to respond to cybersecurity incidents, to continue to modify or enhance protective measures, or to assess, investigate and remediate any critical infrastructure security vulnerabilities. Any failure to comply with such government regulations or failure in our cybersecurity protective measures may result in enforcement actions that may have a material adverse effect on our business, results of operations and financial condition. In addition, there is no certainty that costs incurred related to securing against threats will be recovered through rates.

As discussed in [Item 1C](#) in this Annual Report on Form 10-K, we have instituted security measures and safeguards to protect our operational systems and information technology assets against cybersecurity threats, including certain safeguards required by NERC. Despite our implementation of security measures and safeguards, all of our technology systems may still be vulnerable to disability, failures or unauthorized access.

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Our operations are subject to various conditions that can result in fluctuations in customer usage, including customer growth and general economic conditions in our service territories, weather conditions, and responses to price increases and technological improvements.

Our results of operations and cash flows are affected by the demand for electricity and natural gas, which can vary greatly based upon:

- Fluctuations in customer growth and general economic conditions in our service territories. Customer growth and energy use can be negatively impacted by population declines as well as adverse economic factors in our service territories, including recession, inflation, workforce reductions, stagnant wage growth, changing levels of support from state and local government for economic development, business closings, and reductions in the level of business investment. [utility businesses Utilities](#) are impacted by economic cycles and the competitiveness of the commercial and industrial customers we serve. Any economic downturn, inflation, disruption of financial markets, or reduced incentives by state government for economic development could adversely affect the financial condition of our customers and demand for their products or services. These risks could directly influence the demand for electricity and natural gas as well as a need for additional power generation and generating facilities. We could also be exposed to greater risks of accounts receivable write-offs if customers are unable to pay their bills.
- Weather conditions. Our [utility businesses Utilities](#) are seasonal businesses and weather conditions and patterns can have a material impact on our operating performance. Demand for electricity is typically greater in the summer and winter months associated with cooling and heating, respectively. Demand for natural gas depends heavily upon winter-weather patterns throughout our service territory and a significant amount of natural gas revenues are recognized in the first four quarters related to the heating season. Accordingly, our [utility operations Utilities](#) have historically generated lower revenues, income and cash flows when weather conditions are cooler than normal in the summer and warmer than normal in the winter. Demand for natural gas is also impacted by summer weather patterns that are cooler than normal and provide higher than normal precipitation; both of which can reduce natural gas demand for irrigation. Unusually mild summers and winters, therefore, could have an adverse effect on our financial operating results, including earnings, cash flow and liquidity.
- Our customers' focus on energy conservation. Customer growth and usage may be impacted by the voluntary reduction in consumption of electricity and natural gas by our customers in response to increases in prices and energy efficiency programs, electrification initiatives that could negatively impact the demand for natural gas, economic conditions (i.e., inflation, recession) impacting customers' disposable income and the use of distributed generation resources or other emerging technologies. Continued technological improvements may make customer and third-party distributed generation and energy storage systems, including fuel cells, micro-turbines, wind turbines, solar cells and batteries, more cost effective and feasible for our customers. If more customers utilize their own generation demand for energy from us could decline. Such developments could affect the price of energy and/or delivery of energy, require further improvements to distribution systems to address changing load demands and could make portions of our electric system power supply and transmission and/or distribution facilities obsolete prior to the end of their useful lives.

Each of these factors described above could materially affect demand for electricity and natural gas which would impact our financial operating results including earnings, cash flow and liquidity.

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If macroeconomic or other conditions adversely affect operations or require us to make changes to our strategic business plan, we may be forced to record a non-cash goodwill impairment charge.

We had approximately \$1.3 billion of goodwill on our consolidated balance sheets as of **December 31, 2022** **December 31, 2023**. If we make changes in our strategic business plan and growth strategy, or if macroeconomic or other conditions adversely affect operations in any of our businesses, we may be **forced** **required** to record a non-cash impairment charge. Goodwill is tested for impairment annually or whenever events or changes in circumstances indicate impairment may have occurred. If the testing performed indicates that impairment has occurred, we are required to record an impairment charge for the difference between the carrying value of the goodwill and the implied fair value of the goodwill in the period the determination is made. The testing of goodwill for impairment requires us to make significant estimates about our future performance and cash flows, as well as other assumptions. These estimates can be affected by numerous factors, including: future business operating performance, changes in macroeconomic conditions including recession, inflation and interest rates, changes in our regulatory environment, industry-specific market conditions, changes in business operations, changes in competition or changes in technologies. Any changes in key assumptions, or actual performance compared with key assumptions, about our business and its future prospects could affect the fair value of either or both of our operating segments, which may result in an impairment charge. See additional information in "[Critical Accounting Estimates](#)" under [Item 7](#), Management's Discussion and Analysis of Financial Condition and Results of Operations and [Note 1](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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Widespread public health crises and epidemics or pandemics could negatively affect our business operations, results of operations, financial condition and cash flows.

We are subject to the impacts of widespread public health crises, epidemics and pandemics, including, but not limited to, impacts on the global, national or local economies, capital and credit markets, our workforce, customers and suppliers. There is no assurance that our businesses will be able to operate without material adverse impacts depending on the nature of the public health crisis, epidemic or pandemic. The ultimate severity, duration and impact of public health crises, epidemics and pandemics cannot be predicted. Additionally, there is no assurance that vaccines, or other treatments, are or will be widely available or effective, or that the public will be willing to participate, in an effort to contain the spread of disease. Actions taken in response to such crises by federal, state and local government or regulatory agencies may adversely affect our financial operating results including earnings, cash flow and liquidity.

FINANCIAL RISKS

A sub-investment grade credit rating could impact our ability to access capital markets.

Our senior unsecured debt rating is Baa2 (Stable outlook) by Moody's; BBB+ (Stable outlook) by S&P; and BBB+ **(Stable** **(Negative** outlook) by Fitch. Reduction of our investment grade credit ratings could impair our ability to refinance or repay our existing debt and complete new financings on reasonable terms. A credit rating downgrade, particularly to sub-investment grade, could also result in counterparties requiring us to post additional collateral under existing or new contracts. In addition, a

ratings downgrade would increase our interest expense under some of our existing debt obligations, including borrowings under our credit facilities, potentially significantly increasing our cost of capital and other associated operating costs which may not be recoverable through existing regulatory rate structures and contracts with customers.

We may be unable to obtain financing on reasonable terms needed to refinance debt, fund planned capital expenditures or otherwise execute our operating strategy.

Our ability to execute our operating strategy is highly dependent upon our access to capital. Historically, we have addressed our liquidity needs (including funds required to make scheduled principal and interest payments, refinance debt, pay dividends and fund working capital and planned capital expenditures) with operating cash flow, borrowings under credit facilities, proceeds of debt and equity offerings and proceeds from asset sales. Our ability to access capital markets and the costs and terms of available financing depend on many factors, including changes in our credit ratings, general macroeconomic conditions which may drive changes in interest rates and cause volatility in our stock price, changes in the federal or state regulatory environment affecting energy companies and volatility in commodity prices.

In addition, because we are a holding company and our utility assets are owned by our subsidiaries, if we are unable to adequately access the credit markets, we could be required to take additional measures designed to ensure that our utility subsidiaries are adequately capitalized to provide safe and reliable service. Possible additional measures would be evaluated in the context of then-prevailing market conditions, prudent financial management and any applicable regulatory requirements.

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Costs associated with our healthcare plans and other benefits could increase significantly.

The costs of providing healthcare benefits to our employees and retirees have increased substantially in recent years. We believe that our employee benefit costs, including costs related to healthcare plans for our employees and former employees, will continue to rise. Significant regulatory developments have required, and likely will continue to require, changes to our current employee benefit plans and supporting administrative processes. Our electric and natural gas utility rates are regulated on a state-by-state basis by the relevant state regulatory authorities based on an analysis of our costs, as reviewed and approved in a regulatory proceeding. Within our utility rates, we have generally recovered the cost of providing employee benefits. As benefit costs continue to rise, however, there is no assurance that the utility commissions will allow recovery of these increased costs. The rising employee benefit costs, or inadequate recovery of such costs, may adversely affect our financial operating results including earnings, cash flow, and liquidity.

We may be unable to obtain insurance coverage, and the coverage we currently have may not apply or may be insufficient to cover a significant loss.

Our ability to obtain insurance, as well as the cost of such insurance, could be impacted by developments affecting the insurance industry and the financial condition of insurers. Additionally, insurance providers could deny coverage or decline to extend coverage under the same or similar terms that are presently available to us. A loss for which we are not adequately insured could materially affect our financial results. The coverage we currently have in place may not apply to a particular loss, or it may not be sufficient to cover all liabilities to which we may be subject, including liability and losses associated with wildfires, natural gas and storage field explosions, cyber-security breaches, environmental hazards and natural disasters.

We have a holding company corporate structure with multiple subsidiaries. Corporate dividends and debt payments are dependent upon cash distributions to the holding company from the subsidiaries.

As a holding company, our investments in our subsidiaries are our primary assets. Our operating cash flow and ability to service our indebtedness depend on the operating cash flow of our subsidiaries and the payment of funds by them to us in the form of dividends or advances. Our subsidiaries are separate legal entities that have no obligation to make any funds available for that purpose, whether by dividends or otherwise. In addition, each subsidiary's ability to pay dividends to us depends on any applicable contractual or regulatory restrictions that may include requirements to maintain minimum levels of cash, working capital, equity or debt service funds.

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There is no assurance as to the amount, if any, of future dividends to the holding company because these subsidiaries depend on future earnings, capital requirements and financial conditions to fund such dividends. See "[Liquidity and Capital Resources](#)" within Management's Discussion and Analysis of Financial Condition and Results of

Operations in [Item 7](#) and [Note 8](#) of the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further information regarding these restrictions and their impact on our liquidity.

Market performance or changes in key valuation assumptions could require us to make significant unplanned contributions to our pension plan and other postretirement benefit plans.

Assumptions related to interest rates, expected return on investments, mortality and other key actuarial assumptions have a significant impact on our funding requirements and the expense recognized related to our pension and other postretirement benefit plans. An adverse change to key assumptions associated with our defined benefit retirement plans may require significant unplanned contributions to the plans which could adversely affect our financial operating results including earnings, cash flow and liquidity. See [Note 13](#) of the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further information

Our use of derivative financial instruments as hedges against commodity prices and financial market risks could result in material financial losses.

We use various financial and physical derivatives, including futures, forwards, options and swaps, to manage commodity price and interest rate risks. The timing of the recognition of gains or losses on these economic hedges in accordance with GAAP may not consistently match up with the gains or losses on the commodities being hedged. For Black Hills Energy Services under the Choice Gas Program, and in certain instances within our regulated Utilities where unrealized and realized gains and losses from derivative instruments are not approved for regulatory accounting treatment, fluctuating commodity prices may cause fluctuations in reported financial results due to mark-to-market accounting treatment.

To the extent that we hedge our commodity price and interest rate exposures, we forgo the benefits we would otherwise experience if commodity prices or interest rates were to change in our favor. In addition, even though they are closely monitored by management, our hedging activities can result in losses. Such losses could occur under various circumstances, including if a counterparty does not perform its obligations under the hedge arrangement, the hedge is economically imperfect, commodity prices or interest rates move unfavorably related to our physical or financial positions, or hedging policies and procedures are not followed.

Additionally, our exchange-traded futures contracts are subject to futures margin posting requirements. To the extent we are unable to meet these requirements, this could have a significant impact on our business by reducing our ability to execute derivative transactions to reduce commodity price uncertainty and to protect cash flows. Requirements to post collateral may cause significant liquidity issues by reducing our ability to use cash for investment or other corporate purposes or may require us to increase our level of debt. Further, a requirement for our counterparties to post collateral could result in additional costs being passed on to us, thereby decreasing our profitability.

We have a holding company corporate structure with multiple subsidiaries. Corporate dividends and debt payments are dependent upon cash distributions to the holding company from the subsidiaries.

As a holding company, our investments in our subsidiaries are our primary assets. Our operating cash flow and ability to service our indebtedness depend on the operating cash flow of our subsidiaries and the payment of funds by them to us in the form of dividends or advances. Our subsidiaries are separate legal entities that have no obligation to make any funds available for that purpose, whether by dividends or otherwise. In addition, each subsidiary's ability to pay dividends to us depends on any applicable contractual or regulatory restrictions that may include requirements to maintain minimum levels of cash, working capital, equity or debt service funds.

There is no assurance as to the amount, if any, of future dividends to the holding company because these subsidiaries depend on future earnings, capital requirements and financial conditions to fund such dividends. See "[Liquidity and Capital Resources](#)" within Management's Discussion and Analysis of Financial Condition and Results of Operations in [Item 7](#) and [Note 8](#) of the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further information regarding these restrictions and their impact on our liquidity.

We may be unable to obtain insurance coverage, and the coverage we currently have may not apply or may be insufficient to cover a significant loss.

Our ability to obtain insurance, as well as the cost of such insurance, could be impacted by developments affecting the insurance industry and the financial condition of insurers. Additionally, insurance providers could deny coverage or decline to extend coverage under the same or similar terms that are presently available to us. A loss for which we are not adequately insured could materially affect our financial results. The coverage we currently have in place may not apply to a particular loss, or it may not be sufficient to cover all liabilities to which we may be subject, including liability and losses associated with wildfires, natural gas and storage field explosions, cyber-security breaches, environmental hazards and natural disasters.

Market performance or changes in key valuation assumptions could require us to make significant unplanned contributions to our pension plan and other postretirement benefit plans.

Assumptions related to interest rates, expected return on investments, mortality and other key actuarial assumptions have a significant impact on our funding requirements and the expense recognized related to our pension and other postretirement benefit plans. An adverse change to key assumptions associated with our defined benefit retirement plans may require significant unplanned contributions to the plans which could adversely affect our financial operating results including earnings, cash flow and liquidity. See [Note 8](#) of the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further information

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Costs associated with our healthcare plans and other benefits could increase significantly.

The costs of providing healthcare benefits to our employees and retirees have increased substantially in recent years. We believe that our employee benefit costs, including costs related to healthcare plans for our employees and former employees, will continue to rise. Significant regulatory developments have required, and likely will continue to require, changes to our current employee benefit plans and supporting administrative processes. Our electric and natural gas utility rates are regulated on a state-by-state basis by the relevant state regulatory authorities based on an analysis of our costs, as reviewed and approved in a regulatory proceeding. Within our utility rates, we have generally recovered the cost of providing employee benefits. As benefit costs continue to rise, however, there is no assurance that the utility commissions will allow recovery of these increased costs. The rising employee benefit costs, or inadequate recovery of such costs, may adversely affect our financial operating results including earnings, cash flow, or liquidity.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

The utility industry has been the target of several cyberattacks on operational systems and has seen an increased volume and sophistication of cybersecurity incidents from international activist organizations, other nation state actors and individuals. We expect to continue to experience attempts to compromise our information technology and control systems, network infrastructure and other assets. To date, we have not experienced a cybersecurity incident that has had a material impact on our business or results of operations.

Risk Management and Strategy

Our enterprise risk management program, which includes cybersecurity risks that are identified through our cybersecurity risk management program, is designed to identify, report, and manage relevant material risks and opportunities.

Management of the identified risks is embedded into business processes and key decision making at every level of the Company. Our enterprise risk management team works closely with our Chief Security Officer ("CSO") and IT risk management team to evaluate and address material cybersecurity risks in alignment with our business strategy and operational needs.

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We have a cybersecurity risk management program that is managed by a team of full-time cybersecurity professionals that utilizes a variety of tools and techniques to identify and assess material cybersecurity threats, their potential impact and opportunities for mitigation. The industry-standard security frameworks that we apply to our cyber environment include various security and risk assessments, such as internal threat assessments and internal control self-assessments. Because we are aware of the risks associated with third-party providers, we conduct third-party provider security assessments and benchmarking before engagement and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. These assessments include evaluation of risk profiles through vendor questionnaires, review of System and Organization Controls attestation reports and monitoring on an ongoing basis by our IT risk management team. This approach is designed to mitigate risks related to data breaches or other security incidents originating from third-parties.

We regularly engage with third-party assessors and auditors as part of our ongoing cybersecurity risk assessment process to leverage specialized knowledge and insights and to identify areas for continued focus, improvement, compliance and effectiveness of mitigation. We also utilize government and industry-related security intelligence

sources, and actively participate in industry peer groups and public-private partnerships to assist in the identification of potential threats. We conduct ongoing cybersecurity training and monthly email phishing drills for all employees.

We also have a cybersecurity incident response plan and procedures to manage cybersecurity incidents. These procedures include steps to identify, classify, communicate, contain, eradicate, and recover from a cybersecurity incident. These procedures also include notification to a cross-functional management team to assess incident materiality and an escalation process to members of our senior management team and our Board of Directors.

Governance

Our Board of Directors is responsible for the oversight of risks from cybersecurity threats. Our Chief Information Officer provides our Board of Directors quarterly reports that summarize material cybersecurity threats and the countermeasures taken to mitigate the associated risks. These reports address a variety of topics including updates on strategic cyber initiatives, industry trends, threat vulnerability assessments, and efforts to prevent, detect and respond to internal and external critical threats. From time to time, our Board of Directors also engages third-party consultants to provide further education about cybersecurity risks.

Our cybersecurity risk management program, which is discussed above, is led by our CSO, who has 28 years of prior work experience in various roles involving managing information security of large-scale global security operations, including developing cybersecurity strategy and implementing effective information and cybersecurity programs. Our CSO maintains industry certifications, including an ISC2 Certified Information Systems Security Professional certification.

Through oversight of the cybersecurity risk management program, our CSO is continually informed about the status of the program, including the effectiveness of the process and controls to monitor, prevent, detect, mitigate, and remediate cybersecurity incidents. The CSO is also made aware of the latest developments in cybersecurity, including potential threats and innovative risk management techniques. The CSO, in his capacity, regularly informs the Chief Information Officer and other members of our senior management team of all aspects related to cybersecurity risks and incidents.

ITEM 2. PROPERTIES

See [Item 1](#) for a description of our principal business properties.

In addition to the properties disclosed in the [Item 1](#), we own or lease several facilities throughout our service territories including a corporate headquarters building and various office, service center, storage, shop and warehouse space. Substantially all of the tangible utility properties of South Dakota Electric and Wyoming Electric are subject to liens securing first mortgage bonds issued by South Dakota Electric and Wyoming Electric, respectively.

ITEM 3. LEGAL PROCEEDINGS

Information regarding our legal proceedings is incorporated herein by reference to the "Legal Proceedings" sub-caption within Item 8, [Note 3](#), "Commitments, Contingencies and Guarantees", of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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](#) of this Annual Report.

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INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Linden R. Evans, age 60, 61, has been President and Chief Executive Officer since January 1, 2019, President and Chief Operating Officer from 2016 through 2018, and President and Chief Operating Officer - Utilities from 2004 through 2015. Mr. Evans served as the Vice President and General Manager of our former communication subsidiary in 2003 and 2004, and Associate Counsel from 2001 to 2003. Mr. Evans has 21, 22 years of experience with the Company.

Brian G. Iverson, age 60, 61, has been Senior Vice President, General Counsel and Chief Compliance Officer since August 26, 2019. He served as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary from February 1, 2019 to August 26, 2019, Senior Vice President, General Counsel and Chief Compliance Officer from 2016 to February 2019, Senior Vice President - Regulatory and Governmental Affairs and Assistant General Counsel from 2014 to 2016, Vice President and Treasurer from 2011 to 2014, Vice President - Electric Regulatory Services from 2008 to 2011 and as Corporate Counsel from 2004 to 2008. Mr. Iverson has 19, 20 years of experience with the Company.

Todd Jacobs, age 55, has been Senior Vice President Growth and Strategy since June 15, 2023. Mr. Jacobs spent seven years in operations roles at the company, serving as the state leader for our Kansas and Arkansas utilities from 2014 to 2019 and then as the segment leader of our natural gas utilities from 2019 to 2021. He led our strategic planning and growth efforts from 2021 to 2023 before moving into this newly expanded role in 2023, which includes growth, strategic planning, business development, regulatory, government affairs, sustainability, communications and community affairs. He served in legal and corporate services leadership roles with other investor-owned utilities before joining the company in 2014. Mr. Jacobs served on active duty for seven years as a U.S. Army officer.

Marne M. Jones, age 50, has been Senior Vice President Utilities since June 15, 2023. She served as VP Electric Utilities from 2021 to 2023, Vice President Regulatory and Finance from 2018 to 2021 and Vice President Regulatory from 2016 to 2018. Ms. Jones has a total of 22 years of experience with the Company and has advanced through roles of increasing responsibility in finance, accounting, corporate services, regulatory and utility operations.

Erik D. Keller, age 59, 60, joined the Company as Senior Vice President and Chief Information Officer on July 27, 2020. Prior to joining the company, he was an Information Technology consultant to Ontic Inc., a global provider of parts and services for legacy aerospace platforms, from January 2020 to July 2020, and Chief Information Officer for BBA Aviation, a global aviation support and aftermarket services provider, from February 2012 to January 2020.

Richard W. Kinzley, **Kimberly F. Nooney**, age 57, 52, has been Senior Vice President and Chief Financial Officer since 2015. He served as Vice President - Corporate Controller from 2013 to 2014, Vice President - Strategic Planning and Development from 2008 to 2013, and as Director of Corporate Development from 2000 to 2008. Mr. Kinzley has 23 years of experience with the Company. As previously announced, Mr. Kinzley intends to retire in mid-2023. He will continue to serve in his current position until March 31, 2023, after which Kimberly F. Nooney, the Company's Vice President, Treasurer, will succeed Mr. Kinzley and Mr. Kinzley will continue as Senior Vice President until his retirement to provide for a reasonable transition period.

Jennifer C. Landis, age 48, has been Senior Vice President - Chief Human Resources Officer since February 1, 2017, April 1, 2023. She served as Vice President - Treasurer from 2015 to 2023, and also served as the Corporate Controller from 2018 to 2022. Ms. Nooney has a total of Human Resources from April 2016 through January 2017, Director of Corporate Human Resources and Talent Management from 2013 to April 2016, and Director of Organization Development from 2008 to 2013. Ms. Landis has 21, 27 years of experience with the Company. Company across numerous roles within accounting, internal audit, corporate development, accounting systems, treasury and financial planning and analysis.

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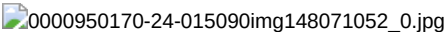
PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the New York Stock Exchange under the symbol BKH. As of [January 31, 2023](#) [January 31, 2024](#), we had [3,403](#) [3,244](#) common shareholders of record and [70,195](#) [63,074](#) beneficial owners, representing all 50 states, the District of Columbia, [Puerto Rico](#) and [6](#) [5](#) foreign countries.

COMPARATIVE STOCK PERFORMANCE

The following performance graph compares the cumulative total stockholder return from Black Hills Corporation common stock, as compared with the S&P 500 Index, S&P 500 Utilities index, and our Performance Peer Group for the past five years. The graph assumes an initial investment of \$100 on [December 31, 2017](#) [December 31, 2018](#), and assumes all dividends were reinvested. The stockholder return shown below for the five-year historical period may not be indicative of future performance. The information in this "Comparative Stock Performance" section shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Securities Exchange Act of 1934.



	Years ended December 31,						As of December 31,					
	2017	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2023
Black Hills Corporation	10.00	10.97	13.83	11.34	13.55	13.65	\$ 100.00	\$ 128.59	\$ 104.05	\$ 123.69	\$ 127.49	\$ 102.08
S&P 500	10.00	95.2	12.72	14.85	19.58	15.88	100.00	131.49	155.68	200.37	164.08	207.21
S&P 500 Utilities	10.00	10.4	13.1	13.2	15.5	15.7	100.00	126.35	126.96	149.39	151.73	140.99
Performance Peer Group (a)	10.00	10.3	13.0	12.8	15.0	15.2	100.00	125.79	124.33	145.61	147.29	134.47

(a) Performance Peer Group represents the Edison Electric Institute Index, which was used in our [2022](#) [2023](#) Proxy Statement filed with the SEC on [March 17, 2022](#) [March 15, 2023](#).

DIVIDENDS

For information concerning dividends, our dividend policy and factors that may limit our ability to pay dividends, see "[Key Elements of our Business Strategy](#)" and "[Liquidity and Capital Resources](#)" under [Item 7](#), Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report on Form 10-K.

UNREGISTERED SECURITIES ISSUED

There were no unregistered securities sold during [2022](#), [2023](#).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See [Item 12](#) in this Annual Report on Form 10-K for information regarding Securities Authorized for Issuance Under Equity Compensation Plans.

ISSUER PURCHASES OF EQUITY SECURITIES

The following table contains monthly information about our acquisitions of equity securities for the three months ended **December 31, 2022** **December 31, 2023**:

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
October 1, 2022 - October 31, 2022	2	\$ 67.73	—	—
November 1, 2022 - November 30, 2022	294	\$ 64.75	—	—
December 1, 2022 - December 31, 2022	10,035	\$ 68.87	—	—
Total	10,331	\$ 68.75	—	—

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
October 1, 2023 - October 31, 2023	47	\$ 48.44	—	—
November 1, 2023 - November 30, 2023	991	\$ 51.52	—	—
December 1, 2023 - December 31, 2023	7,018	\$ 54.62	—	—
Total	8,056	\$ 54.20	—	—

(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 plans.

ITEM 6. (RESERVED)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 vision aspiration is to be the *Energy Partner of Choice* direct trusted energy partner across our strategy to invest in the safety, sustainability and growth of our growing eight-state service territory, footprint, including Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming, Wyoming. Our strategy is centered on four critical priorities: *Growth*—to grow strategically and to meet our essential objective of providing achieve strong financial performance, *Operational Excellence*—delivering safe, reliable and cost-effective electricity energy to meet our customers' needs, *Transformation*—be a simple and natural gas, 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 ourself a domestic electric and natural gas utility company.

We have provided energy and served customers for 139 140 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.

A critical component of our strategy involves sustainable operations and supporting the Energy Transition. How we operate our company for the social good has never been more important. We are committed to cleaner energy and a low carbon future, integrating the Energy Transition and more renewable energy into our overall strategy and decision making. In addition, we are committed to a more sustainable future by better managing our impacts to the planet, whether that is water usage, recycling, biodiversity, or other important measures, and remaining focused on our human capital through diversity and inclusion. 34

Our emphasis is on consistently outperforming utility industry averages in key safety metrics; modernizing utility infrastructure; transforming the customer experience; growing our electric and natural gas customer load; and pursuing operating efficiencies. These areas of focus will present the company with significant investment needs as we harden our infrastructure systems, meet customer growth and fulfill customer expectations for cleaner energy services. It will also allow us to better understand our customer and community needs while providing more intuitive and cost-effective solutions.

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Key Elements of our Business Strategy

Explore opportunities as an energy solutions provider. A key strategic initiative is to grow our business through innovative energy solutions with new customers and partnerships. We see value creation by recruiting new customers and expanding existing partnerships with data centers and blockchain opportunities; exploring energy markets such as RTOs; and expanding our transmission capabilities, establishing a RNG program and expanding our RNG portfolio. A few recent examples of our initiatives to grow our business as an energy solutions provider include:

- **Contracted Renewable Energy to Grow Data Center Partnerships:** In 2022, Wyoming Electric entered into two new PPAs with third parties to purchase up to 106 MW of wind energy and up to 150 MW of solar energy, upon construction of new renewable generation facilities (owned by third parties). The new wind generation facility was placed in service in December 2023 and the solar facility is expected to be completed in March 2024. The renewable energy from these PPAs will be used to serve our expanding partnerships with data centers.
- **Developed BCIS Tariff to Facilitate Growth:** We have supported enabling legislation in Wyoming for the growing blockchain businesses while implementing our own BCIS Tariff to serve these customers. In June 2022, Wyoming Electric completed its first agreement, with a new customer in Cheyenne, Wyoming, under this Tariff. This five-year agreement provides delivery of up to 45 MW with an option to expand service up to 75 MW, which was exercised by the customer in 2023. Energy is sourced through the electric energy market and delivered through our Electric Utilities' infrastructure. Under the agreement, the customer is responsible for costs of service, and the load is interruptible to prioritize the needs of Wyoming Electric's existing retail customers.
- **Established Green Forward:** In 2022 and 2023, we filed regulatory applications to launch Green Forward, a voluntary RNG and carbon offset program, to eligible residential and small business natural gas customers to offset up to 100% or more of the emissions from their natural gas usage. Our teams continue to evaluate attractive RNG investment opportunities across our agriculture-rich service territories and explore value generation with our natural gas storage assets. We also continue to expand our RNG interconnections, with seven projects actively injecting RNG into our natural gas system.
- **Expanded RNG Portfolio:** 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.

Modernize and operate utility infrastructure to provide customers with safe, reliable, cost-effective electric and natural gas service. Our utilities own and operate large electric and natural gas infrastructure systems with a geographic footprint that spans nearly 1,600 miles. Our Electric Utilities own and operate 1,482 1,394 MW of generation capacity and 9,024 9,106 miles of transmission and distribution lines and our Gas Utilities own and operate approximately 47,000 miles of natural gas transmission and distribution pipelines.

A key strategic focus is to modernize and harden our utility infrastructure to meet customers' and communities' varied energy needs, ensure the continued delivery of safe, reliable and cost-effective energy and reduce GHG emissions intensity. In addition, we invest in the expansion, capacity and integrity of our systems to meet customer growth.

We rigorously comply with all applicable federal, state and local regulations and strive to consistently meet industry best practice standards. A key component of our modernization effort is the development of programs by our Electric and Gas Utilities to systematically and proactively replace aging infrastructure on a system-wide basis. To meet our electric customers' continued expectations of high levels of reliability, a key strength of the Company, our Electric Utilities utilize an integrity program to ensure the timely repair and replacement of aging infrastructure. In alignment with this program, in November 2021, Wyoming Electric announced its *Ready Wyoming* electric transmission expansion initiative. The 260-mile, multi-phase transmission expansion project will provide customers long-term price stability and greater flexibility as power markets develop in the Western States. On October 11, 2022, the WPSC approved a CPCN submitted by Wyoming Electric to construct the transmission expansion project. Construction of the project commenced in late 2023 and is expected to take place in multiple phases or segments from 2023 through 2025 and will interconnect South Dakota Electric's and Wyoming Electric's transmission systems.

Our Gas Utilities utilize a programmatic approach to system-wide pipeline replacement, particularly in high consequence areas. Under the programmatic approach, obsolete, at-risk and vintage materials are replaced in a proactive and systematic time frame. We have removed all cast- and wrought-iron from our natural gas transmission and distribution systems and continue to replace aging infrastructure through programs that prioritize safety and reliability for our customers. Our Gas Utilities are authorized to use system safety, integrity and replacement cost recovery mechanisms that provide for customer rate adjustments, between rate reviews, which allow timely recovery of costs incurred in repairing and replacing the gas delivery systems with a return on the investment.

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As of December 31, 2022 December 31, 2023, we estimate our five-year capital investment to be approximately \$3.5 billion \$4.3 billion, with most of that investment targeted toward upgrading existing utility infrastructure supporting customer and community growth needs, and complying with safety requirements. Our actual 2022 2023 and forecasted capital expenditures for the next five years from 2023 2024 through 2027 2028 are as follows (in millions). Minor differences may result due to rounding.

	Actual											
	Forecasted						Actual (a)			Forecasted (b)		
Capital Expenditures	202	20	20	20	20	20						
By Segment:	2	23	24	25	26	27	2023	2024	2025	2026	2027	2028
(in millions)												
Electric	2	2	3	2	1	1						
Utilities	4	1	4	6	8	6						
	\$ 3	\$ 2	\$ 8	\$ 8	\$ 4	\$ 3	\$ 211	\$ 409	\$ 287	\$ 466	\$ 199	\$ 264

generation assets. Our power generation business competitively bids for energy and capacity through requests for proposals by our Electric Utilities for energy resources necessary to serve customers. This business can bid competitively due to construction expertise, fuel supply advantages and by co-locating new plants at our existing Electric Utilities' energy complexes, reducing infrastructure and operating costs. All power plants within this business **except Northern Iowa Windpower**, are contracted to our Electric Utilities under long-term contracts, **and are** located at our utility-generating complexes **including Busch Ranch, Pueblo Airport Generation, and the Gillette, Wyoming energy complex, and are** physically integrated into our Electric Utilities' operations.

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Generation Fuel Supply: Our generating facilities are strategically located close to energy hubs that help reduce fuel supply costs. Our Colorado and Wyoming gas-fired generating facilities are located close to major natural gas energy hubs that provide trading liquidity and transparent pricing. Due to their location in the resource rich areas of Colorado and Wyoming, natural gas supply to fuel our gas-fired generation can be sourced at competitive prices. Our coal-fired power plants, all located at the Gillette **energy complex Energy Complex** in northeastern Wyoming, are supplied by our adjacent **WRDC** coal mine. **We operate and own majority interests in four of the five power plants and own 20% of the fifth power plant. Our coal mine WRDC** provides approximately 3.7 million tons of low-sulfur coal directly to these power plants via a conveyor belt system, minimizing transportation costs. The fuel can be delivered to our adjacent power plants at very cost competitive prices (i.e., **\$1.09 \$1.14** per MMBtu for year ended **December 31, 2022 December 31, 2023**) when compared to alternatives. Nearly all the mine's production is sold to these on-site generation facilities under long-term supply contracts. Approximately one-half of our production is sold under cost-plus contracts with affiliates. A small portion of the mine's production is sold to off-site industrial customers and delivered by truck.

Supporting the Energy Transition by proactively integrating alternative and renewable energy into our utility energy supply while mitigating customer rate impacts. A critical component of our strategy involves sustainable operations and supporting the Energy Transition. How we operate our company for the social good has never been more important. We are committed to cleaner energy and a low carbon future, integrating the Energy Transition and more renewable energy into our overall strategy and decision making. In addition, we are committed to a more sustainable future by better managing our impacts to the planet, whether that is water usage, recycling, biodiversity, or other important measures.

In November 2020, we announced clean energy goals to reduce GHG emissions intensity for our Electric Utilities by 40% by 2030 and 70% by 2040 and achieve GHG reductions of 50% by 2035 for our Gas Utilities. Our goals are compared to a 2005 baseline. Electric Utility goals include Scope 1 emissions from electric utility generating units and Scope 3 emissions from purchased power for sales. Our Gas Utilities goal **includes initially included only** Scope 1 emissions from distribution system main and service lines. **On August 31, 2022, in August 2022**, we announced a new "Net Zero by 2035" target for our Gas Utilities, which **doubles doubled** the previous target of a 50% reduction by 2035 and **expands expanded** the scope of the goal to all Scope 1 sources of methane emissions on our distribution system. Net Zero will be achieved through pipeline material and main replacements, advanced leak detection, third-party damage reduction, expanding the use of RNG and hydrogen, and utilizing carbon credit offsets.

Since 2005, we have reduced GHG emissions intensity from our **Gas Utilities distribution system mains and services by more than 33% and achieved a one-third reduction from our** Electric Utilities **(a nearly 10% reduction since announcing our goal in 2020 for our Electric Utilities), by one-third.** We have plans in place today, without reliance on future technologies, to achieve our corporate climate goals calling for a 40% reduction in greenhouse gas emissions intensity from our electric utility operations by 2030 and 70% by 2040. Additionally, our Electric Utilities have reduced nitrogen oxide and sulfur dioxide emissions by more than 75% since 2005. Colorado Electric has achieved a nearly 50% reduction in GHG emissions since 2005 and is on track to reach the State of Colorado's 80% carbon reduction goal by 2030. Our goals are based on prudent and proven solutions to reduce our emissions while minimizing cost impacts to our customers. This keeps our customers at the forefront of our decision-making, which is central to our values.

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More of our customers, particularly our larger customers, are demanding cleaner sources of energy to meet their sustainability goals. In addition, there is more interest from consumers, regulators and legislators to increase the use of renewable and other alternative energy sources. To Recent efforts to support this interest: interest include:

- We created the Renewable Ready program for South Dakota Electric and Wyoming Electric customers. In support of this program, we created and received approvals for new, voluntary renewable energy tariffs to serve certain commercial, industrial and governmental customer requests for renewable energy resources. To meet the renewable energy commitments under the new tariffs, in November 2020, we completed construction and placed into service the Corriedale wind project, a 52.5 MW wind energy project near Cheyenne, Wyoming.
- In June 2021, South Dakota Electric and Wyoming Electric submitted an IRP to the SDPUC and WPSC. The IRP outlines a range of options for the two electric utilities over a 20-year planning horizon to meet long-term forecasted energy needs while strengthening reliability and resiliency of the grid. The analysis focuses on the least-cost resource needs to best meet customers' future peak energy needs while maintaining system flexibility and achieving the Company's general emissions reduction goals. The IRP's preferred options for South Dakota Electric in the near-term planning period through 2026 are the addition of 100 MW of renewable generation, the conversion of Neil Simpson II to natural dual fuel (natural gas and coal) in 2025 and consideration of up to 10-20 MW of battery storage. In 2023, South Dakota Electric issued a request for proposals for 100 MW of utility-owned renewable energy resources to be in service in 2026. Negotiations are underway, with results to be presented to the SDPUC and included in a CPCN filing with the WPSC during the first quarter of 2024.
- On January 13, 2023, Colorado Electric submitted an IRP. In March 2023, the CPUC approved a unanimous settlement for its Colorado Electric's Clean Energy Plan. On May 25, 2022, with the CPUC. If approved, the plan would add 400 MW of new clean energy resources needed to reduce carbon emissions 80% by 2030. In July 2023, Colorado Electric issued a request for proposals for approximately 400 MW of new clean energy resources needed to reduce carbon emissions 80% by 2030. A final decision from 2029 to achieve objectives in its Clean Energy Plan. Colorado Electric received a strong response to its request for proposal and provided a bids summary to the CPUC as part of the approval process. A report with Colorado Electric's recommended resources is expected due to the CPUC in the first second quarter of 2023, 2024.

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Many states have enacted, and others are considering, mandatory renewable energy standards, requiring utilities to meet certain thresholds of renewable energy generation. In addition, some states have either enacted or are considering legislation setting GHG emission reduction targets. Federal legislation for renewable energy standards and GHG emission reductions has been considered and may be implemented in the future. Mandates for the use of renewable energy or the reduction of GHG emissions will likely drive the need for significant investment in our Electric Utilities and Gas Utilities segments. These mandates will also likely increase prices for electricity and/or natural gas for our utility customers. As a regulated utility, we are responsible for providing safe, reliable and cost-effective sources of energy to our customers. Accordingly, we employ a customer-focused strategy for complying with standards and regulations that balances our customers' rate concerns with environmental considerations and administrative and legislative mandates. We attempt to strike this balance by prudently and proactively incorporating renewable energy into our resource supply, while seeking to minimize the magnitude and frequency of rate increases for our utility customers.

Inflation Reduction Act

The IRA, signed into law by President Biden on August 16, 2022, in August 2022, features \$370 billion in spending and tax incentives on clean energy provisions. Most notably, the IRA includes provisions that extend and expand the production and investment tax credits for wind and solar; include includes energy storage, EVs, RNG, and carbon capture and sequestration; and allow allows for the transferability of clean energy tax credits on existing and qualifying new facilities. We see the IRA as generally supportive of our Energy Transition strategy and as having with the potential to drive increased value for our customers and shareholders. We are still evaluating the impacts of the IRA provisions on our future capital projects.

Explore opportunities as an energy solutions provider. Another strategic initiative is to grow our business through creative energy solutions with new customers and partnerships. We see value creation by recruiting new customers and expanding existing partnerships with data centers and blockchain opportunities; exploring energy markets such as RTOs; and expanding our transmission capabilities. A few recent examples of our initiatives to grow our business through creative solutions include:

- In 2022, Wyoming Electric entered into two new PPAs with third parties to purchase up to 106 MW of wind energy and up to 150 MW of solar energy, upon

construction of new renewable generation facilities (to be owned by third parties) which are expected to be completed by the end of 2023. The renewable energy from these PPAs will be used to serve our expanding partnerships with data centers.

- We have supported enabling legislation in Wyoming for the growing blockchain businesses while implementing our own BCIS Tariff to serve these customers. In June 2022, Wyoming Electric completed its first agreement, a five-year agreement to deliver up to 45 MW with an option to expand service up to 75 MW to a customer in Cheyenne, Wyoming, under this Tariff. Energy will be sourced through the electric energy market and delivered through our Electric Utilities' infrastructure. Under the agreement, the customer will be responsible for costs of service, and the load will be interruptible to prioritize the needs of Wyoming Electric's existing retail customers.

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- During the first quarter of 2022, Colorado Electric agreed to join SPP's WEIS Market. On September 26, 2022, South Dakota Electric and Wyoming Electric also agreed to join the WEIS Market. South Dakota Electric and Wyoming Electric will join Colorado Electric in integrating into the WEIS Market in April 2023 and expects to continue studying long-term solutions for joining or developing an organized wholesale market. The expansion allows the utilities to participate in a real-time market.

Additionally, we are pursuing two important initiatives in the form of sustainable energy solutions for electric vehicles and RNG. These two programs support our near-term sustainable strategy and contribute to the achievement of our aspirational greenhouse gas emissions reduction goals.

- **Electric Vehicles:** We expect EV market share to increase over the next one to three years, commensurate with a significant uptick in vehicle range and product offerings and marked decrease in EV purchase prices. In addition to future load growth opportunities, we are investigating behind-the-meter solutions for customers. In January 2022, the CPUC approved a transportation electrification plan for Colorado Electric including the implementation of EV and charger rebates and EV rates.
- **Renewable Natural Gas:** In 2021, we developed a voluntary RNG and carbon offset program to help our residential and small business natural gas customers offset up to 100% or more of the emissions associated with their own natural gas usage. In 2022, we filed for approval to launch these programs in three of our states, receiving regulatory approval for the program from both the KCC and the NPSC in Q4 2022. We intend to begin offering the program to customers in 2023, as well as completing additional regulatory filings with commissions in our other natural gas states. Our teams are also evaluating multiple RNG investment opportunities and exploring value generation with our natural gas storage assets. We also continue to expand our RNG interconnections, with six projects actively injecting RNG into our natural gas system. In 2022, we created a new non-regulated business, BHERR, which will drive new growth by investing capital into infrastructure assets that provide a pathway for RNG to enter the market. BHERR builds on our expertise and experience in both RNG and natural gas asset operations, and aligns with market demand and the path to a cleaner energy future.

Execute disciplined capital allocation and explore small strategic opportunities. We are planning a disciplined capital investment program of approximately \$600 million during the next year to improve our cash flows and reduce our debt to total capitalization ratio. By carefully managing capital, we plan to continue to strengthen our balance sheet and enhance our liquidity. With this goal in mind, we will continue to evaluate smaller scale acquisitions of private utility infrastructure systems and small municipal systems that can be easily incorporated into our existing utility systems.

Deliver a competitive total return to investors and maintain an investment grade credit rating. We are proud of our track record of annual dividend increases for shareholders. 2022 2023 represented our 52nd 53rd consecutive year of increasing dividends. In January 2023, 2024, our Board of Directors declared a quarterly dividend of \$0.625 \$0.65 per share, equivalent to an annual dividend of \$2.50 \$2.60 per share. We intend to continue our record of annual dividend increases with a targeted dividend payout ratio of 55% to 65% of net income.

We require access to the capital markets to fund our planned capital investments or acquire strategic assets that support prudent and earnings-accretive business growth. We have demonstrated our ability to cost-effectively access the debt and equity markets, while maintaining our investment-grade issuer credit rating.

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Recent Developments

Macroeconomic Trends

We are monitoring adverse continue to monitor challenging macroeconomic trends including supply chain disruptions, rising interest rates, potential recession and inflationary pressures on the prices of commodities, materials, outside services and employee costs; supply chain constraints; rising interest rates and a competitive and tight labor market. costs. To date, we have experienced moderate net impacts from these trends. However, if current macroeconomic conditions continue or deteriorate in 2023, 2024, adverse impacts to our businesses may be magnified.

Higher commodity energy costs continue to have an effect on customer bills and deferred energy costs. Our utilities have regulatory mechanisms that allow them to pass prudently incurred costs of energy through to the customer, which mitigates our exposure. Customer billing rates are adjusted periodically to reflect changes in our cost of energy. As a result of increased customer billings, we incurred higher bad debt expense.

Higher deferred energy costs and rising interest rates have led to Inflation has increased interest expense and increased short-term variable rate borrowings, our operating expenses, which include our Revolving Credit Facility and CP Program. However, the increased interest expense for the year ended December 31, 2022 was limited since 88% of our debt at December 31, 2022, is fixed rate debt. Rising discount rates and recent capital markets volatility had a limited impact to the unfunded status of the BHC Pension Plan when included higher employee-related expenses in 2023 compared to the prior year. year.

We are proactively managing increased costs of materials and supply chain disruptions to achieve our forecasted capital investment targets. To support our 2023 2024 capital investment program, we have contracts in place with key suppliers and we have contracted materials services for the majority a significant portion of our largest forecasted projects. We continue to forecast multi-year key material requirements with suppliers to enhance predictable material availability, challenge vendor price increases to ensure best value and cost transparency and invest in our distribution network to ensure the safety and continuity reliability of our system. We have also evaluated each of our forecasted projects and will prioritize them depending on future constraints. Project delays may occur if costs rise significantly or if materials are not available.

Inflationary pressures Rising interest rates have led to increased interest expense on recent debt issuances. These impacts were partially offset by lower short-term, variable rate borrowings and supply chain constraints higher interest income on our cash equivalents when compared to the prior year.

The deflationary trend in commodity prices throughout 2023 has partially offset macroeconomic headwinds from inflation and higher interest rates. Lower commodity prices have increased our operating expenses, which included higher outside services expenses (i.e., consulting led to lower customer bills, lower cost of fuel, purchased power and contractor rates), materials expenses natural gas sold, and vehicle expenses driven by higher fuel prices.

We are faced with increased competition for employee and contractor talent in the current labor market. To date, we have seen a limited net increase in total employee costs improved cash flows from operations due to increased employee recoveries of deferred energy costs from customers (which were elevated at the end of 2022 and contractor costs related to attraction and retention of talent mostly offset by workforce attrition, subsequently collected in 2023).

More detailed discussion of the future uncertainties can be found in [Item 1A - Risk Factors](#).

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Business Segment Highlights and Corporate Activity

Electric Utilities

- See [Note 2](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for recent rate review activity for Wyoming Electric.

- See [Key Elements of our Business Strategy](#) section above for discussion of recent developments related to Ready Wyoming, Wyoming Electric's BCIS tariff, Colorado Electric's Clean Energy Plan, filing, and the South Dakota Electric Utilities joining the WEIS Market. and Wyoming Electric's IRP. In December 2022, each of our Electric Utilities set new winter peak loads:
- On December 22, 2022, Colorado Electric set a new winter peak load of 334 MW, surpassing the previous winter peak of 313 MW set in October 2018.
 - On December 21, 2022, South Dakota Electric set a new winter peak load of 355 MW, surpassing the previous winter peaks of 327 MW set on January 2022 and 326 MW set in February 2021.
 - On December 21, 2022 January 11, 2024, Wyoming Electric set a new winter peak load of 281 314 MW, surpassing the previous winter peaks of 263 MW set on November 17, 2022 December 26, 2023, 262 299 MW set on February 23, 2022 October 31, 2023, 252 MW set on January 5, 2022 and 247 281 MW set in December 2019.
- In December 2022, WRDC entered into a new agreement with PacifiCorp, effective January 1, 2023, to continue as the sole supplier of coal (fuel) to the Wyo Plant through December 31, 2026 with a one-year extension option to December 31, 2027. Pricing and other terms of the new fuel supply agreement are similar to the previous contract which ended December 31, 2022.

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- In July 2022, South Dakota Electric and Wyoming Electric both set new all-time and summer peak loads: 2022.
- On July 21, 2022 July 24, 2023, Wyoming Electric set a new all-time and summer peak load of 294 312 MW, surpassing the previous peaks peak of 288 294 MW set on July 18, 2022, 282 MW set on June 13, 2022 and 274 MW set in July 2021.
 - On July 18, 2022, South Dakota Electric set a new all-time and summer peak load of 403 MW, surpassing the previous summer peak of 397 MW set in July 2021. July 21, 2022.

Gas Utilities

- See [Note 2](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for recent rate review activity for Arkansas Gas, Colorado Gas, RMNG and RMNG. Wyoming Gas.
- See [Key Elements of our Business Strategy](#) section above for discussion of recent developments related to our Gas Utilities' voluntary BHERR's purchase of a RNG and carbon offset programs. production facility in Iowa.

Corporate and Other

- On April 13, 2022 September 15, 2023, we completed a jury awarded \$41 million public debt offering of \$450 million, 6.15% 10-year senior unsecured notes due May 15, 2034. Net proceeds from the offering were used to repay our \$525 million principal amount outstanding notes and for claims made by GT Resources, LLC ("GTR") against BHC and two of its subsidiaries (Black Hills Exploration and Production, Inc. and Black Hills Gas Resources, Inc.), which ceased oil and natural gas operations in 2018 as part of BHC's decision to exit the exploration and production business. The claims involved a dispute over a 2.3-million-acre concession award in Costa Rica that was acquired by a BHC subsidiary in 2003. We believe we have meritorious defenses to the verdict and have appealed the verdict. other general corporate purposes. See additional information in [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for further information.
- On June 16, 2023, we filed a new shelf registration statement with the SEC and entered into a new Equity Distribution Sales Agreement. The new Equity Distribution Sales Agreement is similar to our prior agreement and allows us to sell shares of common stock up to an aggregate of \$400 million through our ATM program utilizing our shelf registration statement. As of December 31, 2023, we have \$329 million available to issue under this program. See [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for further information.
- On March 7, 2023, we completed a public debt offering of \$350 million, 5.95% 5-year senior unsecured notes due March 15, 2028. The proceeds from the offering were used to repay notes outstanding under our commercial paper program and for other general corporate purposes. See [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

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Results of Operations

Our discussion and analysis for the year ended **December 31, 2022** **December 31, 2023**, compared to **2021** **2022** is included herein. For discussion and analysis for the year ended **December 31, 2021** **December 31, 2022**, compared to **2020** **2021**, please refer to Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended **December 31, 2021** **December 31, 2022**, which was filed with the SEC on **February 15, 2022** **February 14, 2023**.

Segment information does not include intercompany eliminations and all **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

	For the Years Ended December 31,			For the Years Ended December 31,				
	2022	2021	2020	2023	2022	2023 vs 2022	2021	2022 vs 2021
						Variance		Variance
	(in thousands, except per share amounts)			(in millions, except per share amounts)				
Operating income (loss):								
Electric Utilities	\$ 214,258	\$ 202,676	\$ 210,974	\$ 248.8	\$ 214.3	\$ 34.5	\$ 202.7	\$ 11.6
Gas Utilities	244,160	211,157	215,889	228.8	244.2	(15.4)	211.2	33.0
Corporate and Other	(3,174)	(4,404)	1,440					
Corporate and Other (a)				(4.9)	(3.3)	(1.6)	(4.5)	1.2
Operating Income	455,244	409,429	428,303	472.7	455.2	17.5	409.4	45.8
Interest expense, net	(160,989)	(152,404)	(143,470)	(167.9)	(161.0)	(6.9)	(152.4)	(8.6)
Impairment of investment	—	—	(6,859)					
Other income (expense), net	1,708	1,404	(2,293)	(3.2)	1.8	(5.0)	1.4	0.4
Income tax (expense)	(25,205)	(7,169)	(32,918)	(25.6)	(25.2)	(0.4)	(7.2)	(18.0)
Net income	270,758	251,260	242,763	276.0	270.8	5.2	251.3	19.5
Net income attributable to non-controlling interest	(12,371)	(14,516)	(15,155)	(13.8)	(12.4)	(1.4)	(14.5)	2.1
Net income available for common stock	\$ 258,387	\$ 236,744	\$ 227,608	\$ 262.2	\$ 258.4	\$ 3.8	\$ 236.7	\$ 21.7
Total earnings per share of common stock, Diluted	\$ 3.97	\$ 3.74	\$ 3.65	\$ 3.91	\$ 3.97	\$ (0.06)	\$ 3.74	\$ 0.23

(a) Includes inter-segment eliminations.

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2022 2023 Compared to 2021 2022

The variance to the prior year included the following:

- Electric Utilities' operating income increased \$12 million primarily due to increased rider revenues, prior year impacts related to the Wygen I unplanned outage Colorado Electric's TCJA-related bill credits to customers, increased transmission services revenue and off-system excess energy sales partially offset by higher operating expenses and lower pricing on the new Wygen I PPA;
- Gas Utilities' operating income increased \$33 million \$34.5 million primarily due to new rates and rider recovery, favorable a one-time gain on the planned sale of Northern Iowa Windpower assets, a gain on a strategic sale of land in Wyoming to a customer to support continued load growth, and a one-time recovery from business interruption insurance related to the 2021 Wygen I unplanned outage partially offset by unfavorable weather, higher depreciation expense and higher employee-related expenses;
- Gas Utilities' operating income decreased \$15.4 million primarily due to unfavorable weather, a prior year one-time true-up of carrying costs accrued on our V Storm Uri regulatory asset, prior year Black Hills Energy Services Winter Storm Uri costs, customer growth assets and higher operating expenses partially offset by higher operating expenses;
- Corporate new rates and Other expenses decreased \$1.2 million primarily due to an allocation of a 2020 employee cost true-up in the first quarter of 2021, which was offset in our business segments; rider recovery and retail customer growth and demand;
- Interest expense increased \$8.6 million \$6.9 million due to higher interest rates on higher short-term debt balances;
- Income tax expense increased \$18 million driven by higher pre-tax income and a higher effective tax rate primarily due to prior year tax benefits from Colorado Electric and Nebraska Gas TCJA-related bill credits and decreased flow-through tax benefits driven by prior year repairs and gain deferral partially offset by tax benefits from various state tax rate changes; increased interest income on higher cash and cash equivalents balances; and
- Net income attributable to non-controlling interest decreased \$2.1 million Other expense, net increased \$5.0 million primarily due to lower net income from Black Hills Colorado IPP primarily higher benefit plan non-service costs driven by lower fired-engine hours higher discount rates and a planned outage. higher costs for our non-qualified deferred compensation plan driven by market performance.

Segment Operating Results

Non-GAAP Financial Measure

The following discussion includes financial information prepared in accordance with GAAP, as well as another financial measure, Electric and Gas Utility margin, that is considered a "non-GAAP financial measure." Generally, a non-GAAP financial measure is a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. 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.

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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.

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Electric Utilities

Operating results for the years ended December 31 for the Electric Utilities were as follows (in **thousands** millions):

	2022 vs 2021 Variance					2021 vs 2020 Variance											
	2022	2021		2020		2022	2021		2020		2023	2022	2023 vs 2022	Variance	2021	2022 vs 2021	Variance
											2023	2022	2023 vs 2022	Variance	2021	2022 vs 2021	Variance
Revenue:																	
Electric - regulated	852, \$ 141	800, \$ 747		699, \$ 712		101,035					\$ 817.4	\$ 852.2		(34.8)	\$ 800.7		51.5
Other - non-regulated	48,021	41,511		39,145		2,366					47.6	48.0		(0.4)	41.5		6.5
Total revenue	900,162	842,258		738,857		103,401					865.0	900.2		(35.2)	842.2		58.0
Fuel and Purchased Power:																	
Electric - regulated	261,726	244,504		136,374		108,130					198.3	261.7		(63.4)	244.5		17.2
Other - non-regulated	4,558	3,514		2,198		1,316					1.8	4.6		(2.8)	3.5		1.1
Total fuel and purchased power	266,284	248,018		138,572		109,446					200.1	266.3		(66.2)	248.0		18.3
Electric Utility margin (non-GAAP)	633,878	594,240		600,285		(6,045)					664.9	633.9		31.0	594.2		39.7
Operations and maintenance	283,654	260,036		265,679		(5,643)					236.2	244.8		(8.6)	224.5		20.3
Depreciation and amortization	135,966	131,528		123,632		7,896					142.6	135.9		6.7	131.5		4.4
Total operating expenses	419,620	391,564		389,311		2,253											
Taxes - property and production											37.3	38.9		(1.6)	35.5		3.4
											416.1	419.6		(3.5)	391.5		28.1
Operating income	214, \$ 258	202, \$ 676		210, \$ 974		(8,298)					\$ 248.8	\$ 214.3		34.5	\$ 202.7		11.6

2022 2023 Compared to 2021 2022

Electric Utility margin increased over the prior year as a result of:

(in millions)

New rates and rider recovery	\$	11.2
Prior year TCJA-related bill credits ^(a)		9.3
Prior year Wygen I unplanned outage		8.5
Transmission services and off-system excess energy sales		7.6
Integrated Generation ^(b)		5.7
Weather		3.2
Retail load growth		1.2
Lower pricing on new Wygen I PPA		(8.5)
Other		1.4
	\$	39.6

		(in millions)
New rates and rider recovery	\$	29.4
Wygen I revenue recovery under business interruption insurance ^(a)		5.0
Integrated Generation ^(b)		3.3
Transmission services		3.2
Weather		(6.2)
Retail customer usage		(4.4)
Other		0.7
	\$	31.0

- (a) In February 2021, Colorado Electric delivered TCJA-related bill credits to its customers. These bill credits were offset by a reduction in income tax expense and Wygen I experienced an unplanned outage which resulted in a minimal impact lost revenue. A claim for these losses was submitted under our business interruption insurance policy. During the third quarter of 2023, we recovered \$5.0 million from our business interruption insurance which was recognized as Revenue. See [Note 3](#) of the Notes to Net income. Consolidated Financial Statements in this Annual Report on Form 10-K for further information.
- (b) Primarily driven by favorable market mining contract pricing on contracts and off-system sales, increased Black Hills Colorado IPP fired-engine hours.

Operations and maintenance expense increased due to \$10.3 million of higher generation-related expenses decreased primarily due to higher fuel a one-time \$7.7 million gain on the planned sale of Northern Iowa Windpower assets, a \$3.9 million gain on a strategic sale of land in Wyoming to a customer to support continued load growth, and materials costs and increased royalties on higher mining revenues, \$4.5 million \$2.9 million of higher lower outside services expenses primarily driven partially offset by higher contractor and consultant rates, \$3.4 million of increased property taxes due to an expiration of an abatement and a higher asset base driven by recent capital expenditures, \$3.4 million \$8.7 million of higher cloud computing licensing costs, and \$1.1 million of increased bad debt expense primarily attributable to higher customer billings. employee-related expenses.

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

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

Operating Statistics

For the year ended December 31,	Revenue (in thousands)			Quantities Sold (MWh)			Revenue (in millions)			Quantities Sold (GWh)		
	2022	2021	2020	2022	2021	2020	2023	2022	2021	2023	2022	2021
Residential	24	24	22	1,51	1,49	1,47						
	6,6	4,5	1,5	3,09	4,02	7,51						
	\$ 51	\$ 89	\$ 30	2	8	5	\$ 224.9	\$ 246.7	\$ 244.6	1,438.5	1,513.1	1,494.0
Commercial	27	27	23	2,08	2,07	1,97						
	7,9	5,9	9,1	7,80	5,69	4,04						
	81	98	66	0	0	3	259.8	277.9	276.0	2,074.4	2,087.8	2,075.7
Industrial	16	14	13	1,91	1,75	1,79						
	6,3	9,0	1,1	2,52	1,34	4,79						
	74	40	54	9	4	5	159.4	166.4	149.0	2,094.8	1,912.5	1,751.4
Municipal	20,	19,	16,									
	49	09	86	159,	162,	158,						
	7	2	0	248	903	222	17.5	20.5	19.1	150.9	159.3	162.9
Subtotal Retail	71	68	60	5,67	5,48	5,40						
Revenue -	1,5	8,7	8,7	2,66	3,96	4,57						
Electric	03	19	10	9	5	5	661.6	711.5	688.7	5,758.6	5,672.7	5,484.0
Contract	25,	16,	17,									
Wholesale	86	12	84	654,	574,	492,						
	9	8	7	016	137	637	22.0	25.9	16.1	579.1	654.0	574.1
Off-system/Power	48,	41,	15,									
Marketing	57	68	51	643,	638,	437,						
Wholesale	8	2	1	189	923	288	42.5	48.6	41.7	737.9	643.2	638.9
Other (a)	66,	54,	57,									
	19	21	64									
	1	8	4	—	—	—	91.2	66.2	54.2	-	-	-
Total Regulated	85	80	69	6,96	6,69	6,33						
	2,1	0,7	9,7	9,87	7,02	4,50						
	41	47	12	4	5	0	817.3	852.2	800.7	7,075.6	6,969.9	6,697.0
Non-Regulated (b)	48,	41,	39,									
	02	51	14	293,	269,	258,						
	1	1	5	026	558	399	47.7	48.0	41.5	120.6	293.0	269.6
Total Revenue	90	84	73	7,26	6,96	6,59						
and Quantities	0,1	2,2	8,8	2,90	6,58	2,89						
Sold	62	58	57	0	3	9	\$ 865.0	\$ 900.2	\$ 842.2	7,196.2	7,262.9	6,966.6
Other Uses,												
Losses or				450,	475,	406,						
Generation, net (c)				010	280	422				463.5	450.0	475.3

Total Energy	7,71 7,44 6,99								
	2,91 1,86 9,32								
	0 3 1						7,659.7	7,712.9	7,441.9

- (a) Primarily related to transmission revenues from the Common Use System.
- (b) Includes Integrated Generation and non-regulated services to our retail customers under the Service Guard Comfort Plan and Tech Services.
- (c) Includes company uses and line losses.

For the year ended	Electric Revenue (in thousands)			Quantities Sold (MWh)			Revenue (in millions)			Quantities Sold (GWh)		
	2022	2021	2020	2022	2021	2020	2023	2022	2021	2023	2022	2021
December 31,												
Colorado Electric	32	30	25	2,43	2,57	2,24						
	1,1	2,8	2,0	9,95	4,01	3,03						
	\$ 13	\$ 96	\$ 94	4	6	4	\$ 285.7	\$ 321.1	\$ 302.9	2,397.2	2,440.0	2,574.0
South Dakota Electric	33	31	28	2,62	2,38	2,36						
	5,2	9,3	0,4	6,17	9,40	3,77						
	11	62	31	5	7	6	321.1	335.2	319.4	2,554.3	2,626.2	2,389.4
Wyoming Electric	19	18	16	1,90	1,73	1,72						
	7,6	0,4	9,1	3,74	3,60	7,69						
	73	13	79	5	2	0	212.2	197.7	180.4	2,124.1	1,903.7	1,733.6
Integrated Generation	46,	39,	37,									
	16	58	15	293,	269,	258,						
	6	7	3	026	558	399	46.0	46.2	39.5	120.6	293.0	269.6
Total Revenue and Quantities Sold	90	84	73	7,26	6,96	6,59						
	0,1	2,2	8,8	2,90	6,58	2,89						
	\$ 62	\$ 58	\$ 57	0	3	9	\$ 865.0	\$ 900.2	\$ 842.2	7,196.2	7,262.9	6,966.6

			For the year ended December 31,			For the year ended December 31,		
Quantities Generated and Purchased by Fuel Type (MWh)			2022	2021	2020			
Quantities Generated and Purchased by Fuel Type (GWh)						2023	2022	2021
Generated:								
Coal			2,708,804	2,546,926	2,817,846	2,683.4	2,708.8	2,546.9
Natural Gas and Oil			1,454,164	1,817,133	1,753,568			
Wind			875,843	842,616	614,236			
Natural Gas						2,021.4	1,454.2	1,817.2
Wind (a)						678.5	875.8	842.6
Total Generated			5,038,811	5,206,675	5,185,650	5,383.3	5,038.8	5,206.7
Purchased:								

Coal, Natural Gas, Oil and Other Market	2,280,7	1,866,3	1,478,5			
Purchases	76	82	36			
Wind	393,323	368,806	335,135			
Coal, Natural Gas, Diesel Oil and Other Market						
Purchases				1,842.9	2,280.8	1,866.4
Wind and Solar				433.5	393.3	368.8
Total Purchased	2,674,0	2,235,1	1,813,6			
	99	88	71	2,276.4	2,674.1	2,235.2
Total Generated and Purchased	7,712,9	7,441,8	6,999,3			
	10	63	21	7,659.7	7,712.9	7,441.9

(a) Wind generation decreased due to the sale of Northern Iowa Windpower assets in March 2023.

For the year ended December 31,			
Quantities Generated and Purchased (GWh)	2023	2022	2021
Generated:			
Colorado Electric	653.9	474.4	412.1
South Dakota Electric	2,018.5	1,890.0	1,980.7
Wyoming Electric	908.3	905.8	883.6
Integrated Generation	1,802.5	1,768.6	1,842.4
Total Generated	5,383.2	5,038.8	5,118.8
Purchased:			
Colorado Electric	588.2	1,005.4	1,027.7
South Dakota Electric	604.6	826.4	563.6
Wyoming Electric	1,028.5	757.2	643.9
Integrated Generation	55.2	85.1	87.9
Total Purchased	2,276.5	2,674.1	2,323.1
Total Generated and Purchased	7,659.7	7,712.9	7,441.9

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For the year ended December 31,			
Quantities Generated and Purchased (MWh)	2022	2021	2020
Generated:			
Colorado Electric	474,401	412,127	265,552
South Dakota Electric	1,889,981	1,980,660	1,901,009
Wyoming Electric	905,796	883,596	851,522
Integrated Generation	1,768,633	1,842,377	2,085,042

Total Generated	5,038,811	5,118,760	5,103,125
Purchased:			
Colorado Electric	1,005,446	1,027,728	714,139
South Dakota Electric	826,392	563,603	489,457
Wyoming Electric	757,191	643,857	610,075
Integrated Generation	85,070	87,915	82,525
Total Purchased	2,674,099	2,323,103	1,896,196
Total Generated and Purchased	7,712,910	7,441,863	6,999,321

Degree Days	For the year ended December 31,						For the year ended December 31,					
	2022		2021		2020		2023		2022		2021	
	Ac	Varianc	Ac	Varianc	Ac	Varianc	Actual	Variance from Normal	Actual	Variance from Normal	Actual	Variance from Normal
	tual	e from Normal	tual	e from Normal	tual	e from Normal						
Heating Degree Days:												
Colorado Electric	5,151	9%	5,033	(11)%	5,031	(9)%	5,330	1%	5,551	9%	5,023	(11)%
South Dakota Electric	7,499	6%	6,909	(5)%	6,901	(3)%	6,969	(4)%	7,495	6%	6,819	(5)%
Wyoming Electric	7,051	3%	6,702	(6)%	6,707	(5)%	6,783	(1)%	7,051	3%	6,702	(6)%
Combined (a)	6,518	6%	5,974	(7)%	6,005	(6)%	6,185	(1)%	6,518	6%	5,974	(7)%
Cooling Degree Days:												
Colorado Electric	1,046	9%	1,245	39%	1,362	54%	1,046	(10)%	1,362	9%	1,245	39%

Natural gas - regulated	1,584.6	1,051.6	900	533.0	150,973	1,399.1	1,584.6	(185.5)	1,051.6	533.0
Other - non-regulated services	84.5	73.3	74.0	11,201	33(778)	85.1	84.5	0.6	73.3	11.2
Total revenue	1,669.1	1,124.9	974	544.22	150,195	1,484.2	1,669.1	(184.9)	1,124.9	544.2
Cost of natural gas sold:										
Natural gas - regulated	94.8	48.3	7,126.8	461.85	132,682	760.2	942.1	(181.9)	480.3	461.8
Other - non-regulated services	22.0	14.5	7,034	8,515	7,411	23.0	23.0	—	14.4	8.6
Total cost of natural gas sold	96.8	49.38	4,640	470,370	140,093	783.2	965.1	(181.9)	494.7	470.4
Gas Utility margin (non-GAAP)	70.39	63.01	0,02	73,855	10,102	701.0	704.0	(3.0)	630.2	73.8
Operations and maintenance	34.51	31.48	3,57	30,333	11,233	328.7	317.3	11.4	290.2	27.1
Depreciation and amortization	11.46	10.41	0,55	10,519	3,601	113.9	114.7	(0.8)	104.2	10.5

Operations and maintenance expense increased primarily due to \$11.6 million of higher outside services and materials expenses driven primarily by higher contractor and consultant fees, \$5.0 million of increased bad debt expense primarily attributable to higher customer billings, \$4.6 million of higher cloud computing licensing costs, \$3.2 million of higher property taxes driven by a higher asset base on recent capital expenditures, \$2.1 million of higher vehicle expense driven by higher fuel costs, \$1.6 million \$14.8 million of higher employee-related expenses and \$1.2 million increased travel and training partially offset by \$5.0 million of lower outside services expenses.

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

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Operating Statistics

	Revenue (in thousands)			Quantities Sold and Transported (Dth)											
	For the year ended December 31,			For the year ended December 31,			Revenue (in millions)			Quantities Sold and Transported (Dth in millions)					
	2022	2021	2020	2022	2021	2020	For the year ended December 31,			For the year ended December 31,					
							2023	2022	2021	2023	2022	2021			
Residential	52														
	940,	613,	7,5	66,91	60,08	61,96									
	\$ 201	\$ 475	\$ 18	5,630	0,805	2,171	\$	839.2	\$	940.2	\$	613.5	60.1	66.9	60.1
Commercial	19														
	398,	242,	3,0	32,36	29,09	28,78									
	585	115	17	2,343	1,657	4,319	340.1	398.6	242.1	29.4	32.4	29.1			
Industrial	24,														
	63,0	33,3	01	7,667	6,260	6,881									
	35	68	4	,231	,235	,354	33.2	63.0	33.4	5.7	7.7	6.2			
Other	8,69	3,81	58												
	3	6	2	—	—	—	9.1	8.7	3.8	—	—	—			
Total	1,41		74	106,9											
Distribution	0,51	892,	5,1	45,20	95,43	97,62									
	4	774	31	4	2,697	7,844	1,221.6	1,410.5	892.8	95.2	107.0	95.4			
Transportation and Transmission	15														
	174,	158,	5,5	17,80	70,28	62,47									
	120	836	06	2	0	6	177.5	174.1	158.8	159.8	160.9	154.6			
Total Regulated	1,58	1,05	90	267,8	250,0	246,6									
	4,63	1,61	0,6	63,00	02,97	90,32									
	4	0	37	6	7	0	1,399.1	1,584.6	1,051.6	255.0	267.9	250.0			
Non-regulated Services (a)	74,														
	84,4	73,2	03												
	56	55	3	—	—	—	85.1	84.5	73.3	—	—	—			

Total Revenue	1,66	1,12	97	267,8	250,0	246,6						
and Quantities	9,08	4,86	4,6	63,00	02,97	90,32						
Sold	\$ 9	\$ 5	\$ 70	6	7	0	\$ 1,484.2	\$ 1,669.1	\$ 1,124.9	255.0	267.9	250.0

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

	Revenue (in thousands)			Quantities Sold and Transported (Dth)								
	For the year ended December 31,			For the year ended December 31,			Revenue (in millions)			Quantities Sold and Transported (Dth in millions)		
	2022	2021	2020	2022	2021	2020	For the year ended December 31,			For the year ended December 31,		
							2023	2022	2021	2023	2022	2021
Arkansas Gas			18									
	311,	218,	4,8	32,28	31,47	28,57						
	\$ 239	\$ 497	\$ 49	2,324	8,303	2,621	\$ 268.9	\$ 311.3	\$ 218.5	30.2	32.3	31.5
Colorado Gas			18									
	320,	208,	6,0	34,34	32,24	32,07						
	890	019	85	3,485	7,042	7,083	313.6	320.9	208.0	32.8	34.3	32.3
Iowa Gas			13									
	283,	171,	7,9	40,88	38,02	36,82						
	938	673	82	3,742	2,801	4,548	213.6	283.9	171.7	37.9	40.9	38.0
Kansas Gas			10									
	191,	121,	1,1	38,63	34,47	33,73						
	392	603	18	0,944	5,799	2,897	155.6	191.4	121.6	35.5	38.6	34.5
Nebraska Gas			24									
	384,	273,	6,3	85,05	81,03	80,20						
	823	361	81	0,323	5,572	2,783	366.1	384.8	273.4	82.2	85.1	81.0
Wyoming Gas			11									
	176,	131,	8,2	36,67	32,74	35,28						
	807	712	55	2,188	3,460	0,388	166.4	176.8	131.7	36.4	36.7	32.7
Total Revenue	1,66	1,12	97	267,8	250,0	246,6						
and Quantities	9,08	4,86	4,6	63,00	02,97	90,32						
Sold	\$ 9	\$ 5	\$ 70	6	7	0	\$ 1,484.2	\$ 1,669.1	\$ 1,124.9	255.0	267.9	250.0

Heating Degree Days	For the year ended December 31,					
	2022		2021		2020	
	Variance From		Variance From		Variance From	
	Actual	Normal	Actual	Normal	Actual	Normal
Arkansas Gas ^(a)	3,844	2%	3,565	(12)%	3,442	(15)%
Colorado Gas	6,325	4%	5,866	(11)%	6,068	(8)%
Iowa Gas	7,037	7%	6,239	(8)%	6,504	(4)%
Kansas Gas ^(a)	4,968	7%	4,508	(8)%	4,648	(5)%
Nebraska Gas	6,220	4%	5,599	(9)%	5,853	(5)%
Wyoming Gas	7,644	12%	7,074	(7)%	7,289	(4)%
Combined ^(b)	6,536	5%	5,948	(8)%	6,038	(6)%

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For the year ended December 31,						
Heating Degree Days	2023		2022		2021	
	Actual	Variance From Normal	Actual	Variance From Normal	Actual	Variance From Normal
Arkansas Gas ^(a)	3,197	(17)%	3,844	2%	3,565	(12)%
Colorado Gas	5,916	(4)%	6,325	4%	5,866	(11)%
Iowa Gas	5,921	(12)%	7,037	7%	6,239	(8)%
Kansas Gas ^(a)	4,387	(8)%	4,968	7%	4,508	(8)%
Nebraska Gas	5,579	(8)%	6,220	4%	5,599	(9)%
Wyoming Gas	7,385	8%	7,644	12%	7,074	(7)%
Combined ^(b)	6,006	(4)%	6,536	5%	5,948	(8)%

(a) Arkansas and Kansas have weather normalization mechanisms that mitigate the weather impact on Gas Utility margins.

(b) Heating degree days are calculated based on a weighted average of total customers by state excluding Kansas due to its weather normalization mechanism. Arkansas Gas is partially excluded based on the weather normalization mechanism in effect from November through April.

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Corporate and Other

Corporate and Other operating results, including inter-segment eliminations, for the years ended December 31 were as follows (in thousands):

(in thousands)	2022		2021		2022 vs 2021		2021 vs 2020	
					Variance		Variance	
Operating income (loss)	\$	(3,174)	\$	(4,404)	\$ 1,230	\$	1,440	\$ (5,844)

(in millions)	2023		2022		2023 vs 2022		2022 vs 2021	
					Variance		Variance	
Operating (loss)	\$	(4.9)	\$	(3.3)	\$ (1.6)	\$	(4.5)	1.2

2023 Compared to 2022

2022 Compared to 2021

The variance in Operating income (loss) was primarily due comparable to an allocation of a 2020 employee cost true-up in the first quarter of 2021, which was offset in our business segments, prior year.

Consolidated Interest Expense, Impairment of Investment, Other Income (Expense) and Income Tax Benefit (Expense)

(in thousands)	2022 vs 2021			2021 vs 2020								
	2022	2021	Variance	2020	Variance							
(in millions)						2023	2022	2023 vs 2022	Variance	2021	2022 vs 2021	Variance
Interest expense, net	(160,989)	(152,404)	(8,585)	(143,470)	(8,934)	(167.9)	(161.0)	(6.9)	(152.4)			(8.6)
Impairment of investment	—	—	—	(6,859)	6,859							
Other income (expense), net	1,708	1,404	304	(2,293)	3,697	(3.2)	1.8	(5.0)	1.4			0.4
Income tax (expense)	(25,205)	(7,169)	(18,036)	(32,918)	25,749	(25.6)	(25.2)	(0.4)	(7.2)			(18.0)

2022 2023 Compared to 2021 2022

Interest expense, net

The increase in Interest expense, net was increased due to higher interest rates partially offset by increased interest income on higher short-term debt cash and cash equivalents balances. See Note 8 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for additional details.

Other income (expense), net

Other income (expense), net was comparable to the prior year increased primarily due to lower higher benefit plan non-service costs driven by higher discount rates and higher costs for our non-qualified benefit plans deferred compensation plan which were driven by market performance mostly offset by a prior year recognition of death benefits from Company-owned life insurance and higher non-service pension costs primarily driven by a higher discount rate, performance.

Income tax benefit (expense)

Income tax expense increased due to higher pre-tax income and a higher the effective tax rate. For rate were comparable to the year ended December 31, 2022, same period in the prior year. The effective tax rate was 8.5% compared to 2.8% in 2021. for both 2023 and 2022. The higher effective tax rate was comparable primarily due to \$10 million of prior a \$8.2 million tax benefit from a current year Nebraska income tax benefits from Colorado Electric TCJA-related bill credits to customers (which were rate decrease offset by reduced revenue) and \$5.4 million decreased flow-through tax benefits driven by prior year repairs and gain deferral partially offset by \$4.0 million \$6.5 million of current year lower tax benefits from various current and prior year state tax rate changes and \$1.8 million \$3.6 million of increased tax benefits lower wind PTCs resulting from federal PTCs driven by a current year PTC rate increase (inflation adjustment). the March 2023 sale of Northern Iowa Windpower assets. See Note 15 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for additional details.

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Liquidity and Capital Resources

OVERVIEW

Our company requires significant cash to support and grow our businesses. Our primary sources of cash are generated from our operating activities, **five-year** Revolving Credit Facility, CP Program, ATM and ability to access the public and private capital markets through debt and equity securities offerings when necessary. This cash is used for, among other things, working capital, capital expenditures, dividends, pension funding, investments in or acquisitions of assets and businesses, payment of debt obligations and redemption of outstanding debt and equity securities when required or financially appropriate.

We experience significant cash requirements during peak months of the winter heating season due to higher natural gas consumption, during periods of high natural gas prices, and during the construction season, which typically peaks in spring and summer.

We believe that our cash on hand, operating cash flows, existing borrowing capacity and ability to complete new debt and equity financings, taken in their entirety, provide sufficient capital resources to fund our ongoing operating requirements, regulatory liabilities, debt maturities, anticipated dividends, and anticipated capital expenditures discussed in this section.

The following table provides an informational summary of our **financial position liquidity and capital structure** as of December 31 (dollars in **thousands** **millions**):

Financial Position Summary	2022		2021	
Cash and cash equivalents	\$	21,430	\$	8,921
Restricted cash and equivalents	\$	5,555	\$	4,889
Notes payable	\$	535,600	\$	420,180
Current maturities of long-term debt	\$	525,000	\$	—
Long-term debt ^(a)	\$	3,607,340	\$	4,126,923
Stockholders' equity	\$	2,994,913	\$	2,787,094
Ratios				
Long-term debt ratio ^(b)		55 %		60 %
Total debt ratio ^(c)		61 %		62 %
	2023		2022	
Cash and cash equivalents	\$	86.6	\$	21.4
Available capacity under Revolving Credit Facility and CP Program ^(a)		746.3		189.8
Available liquidity	\$	832.9	\$	211.2
Capital structure				

Short-term debt	\$	600.0	\$	1,060.6
Long-term debt		3,801.2		3,607.3
Total debt		4,401.2		4,667.9
Total stockholders' equity (excludes non-controlling interest)		3,215.3		2,994.9
Total capitalization	\$	7,616.5	\$	7,662.8
Debt to capitalization		57.8 %		60.9 %
Net debt to capitalization ^(b)		57.3 %		60.8 %
Long-term debt to total debt		86.4 %		77.3 %

- (a) **Carrying value** Available capacity under Revolving Credit Facility and CP Program represents \$750 million of long-term total borrowing capacity less outstanding borrowings and letters of credit. See [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for more information.
- (b) Net debt to capitalization ratio is net of deferred financing costs.
- (b) Long-term debt as a percentage of long-term Cash and cash equivalents for both Total debt and stockholders' equity combined.
- (c) Total debt (notes payable, current maturities of long-term debt and long-term debt) as a percentage of total debt and stockholders' equity combined, capitalization.

CASH FLOW ACTIVITIES

The following tables summarize our cash flows for the years ended December 31 (in thousands) millions):

Operating Activities:

	2022 vs. 2021					2021 vs. 2020				
	2022	2021	2021	2020	2020	2023	2022	2023 vs 2022	2021	2022 vs 2021
Cash earnings (net income plus non-cash adjustments)	566 \$,39 2	527 \$,70 5	38,68 \$ 7	549 \$,09 2	(21,3 87)					
Net income						\$ 276.0	\$ 270.8	\$ 5.2	\$ 251.2	\$ 19.6
Non-cash adjustments to Net income						313.5	295.7	17.8	276.6	19.1
Total earnings						589.5	566.5	23.0	527.8	38.7
Changes in certain operating assets and liabilities:										
Accounts receivable and other current assets	(25 9,8) 51	(78, 877)	(180, 974)	(8,0 88)	(70,7 89)	255.9	(259.9)	515.8	(78.9)	(181.0)
Accounts payable and accrued liabilities	89, 405	10, 660	78,74 5	24, 659	(13,9 99)	(109.9)	89.4	(199.3)	10.6	78.8
Regulatory assets and liabilities	203 ,86 9	(52 4,2 20)	728,0 89	(15, 753)	(508, 467)	236.8	203.9	32.9	(524.2)	728.1
	(59 33, 423	2,4 37)	625,8 60	(593, 818	255)					

Contributions to defined benefit pension plans	—	—	—	(12,700)	12,700					
Net inflow (outflow) from changes in certain operating assets and liabilities						382.8	33.4	349.4	(592.5)	625.9
Other operating activities	(15,014)	167	(15,181)	4,653	(4,486)	(27.9)	(15.1)	(12.8)	0.1	(15.2)
Net cash provided by (used in) operating activities	584,80	(64,649.3)	541,86	(606,428)		\$ 944.4	\$ 584.8	\$ 359.6	\$ (64.6)	\$ 649.4

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2022 2023 Compared to 2021 2022

Cash Net cash provided by operating activities was \$359.6 million higher which was attributable to:

- Total earnings (income from continuing operations) (net income plus non-cash adjustments) were \$39 million \$23.0 million higher than prior year primarily due a result of increased Electric and Gas Utility margins due to new rates and increased rider revenues partially offset by higher operating expenses and prior year impacts from Winter Storm Uri.
- higher interest expense.

- 47 • . Table of Contents Net inflows from changes in certain operating assets and liabilities were \$626 million \$349.4 million higher than prior year, primarily attributable to:

- 0 Cash inflows increased by approximately \$728 million \$515.8 million as a result of changes in accounts receivable and other current assets primarily due to higher collections on pass-through revenues and lower natural gas in storage inventories driven by fluctuations in commodity prices and timing of injections and withdrawals;
- 0 Cash outflows increased by approximately \$199.3 million as a result of decreases in accounts payable and other current liabilities primarily driven by fluctuations in commodity prices, payment timing of natural gas and power purchases and changes in other working capital requirements; and
- 0 Cash inflows increased by approximately \$32.9 million as a result of changes in our regulatory assets and liabilities primarily due to higher recovery of deferred gas and fuel cost adjustments driven by prior year incremental fuel, purchased power and natural gas costs due to Winter Storm Uri and current year recovery of a portion of Winter Storm Uri incremental and carrying costs from customers; fluctuations in commodity prices.

- Cash outflows increased by approximately \$181 million primarily as a result of changes in accounts receivable and other current assets driven by increased revenue due to higher commodity prices and colder weather and increased purchases of natural gas in storage;
- Cash inflows increased by approximately \$79 million as a result of changes in accounts payable and other current liabilities driven by payment timing related to natural gas and power purchases and other working capital requirements;

Cash outflows increased \$15.2 million \$12.8 million from other operating activities primarily due to higher costs from cloud computing licensing costs, increased payments on settled commodity derivatives and higher preliminary survey charges.

arrangements.

Investing Activities:

2022	2021	2022 vs. 2021	2020	2021 vs. 2020	2023	2022	2023 vs 2022	2021	2022 vs 2021

Capital expenditures	\$ (604,365)	(677,492)	\$ 73,127	(767,404)	\$ 89,912	\$ (555.6)	\$ (604.4)	\$ 48.8	\$ (677.5)	\$ 73.1
Other investing activities	485	13,262	(12,777)	5,740	7,522	18.9	0.5	18.4	13.3	(12.8)
Net cash provided by (used in) investing activities	(603,880)	(664,230)	\$ 60,350	(761,664)	\$ 97,434					
Net cash (used in) investing activities						\$ (536.7)	\$ (603.9)	\$ 67.2	\$ (664.2)	\$ 60.3

2022 2023 Compared to 2021 2022

Capital Net cash used in investing activities was \$67.2 million lower which was attributable to:

- Cash outflows from capital expenditures (which are net of approximately \$604 million \$33.8 million contributions in 2022 compared to \$677 million in 2021. Lower current year expenditures are driven by aid of construction) decreased \$48.8 million as a result of lower programmatic safety, reliability and integrity spending on our Gas and Electric Utilities; Utilities and higher receipts related to contributions in aid of construction driven by strategic projects in Wyoming;
- Cash inflows decreased \$13 million increased \$18.4 million for other investing activities which was primarily driven by prior year sales due to proceeds from the sale of transmission Northern Iowa Windpower assets and facilities, none the strategic sale of which were individually material. land in Wyoming.

Financing Activities:

	2022	2021	2022 vs. 2021	2020	2021 vs. 2020	2023	2022	2023 vs 2022	2021	2022 vs 2021
Dividends paid on common stock	\$ (156,723)	(145,023)	(11,700)	(135,439)	(9,584)	\$ (168.1)	\$ (156.7)	(11.4)	\$ (145.0)	(11.7)
Common stock issued	90,044	118,979	(28,935)	99,278	19,701	118.3	90.1	28.2	119.0	(28.9)
Short-term and long-term debt borrowings, net	115,420	777,704	(662,284)	275,943	501,761					
Short-term and long-term debt (repayments), net						(260.6)	115.4	(376.0)	777.7	(662.3)
Distributions to non-controlling interests	(17,418)	(15,749)	(1,669)	(15,839)	90	(18.3)	(17.4)	(0.9)	(15.7)	(1.7)
Other financing activities	931	(4,045)	4,976	(7,061)	3,016	(13.0)	0.9	(13.9)	(4.1)	5.0
Net cash provided by (used in) financing activities	32,254	731,866	(699,612)	216,882	514,984	\$ (341.7)	\$ 32.3	(374.0)	\$ 731.9	(699.6)

2022 2023 Compared to 2021 2022

Net cash provided by used in financing activities decreased \$700 million was \$374.0 million higher which was primarily due to prior year financing activities related to Winter Storm Uri. attributable to:

- Cash outflows increased \$11.4 million due to increased dividends paid on common stock;

- Cash inflows increased \$28.2 million due to higher issuances of common stock;

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- Net outflows from changes in short-term and long-term debt (repayments) borrowings increased \$376.0 million due to:
 - o Cash outflows increased \$651.0 million as a result of net repayment activity under our Revolving Credit Facility and CP Program;
 - o Cash outflow of \$525.0 million due to repayment of our senior unsecured notes on their November 30, 2023 maturity date; and
 - o Cash inflow of \$800.0 million from the March 7, 2023 and September 15, 2023 debt offerings.
- Cash outflows increased by \$13.9 million for other financing activities primarily due to financing costs from the March 7, 2023 and September 15, 2023 debt offerings.

CAPITAL RESOURCES

Short-term Debt Shelf Registration Statement

Revolving Credit Facility We maintain an effective shelf registration statement with the SEC under which we may issue, from time to time, an unspecified amount of senior debt securities, subordinate debt securities, common stock, preferred stock, warrants and **CP Program** other securities. See [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for recent updates regarding our shelf registration statement.

Short-term Debt

We have a \$750 million Revolving Credit Facility that matures on July 19, 2026, with two one-year extension options (subject to consent from lenders). 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. We also have a \$750 million, unsecured CP Program that is backstopped by the Revolving Credit Facility. Amounts outstanding under the Revolving Credit Facility and the CP Program, either individually or in the aggregate, cannot exceed \$750 million.

The Revolving Credit Facility prohibits us from paying cash dividends if a default or an event of default exists prior to, or would result after, paying a dividend. Although these contractual restrictions exist, we do not anticipate triggering any default measures or restrictions.

The Revolving Credit Facility contains cross-default provisions that could result in a default under such agreements if BHC or its material subsidiaries failed to 1) make timely payments of debt obligations; or 2) triggered other default provisions under any debt agreement totaling, in the aggregate principal amount of \$50 million or more that permit the acceleration of debt maturities or mandatory debt prepayment.

See [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for more information on our Revolving Credit Facility and CP Program.

Utility Money Pool

As a utility holding company, we are required to establish a cash management program to address lending and borrowing activities between our utilities and the Company. We have established utility money pool agreements which address these requirements. These agreements are on file with the FERC and appropriate state regulators. Under the utility money pool agreements, our utilities may, at their option, borrow and extend short-term loans to **our other utilities** **the utility money pool** at market-based rates. While the utility money pool may borrow funds from the Company (as ultimate parent company), the money pool arrangement does not allow loans from our utility subsidiaries to the Company (as ultimate parent company) or to non-regulated affiliates.

Long-term Debt

For information on our long-term debt, see [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Covenant Requirements

The Revolving Credit Facility and Wyoming Electric's financing agreements contain covenant requirements. We were in compliance with these covenants as of [December 31, 2022](#) [December 31, 2023](#). See additional information in [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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Equity

Shelf Registration

We have a shelf registration statement on file with the SEC under which we may issue, from time to time, senior debt securities, subordinated debt securities, common stock, preferred stock, warrants and other securities. Although the shelf registration statement does not limit our issuance capacity, our ability to issue securities is limited to the authority granted by our Board of Directors, certain covenants in our financing arrangements and restrictions imposed by federal and state regulatory authorities. The shelf registration expires in August 2023. Our articles of incorporation authorize the issuance of 100 million shares of common stock and 25 million shares of preferred stock. As of December 31, 2022, we had approximately 66 million shares of common stock outstanding and no shares of preferred stock outstanding.

ATM

Our ATM allows us to sell shares of our common stock with an aggregate value of up to \$400 million. The shares may be offered from time to time pursuant to a sales agreement dated August 4, 2020. Shares of common stock are offered pursuant to our shelf registration statement filed with the SEC.

For additional information regarding equity, see [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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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, [debt offerings](#), the issuance of common stock under our ATM program or in an opportunistic block trade. [In the first quarter of 2023, we plan to re-finance a portion of our short-term borrowings into long-term debt.](#) We also plan to re-finance our [\\$525 million \\$600 million, 4.25% 1.0375%](#), senior unsecured notes due [November 30, 2023, August 2024](#), at or before maturity date. [Additionally, we plan to renew our ATM and shelf registration at or before shelf expiration in August 2023.](#)

CREDIT RATINGS

Financing for operational needs and capital expenditure requirements, not satisfied by operating cash flows, depends upon the cost and availability of external funds through both short and long-term financing. In order to operate and grow our business, we need to consistently maintain the ability to raise capital on favorable terms. Access to funds is dependent upon factors such as general economic and capital market conditions, regulatory authorizations and policies, the Company's credit ratings, cash flows from routine operations and the credit ratings of counterparties. After assessing the current operating performance, liquidity and credit ratings of the Company, management believes that the Company will have access to the capital markets at prevailing market rates for companies with comparable credit ratings. We note that

credit ratings are not recommendations to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

The following table represents the credit ratings, outlook and risk profile of BHC at **December 31, 2022** **December 31, 2023**:

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

- (a) On **August 26, 2022** **February 17, 2023**, S&P reported BBB+ rating and maintained a Stable outlook.
(b) On **December 20, 2022** **December 21, 2023**, Moody's reported our Baa2 rating and maintained a Stable outlook.
(c) On **October 6, 2022** **January 26, 2024**, Fitch reported BBB+ rating and **maintained revised to a Stable Negative** outlook.

Certain fees and interest rates under our Revolving Credit Facility are based on our credit ratings at all three rating agencies. If all of our ratings are at the same level, or if two of our ratings are the same level and one differs, these fees and interest rates will be based on the ratings that are at the same level. If all of our ratings are at different levels, these fees and interest rates will be based on the middle level. Currently, our Fitch and S&P ratings are at the same level, and our Moody's rating is one level below. Therefore, if Fitch or S&P downgrades our senior unsecured debt, we will be required to pay higher fees and interest rates under our Revolving Credit Facility.

The following table represents the credit ratings of South Dakota Electric at **December 31, 2022** **December 31, 2023**:

Rating Agency	Senior Secured Rating
S&P ^(a)	A
Fitch ^(b)	A

- (a) On **March 31, 2022** **February 17, 2023**, S&P reported A **rating, rating**
(b) On **October 6, 2022** **January 26, 2024**, Fitch reported A **rating, rating**

We **do have** not **have had** any **trigger triggering** events (i.e. an acceleration of repayment of outstanding indebtedness, an increase in interest costs, or the posting of additional cash collateral) tied to our stock price and have not executed any transactions that require us to issue equity based on our credit ratings.

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CAPITAL REQUIREMENTS

Capital Expenditures

Capital expenditures are a substantial portion of our cash requirements each year and we continue to forecast a robust capital expenditure program during the next five years. See above in [Key Elements of our Business Strategy](#) for forecasted capital expenditure requirements. A significant portion of our capital expenditures are for safety, reliability and integrity of our system and is included in utility rate base and eligible for recovery from our utility customers with regulatory approval. Those capital expenditures also earn a rate of return authorized by the commissions in the jurisdictions in which we operate.

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Our historical capital expenditures by reportable segment are shown in [Note 16](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Repayments of Indebtedness

For information relating to repayments of our short- and long-term debt and associated interest payments, see [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Unconditional Purchase Obligations

We have unconditional purchase obligations which include the energy and capacity costs associated with our PPAs, transmission services agreements, and natural gas capacity, transportation and storage agreements. Additionally, our Gas Utilities have commitments to purchase physical quantities of natural gas under contracts indexed to various forward natural gas price curves. For additional information, see [Note 3](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Defined Benefit Pension Plan

We have one defined benefit pension plan, the Black Hills Retirement Plan (Pension Plan). The unfunded status of the Pension Plan is defined as the amount the projected benefit obligation exceeds the plan assets. The unfunded status of the Pension Plan is ~~\$35 million~~ \$39.4 million as of ~~December 31, 2022~~ December 31, 2023, compared to ~~\$20 million~~ \$35.2 million as of ~~December 31, 2021~~ December 31, 2022. The increase in the unfunded status of the Pension Plan was primarily driven by an increase in the discount rate. We do not have required contributions, and however, we do not expect to make \$2.3 million in contributions to our Pension Plan in ~~2023~~ 2024. See further information in [Note 13](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Common Stock Dividends

Future cash dividends, if any, will be dependent on our results of operations, financial position, cash flows, reinvestment opportunities and other factors, and will be evaluated and approved by our Board of Directors.

Additionally, there are certain statutory limitations that could affect future cash dividends paid. Federal law places limits on the ability of public utilities within a holding company structure to declare dividends. Specifically, under the Federal Power Act, a public utility may not pay dividends from any funds properly included in a capital account. The utility subsidiaries' dividends may be limited directly or indirectly by state regulatory commissions or bond indenture covenants. See additional information in [Note 8](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

On ~~January 25, 2023~~ January 26, 2024, our Board of Directors declared a quarterly dividend of ~~\$0.625~~ \$0.65 per share, equivalent to an annual dividend rate of ~~\$2.50~~ \$2.60 per share. The table below provides our dividends paid (in ~~thousands~~ millions), dividend payout ratio and dividends paid per share for the three years ended December 31:

	2022	2021	2020	2023	2022	2021
Common Stock Dividends Paid	\$ 156,723	\$ 145,023	\$ 135,439	\$ 168.1	\$ 156.7	\$ 145.0
Dividend Payout Ratio	61 %	61 %	60 %	64 %	61 %	61 %
Dividends Per Share	\$ 2.41	\$ 2.29	\$ 2.17	\$ 2.50	\$ 2.41	\$ 2.29

Our three-year compound annualized dividend growth rate was ~~5.5%~~ 4.8%.

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Collateral Requirements

Our Utilities maintain wholesale commodity contracts for the purchases and sales of electricity and natural gas which have performance assurance provisions that allow the counterparty to require collateral postings under certain conditions, including when requested on a reasonable basis due to a deterioration in our financial condition or nonperformance. A significant downgrade in our credit ratings, such as a downgrade to a level below investment grade, could result in counterparties requiring collateral postings under such adequate assurance provisions. The amount of credit support that we may be required to provide at any point in the future is dependent on the amount of the initial transaction, changes in the market price, open positions and the amounts owed by or to the counterparty. At **December 31, 2022** **December 31, 2023**, we had sufficient liquidity to cover collateral that could be required to be posted under these contracts. The cash collateral we were required to post at **December 31, 2022** **December 31, 2023** was not material. See [Note 9](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Guarantees

We provide various guarantees, which represent off-balance sheet commitments, supporting certain of our subsidiaries under specified agreements or transactions. For more information on these guarantees, see [Note 3](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with GAAP. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in application. There are also areas which require management's judgment in selecting among available GAAP alternatives. We are required to make certain estimates, judgments and assumptions that we believe are reasonable based upon the information available. We continue to closely monitor the macroeconomic environment and related impacts on our critical accounting estimates including, but not limited to, collectability of customer receivables, recoverability of regulatory assets, impairment risk of goodwill and long-lived assets, and contingent liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results may differ from our estimates and to the extent there are material differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. We believe the following accounting estimates are the most critical in understanding and evaluating our reported financial results. We have reviewed these critical accounting estimates and related disclosures with our Audit Committee.

The following discussion of our critical accounting estimates should be read in conjunction with [Note 1](#), "[Business Description and Significant Accounting Policies](#)" of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Regulation

Our regulated Electric and Gas Utilities are subject to cost-of-service regulation and earnings oversight from federal and state utility commissions. This regulatory treatment does not provide any assurance as to achievement of desired earnings levels. Our retail electric and gas utility rates are regulated on a state-by-state basis by the relevant state regulatory commissions based on an analysis of our costs, as reviewed and approved in a regulatory proceeding. The rates that we are allowed to charge may or may not match our related costs and allowed return on invested capital at any given time.

Management continually assesses the probability of future recoveries associated with regulatory assets and future obligations associated with regulatory liabilities. Factors such as the current regulatory environment, recently issued rate orders and historical precedents are considered. As a result, we believe that the accounting prescribed under rate-based regulation remains appropriate and our regulatory assets are probable of recovery in current rates or in future rate proceedings.

To some degree, each of our Electric and Gas Utilities are permitted to recover certain costs (such as increased fuel and purchased power costs) outside of a base rate review. To the extent we are able to pass through such costs to our customers, and a state regulatory commission subsequently determines that such costs should not have been paid by the customers, we may be required to refund such costs.

As of **December 31, 2022** **December 31, 2023** and **2021, 2022**, we had total regulatory assets of **\$653 million** **\$480.1 million** and **\$797 million** **\$653.0 million**, respectively, and total regulatory liabilities of **\$519 million** **\$566.6 million** and **\$503 million** **\$518.6 million**, respectively. See [Note 2](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for further information.

Goodwill

We perform a goodwill impairment test on an annual basis or upon the occurrence of events or changes in circumstances that indicate that the asset might be impaired. Our annual goodwill impairment testing date is as of October 1, which aligns with our financial planning process.

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Accounting standards for testing goodwill for impairment require the application of either a qualitative or quantitative assessment to analyze whether or not goodwill has been impaired. Goodwill is tested for impairment at the reporting unit level. Under either the qualitative or quantitative assessment, the estimated fair value of a reporting unit is compared with its carrying amount, including goodwill. If the carrying amount exceeds fair value, then an impairment loss would be recognized in an amount equal to that excess, limited to the amount of goodwill allocated to that reporting unit.

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Application of the goodwill impairment test requires judgment, including the identification of reporting units and determining the fair value of the reporting unit. We have determined that the reporting units for goodwill impairment testing are our operating segments, or components of an operating segment, that constitute a business for which discrete financial information is available and for which the CODM regularly reviews the operating results. We estimate the fair value of our reporting units using a combination of an income approach, which estimates fair value based on discounted future cash flows, and a market approach, which estimates fair value based on market comparables within the utility and energy industries. These valuations require significant judgments, including, but not limited to: 1) estimates of future cash flows, based on our internal five-year business plans and adjusted as appropriate for our view of market participant assumptions, with long range cash flows estimated using a terminal value calculation; 2) estimates of long-term growth rates for our businesses; 3) the determination of an appropriate weighted-average cost of capital or discount rate; and 4) the utilization of market information such as recent sales transactions for comparable assets within the utility and energy industries. Varying by reporting unit, weighted average cost of capital in the range of 6.9% to **7.0%** **7.3%** and long-term growth rate projections of 1.75% were utilized in the goodwill impairment test performed as of **October 1, 2022** **October 1, 2023**. Although 1.75% was used for a long-term growth rate projection, the short-term projected growth rate is higher with planned recovery of capital investments through rider mechanisms and rate reviews. Under the market approach, we estimate fair value using multiples derived from comparable sales transactions and enterprise value to EBITDA for comparative peer companies for each respective reporting unit. These multiples are applied to operating data for

each reporting unit to arrive at an indication of fair value. In addition, we add a reasonable control premium when calculating fair value utilizing the peer multiples, which is estimated as the premium that would be received in a sale in an orderly transaction between market participants.

At October 1, 2022, fair value exceeded the carrying value at all reporting units. However, the Gas Utilities reporting unit's fair value exceeded its carrying value by less than 10% and could be at risk for impairment if adverse macroeconomic conditions persist or deteriorate. The decrease in the fair value cushion of the Gas Utilities reporting unit when compared to the prior year was primarily due to an increase in the weighted average cost of capital.

The estimates and assumptions used in our impairment assessments are based on available market information and we believe they are reasonable. However, variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated.

For the years ended December 31, 2022, December 31, 2023, 2021, 2022, and 2020, 2021, there were no impairment losses recorded. At December 31, 2022, December 31, 2023, the fair value exceeded the carrying value at all reporting units.

See [Item 1A - Risk Factors](#) and [Note 1](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

Income Taxes

The Company and its subsidiaries file consolidated federal income tax returns. Each entity records income taxes as if it were a separate taxpayer for both federal and state income tax purposes and consolidating adjustments are allocated to the subsidiaries based on separate company computations of taxable income or loss.

The Company uses the asset and liability method in accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized at currently enacted income tax rates, to reflect the tax effect of temporary differences between the financial and tax basis of assets and liabilities as well as operating loss and tax credit carryforwards. Such temporary differences are the result of provisions in the income tax law that either require or permit certain items to be reported on the income tax return in a different period than they are reported in the financial statements.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized and provides any necessary valuation allowances as required. If we determine that we will be unable to realize all or part of our deferred tax assets in the future, an adjustment to the deferred tax asset would be made in the period such determination was made. These adjustments may increase or decrease earnings. Although we believe our assumptions, judgments and estimates are reasonable, changes in tax laws or our interpretations of tax laws and the resolution of current and any future tax audits could significantly impact the amounts provided for income taxes in our consolidated financial statements.

See [Note 15](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for additional information.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities in the regulated and non-regulated energy sectors industries 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 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 services, wholesale electric power marketing activities and fuel procurement for several of our gas-fired generation assets. Market fluctuations may occur due to unpredictable factors such as the COVID-19 pandemic, weather (e.g. Winter Storm Uri), geopolitical events, market speculation, recession, inflation, pipeline constraints, and other factors that may impact natural gas and electric energy supply and demand; and
- Interest rate risk associated with future debt, including reduced access to liquidity during periods of extreme capital markets volatility, such as the 2008 financial crisis and the COVID-19 pandemic.

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

To manage and mitigate these identified risks, we have adopted the Black Hills Corporation Risk Policies and Procedures. The Black Hills Corporation Risk Policies and Procedures have been approved by our Executive Risk Committee. These policies relate to numerous matters including governance, control infrastructure, authorized commodities and trading instruments, prohibited activities and employee conduct. We report any issues or concerns pertaining to the Risk Policies and Procedures to the Audit Committee of our Board of Directors. The Executive Risk Committee, which includes senior level executives, meets at least quarterly and as necessary, to review our business and credit activities and to ensure that these activities are conducted within the authorized policies.

Commodity Price Risk

Electric and Gas Utilities

Our utilities have various provisions that allow them to pass the prudently-incurred cost of energy through to the customer. To the extent energy prices are higher or lower than amounts in our current billing rates, adjustments are made on a periodic basis to reflect billed amounts to match the actual energy cost we incurred. In Colorado, South Dakota and Wyoming, we have ECA or PCA provisions that adjust electric rates when energy costs are higher or lower than the costs included in our tariffs. In Arkansas, Colorado, Iowa, Kansas, Nebraska and Wyoming, we have GCA provisions that adjust natural gas rates when our natural gas costs are higher or lower than the energy cost included in our tariffs. These adjustments are subject to periodic prudence reviews by the state regulatory commissions. If state regulatory commissions decide to discontinue these tariff-based adjustment mechanisms, or there are delays in the timing of recovery under these mechanisms, we may be more exposed to commodity price risk.

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 regulatory commissions, we have entered 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.

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 utility commission guidelines. When the related costs are recovered through our rates, the hedging activity is recognized in the Consolidated Statements of Income. See additional information in [Note 9](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Wholesale Power

We periodically have wholesale power purchase and sale contracts used to manage purchased power costs and load requirements associated with serving our electric customers that are considered derivative instruments and do not qualify for the normal purchase and normal sales exception for derivative accounting. Changes in the fair value of these commodity derivatives are recognized in the Consolidated Statements of Income.

A There is a potential risk related to that our wholesale power sales is the price risk arising from the sale of power that exceeds could exceed our current generating capacity. These potential short positions can capacity, which may arise from unplanned plant outages or from unanticipated load demands. To manage such risk, we restrict wholesale off-system sales to amounts by which our anticipated generating capabilities and purchased power resources exceed our anticipated load requirements plus a required reserve margin.

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Black Hills Energy Services

To support our Choice Gas Program customers, we buy and sell 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. A portion of our over-the-counter swaps have been designated as cash flow hedges to mitigate the commodity price risk associated with fixed price forward contracts to supply 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.

At **December 31, 2022** **December 31, 2023** and **2021, 2022**, a 10% change in market prices for our derivative instruments would not materially impact pre-tax income, the fair values of our derivative assets and liabilities, or OCI.

See additional commodity risk and derivative information in [Note 9](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Interest Rate Risk

Periodically, we have engaged in activities to manage risks associated with changes in interest rates. We have utilized pay-fixed interest rate swap agreements to reduce exposure to interest rate fluctuations associated with floating rate debt obligations and anticipated debt refinancings. At **December 31, 2022** **December 31, 2023**, we had no interest rate swaps in place. Further details of past swap agreements are set forth in [Note 9](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

At **December 31, 2022** **December 31, 2023**, **88% over 99%** of our debt is fixed rate debt, which limits our exposure to variable interest rate fluctuations. A hypothetical 100 basis point increase in the benchmark rate on our variable rate debt would have increased annual pretax interest expense by approximately **\$4.1 million** **\$0.9 million** and **\$2.7 million** **\$4.1 million** for the years ended **December 31, 2022** **December 31, 2023** and **2021, 2022**, respectively. See [Note 8](#) for further information on cash amounts outstanding under short- and long-term variable rate borrowings.

We are subject to interest rate risk associated with our pension and post-retirement benefit obligations. Changes in interest rates impact the liabilities associated with these benefit plans as well as the amount of income or expense recognized for these plans. Declines in the value of the plan assets could diminish the funded status of the pension plans and potentially increase the requirements to make cash contributions to these plans. See additional information in [Critical Accounting Estimates in Item 7](#) and [Note 13](#) of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

Credit Risk

We have adopted the Black Hills Corporation Credit Policy that establishes guidelines, controls and limits to manage and mitigate credit risk within risk tolerances established by the Board of Directors. 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 ongoing periodic credit evaluations of our customers and adjust credit limits based upon payment history and the customer's 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. Our credit exposure at December 31, 2022 was concentrated primarily among retail utility customers, investment grade companies, cooperative utilities and federal agencies.

See more information in Notes 1 and 9 of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed 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.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023, based on the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission "COSO". This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on our evaluation, we have concluded that our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

Deloitte & Touche LLP, an independent registered public accounting firm, as auditors of Black Hills Corporation's financial statements, has issued an attestation report on the effectiveness of Black Hills Corporation's internal control over financial reporting as of December 31, 2022 December 31, 2023. Deloitte & Touche LLP's report on Black Hills Corporation's internal control over financial reporting is included herein.

Black Hills Corporation

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Black Hills Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Black Hills Corporation and subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of income, comprehensive income, **shareholders' equity**, and cash flows, for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated **February 14, 2023** **February 14, 2024**, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Accounting  **Impact of Rate Regulation on the Financial Statements — Refer to Notes 1 and 2 to the Financial Statements.**

Critical Audit Matter Description

The Company is subject to cost-of-service regulation and earnings oversight by state and federal utility commissions (collectively, the "Commissions"), which have jurisdiction over the Company's electric rates in Colorado, Montana, South Dakota and Wyoming and natural gas rates in Arkansas, Colorado, Iowa, Kansas, Nebraska and Wyoming. Management has determined it meets the requirements under accounting principles generally accepted in the United States of America to prepare its financial statements applying the specialized rules to account for the effects of cost-based rate regulation. Accounting for the economics of rate regulation impacts multiple financial statement line items and disclosures, such as property, plant, and equipment; regulatory assets and liabilities; revenue; operating expenses; and income tax benefit (expense).

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Rates are regulated on a state-by-state basis by the relevant state regulatory commissions based on an analysis of the Company's costs, as reviewed and approved in a regulatory proceeding. Rate regulation is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital. Decisions to be made by the Commissions in the future will impact the accounting for regulated operations, including decisions about the amount of allowable costs and return on invested capital included in rates and any refunds that may be required. While the Company has indicated its regulatory assets are probable of recovery in current rates or in future proceedings, there is a risk that the Commissions will not judge all costs to have been prudently incurred or that the rate regulation process in which rates are determined will not always result in rates that produce a full recovery of costs and a reasonable the return on invested capital.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management to support its assertions about impacted account balances and disclosures and the high degree of subjectivity involved in assessing the impact of future regulatory orders on the financial statements. Management judgments include assessing the likelihood of (1) recovery in future rates of incurred costs, and (2) a refund or future rate reduction to be provided to customers. Given the uncertainty of future decisions by the Commissions, auditing these judgments required specialized knowledge of accounting for rate regulation and the rate setting process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by the Commissions included the following, among others:

- We tested the effectiveness of management's controls over the evaluation of the likelihood of (1) the recovery in future rates of costs incurred as property, plant, and equipment and deferred as regulatory assets, and (2) refunds or future reductions in rates that should be reported as regulatory liabilities. We tested the effectiveness of management's controls over the initial recognition of amounts as property, plant, and equipment; regulatory assets or liabilities; and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.
- We read relevant regulatory orders issued by the Commissions, procedural memorandums, filings made by the Company, and other publicly available information, as appropriate, to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedence precedents of the Commissions' treatment of similar costs under similar circumstances. We evaluated the external information and compared it to the Company's recorded regulatory asset and liability balances for completeness and for any evidence that might contradict management's assertions.
- We obtained and evaluated an analysis from management regarding probability of recovery for regulatory assets or refund or future reduction in rates for regulatory liabilities not yet addressed in a regulatory order, as applicable, to assess management's assertion that amounts are probable of recovery or of a future reduction in rates.
- We inspected minutes of the board of directors to identify any evidence that may contradict management's assertions regarding probability of recovery or refunds. We inquired of management regarding current year rate filings and new regulatory assets or liabilities.
- We evaluated the Company's disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota

February 14, 2023 2024

We have served as the Company's auditor since 2002.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Black Hills Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Black Hills Corporation and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022 December 31, 2023, of the Company and our report dated February 14, 2023 February 14, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota

February 14, 2023 2024

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BLACK HILLS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2023	December 31, 2022	December 31, 2021
	(in thousands, except per share amounts)			(in millions, except per share amounts)		
Revenue	2,551,816	1,949,102	1,696,941	2,331.3	2,551.8	1,949.1
Operating expenses:						
Fuel, purchased power and cost of natural gas sold	1,230,550	741,934	492,404	982.9	1,230.6	741.9
Operations and maintenance	548,430	501,690	495,404	552.0	548.4	501.7
Depreciation, depletion and amortization	250,909	235,953	224,457			
Depreciation and amortization				256.8	250.9	236.0
Taxes - property and production	66,683	60,096	56,373	66.9	66.7	60.1
Total operating expenses	2,096,572	1,539,673	1,268,638	1,858.6	2,096.6	1,539.7

Operating income	455,244	409,429	428,303	472.7	455.2	409.4
Other income (expense):						
Interest expense incurred net of amounts capitalized (including amortization of debt issuance costs, premiums and discounts)	(162,584)	(154,112)	(144,931)			
Interest expense incurred net of amounts capitalized				(180.0)	(162.6)	(154.1)
Interest income	1,595	1,708	1,461	12.1	1.6	1.7
Impairment of investment	—	—	(6,859)			
Other income (expense), net	1,708	1,404	(2,293)	(3.2)	1.8	1.4
Total other income (expense)	(159,281)	(151,000)	(152,622)	(171.1)	(159.2)	(151.0)
Income before income taxes	295,963	258,429	275,681	301.6	296.0	258.4
Income tax expense	(25,205)	(7,169)	(32,918)			
Income tax (expense)				(25.6)	(25.2)	(7.2)
Net income	270,758	251,260	242,763	276.0	270.8	251.2
Net income attributable to non-controlling interest	(12,371)	(14,516)	(15,155)	(13.8)	(12.4)	(14.5)
Net income available for common stock	\$ 258,387	\$ 236,744	\$ 227,608	262.2 \$	258.4 \$	236.7
Earnings per share of common stock:						
Earnings per share, Basic	\$ 3.98	\$ 3.74	\$ 3.65	3.91 \$	3.98 \$	3.74
Earnings per share, Diluted	\$ 3.97	\$ 3.74	\$ 3.65	3.91 \$	3.97 \$	3.74
Weighted average common shares outstanding:						
Basic	64,858	63,219	62,378	67.0	64.9	63.2
Diluted	65,021	63,325	62,439	67.1	65.0	63.3

The accompanying [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

Year ended	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2023	December 31, 2022	December 31, 2021
	(in thousands)			(in millions)		
Net income	\$ 270,758	\$ 251,260	\$ 242,763	\$ 276.0	\$ 270.8	\$ 251.2

Other comprehensive income (loss), net of tax:						
Benefit plan liability adjustments - net gain (loss) (net of tax of \$(1,505), \$(664) and \$191, respectively)	4,604	1,959	(1,062)			
Reclassification adjustment of benefit plan liability - net loss (net of tax of \$(226), \$(665) and \$(958), respectively)	525	1,726	1,429			
Reclassification adjustment of benefit plan liability - prior service cost (net of tax of \$28, \$27 and \$23, respectively)	(65)	(71)	(80)			
Benefit plan liability adjustments - net gain (loss) (net of tax of \$0, \$(1.5), and \$(0.7), respectively)				(0.3)	4.6	2.0
Reclassification adjustment of benefit plan liability - net loss (net of tax of \$0, \$(0.2), and \$(0.7), respectively)				0.2	0.5	1.7
Reclassification adjustment of benefit plan liability - prior service cost (net of tax of \$0, \$0, and \$0, respectively)				—	(0.1)	(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 \$(721), \$(677) and \$(287), respectively)	2,129	2,174	2,564			
Net unrealized gains (losses) on commodity derivatives (net of tax of \$193, \$(980) and \$14, respectively)	(631)	3,023	(47)			
Reclassification of net realized (gains) losses on settled commodity derivatives (net of tax of \$663, \$502 and \$(96), respectively)	(2,045)	(1,549)	505			
Reclassification of net realized (gains) losses on settled/amortized interest rate swaps (net of tax of \$(0.7), \$(0.7), and \$(0.7), respectively)				2.2	2.1	2.2
Net unrealized gains (losses) on commodity derivatives (net of tax of \$1.1, \$0.2, and \$(1.0), respectively)				(3.6)	(0.6)	3.0
Reclassification of net realized (gains) losses on settled commodity derivatives (net of tax of \$(0.7), \$0.7, and \$0.5, respectively)				2.3	(2.0)	(1.5)
Other comprehensive income (loss), net of tax	4,517	7,262	3,309	0.8	4.5	7.3
Comprehensive income	275,275	258,522	246,072	276.8	275.3	258.5
Less: comprehensive income attributable to non-controlling interest	(12,371)	(14,516)	(15,155)	(13.8)	(12.4)	(14.5)
Comprehensive income available for common stock	\$ 262,904	\$ 244,006	\$ 230,917	\$ 263.0	\$ 262.9	\$ 244.0

See [Note 11](#) for additional disclosures related to Comprehensive Income.

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

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BLACK HILLS CORPORATION
CONSOLIDATED BALANCE SHEETS

	As of		As of	
	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
	(in thousands)		(in millions)	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 21,430	\$ 8,921	\$ 86.6	\$ 21.4
Restricted cash and equivalents	5,555	4,889	6.4	5.6
Accounts receivable, net	508,192	321,652	350.3	508.2
Materials, supplies and fuel	207,421	150,979	160.9	207.4
Derivative assets, current	582	4,373	—	0.6
Income tax receivable, net	17,637	18,017	18.5	17.6
Regulatory assets, current	260,312	270,290	175.7	260.3
Other current assets	50,579	29,012	28.2	50.6
Total current assets	1,071,708	808,133	826.6	1,071.7
Property, plant and equipment	8,374,790	7,856,573	8,917.2	8,374.8
Less accumulated depreciation and depletion	(1,576,842)	(1,407,397)	(1,797.9)	(1,576.8)
Total property, plant and equipment, net	6,797,948	6,449,176	7,119.3	6,798.0
Other assets:				
Goodwill	1,299,454	1,299,454	1,299.5	1,299.5
Intangible assets, net	9,589	10,770	8.4	9.6
Regulatory assets, non-current	392,669	526,309	304.4	392.7
Other assets, non-current	46,862	38,054	62.2	46.7
Total other assets, non-current	1,748,574	1,874,587	1,674.5	1,748.5
TOTAL ASSETS	\$ 9,618,230	\$ 9,131,896	\$ 9,620.4	\$ 9,618.2

The accompanying [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)

	As of		As of	
	December	December		
	31, 2022	31, 2021	December 31, 2023	December 31, 2022
	(in thousands, except share amounts)		(in millions, except share amounts)	
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	\$ 310,020	\$ 217,761	\$ 186.4	\$ 310.0
Accrued liabilities	243,457	244,759	293.3	243.5
Derivative liabilities, current	6,600	1,439	6.5	6.6
Regulatory liabilities, current	46,013	17,574	98.9	46.0
Notes payable	535,600	420,180	—	535.6
Current maturities of long-term debt	525,000	—	600.0	525.0
Total current liabilities	1,666,690	901,713	1,185.1	1,666.7
Long-term debt, net of current maturities	3,607,340	4,126,923	3,801.2	3,607.3
Deferred credits and other liabilities:				
Deferred income tax liabilities, net	508,941	465,388	548.0	508.9
Regulatory liabilities, non-current	472,560	485,377	467.7	472.6
Benefit plan liabilities	116,742	123,925	123.9	116.7
Other deferred credits and other liabilities	156,062	141,447	188.7	156.1
Total deferred credits and other liabilities	1,254,305	1,216,137	1,328.3	1,254.3
Commitments, contingencies and guarantees (Note 3)				
Commitments, contingencies and guarantees (Note 3)				
Equity:				
Stockholders' equity -				
Common stock \$1.00 par value; 100,000,000 shares authorized; issued: 66,140,396 and 64,793,095, respectively	66,140	64,793		
Common stock \$1.00 par value; 100,000,000 shares authorized; issued: 68,265,042 and 66,140,396, respectively			68.3	66.1
Additional paid-in capital	1,882,653	1,783,436	2,007.7	1,882.7
Retained earnings	1,064,122	962,458	1,158.2	1,064.1
Treasury stock at cost - 36,726 and 54,078, respectively	(2,435)	(3,509)		
Treasury stock at cost - 68,073 and 36,726, respectively			(4.1)	(2.4)
Accumulated other comprehensive income (loss)	(15,567)	(20,084)	(14.8)	(15.6)
Total stockholders' equity	2,994,913	2,787,094	3,215.3	2,994.9

Non-controlling interest	94,982	100,029	90.5	95.0
Total equity	3,089,895	2,887,123	3,305.8	3,089.9
TOTAL LIABILITIES AND TOTAL EQUITY	\$ 9,618,230	\$ 9,131,896	\$ 9,620.4	\$ 9,618.2

The accompanying [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

Year ended	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2023	December 31, 2022	December 31, 2021
	(in thousands)			(in millions)		
Operating activities:						
Net income	\$ 270,758	\$ 251,260	\$ 242,763	\$ 276.0	\$ 270.8	\$ 251.2
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Depreciation, depletion and amortization	250,909	235,953	224,457	256.8	250.9	236.0
Deferred financing cost amortization	9,843	6,968	7,883	10.1	9.8	7.0
Impairment of investment	—	—	6,859			
Stock compensation	8,551	9,655	5,373	7.0	8.6	9.7
Deferred income taxes	25,592	7,261	38,091	25.4	25.6	7.3
Employee benefit plans	5,459	9,590	11,997	11.5	5.5	9.6
Other adjustments, net	(4,720)	7,018	11,669	2.7	(4.7)	7.0
Change in certain operating assets and liabilities:						
Materials, supplies and fuel	(75,403)	(35,707)	2,755	51.4	(75.4)	(35.7)
Accounts receivable and other current assets	(184,448)	(43,170)	(10,843)	204.5	(184.5)	(43.2)
Accounts payable and other current liabilities	89,405	10,660	24,659	(109.9)	89.4	10.6
Regulatory assets	203,869	(514,687)	(5,047)	236.8	203.9	(514.7)
Regulatory liabilities	—	(9,533)	(10,706)	—	—	(9.5)
Contributions to defined benefit pension plans	—	—	(12,700)			
Other operating activities, net	(15,014)	167	4,653	(27.9)	(15.1)	0.1
Net cash provided by (used in) operating activities	584,801	(64,565)	541,863	944.4	584.8	(64.6)
Investing activities:						
Property, plant and equipment additions	(604,365)	(677,492)	(767,404)	(555.6)	(604.4)	(677.5)
Other investing activities	485	13,262	5,740	18.9	0.5	13.3

Net cash (used in) investing activities	(603,880)	(664,230)	(761,664)	(536.7)	(603.9)	(664.2)
Financing activities:						
Dividends paid on common stock	(156,723)	(145,023)	(135,439)	(168.1)	(156.7)	(145.0)
Common stock issued	90,044	118,979	99,278	118.3	90.1	119.0
Term Loan - borrowings	—	800,000	—	—	—	800.0
Term Loan - repayments	—	(800,000)	—	—	—	(800.0)
Net borrowings (payments) of Revolving Credit Facility and CP Program	115,420	186,140	(115,460)	(535.6)	115.4	186.1
Long-term debt - issuance	—	600,000	400,000	800.0	—	600.0
Long-term debt - repayments	—	(8,436)	(8,597)	(525.0)	—	(8.4)
Distributions to non-controlling interests	(17,418)	(15,749)	(15,839)	(18.3)	(17.4)	(15.7)
Other financing activities	931	(4,045)	(7,061)	(13.0)	0.9	(4.1)
Net cash provided by financing activities	32,254	731,866	216,882			
Net cash provided by (used in) financing activities				(341.7)	32.3	731.9
Net change in cash, restricted cash and cash equivalents	13,175	3,071	(2,919)	66.0	13.2	3.1
Cash, restricted cash and cash equivalents beginning of year	13,810	10,739	13,658	27.0	13.8	10.7
Cash, restricted cash and cash equivalents end of year	\$ 26,985	\$ 13,810	\$ 10,739	\$ 93.0	\$ 27.0	\$ 13.8
Supplemental cash flow information:						
Cash (paid) refunded during the period:						
Interest (net of amounts capitalized)	\$ (152,546)	\$ (142,685)	\$ (136,549)	\$ (157.3)	\$ (152.5)	\$ (142.7)
Income taxes	\$ 771	\$ 1,521	\$ 2,172	\$ (1.0)	\$ 0.8	\$ 1.5
Non-cash investing and financing activities:						
Accrued property, plant and equipment purchases at December 31	\$ 59,347	\$ 68,758	\$ 72,215	\$ 52.4	\$ 59.3	\$ 68.8
Increase in capitalized assets associated with asset retirement obligations	\$ 14,032	\$ 2,109	\$ 4,774	\$ 3.8	\$ 14.0	\$ 2.1

The accompanying [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

Common Stock	Treasury Stock	Common Stock	Treasury Stock

(in thousands except share amounts)					Additional		Non		Total
	Share	Value	Share	Value	Capital	Retained	Accumulated	Interest	
	s	ue	s	ue	al	ings	CI	est	al
Balance at	6								
December 31, 2019	1,480,605								2,480,605
									4
	8	6					(3		6
	0,	1,	3,				0,		4,
	6	4	9	(2	1,55	77	6		0
	5	8	5	6	2,78	8,7	5	101,	6
	8	\$ 1	\$ 6	\$ 7)	\$ 8	\$ 76	\$ 5)	\$ 946	\$ 9
Net income									2
									4
									2,
						22			7
						7,6		15,1	6
	—	—	—	—	—	08	—	55	3
Other comprehensive income, net of tax							3,		3,
							3		3
							0		0
	—	—	—	—	—	—	9	—	9
Dividends on common stock (\$2.17 per share)									(
									1
									3
									5,
						(13			4
						5,4			3
	—	—	—	—	—	39)	—	—	9)
Share-based compensation	1								
	2		2						
	3,		8,	(1					5,
	5	1	5	,8					1
	7	2	3	5	6,92				9
	8	3	6	2)	3	—	—	—	4
Issuance of common stock	1,								
	2								1
	2								0
	2,	1,							0,
	9	2							0
	4	2			98,7				0
	3	3	—	—	77	—	—	—	0

Issuance costs								(
								1,
								2
				(1,2				0
	—	—	—	03)	—	—	—	3)
Implementation								(
of ASU 2016-								2
13 Financial								0
Instruments -					(20			7)
Credit Losses	—	—	—	—	—	7)	—	—
Distributions to								(
non-controlling								1
interest								5,
								8
							(15,	3
	—	—	—	—	—	—	839)	9)

(in millions except share amounts)										Non									
										Shares	Value	Shares	Value	Additional Paid in Capital	Retained Earnings	AOCI	Non controlling Interest	Total	
Balance at December 31, 2020	6																		
	2,									2,									
	8									6									
	2	6	3					(2	6										
	7,	2,	2,	(2					7,	2,									
	1	8	4	,1	1,65	87	3	6											
	7	2	9	1	7,28	0,7	4	101,	4										
	9	\$ 7	\$ 2	\$ 9)	\$ 5	\$ 38	\$ 6)	\$ 262	\$ 7	62,827,179	\$ 62.8	32,492	\$ (2.1)	\$ 1,657.3	\$ 870.7	\$ (27.4)	\$ 101.2	\$ 2,662.5	
Net income																			
Other comprehensive income, net of tax	—	—	—	—	—	44	—	16	0	—	—	—	—	—	236.7	—	14.5	251.2	
Dividends on common stock (\$2.29 per share)																			
	—	—	—	—	—	23)	—	—	3)	—	—	—	—	—	(145.0)	—	—	(145.0)	

Share-based compensation	1																				
	5	2																			
	3,	1,		(1						8,											
	7	1	5	,3						0											
	1	5	8	9	9,25						2										
	9	4	6	0)	6	—	—	—	0	153,719	0.2	21,586	(1.4)		9.2	—	—	—	8.0		
Issuance of common stock	1,																				
	8									1											
	1									1											
	2,	1,								9,											
	1	8								9											
	9	1	118,								2										
Issuance costs	7	2	—	—	112	—	—	—	4	1,812,197	1.8	—	—	118.1	—	—	—	119.9			
	(																				
Other	1,																				
	2																				
Distributions to non-controlling interest	(1,2																				
	17)																				
Other	—	—	—	—	17)	—	—	—	7)	—	—	—	—	(1.2)	—	—	—	(1.2)			
	(																				
Distributions to non-controlling interest	—	—	—	—	—	(1)	—	—	1)												
	(																				
Distributions to non-controlling interest	1																				
	5,																				
Distributions to non-controlling interest	7																				
	4																				
Distributions to non-controlling interest	(15,																				
	—	—	—	—	—	—	—	749)	9)	—	—	—	—	—	—	—	(15.7)	(15.7)			
Balance at December 31, 2021	6																				
	4,									2,											
	7									8											
	9	6	5					(2		8											
	3,	4,	4,	(3						0,		7,									
	0	7	0	,5	1,78	96	0			1											
	9	9	7	0	3,43	2,4	8	100,	2												
5	\$ 3	8	\$ 9)	\$ 6	\$ 58	\$ 4)	\$ 029	\$ 3	64,793,095	\$ 64.8	54,078	\$(3.5)		\$ 1,783.4	\$ 962.4	\$(20.1)	\$ 100.0	\$ 2,887.0			
Net income	2																				
	7																				
	0,																				
	7																				
Other comprehensive income, net of tax	25																				
	8,3									12,3		5									
	—	—	—	—	—	87	—	71	8	—	—	—	—	—	258.4	—	12.4	270.8			
	4,									4,											
Other comprehensive income, net of tax	5									5											
	1									1											
Other comprehensive income, net of tax	—	—	—	—	—	—	7	—	7	—	—	—	—	—	—	4.5	—	4.5			

[illegible]

Dividends on common stock (\$2.50 per share)	—	—	—	—	—	(168.1)	—	—	(168.1)
Share-based compensation	93,257	0.1	31,347	(1.7)	8.8	—	—	—	7.2
Issuance of common stock	2,031,389	2.1	—	—	117.9	—	—	—	120.0
Issuance costs	—	—	—	—	(1.7)	—	—	—	(1.7)
Distributions to non-controlling interest	—	—	—	—	—	—	—	(18.3)	(18.3)
Balance at 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

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

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BLACK HILLS CORPORATION Notes to Consolidated Financial Statements December 31, 2023, 2022 2021 and 2020 2021

(1) BUSINESS DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

Business Description

Black Hills Corporation is a customer-focused, growth-oriented utility company headquartered in Rapid City, South Dakota. We are a holding company that, through our subsidiaries, conducts our operations through the following reportable segments: Electric Utilities and Gas Utilities. Certain unallocated corporate expenses that support our operating segments are presented as Corporate and Other.

Use of Estimates and Basis of Presentation

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in facts and circumstances or additional information may result in revised estimates and actual results could differ materially from those estimates.

COVID-19 Pandemic

In March 2020, the World Health Organization categorized COVID-19 as a pandemic and the President of the United States declared the outbreak a national emergency. The U.S. government has deemed electric and natural gas utilities to be critical infrastructure sectors that provide essential services during this emergency. As a provider of essential services, the Company has an obligation to provide services to our customers. The Company remains focused on protecting the health of our customers, employees and the communities in which we operate while assuring the continuity of our business operations.

The Company's Consolidated Financial Statements reflect estimates and assumptions made by management that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenue and expenses during the reporting periods presented. The Company considered the impacts of COVID-19 on the assumptions and estimates used and determined that, for the years ended December 31, 2022, 2021 and 2020, there were no material adverse impacts on the Company's results of operations.

Principles of Consolidation

The consolidated financial statements include the accounts of Black Hills Corporation and its wholly-owned and majority-owned and controlled subsidiaries. Furthermore, VIEs in which the Company has an ownership interest and is the primary beneficiary, thus controlling the VIE, have been consolidated. All intercompany balances and transactions have been eliminated in consolidation. For additional information on intercompany revenues, see [Note 16](#).

Our Consolidated Statements of Income include operating activity of acquired companies beginning with their acquisition date. We use the proportionate consolidation method to account for our ownership interest in any jointly-owned electric utility generation facility, wind farm or transmission tie facility. See [Note 6](#) for additional information.

Non-controlling Interests

We account for changes in our controlling interests of subsidiaries according to ASC 810, *Consolidation*. ASC 810 requires that the Company record such changes as equity transactions, recording no gain or loss on such a sale. GAAP requires that non-controlling interests in subsidiaries and affiliates be reported in the equity section of a company's balance sheet. In addition, the amounts attributable to the non-controlling interest net income (loss) of those subsidiaries are reported separately in the consolidated statements of income and comprehensive income. See [Note 12](#) for additional information.

Variable Interest Entities

We evaluate arrangements and contracts with other entities to determine if they are VIEs and if we are the primary beneficiary. GAAP provides a framework for identifying VIEs and determining when a company should include the assets, liabilities, non-controlling interest and results of activities of a VIE in its consolidated financial statements.

A VIE should be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) has the power to direct the VIE's most significant activities and the obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE's assets, liabilities and non-controlling interests at fair value and subsequently account for the VIE as if it were consolidated.

Our evaluation of whether our interest qualifies as the primary beneficiary of a VIE involves significant judgments, estimates and assumptions and includes a qualitative analysis of the activities that most significantly impact the VIE's economic performance and whether the Company has the power to direct those activities, the design of the entity, the rights of the parties and the purpose of the arrangement. Black Hills Colorado IPP is a VIE. See additional information in [Note 12](#) for additional information.

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Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. We maintain cash accounts for various specified purposes, which are classified as restricted cash.

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Revenue Recognition

Our revenue contracts generally provide for performance obligations that are fulfilled and transfer control to customers over time, represent a series of distinct services that are substantially the same, involve the same pattern of transfer to the customer and provide a right to consideration from our customers in an amount that corresponds directly with the value to the customer for the performance completed to date. Therefore, we recognize revenue in the amount to which we have a right to invoice. Our primary types of revenue contracts are:

- Regulated natural gas and electric utility services tariffs - Our Utilities have regulated operations, as defined by ASC 980, *Regulated Operations*, that provide services to regulated customers under tariff rates, charges, terms and conditions of service and prices determined by the jurisdictional regulators designated for our service territories. Our regulated services primarily encompass single performance obligations for delivery of either commodity natural gas, commodity electricity, natural gas transportation or electric transmission services. These service revenues are variable based on quantities delivered, influenced by seasonal business and weather patterns. Tariffs are only permitted to be changed through a rate-setting process involving the state or federal regulatory commissions to establish contractual rates between the utility and its customers. All of our Utilities' regulated sales are subject to regulatory-approved tariffs.
- Power sales agreements - Our Electric Utilities segment has long-term wholesale power sales agreements with other load-serving entities, including affiliates, for the sale of excess power from owned generating units. These agreements include a combination of "take or pay" arrangements, where the customer is obligated to pay for the energy regardless of whether it actually takes delivery, as well as "requirements only" arrangements, where the customer is only obligated to pay for the energy the customer needs. In addition to these long-term contracts, we also sell excess energy to other load-serving entities on a short-term basis. The pricing for all of these arrangements is included in the executed contracts or confirmations, reflecting the standalone selling price and is variable based on energy delivered. Certain energy sale and purchase transactions with the same counterparty and at the same delivery point are netted to reflect the economic substance of the arrangement.

The majority of our revenue contracts are based on variable quantities delivered. Any fixed consideration contracts with an expected duration of one year or more are immaterial to our consolidated revenues. Variable consideration constraints in the form of discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties or other similar items are not material for our revenue contracts. We are the principal in our revenue contracts, as we have control over the services prior to those services being transferred to the customer.

Revenue Not in Scope of ASC 606

Other revenues included in the tables in [Note 4](#) include our revenue accounted for under separate accounting guidance, including lease revenue under ASC 842, *Leases*, derivative revenue under ASC 815, *Derivatives and Hedging*, and alternative revenue programs revenue under ASC 980, *Regulated Operations*.

Significant Judgments and Estimates

Unbilled Revenue

To the extent that deliveries have occurred, but a bill has not been issued, our Utilities accrue an estimate of the revenue since the latest billing. This estimate is calculated based upon several factors including billings through the last billing cycle in a month and prices in effect in our jurisdictions. Each month, the estimated unbilled revenue amounts are true-up and recorded in Accounts receivable, net on the accompanying Consolidated Balance Sheets.

Contract Balances

The nature of our primary revenue contracts provides an unconditional right to consideration upon service delivery; therefore, no customer contract assets or liabilities exist. The unconditional right to consideration is represented by the balance in our Accounts receivable, which is further discussed below.

Additional information is included in See [Note 4](#) for additional information.

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Accounts Receivable and Allowance for Credit Losses

Accounts receivable for our Electric and Gas Utilities business segments primarily consists of sales to residential, commercial, industrial, transportation and other customers, all of which do not bear interest. These accounts receivable are stated at billed and estimated unbilled amounts, net of allowance for credit losses. Accounts receivable for our power generation losses, and mining businesses consists of amounts due from sales of electric energy and capacity and coal primarily to affiliates or regional utilities. do not bear interest. We maintain an allowance for credit losses which reflects our estimate of uncollectible trade receivables. We regularly review our trade receivable allowance by considering such factors as historical experience, credit worthiness, the age of the receivable balances and current economic conditions that may affect collectability.

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In specific cases where we are aware of a customer's inability or reluctance to pay, we record an allowance for credit losses to reduce the net receivable balance to the amount we reasonably expect to collect. However, if circumstances change, our estimate of the recoverability of accounts receivable could be affected. Circumstances which could affect our estimates include, but are not limited to, customer credit issues, expected losses, the level of commodity prices, customer deposits and general economic conditions. Accounts are written off once they are deemed to be uncollectible or the time allowed for dispute under the contract has expired.

We utilize master netting agreements which consist of an agreement between two parties who have multiple contracts with each other that provide for the net settlement of all contracts in the event of default on or termination of any one contract. When the right of offset exists, accounting standards permit the netting of receivables and payables under a legally enforceable master netting agreement between counterparties. Accounting standards also permit offsetting of fair value amounts recognized for the right to reclaim, or the obligation to return, cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty.

Following is a summary of accounts receivable as of December 31 (in thousands) millions):

	2022	2021
Billed Accounts Receivable	\$ 267,571	\$ 181,027
Unbilled Revenue	243,574	142,738
Less Allowance for Credit Losses	(2,953)	(2,113)
Accounts Receivable, net	\$ 508,192	\$ 321,652
	2023	2022

Billed Accounts Receivable	\$	198.5	\$	267.6
Unbilled Revenue		154.0		243.6
Less Allowance for Credit Losses		(2.2)		(3.0)
Accounts Receivable, net	\$	350.3	\$	508.2

Changes to allowance for credit losses for the years ended December 31, were as follows (in **thousands** **millions**):

		Balance at		Additions				Balance at
		Beginning of Year		Charged to Costs and Expenses		Recoveries and Other Additions	Write-offs and Other Deductions	End of Year
2022	\$	2,113	\$	9,110	\$	3,529	\$ (11,799)	\$ 2,953
2021	\$	7,003	\$	2,444	\$	3,560	\$ (10,894)	\$ 2,113
2020	\$	2,444	\$	8,927	\$	4,728	\$ (9,096)	\$ 7,003

		Balance at		Additions				Balance at
		Beginning of Year		Charged to Costs and Expenses		Recoveries and Other Additions	Write-offs and Other Deductions	End of Year
2023	\$	3.0	\$	8.7	\$	4.1	\$ (13.6)	\$ 2.2
2022	\$	2.1	\$	9.1	\$	3.5	\$ (11.7)	\$ 3.0
2021	\$	7.0	\$	2.4	\$	3.6	\$ (10.9)	\$ 2.1

Materials, Supplies and Fuel

The following amounts by major classification are included in Materials, supplies and fuel on the accompanying Consolidated Balance Sheets as of December 31 (in **thousands**):

	2022	2021
Materials and supplies	\$ 99,734	\$ 86,400
Fuel	3,115	1,267
Natural gas in storage	104,572	63,312
Total materials, supplies and fuel	\$ 207,421	\$ 150,979

Materials and supplies represent parts and supplies for **our** business **segments**. **operations**. Fuel represents diesel oil and gas used by our **Electric Utilities** **electric** **generating facilities** to produce power. Natural gas in storage primarily represents gas purchased for use by our gas customers. All of our Materials, supplies and fuel are recorded using the weighted-average cost method and are valued at the lower-of-cost or net realizable value. The value of our natural gas in storage fluctuates with seasonal volume requirements of our business and the commodity price of natural gas.

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[Table](#) [The following amounts by major classification are included in Materials, supplies and fuel on the accompanying Consolidated Balance Sheets as of](#)
[Contents](#) [December 31 \(in millions\):](#)

	2023	2022
Materials and supplies	\$ 105.9	\$ 99.7
Fuel	7.7	3.1
Natural gas in storage	47.3	104.6
Total materials, supplies and fuel	\$ 160.9	\$ 207.4

Property, Plant and Equipment

Property, plant and equipment are stated at cost, which includes construction-related direct labor and material costs, indirect construction costs including labor and related costs of departments associated with supporting construction activities, and AFUDC. Additions to and significant replacements of property are charged to property, plant and equipment at cost. We also classify our Cushion Gas as Property, plant and equipment. Ordinary repairs and maintenance of property, except as allowed under rate regulations, are charged to operations as incurred.

We receive contributions in aid of construction (CIACs) from third parties that are generally intended to defray all or a portion of the costs for certain capital projects. Such CIAC costs are recorded at cost, as a reduction to Property, plant, and equipment.

The cost of regulated utility property, plant and equipment retired, or otherwise disposed in the ordinary course of business, less salvage plus retirement costs, is charged to accumulated depreciation. Estimated removal costs related to our regulated properties that do not have legal retirement obligations are reclassified from accumulated depreciation and reflected as regulatory liabilities. Retirement or disposal of all other operating assets result in gains or losses recognized as a reduction to Operations and maintenance expense.

See [Note 5](#) for additional information.

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Depreciation

Depreciation provisions for property, plant and equipment are generally computed on a straight-line basis based on the applicable estimated service life of the various classes of property. The composite depreciation method is applied to regulated utility property. Depreciation studies are conducted periodically to update composite rates and are approved by state utility commissions and/or the FERC when required. Capitalized mining costs and coal leases are amortized on a unit-of-production method based on volumes produced and estimated reserves. For certain non-regulated power plant components, depreciation is computed on a unit-of-production methodology based on plant hours run.

AFUDC

Included in the cost of regulated construction projects is AFUDC, when applicable, which represents the approximate composite cost of borrowed funds and a return on equity used to finance a regulated utility project. The following table presents AFUDC amounts (in **thousands** millions) for the years ended December 31:

	Income Statement Location	Income Statement			2023	2022	2021
		2022	2021	2020			
AFUDC	Interest expense incurred net of amounts capitalized	5	4	5			
	(including amortization of debt issuance costs, premiums and discounts)	\$ 6	\$ 0	\$ 6	\$ 6.0	\$ 5.6	\$ 4.1
		3	6	1			
		8	8	7			
	Interest expense incurred, net of amounts capitalized						

AFUD									
C		6	5	3					
Equit	Other income	4	9	1					
y	(expense), net	4	3	8	Other income (expense), net		0.4	0.6	0.6

We also capitalize interest, when applicable, on undeveloped leasehold costs and certain non-regulated construction projects. In addition, asset retirement costs associated with tangible long-lived regulated utility assets are recognized as liabilities with an increase to the carrying amounts of the related long-lived regulated utility assets in the period incurred. The amounts capitalized are included in Property, plant and equipment on the accompanying Consolidated Balance Sheets. We also classify our Cushion Gas as Property, plant and equipment.

The cost of regulated utility property, plant and equipment retired, or otherwise disposed in the ordinary course of business, less salvage plus retirement costs, is charged to accumulated depreciation. Estimated removal costs related to our regulated properties that do not have legal retirement obligations are reclassified from accumulated depreciation and reflected as regulatory liabilities. Retirement or disposal of all other assets result in gains or losses recognized as a component of operating income. Ordinary repairs and maintenance of property, except as allowed under rate regulations, are charged to operations as incurred. Depreciation provisions for property, plant and equipment are generally computed on a straight-line basis based on the applicable estimated service life of the various classes of property. The composite depreciation method is applied to regulated utility property. Capitalized mining costs and coal leases are amortized on a unit-of-production method based on volumes produced and estimated reserves. For certain non-regulated power plant components, depreciation is computed on a unit-of-production methodology based on plant hours run.

See [Note 5](#) for additional information.

Asset Retirement Obligations

Accounting standards for AROs associated with long-lived assets require that the present value of retirement costs for which we have a legal obligation be recorded as liabilities with an equivalent amount added to the asset cost and depreciated over an appropriate period. The associated ARO accretion expense for our non-regulated operations, and regulated operations without a corresponding recovery mechanism, is included within Depreciation, depletion and amortization on the accompanying Consolidated Statements of Income. The accounting for the obligation for regulated operations with a regulatory mechanism has no income statement impact due to the deferral of the adjustments through the establishment of a regulatory asset or a regulatory liability.

We initially record liabilities for the present value of retirement costs for which we have a legal obligation, with an equivalent amount added to the asset cost. The asset is then depreciated or depleted over the appropriate useful life and the liability is accreted over time by applying an interest method of allocation. Any difference in the actual cost of the settlement of the liability and the recorded amount is recognized as a gain or loss in the results of operations at the time of settlement for our non-regulated operations. Additional information is included in [See Note 7](#) for additional information.

Goodwill and Intangible Assets

Goodwill and intangible assets with indefinite lives are not amortized, but the carrying values are reviewed upon an indicator of impairment or at least annually. Intangible assets with a finite life are amortized over their estimated useful lives.

We perform a goodwill impairment test on an annual basis or upon the occurrence of events or changes in circumstances that indicate that the asset might be impaired. Our annual goodwill impairment testing date is as of October 1, which aligns our testing date with our financial planning process.

The Company has determined that the reporting units for its goodwill impairment test are its operating segments, or components of an operating segment.

Our goodwill impairment analysis includes an income approach and a market approach to estimate the fair value of our reporting units. This analysis requires the input These valuations require significant judgments, including, but not limited to: 1) estimates of several critical future cash flows, based on our internal five-year business plans and adjusted as appropriate for our view of market participant assumptions, including future with long range cash flows estimated using a terminal value calculation; 2) estimates of long-term growth rates cash flow projections, operating cost escalation rates, rates for our businesses; 3) the determination of return, a risk-adjusted discount rate, timing and level of success in regulatory rate proceedings, the an appropriate weighted-average cost of debt capital or discount rate; and equity capital, long-term earnings and merger multiples 4) the utilization of market information such as recent sales transactions for comparable companies. assets within the utility and energy industries.

We believe that goodwill reflects the inherent value of the relatively stable, long-lived cash flows of our Utilities businesses, considering the regulatory environment, and the long-lived cash flow and rate base growth opportunities at our Utilities, and those businesses vertically integrated. Goodwill amounts have not changed since 2016.

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As of December 31, 2022 December 31, 2023 and 2021, 2022, Goodwill balances were as follows (in thousands) millions):

	Electric Utilities		Gas Utilities		Total
Goodwill	\$	257,244	\$	1,042,210	\$ 1,299,454

	Electric Utilities		Gas Utilities		Total
Goodwill	\$	257.3	\$	1,042.2	\$ 1,299.5

Our intangible assets represent contract intangibles, easements, rights-of-way, customer listings and trademarks. The finite-lived intangible assets are amortized using a straight-line method based on estimated useful lives; these assets are currently being amortized from 32 years to 3741 years. Changes to intangible assets for the years ended December 31, were as follows (in thousands) millions):

	2022	2021	2020	2023	2022	2021
Intangible assets, net, beginning balance	\$ 10,770	\$ 11,944	\$ 13,266	\$ 9.6	\$ 10.8	\$ 11.9
Amortization expense (a)	(1,181)	(1,174)	(1,322)	(1.2)	(1.2)	(1.1)
Intangible assets, net, ending balance	\$ 9,589	\$ 10,770	\$ 11,944	\$ 8.4	\$ 9.6	\$ 10.8

(a) Amortization expense for existing intangible assets is expected to be \$1.2 million for each year of the next five years.

Accrued Liabilities

The following amounts by major classification are included in Accrued liabilities on the accompanying Consolidated Balance Sheets as of December 31 (in thousands) millions):

	2022	2021
Accrued employee compensation, benefits and withholdings	\$ 62,890	\$ 74,387

Accrued property taxes	52,430	50,874
Customer deposits and prepayments	47,655	48,814
Accrued interest	33,798	33,680
Other (none of which is individually significant)	46,684	37,004
Total accrued liabilities	\$ 243,457	\$ 244,759
	2023	2022
Accrued employee compensation, benefits and withholdings	\$ 74.8	\$ 62.9
Accrued property taxes	52.7	52.4
Customer deposits and prepayments	76.0	47.7
Accrued interest	46.3	33.8
Other (none of which is individually significant)	43.5	46.7
Total accrued liabilities	\$ 293.3	\$ 243.5

Fair Value Measurements

Financial Instruments

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.

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.

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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.

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[Valuation Methodologies for Derivatives](#)

The wholesale electric energy and natural gas commodity contracts for our Utilities 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 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 **CVA 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.

Additional information on fair value measurements is included in See [Notes 10](#) and [13](#) for additional information.

Derivatives and Hedging Activities

All our derivatives are measured at fair value and recognized as either assets or liabilities on the Consolidated Balance Sheets, except for derivative contracts that qualify for and are elected under the normal purchase and normal sales exception. Normal purchases and normal sales are contracts where physical delivery is probable, quantities are expected to be used or sold in the normal course of business over a reasonable amount of time and pricing is clearly and closely related to the asset being purchased or sold. Normal purchase and sales contracts are recognized when the underlying physical transaction is completed under the accrual basis of accounting.

In addition, certain derivative contracts approved by regulatory authorities are either recovered or refunded through customer rates. Any changes in the fair value of these approved derivative contracts are deferred as a regulatory asset or regulatory liability pursuant to ASC 980, *Regulated Operations*.

We also have some derivatives that qualify for hedge accounting and are designated as cash flow hedges. The gain or loss on these designated derivatives is deferred in AOCI and reclassified into earnings when the corresponding hedged transaction is recognized in earnings. Changes in the fair value of all other derivative contracts are recognized in earnings.

We utilize master netting agreements which consist of an agreement between two parties who have multiple contracts with each other that provide for the net settlement of all contracts in the event of default on or termination of any one contract. When the right of offset exists, accounting standards permit the netting of receivables and payables under a legally enforceable master netting agreement between counterparties. Accounting standards also permit offsetting of fair value amounts recognized for the right to reclaim, or the obligation to return, cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty. We reflect the offsetting of net derivative positions with fair value amounts for cash collateral with the same counterparty when a legal right of offset exists. Therefore, the gross amounts are not indicative of either our actual credit or net economic exposures.

The cash impacts of settled derivatives are recorded as operating activities on the Consolidated Statements of Cash Flows.

See **additional information in [Notes 9](#), [10](#) and [11](#) for additional information.**

Debt Discounts, Premiums and Deferred Financing Costs

Deferred financing costs include loan origination fees, underwriter fees, legal fees and other costs directly attributable to the issuance of debt. **Deferred Debt discounts, premiums and deferred** financing costs are amortized over the estimated useful life of the related debt. **These Unamortized discounts, premiums and deferred financing** costs are presented on the balance sheet as an adjustment to the related debt liabilities. See **additional information in [Note 8](#) for additional information.**

Regulatory Accounting

Our regulated **Electric Utilities and Gas** Utilities are subject to cost-of-service regulation and earnings oversight from federal and state regulatory commissions. Our **Electric and Gas** Utilities account for income and expense items in accordance with accounting standards for regulated operations. These accounting policies differ in some respects from those used by our non-regulated businesses. Under these regulated operations accounting standards:

- Certain costs, which would otherwise be charged to expense or OCI, are deferred as regulatory assets based on the expected ability to recover the costs in future rates.

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- Certain credits, which would otherwise be reflected as income or OCI, are deferred as regulatory liabilities based on the expectation the amounts will be returned to customers in future rates, or because the amounts were collected in rates prior to the costs being incurred.

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Management continually assesses the probability of future recoveries and obligations associated with regulatory assets and liabilities. Factors such as the current regulatory environment, recently issued rate orders, and historical precedents are considered. As a result, we believe that the accounting prescribed under rate-based regulation remains appropriate and our regulatory assets are probable of recovery in current rates or in future rate proceedings.

If changes in the regulatory environment occur, we may no longer be eligible to apply this accounting treatment and may be required to eliminate regulatory assets and liabilities from our balance sheet. Such changes could adversely affect our results of operations, financial position or cash flows.

See [Note 2](#) for further additional information.

Income Taxes

The Company is subject to federal income tax as well as income tax in various state and local jurisdictions. The Company and its subsidiaries file consolidated federal income tax returns. Each entity subsidiary records both federal and state income taxes as if it were a separate taxpayer and consolidating expense adjustments are allocated to the subsidiaries based on separate company computations of taxable income or loss.

We use the asset and liability method in accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized at currently enacted income tax rates, to reflect the tax effect of temporary differences between the financial and tax basis of assets and liabilities as well as operating loss and tax credit carryforwards. Such temporary differences are the result of provisions in the income tax law that either require or permit certain items to be reported on the income tax return in a different period than they are reported in the financial statements.

It is our policy to apply the flow-through method of accounting for ITCs. Under the flow-through method, ITCs are reflected in net income as a reduction to income tax expense in the year they qualify. An exception to this general policy is the deferral method, which applies to our regulated businesses. Such a method results in the ITC being amortized as a reduction to income tax expense over the estimated useful lives of the underlying property that gave rise to the credit.

We recognize interest income or interest expense and penalties related to income tax matters in Income tax expense on the Consolidated Statements of Income.

We have elected to account for transferable clean energy tax credits, including PTCs and ITCs within the provision for income taxes.

We account for uncertainty in income taxes recognized in the financial statements in accordance with the accounting standards for income taxes. The unrecognized tax benefit is classified in Other deferred credits and other liabilities or in Deferred income tax liabilities, net on the accompanying Consolidated Balance Sheets. See [Note 15](#) for additional information.

Earnings per Share of Common Stock

Basic earnings per share is computed by dividing Net income available for common stock by the weighted average number of common shares outstanding during each year. Diluted earnings per share is computed by including all dilutive common shares outstanding during each year. Diluted common shares are primarily due to equity units, outstanding stock options, restricted stock and performance shares under our equity compensation plans.

A reconciliation of share amounts used to compute earnings per share is as follows for the years ended December 31 (in [thousands](#)) millions, except earnings per share amounts):

	2022	2021	2020
Net income available for common stock	\$ 258,387	\$ 236,744	\$ 227,608
Weighted average shares - basic	64,858	63,219	62,378
Dilutive effect of:			
Equity compensation	163	106	61
Weighted average shares - diluted	65,021	63,325	62,439
Net income available for common stock, per share - Diluted	\$ 3.97	\$ 3.74	\$ 3.65

	2023	2022	2021
Net income available for common stock	\$ 262.2	\$ 258.4	\$ 236.7
Weighted average shares - basic	67.0	64.9	63.2
Dilutive effect of equity compensation	0.1	0.1	0.1
Weighted average shares - diluted	67.1	65.0	63.3
Net income available for common stock, per share - Diluted	\$ 3.91	\$ 3.97	\$ 3.74

The following securities were excluded from the diluted earnings per share computation for the years ended December 31 because of their anti-dilutive nature (in [thousands](#)): nature:

	2022	2021	2020	2023	2022	2021
Equity compensation	-	13	60	46,275	—	13,101
Anti-dilutive shares excluded from computation of earnings per share	-	13	60	46,275	—	13,101

Non-controlling Interests

We account for changes in our controlling interests of subsidiaries according to ASC 810, *Consolidation*. ASC 810 requires that the Company record such changes as equity transactions, recording no gain or loss on such a sale. GAAP requires that non-controlling interests in subsidiaries and affiliates be reported in the equity section of a company's balance sheet. In addition, the amounts attributable to the non-controlling interest net income (loss) of those subsidiaries are reported separately in the consolidated statements of income and comprehensive income. See [Note 12](#) for additional detail on non-controlling interests.

Share-Based Compensation

We account for our share-based compensation arrangements in accordance with ASC 718, *Compensation-Stock Compensation*, by recognizing compensation costs for all share-based awards over the respective service period for employee services received in exchange for an award of equity or equity-based compensation. Awards that will be settled in stock are accounted for as equity and the compensation expense is based on the grant date fair value. Awards that are settled in cash are accounted for as liabilities and the compensation expense is re-measured each period based on the current market price and performance achievement measures. See [additional information in Note 14](#) for additional information.

Pension and Other Postretirement Plans

We recognize on our Consolidated Balance Sheets an asset or liability reflecting the funded status of pension and other postretirement plans with current-year changes in actuarial gains or losses recognized in AOCI, except for those plans at certain of our regulated utilities that can recover portions of their pension and postretirement obligations through future rates. All plan assets are recorded at fair value. We follow the measurement date provisions of ASC 715, *Compensation-Retirement Benefits*, which require a year-end measurement date of plan assets and obligations for all defined benefit plans.

Recently Issued Accounting Standards

[Facilitation of the Effects of Reference Rate Reform on Financial Reporting](#), [Improvements to Reportable Segment Disclosures](#), ASU 2020-04 2023-07

In March 2020, November 2023, the FASB issued ASU 2020-04, 2023-07, *Reference Rate Reform (Topic 848): Facilitation Improvements to Reportable Segment Disclosures*, which expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly reviewed by the Effects CODM and included within each reported measure of Reference Rate Reform 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 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 is effective for our Annual Report on Financial Reporting Form 10-K for the fiscal year ended December 31, 2024, which was subsequently amended by ASU 2021-01 and ASU 2022-06. The standard provides relief for companies preparing for discontinuation of interest rates, such as LIBOR, and allows optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update are elective and are effective upon the ASU issuance through December 31, 2024. We are currently evaluating if we will apply the optional guidance as we assess the impact of the discontinuance of LIBOR on our current arrangements, subsequent interim periods, with early adoption permitted. We do not expect the ASU to have a material 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 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 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 as of December 31 (in **thousands** **millions**):

	2022	2021	2023	2022
Regulatory assets				
Winter Storm Uri ^(a)	\$ 347,980	\$ 509,025	\$ 199.6	\$ 348.0
Deferred energy and fuel cost adjustments ^(b)	72,580	59,973	55.1	72.6
Deferred gas cost adjustments ^(b)	12,147	9,488	4.1	12.2
Gas price derivatives ^(b)	8,793	2,584	5.1	8.8
Deferred taxes on AFUDC ^(b)	7,333	7,457	7.1	7.3
Employee benefit plans and related deferred taxes ^(c)	89,259	88,923	89.3	89.3
Environmental ^(b)	1,343	1,385	2.9	1.3
Loss on reacquired debt ^(b)	19,213	21,011	17.4	19.2
Deferred taxes on flow-through accounting ^(b)	69,529	63,243	74.7	69.5
Decommissioning costs ^(b)	3,472	5,961	2.4	3.5
Other regulatory assets ^(b)	21,332	27,549	22.4	21.3
Total regulatory assets	652,981	796,599	480.1	653.0
Less current regulatory assets	(260,312)	(270,290)	(175.7)	(260.3)
Regulatory assets, non-current	\$ 392,669	\$ 526,309	\$ 304.4	\$ 392.7
Regulatory liabilities				
Deferred energy and gas costs ^(b)	\$ 24,030	\$ 6,113	\$ 88.9	\$ 41.7
Employee benefit plan costs and related deferred taxes ^(c)	34,258	32,241		
Employee benefit plans and related deferred taxes ^(c)			36.2	38.9
Cost of removal ^(b)	175,614	179,976	181.9	175.6
Excess deferred income taxes ^(c)	254,833	264,042	247.1	254.8
Other regulatory liabilities ^(c)	29,838	20,579	12.5	7.6
Total regulatory liabilities	518,573	502,951	566.6	518.6
Less current regulatory liabilities	(46,013)	(17,574)	(98.9)	(46.0)
Regulatory liabilities, non-current	\$ 472,560	\$ 485,377	\$ 467.7	\$ 472.6

- (a) Timing of Winter Storm Uri incremental cost recovery and associated carrying costs vary by jurisdiction. See further information below.
(b) **Recovery** **Recovery/repayment** of costs, but we are not allowed a rate of return.
(c) In addition to recovery or repayment of costs, we are allowed a return on a portion of this amount or a reduction in rate base.

Regulatory assets represent items we expect to recover from customers through probable future rates.

Winter Storm Uri - See discussion below for Our Utilities have received commission approval to recover incremental fuel, purchased power and natural gas costs associated with Winter Storm Uri. In certain jurisdictions, we also received commission approval to recover carrying costs. As of December 31, 2023, we estimate

that our remaining Winter Storm Uri regulatory asset information, has a weighted-average recovery period of 2.2 years.

Deferred Energy and Fuel Cost Adjustments - Deferred energy and fuel cost adjustments represent the cost of electricity delivered to our Electric Utilities' customers that is either higher or lower than the current rates and will be recovered or refunded in future rates. Deferred energy and fuel cost adjustments are recorded and recovered or amortized as approved by the appropriate state regulatory commission. Our Electric Utilities file periodic quarterly, semi-annual and/or annual filings to recover these costs based on the respective cost mechanisms approved by their applicable state regulatory commissions.

Deferred Gas Cost Adjustments - Our regulated Gas Utilities have GCA provisions that allow them to pass the cost of gas on to their customers. The GCA is based on forecasts of the upcoming gas costs and recovery or refund of prior under-recovered or over-recovered costs. To the extent that gas costs are under-recovered or over-recovered, they are recorded as a regulatory asset or liability, respectively. Our Gas Utilities file periodic monthly, quarterly, semi-annual and/or annual filings to recover these costs based on the respective cost mechanisms approved by their applicable state regulatory commissions.

Gas Price Derivatives - Our regulated Gas Utilities, as allowed or required by state regulatory commissions, have entered into certain exchange-traded natural gas futures and options to reduce our customers' underlying exposure to fluctuations in gas prices. Gas price derivatives represent our unrealized positions on our commodity contracts supporting our utilities. Gas price derivatives at December 31, 2022 December 31, 2023 are hedged over a maximum forward term of two years.

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Deferred Taxes on AFUDC - The equity component of AFUDC is considered a permanent difference for tax purposes with the tax benefit being flowed through to customers as prescribed or allowed by regulators. If, based on a regulator's action, it is probable the utility will recover the future increase in taxes payable represented by this flow-through treatment through a rate revenue increase, a regulatory asset is recognized. This regulatory asset is a temporary difference for which a deferred tax liability must be recognized. Accounting standards for income taxes specifically address AFUDC-equity and require a gross-up of such amounts to reflect the revenue requirement associated with a rate-regulated environment.

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Employee Benefit Plans and Related Deferred Taxes - Employee benefit plans include the unrecognized prior service costs and net actuarial loss associated with our defined benefit pension plan and post-retirement benefit plans in regulatory assets rather than in AOCI. In addition, this regulatory asset includes the income tax effect of the adjustment required under accounting for compensation - defined benefit plans, to record the full pension and post-retirement benefit obligations. Such income tax effect has been grossed-up to account for the revenue requirement associated with a rate regulated environment.

Environmental - Environmental costs associated with certain former manufactured gas plant sites. These costs are first offset by recognition of insurance proceeds and settlements with other third parties. Any remaining cost will be requested for recovery in future rate filings. Recovery for these specific environmental costs has not yet been approved by the applicable state regulatory commission and therefore, the recovery period is unknown at this time.

Loss on Reacquired Debt - Loss on reacquired debt is recovered over the remaining life of the original issue or, if refinanced, over the life of the new issue.

Deferred Taxes on Flow-Through Accounting - Under flow-through accounting, the income tax effects of certain tax items are reflected in our cost of service for the customer and result in lower utility rates in the year in which the tax benefits are realized. A regulatory asset was established to reflect that future increases in

income taxes payable will be recovered from customers as the temporary differences reverse. As a result of this regulatory treatment, we continue to record a net tax benefit for costs considered currently deductible for tax purposes but are capitalized for book purposes.

Decommissioning Costs - South Dakota Electric and Colorado Electric received approval in 2014 for recovery of the remaining net book values and decommissioning costs of their decommissioned coal plants. In 2018, Arkansas Gas received approval to record Liquefied Natural Gas Plant decommissioning costs as a regulatory asset and received approval in 2020 to begin recovering those costs over three years.

Regulatory liabilities represent items we expect to refund to customers through probable future decreases in rates.

Deferred Energy and Gas Costs - Deferred energy and gas costs that have been over-recovered through customer rates and will be returned to customers in future periods.

Employee Benefit Plan Costs Plans and Related Deferred Taxes - Employee benefit plans represent the cumulative excess of pension and retiree healthcare costs recovered in rates over pension expense recorded in accordance with ASC 715, *Compensation-Retirement Benefits*. In addition, this regulatory liability includes the income tax effect of the adjustment required under ASC 715, *Compensation-Retirement Benefits*, to record the full pension and post-retirement benefit obligations. Such income tax effect has been grossed-up to account for the revenue requirement associated with a rate regulated environment.

Cost of Removal - Cost of removal represents the estimated cumulative net provisions for future removal costs for which there is no legal obligation for removal included in depreciation expense.

Excess Deferred Income Taxes - The revaluation of the regulated utilities' deferred tax assets and liabilities due to the passage of the TCJA was recorded as an excess deferred income tax taxes to be refunded to customers primarily using the normalization principles as prescribed in the TCJA. See Note 15 for additional information. A majority of the excess deferred taxes are subject to the average rate assumption method, as prescribed by the IRS, and will generally be amortized as a reduction of customer rates over the remaining lives of the related assets.

Recent Regulatory Activity

Winter Storm Uri

In February 2021, Winter Storm Uri caused a substantial increase in heating and energy demand and contributed to unforeseeable and unprecedented market prices for natural gas and electricity. As a result, we incurred significant incremental fuel, purchased power and natural gas costs.

Our Utilities submitted Winter Storm Uri cost recovery applications in our state jurisdictions seeking to recover \$546 million of these incremental costs through separate tracking mechanisms over a weighted-average recovery period of 3.5 years. In these applications, we sought approval to recover carrying costs. We have received final commission approval for all of our Winter Storm Uri cost recovery applications, which will allow our Utilities to recover incremental fuel, purchased power and natural gas costs.

For the years ended December 31, 2022 and 2021, our Utilities collected \$174 million and \$40 million, respectively, of Winter Storm Uri incremental costs and carrying costs from customers. As of December 31, 2022, we estimate that our remaining Winter Storm Uri regulatory asset has a weighted-average recovery period of 2.6 years.

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For years ended December 31, 2022 and 2021, \$22 million and \$4.1 million, respectively, of carrying costs were accrued and recorded to a regulatory asset. The carrying costs accrued during the year ended December 31, 2022 included a one-time, \$10 million true-up recorded in the second quarter to reflect commission authorized rates.

TCJA

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the TCJA. The TCJA reduced the U.S. federal corporate tax rate from 35% to 21%. As such, the Company remeasured our deferred income taxes at the 21% federal tax rate as of December 31, 2017. In 2018 and 2019, the Company successfully delivered several of these tax benefits from the TCJA to its utility customers.

On December 30, 2020, an administrative law judge approved a settlement of Colorado Electric's plan to provide \$9.3 million of TCJA-related bill credits to its customers. The bill credits, which represent a disposition of excess deferred income tax benefits resulting from the TCJA, were delivered to customers in February 2021. On January 26, 2021, the NPSC approved Nebraska Gas's plan to provide \$2.9 million of TCJA-related bill credits to its customers. The bill credits, which represent a disposition of excess deferred income tax benefits resulting from the TCJA, were delivered to customers in June 2021.

As part of Kansas Gas' 2021 rate review settlement agreement, Kansas Gas will deliver \$9.1 million, or approximately \$3.0 million of TCJA and state tax reform benefits to customers annually, for three years starting in 2022. For the year ended December 31, 2022, Kansas Gas delivered TCJA and state tax reform benefits to customers of \$2.9 million.

These Colorado Electric, Kansas Gas and Nebraska Gas tax benefits delivered to customers, which resulted in a reduction in revenue, were offset by a reduction in income tax expense and resulted in a minimal impact to Net income for the years ended December 31, 2022 and 2021.

Arkansas Gas

On December 10, 2021 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. On October 10, 2022, the APSC approved a partial settlement agreement. The rate review requests \$44.1 million in new annual revenue with all intervening parties for a general rate increase and authorized a capital structure of 45 48% equity and 55 52% debt and a return on equity of 9.6 10.5%. The APSC's decision shifts approximately request seeks to finalize rates in the fourth quarter of 2024.

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Colorado Gas

RMNG Rate Review

On July 12, 2023, the CPUC approved a settlement agreement for RMNG's rate review filed on October 7, 2022. The agreement is expected to generate \$10 8.2 million in new annual revenue and established a weighted average cost of capital of 6.93% with a capital structure that reflects an equity range of 50% to 52% and a debt range of 50% to 48% and a return on equity range of 9.5% to 9.7%. The settlement also shifted \$8.3 million of rider SSIR revenue to base rates and terminated the SSIR. New rates were effective July 15, 2023.

Colorado Gas Rate Review

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 the fourth quarter of 2023, Colorado Gas reached a settlement agreement with the CPUC staff and various intervenors for a general rate increase, which is subject to CPUC approval. The settlement is expected to generate \$8.8 20.2 million of new annual revenue. The APSC also revenue with a capital structure of 50.87% equity and 49.13% debt and a return on equity of 9.3%. If approved, new rates will be effective in February 2024.

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 new comprehensive safety and integrity rider settlement agreement for a general rate increase which replaces is expected to generate \$three 13.9 former riders. million in new annual revenue with a capital structure of 51% equity and 49% debt and a return on equity of 9.85%. New rates were effective on October 21, 2022 February 1, 2024. The agreement also included approval of a four-year extension of the Wyoming Integrity Rider.

Wyoming Electric

On June 1, 2022, Wyoming Electric filed a rate review with the WPSC seeking recovery of significant infrastructure investments in its 1330 1,330-mile electric distribution and 59-mile electric transmission systems. On January 26, 2023, the WPSC approved a settlement agreement with intervening parties for a general rate increase. The settlement is expected to generate \$8.7 million in new annual revenue with a capital structure of 52% equity and 48% debt and a return on equity of 9.75%. New rates will

be were effective on March 1, 2023. The agreement also includes included approval of a new rider that will be filed annually to recover transmission investment investments and expenses.

Colorado Gas

RMNG Rate Review

On October 7, 2022, RMNG filed a rate review with the CPUC seeking recovery of significant infrastructure investments in its 600-mile natural gas pipeline system. The rate review requests \$12.3 million in new annual revenue based on a future test year with a capital structure of 52% equity and 48% debt and a return on equity of 12.3%. The rate review also requests a \$7.7 million shift of SSIR revenues to base rates. The request seeks to finalize rates in the third quarter of 2023.

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Colorado Gas Rate Reviews and SSIR

On June 1, 2021, Colorado Gas filed a rate review with the CPUC seeking recovery of significant infrastructure investments in its 7,000-mile natural gas pipeline system. In the fourth quarter of 2021, Colorado Gas reached a settlement agreement with the CPUC staff and various intervenors for a general rate increase, which was subsequently approved by an administrative law judge. New rates were effective January 1, 2022, and the settlement is expected to generate \$6.5 million of new annual revenue. The new revenue is based on a return on equity of 9.2% and a capital structure of 50.3% equity and 49.7% debt.

On September 11, 2020, in accordance with the final Order from the rate review filed on February 1, 2019, Colorado Gas filed a SSIR proposal with the CPUC that would recover safety and integrity focused investments in its system for five years. On July 6, 2021, Colorado Gas received approval from the CPUC for its SSIR proposal to recover these investments for three years effective January 1, 2022. The return on SSIR investments will be the current weighted-average cost of long-term debt.

Iowa Gas

Rate Review

On June 1, 2021, Iowa Gas filed a rate review with the IUB seeking recovery of significant infrastructure investments in its 5,000-mile natural gas pipeline system. On December 28, 2021, the IUB approved a settlement agreement with all intervening parties for a general rate increase. The settlement shifted \$2.2 million of rider revenue to base rates and is expected to generate \$3.7 million in new annual revenue with a capital structure of 50% equity and 50% debt and a return on equity of 9.6%. Final rates were enacted on January 1, 2022 and replaced interim rates effective June 11, 2021.

Kansas Gas

Rate Review

On May 7, 2021, Kansas Gas filed a rate review and rider renewal with the KCC seeking recovery of significant infrastructure investments in its 4,600-mile natural gas pipeline system. On December 30, 2021, Kansas Gas received approval from the KCC on its Global Settlement agreement with KCC staff and various intervenors for a general rate increase and renewal of its safety and integrity rider. The settlement shifted \$6.6 million of rider revenue to base rates, effective January 1, 2022, and also allowed rider renewal for at least five more years.

South Dakota Electric

FERC Formula Rate

The annual rate determination process is governed by the FERC formula rate protocols established in the filed FERC joint-access transmission tariff. Effective January 1, 2022, the annual revenue requirement for the FERC Transmission Formula Rate was \$30 million and included estimated weighted average capital additions of \$30 million for 2021 and 2022 combined.

Black Hills Wyoming and Wyoming Electric

Wygen I FERC Filing

On October 15, 2020, the FERC approved a settlement agreement that represents a resolution of all issues in the joint application filed by Wyoming Electric and Black Hills Wyoming on August 2, 2019 for approval of a new 60 MW PPA. Under the terms of the settlement, Wyoming Electric will continue to receive 60 MW of capacity and energy from the Wygen I power plant. The new agreement commenced on January 1, 2022, replaced the existing PPA and will expire after 11 years.

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(3) COMMITMENTS, CONTINGENCIES AND GUARANTEES

Unconditional Purchase Obligations

We have various PPAs and transmission service agreements, which extend to 2030, 2032, to support our Electric Utilities' capacity and energy needs beyond our regulated power plants' generation.

Our Utilities purchase natural gas, including transportation and storage capacity, to meet customers' needs under short-term and long-term purchase contracts. These contracts extend to 2044.

The following is a schedule of unconditional purchase obligations required under the power purchase, transmission services and natural gas transportation and storage agreements (in thousands) millions):

	PP As (a)	Transmission Services Agreements	Natural gas supply, transportation and storage agreements (b)	PPAs (a)	Transmission Services Agreements	Natural gas supply, transportation and storage agreements
Future commitments for the year ending December 31,						
2023	11 ,1 \$ 75	\$ 12,320	\$ 130,031			
2024	2, 73 8	-	98,881	\$ 2.7	\$ 12.2	\$ 163.0
2025	-	-	72,662	—	—	135.0
2026	-	-	45,102	—	—	110.8
2027	-	-	14,862	—	—	79.5
2028				—	—	58.0
Thereafter	-	-	56,595	—	—	95.2
Total future commitments	13 ,9 \$ 13	\$ 12,320	\$ 418,133	\$ 2.7	\$ 12.2	\$ 641.5

(a) This schedule does not reflect renewable energy PPA future obligations since these agreements vary based on weather conditions.

(b) Our Gas Utilities have commitments to purchase physical quantities of natural gas under contracts indexed to various forward natural gas price curves. A portion of our gas purchases are purchased under evergreen contracts and are therefore, for purposes of this disclosure, carried out for 60 days.

Lease Agreements

Lessee

We lease from third parties certain office and operation center facilities, communication tower sites, equipment and materials storage. Our leases have remaining terms ranging from less than one year to 33 32 years, including options to extend that are reasonably certain to be exercised. Our operating and finance leases were not material to the Company's Consolidated Financial statements.

Lessor

We lease to third parties certain generating station ground leases, communication tower sites and a natural gas pipeline. These leases have remaining terms ranging from less than one year to 34 31 years. Lease revenue was not material for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021.

As of December 31, 2022 December 31, 2023, scheduled maturities of operating lease payments to be received in future years were as follows (in thousands) millions):

		Operating Leases
2023	\$	2,381
2024		2,125
2025		2,070
2026		1,881
2027		1,845
Thereafter		49,387
Total lease receivables	\$	59,689

		Operating Leases
2024	\$	2.2
2025		2.2
2026		2.0
2027		1.9
2028		1.9
Thereafter		48.3
Total lease receivables	\$	58.5

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Environmental Matters

We are subject to costs resulting from a number of federal, state and local laws and regulations which affect future planning and existing operations. Laws and regulations can result in increased capital expenditures, operating and other costs as a result of compliance, remediation and monitoring obligations. Due to the environmental issues discussed below, we may be required to modify, curtail, replace or cease operating certain facilities or operations to comply with statutes, regulations and other requirements of regulatory bodies.

Reclamation Liability

For our Pueblo Airport Generation site, we posted a bond of \$4.1 million with the State of Colorado to cover the costs of remediation for a waste water containment pond permitted to provide wastewater storage and processing for this zero-discharge facility. The reclamation liability is recorded at the present value of the estimated future cost to reclaim the land.

Under our land leases for our wind generation facilities, we are required to reclaim land where we have placed wind turbines. The reclamation liabilities are recorded at the present value of the estimated future cost to reclaim the land.

Under its mining permit, WRDC is required to reclaim all land where it has mined reserves. The reclamation liability is recorded at the present value of the estimated future cost to reclaim the land.

See [Note 7](#) for additional information.

Manufactured Gas Processing Plant

In 2008, we acquired whole and partial liabilities for former manufactured gas processing 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 \$1.3 1.4 million recorded in Other assets, non-current on our Consolidated Balance Sheets, which will be used to help offset remediation costs. We also have a \$1.3 2.7 million regulatory asset for manufactured gas processing plant sites; see [Note 2](#) for additional information.

As of December 31, 2022 December 31, 2023, we had \$2.6 4.1 million accrued for remediation of Iowa's manufactured gas processing site as the landowner. As of December 31, 2022, we had and \$0.6 million accrued for remediation of Nebraska's the manufactured gas processing site as the land owner. These plant sites in Iowa and Nebraska, respectively. Iowa's liabilities are included in Accrued Liabilities and Nebraska's liabilities are included in Other deferred credits and other liabilities on our Consolidated Balance Sheets. 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.

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Contingencies and Legal Proceedings

In the normal course of business, we are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations. We believe the amounts provided in the consolidated financial statements to satisfy alleged liabilities are adequate in light of the probable and estimable contingencies. However, there can be no assurance that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims and other matters discussed, and to comply with applicable laws and regulations will not exceed the amounts reflected in the consolidated financial statements.

We record gain contingencies when realized and expected recoveries under applicable insurance contracts when we are assured of recovery.

In the normal course of business, we enter into agreements that include indemnification in favor of third parties, such as information technology agreements, purchase and sale agreements and lease contracts. We have also agreed to indemnify our directors, officers and employees in accordance with our articles of incorporation, as amended. Certain agreements do not contain any limits on our liability and therefore, it is not possible to estimate our potential liability under these indemnifications. In certain cases, we have recourse against third parties with respect to these indemnities. Further, we maintain insurance policies that may provide coverage against certain claims under these indemnities.

GT Resources, LLC v. Black Hills Corporation, Case No. 2020CV30751 (U.S. District Court for the City and County of Denver, Colorado).

On April 13, 2022, a jury awarded \$41 million for claims made by GT Resources, LLC ("GTR") against BHC and two of its subsidiaries (Black Hills Exploration and Production, Inc. and Black Hills Gas Resources, Inc.), which ceased oil and natural gas operations in 2018 as part of BHC's decision to exit the exploration and production business. The claims involved a dispute over a 2.3 million-acre concession award in Costa Rica which was acquired by a BHC subsidiary in 2003. GTR retained rights to receive a royalty interest on any hydrocarbon production from the concession upon the occurrence of contingent events. GTR contended that BHC and its subsidiaries failed to adequately pursue the opportunity and failed to transfer the concession to GTR. We believe we have meritorious defenses appealed this verdict to the verdict Colorado Court of Appeals. On October 19, 2023, the Appellate Court reversed and have appealed remanded the verdict case with directions limiting any retrial to the narrow issue of whether there was improper interference with the prospective conveyance of the concession. We continue to believe this lawsuit has no merit and will vigorously defend it. At this time, we do not believe that the liability related to any losses from this matter if any, is not reasonably estimable. will have a material impact on our financial position, results of operations and cash flows.

79 Gain Contingency -- Wygen 1 Business Interruption Insurance Recovery

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In September 2021, Wygen I experienced an unplanned outage that continued until December 2021. For the year ended December 31, 2021, the outage resulted in lost revenues at our subsidiaries Black Hills Wyoming and WRDC. A claim for these losses was submitted under our business interruption insurance policy. During the third quarter of Contents 2023 we recovered \$5.0 million from our business interruption insurance, which was recognized as Revenue in our Consolidated Statements of Income for year ended December 31, 2023.

Indemnification

In the normal course of business, we enter into agreements that include indemnification in favor of third parties, such as information technology agreements, purchase and sale agreements and lease contracts. We have also agreed to indemnify our directors, officers and employees in accordance with our articles of incorporation, as amended. Certain agreements do not contain any limits on our liability and therefore, it is not possible to estimate our potential liability under these indemnifications. In certain cases, we have recourse against third parties with respect to these indemnities. Further, we maintain insurance policies that may provide coverage against certain claims under these indemnities.

Guarantees

We have entered into various parent company-level guarantees providing financial or performance assurance to third parties on behalf of certain of our subsidiaries. These guarantees do not represent incremental consolidated obligations, but rather, represent guarantees of subsidiary obligations to allow those subsidiaries to conduct business without posting other forms of assurance. The agreements, which are off-balance sheet commitments, include support for business operations, indemnification for reclamation and surety bonds. The guarantees were entered into in the normal course of business. To the extent liabilities are incurred as a result of activities covered by these guarantees, such liabilities are included in our Consolidated Balance Sheets.

See Note 8 for additional information on our off-balance sheet Letters of Credit commitment.

We had the following guarantees in place as of (in thousands) millions):

Nature of Guarantee	Maximum Exposure at December 31, 2022	Maximum Exposure at December 31, 2023
Indemnification for reclamation/surety bonds	\$ 107,314	\$ 100.9
Guarantees supporting business transactions	\$ 484,968	462.9
	\$ 592,282	
Total guarantees		\$ 563.8

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(4) REVENUE 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 years ended [December 31, 2022](#), [December 31, 2023](#), [2021](#), [2022](#) and [2020](#), [2021](#). Sales tax and other similar taxes are excluded from revenues.

Year ended December 31, 2022	Electric Utilities	Gas Utilities	Inter-company Revenues	Total				
Year ended December 31, 2023					Electric Utilities	Gas Utilities	Inter-segment Eliminations	Total
<u>Customer types:</u>	(in thousands)				(in millions)			
Retail		1,453,2		2,193,				
	\$ 739,734	\$ 66	\$ —	\$ 000	\$ 697.7	\$ 1,248.8	\$ —	\$ 1,946.5
Transportation				172,86				
	—	173,275	(413)	2	—	176.8	(0.5)	176.3
Wholesale	44,832	—	—	44,832	34.2	—	—	34.2
Market - off-system sales	48,578	829	—	49,407	50.9	0.4	—	51.3
Transmission/Other	61,470	37,879	(16,594)	82,755	71.4	39.4	(17.4)	93.4
Revenue from contracts with customers		1,665,2		2,542,				
	894,614	49	(17,007)	856	854.2	1,465.4	(17.9)	2,301.7
Other revenues	5,548	3,841	(429)	8,960	10.8	18.8	—	29.6
Total revenues		1,669,0		2,551,				
	\$ 900,162	\$ 90	\$ (17,436)	\$ 816	\$ 865.0	\$ 1,484.2	\$ (17.9)	\$ 2,331.3
<u>Timing of revenue recognition:</u>								
Services transferred at a point in time	\$ 30,454	\$ —	\$ —	\$ 30,454	\$ 31.5	\$ —	\$ —	\$ 31.5
Services transferred over time		1,665,2		2,512,				
	864,160	49	(17,007)	402	822.7	1,465.4	(17.9)	2,270.2
Revenue from contracts with customers		1,665,2		2,542,				
	\$ 894,614	\$ 49	\$ (17,007)	\$ 856	\$ 854.2	\$ 1,465.4	\$ (17.9)	\$ 2,301.7

Year ended December 31, 2021	Electric Utilities	Gas Utilities	Inter-company Revenues	Total				
Year ended December 31, 2022					Electric Utilities	Gas Utilities	Inter-segment Eliminations	Total
<u>Customer types:</u>	(in thousands)				(in millions)			
Retail				1,625,				
	\$ 711,448	\$ 913,725	\$ —	\$ 173	\$ 739.7	\$ 1,453.3	\$ —	\$ 2,193.0

Transportation				157,62					
	—	158,053	(428)	5	—	173.3	(0.4)	172.9	
Wholesale	30,848	—	—	30,848	44.8	—	—	44.8	
Market - off-system sales	41,682	396	—	42,078	48.6	0.8	—	49.4	
Transmission/Other	52,945	39,365	(17,200)	75,110	61.5	37.9	(16.6)	82.8	
Revenue from contracts with customers		1,111,5		1,930,					
	836,923	39	(17,628)	834	894.6	1,665.3	(17.0)	2,542.9	
Other revenues	5,335	13,326	(393)	18,268	5.6	3.8	(0.5)	8.9	
Total revenues		1,124,8		1,949,					
	\$ 842,258	\$ 65	\$ (18,021)	\$ 102	\$ 900.2	\$ 1,669.1	(17.5)	\$ 2,551.8	
<u>Timing of revenue recognition:</u>									
Services transferred at a point in time	\$ 27,141	\$ —	\$ —	\$ 27,141	\$ 30.4	\$ —	\$ —	\$ 30.4	
Services transferred over time		1,111,5		1,903,					
	809,782	39	(17,628)	693	864.2	1,665.3	(17.0)	2,512.5	
Revenue from contracts with customers		1,111,5		1,930,					
	\$ 836,923	\$ 39	\$ (17,628)	\$ 834	\$ 894.6	\$ 1,665.3	(17.0)	\$ 2,542.9	

Year ended December 31, 2021	Electric Utilities	Gas Utilities	Inter-segment Eliminations	Total
<u>Customer types:</u>				
		(in millions)		
Retail	\$ 711.5	\$ 913.7	\$ —	1,625.2
Transportation	—	158.1	(0.4)	157.7
Wholesale	30.8	—	—	30.8
Market - off-system sales	41.7	0.4	—	42.1
Transmission/Other	52.9	39.4	(17.2)	75.1
Revenue from contracts with customers	836.9	1,111.6	(17.6)	1,930.9
Other revenues	5.3	13.3	(0.4)	18.2
Total revenues	\$ 842.2	\$ 1,124.9	(18.0)	\$ 1,949.1
<u>Timing of revenue recognition:</u>				
Services transferred at a point in time	\$ 27.1	\$ —	\$ —	27.1
Services transferred over time	809.8	1,111.6	(17.6)	1,903.8
Revenue from contracts with customers	\$ 836.9	\$ 1,111.6	(17.6)	\$ 1,930.9

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Year ended December 31, 2020	Inter-company			
	Electric Utilities	Gas Utilities	Revenues	Total
<u>Customer types:</u>			(in thousands)	
Retail	\$ 636,902	\$ 765,922	\$ —	\$ 1,402,824
Transportation	—	154,581	(526)	154,055
Wholesale	24,845	—	—	24,845
Market - off-system sales	15,512	260	—	15,772
Transmission/Other	55,422	43,658	(15,772)	83,308
Revenue from contracts with customers	732,681	964,421	(16,298)	1,680,804
Other revenues	6,176	10,249	(288)	16,137
Total revenues	\$ 738,857	\$ 974,670	\$ (16,586)	\$ 1,696,941
<u>Timing of revenue recognition:</u>				
Services transferred at a point in time	\$ 27,089	\$ —	\$ —	\$ 27,089
Services transferred over time	705,592	964,421	(16,298)	1,653,715
Revenue from contracts with customers	\$ 732,681	\$ 964,421	\$ (16,298)	\$ 1,680,804

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(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31 consisted of the following (dollars in **thousands** **millions**):

					Lives (in years)						
	2022		2021			2023		2022		Lives (in years)	
	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Minimum Maximum	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Minimum	Maximum
Electric Utilities											
Electric plant:											
Production	1,482,081	41	1,452,055	41	3 4	\$ 1,492.8	40	\$ 1,482.1	41	32	45
Electric transmission	632,872	48	546,126	49	4 5	737.4	48	632.9	48	42	51
Electric distribution	1,082,535	47	1,000,619	47	4 5	1,146.9	47	1,082.5	47	45	50
Integrated Generation	713,519	31	720,490	30	1 3	720.0	30	713.5	31	19	38

Plant acquisition adjustment					3	3						
(a)	4,870	32	4,870	32	2	2	4.9	32	4.9	32		
General	274,85		266,93		2	3						
	7	27	5	28	4	1	291.7	27	274.8	27	24	28
Total electric plant in service	4,190,734		3,991,095				4,393.7		4,190.7			
Construction work in progress	152,953		181,451				123.1		153.0			
Total electric plant	4,343,687		4,172,546				4,516.8		4,343.7			
Less accumulated depreciation and depletion	(1,104,056)		(1,016,738)				(1,207.7)		(1,104.1)			
Electric plant net of accumulated depreciation and depletion	\$ 3,239,631		\$ 3,155,808				\$ 3,309.1		\$ 3,239.6			

(a) The plant acquisition adjustment, which relates to the acquisition of our ownership interest in Wyodak Plant, is included in rate base and is being recovered with 8.7 years remaining.

					Lives (in years)							
	2022		2021				2023		2022		Lives (in years)	
	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Minimum	Maximum	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Minimum	Maximum
Gas plant:												
Production	\$ 17,843	45	\$ 14,841	40	4	47	\$ 21.0	45	\$ 17.8	45	24	47
Gas transmission	695,345	58	645,550	58	3	72	759.5	58	695.4	58	32	72

Gas distribution	2,620,174	57	2,394,352	53	48	60	2,860.0	57	2,620.2	57	48	61
Cushion gas - depreciable (a)	—	N/A	3,539	28	N/A	N/A						
Cushion gas - not depreciable (a)	63,137	N/A	42,478	N/A	N/A	N/A	58.2	N/A	63.1	N/A		
Storage	65,781	41	56,289	38	6	48	71.4	42	65.8	41	36	49
General	497,407	23	474,964	21	3	25	571.8	22	497.4	23	20	25
Total gas plant in service	3,959,687		3,632,013				4,341.9		3,959.7			
Construction work in progress	52,041		37,860				39.2		52.0			
Total gas plant	4,011,728		3,669,873				4,381.1		4,011.7			
Less accumulated depreciation	(471,013)		(389,115)				(588.3)		(471.0)			
Gas plant net of accumulated depreciation	\$ 715		\$ 758				\$ 3,792.8		\$ 3,540.7			

(a) Depreciation of Cushion Gas is determined by the respective regulatory jurisdiction in which the Cushion Gas resides. In 2022, assets classified as Cushion gas - depreciable were fully depreciated and removed from gross plant in service and accumulated depreciation.

					Lives (in years)							
	2022		2021		Minimum	Maximum	2023		2022		Lives (in years)	
	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Property, Plant and Equipment	Weighted Average Useful Life (in years)			Property, Plant and Equipment	Weighted Average Useful Life (in years)	Property, Plant and Equipment	Weighted Average Useful Life (in years)	Minimum	Maximum
Corporate												
Total plant in service	\$ 5,685	11	\$ 5,694	10	4	24	\$ 5.7	10	\$ 5.7	11	4	23
Construction work in progress	13,690		8,460				13.6		13.7			
Total gross property, plant and equipment	19,375		14,154				19.3		19.4			
Less accumulated depreciation	(1,773)		(1,544)				(1.9)		(1.8)			
Total net of accumulated depreciation	\$ 17,602		\$ 12,610				\$ 17.4		\$ 17.6			

Our consolidated financial statements include our share of several jointly-owned facilities as described below. Our share of the facilities' expenses is reflected in the appropriate categories of operating expenses in the Consolidated Statements of Income. Each owner of the facility is responsible for financing its investment in the jointly-owned facilities.

At **December 31, 2022** **December 31, 2023**, our interests in jointly-owned generating facilities and transmission systems were (in **thousands** **millions**):

	Ow ner shi p Int ere st	Pla nt in Ser vic e	Const ructio n Work in Progr ess	Less Accu mulat ed Depre ciatio n	Plant Net of Accum ulated Deprec iation	Ownership Interest	Plant in Service	Construction Work in Progress	Less Accumulated Depreciation	Plant Net of Accumulated Depreciation
W yo da k Pl an t		1 2 1, 7 6		(70,8	50,97					
(a)	20 %	\$ 9	\$ 93	\$ 84)	\$ 8	20 %	\$ 122.3	\$ —	\$ (73.4)	\$ 48.9
Tr an sm iss ion		2 4, 4								
Ti e		8		(7,37	17,40					
	35 %	\$ 2	\$ 300	\$ 5)	\$ 7	35 %	\$ 24.5	\$ 0.3	\$ (7.8)	\$ 17.0
W yg en III		1 4 3, 8								
(b)		1	1,05	(29,6	115,2					
	52 %	\$ 8	\$ 1	\$ 34)	\$ 35	52 %	\$ 145.3	\$ 0.3	\$ (32.2)	\$ 113.4
W yg en I (c)		1 1 4, 8								
	76	1	1,57	(56,5	59,83					
	.5 %	\$ 1	\$ 9	\$ 53)	\$ 7	76.5 %	\$ 116.0	\$ 0.8	\$ (60.1)	\$ 56.7

- (a) In addition to supplying South Dakota Electric with coal for its share of the Wyodak Plant, our mine supplies PacifiCorp's share of the coal under a separate long-term **agreement**, **agreement through December 31, 2026, with an annual renewal option for one-year extensions**. This coal supply agreement is collateralized by a mortgage on and a security interest in some of WR coal reserves.
- (b) South Dakota Electric retains responsibility for plant operations. **Our mine WRDC** supplies fuel to Wygen III for the life of the plant.
- (c) Black Hills Wyoming retains responsibility for plant operations. **Our mine WRDC** supplies fuel to Wygen I for the life of the plant.

(7)ASSET RETIREMENT OBLIGATIONS

We have identified legal obligations related to reclamation of mining sites; removal of fuel tanks, transformers containing polychlorinated biphenyls, an evaporation pond; and reclamation of wind turbine sites at our Electric Utilities segment. In addition, we have identified legal obligations related to retirement of gas pipelines, wells and compressor stations at our Gas Utilities and removal of asbestos at our Utilities. We periodically review and update estimated costs related to these AROs. The actual cost may vary from estimates due to regulatory requirements, changes in technology and increased labor, materials and equipment costs.

The following tables present the details of AROs which are included on the accompanying Consolidated Balance Sheets in Other deferred credits and other liabilities (in thousands) (millions):

	Dec emb er 31, 202 1	Lia bili ties Inc urr ed	Lia bilit ies Sett led	Ac cr eti on	Revis ions to Prior Estim ates	Dec emb er 31, 202 2	December 31, 2022	Liabilities Incurred	Liabilities Settled	Accretion	Revisions to Prior Estimates	December 31, 2023
El ect ric Uti liti es		30, 08	(3, 00	3 5	1 , 3 5	27, 58	\$ 27.6	\$ —	\$ —	1.2	(0.1)	\$ 28.7
Ga s Uti liti es		45, 45	(1 , 58	1 6	14,0 32	61, 34	61.3	6.7	—	2.3	(2.8)	67.5
(a)		5	—	58	6	32	5					
T o t a l		75, 54	(3, 16	3 6	13,1 76	88, 92	\$ 88.9	\$ 6.7	\$ —	3.5	(2.9)	\$ 96.2
		\$ 4	\$ —	\$ 1	\$ 9	\$ 8	\$	\$	\$	\$	\$	\$

	Dec emb er 31, 202 0	Lia bili ties Inc urr ed	Lia bilit ies Sett led	Ac cr eti on	Revis ions to Prior Estim ates	Dec emb er 31, 202 1	December 31, 2021	Liabilities Incurred	Liabilities Settled	Accretion	Revisions to Prior Estimates	December 31, 2022
El ect ric Uti liti es		29, 15	(9 , 78	3 1	1 , 595	30, 08	\$ 30.1	\$ —	(3.0)	1.4	(0.9)	\$ 27.6
		\$ 7	\$ —	\$ 78	\$ 5	\$ 9	\$	\$	\$	\$	\$	\$

term debt. Based on our current credit ratings, the margins for base rate borrowings, Eurodollar SOFR borrowings and letters of credit were 0.125%, 1.125% and 1.125%, respectively, at December 31, 2022 December 31, 2023. Based on our credit ratings, a the commitment fee on unused amounts was 0.175% commitment fee was charged on the unused amount at December 31, 2022.

We have a \$750 million, unsecured CP Program that is backstopped by the Revolving Credit Facility. Amounts outstanding under the Revolving Credit Facility and the CP Program, either individually or in the aggregate, cannot exceed \$750 million. The notes issued under the CP Program may have maturities not to exceed 397 days from the date of issuance and bear interest (or are sold at par less a discount representing an interest factor) based on, among other things, the size and maturity date of the note, the frequency of the issuance and our credit ratings. Under the CP Program, any borrowings rank equally with our unsecured debt. Notes under the CP Program are not registered and are offered and issued pursuant to a registration exemption.

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 at December 31 (dollars in thousands millions):

	2022	2021	2023	2022
Amount outstanding	\$ 535,600	\$ 420,180	\$ —	\$ 535.6
Letters of credit (a)	24,626	27,209	3.7	24.6
Available capacity	189,774	302,611	746.3	189.8
Weighted average interest rates	4.88 %	0.30 %	N/A	4.88 %

(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 for the years ended December 31 was as follows (in thousands millions):

	2022	2021
Maximum amount outstanding (based on daily outstanding balances)	\$ 572,300	\$ 440,000
Average amount outstanding (based on daily outstanding balances)	390,653	258,392
Weighted average interest rates	2.11 %	0.22 %
	2023	2022
Maximum amount outstanding (based on daily outstanding balances)	\$ 548.7	\$ 572.3
Average amount outstanding (based on daily outstanding balances)	81.7	390.7
Weighted average interest rates	4.91 %	2.11 %

Deferred Financing Costs on the Revolving Credit Facility

Total accumulated deferred financing costs on the Revolving Credit Facility of \$8.9 million are being amortized over its estimated useful life and were included in Interest expense on the accompanying Consolidated Statements of Income. See below for additional details.

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Term Loan

On February 24, 2021, we entered into a nine-month, \$800 million unsecured term loan to provide additional liquidity and to meet our cash needs related to the incremental fuel, purchased power and natural gas costs from Winter Storm Uri. The term loan carried no prepayment penalty and was subject to the same covenant requirements as our Revolving Credit Facility. We repaid \$200 million of this term loan in the first quarter of 2021. Proceeds from the August 26, 2021 public debt offering (discussed below) were used to repay the remaining balance on this term loan.

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Long-term debt

Long-term debt outstanding was as follows (dollars in **thousands** **millions**):

	Interest Rate at Outstanding				Interest Rate at Outstanding			
	Due Date	December 31, 2022	December 31, 2022	December 31, 2021	Due Date	December 31, 2023	December 31, 2023	December 31, 2022
Corporate								
Senior unsecured notes due 2023	November 30, 2023	4.25%	\$ 525,000	\$ 525,000	November 30, 2023	N/A	\$ —	\$ 525.0
Senior unsecured notes due 2024	August 23, 2024	1.04%	600,000	600,000	August 23, 2024	1.04%	600.0	600.0
Senior unsecured notes due 2026	January 15, 2026	3.95%	300,000	300,000	January 15, 2026	3.95%	300.0	300.0
Senior unsecured notes due 2027	January 15, 2027	3.15%	400,000	400,000	January 15, 2027	3.15%	400.0	400.0
Senior unsecured notes due 2028					March 15, 2028	5.95%	350.0	—
Senior unsecured notes, due 2029	October 15, 2029	3.05%	400,000	400,000	October 15, 2029	3.05%	400.0	400.0
Senior unsecured notes, due 2030	June 15, 2030	2.50%	400,000	400,000	June 15, 2030	2.50%	400.0	400.0
Senior unsecured notes due 2033	May 1, 2033	4.35%	400,000	400,000	May 1, 2033	4.35%	400.0	400.0
Senior unsecured notes due 2034					May 15, 2034	6.15%	450.0	—
Senior unsecured notes, due 2046	September 15, 2046	4.20%	300,000	300,000	September 15, 2046	4.20%	300.0	300.0

Senior unsecured notes, due 2049	October 15, 2049	3.88%	300,000	300,000	October 15, 2049	3.88%	300.0	300.0
Total Corporate debt			3,625,000	3,625,000			3,900.0	3,625.0
Less unamortized debt discount			(5,259)	(6,125)			(8.9)	(5.3)
Total Corporate debt, net			3,619,741	3,618,875			3,891.1	3,619.7
South Dakota Electric								
First Mortgage Bonds due 2032	August 15, 2032	7.23%	75,000	75,000	August 15, 2032	7.23%	75.0	75.0
First Mortgage Bonds due 2039	November 1, 2039	6.13%	180,000	180,000	November 1, 2039	6.13%	180.0	180.0
First Mortgage Bonds due 2044	October 20, 2044	4.43%	85,000	85,000	October 20, 2044	4.43%	85.0	85.0
Total South Dakota Electric debt			340,000	340,000			340.0	340.0
Less unamortized debt discount			(69)	(74)			(0.1)	(0.1)
Total South Dakota Electric debt, net			339,931	339,926			339.9	339.9
Wyoming Electric								
Industrial development revenue bonds due 2027 ^{(a) (b)}	March 1, 2027	3.68%	10,000	10,000	March 1, 2027	3.93%	10.0	10.0
First Mortgage Bonds due 2037	November 20, 2037	6.67%	110,000	110,000	November 20, 2037	6.67%	110.0	110.0
First Mortgage Bonds due 2044	October 20, 2044	4.53%	75,000	75,000	October 20, 2044	4.53%	75.0	75.0
Total Wyoming Electric debt			195,000	195,000			195.0	195.0
Less unamortized debt discount			—	—			—	—
Total Wyoming Electric debt, net			195,000	195,000			195.0	195.0

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million, 4.25%, senior unsecured notes due November 30, 2023, at or before maturity date. In the event we are unable to refinance these senior unsecured notes, we have sufficient alternative measures available to manage cash flows such that our current plans to manage liquidity would be sufficient to meet our obligations in the foreseeable future.

Our debt securities contain certain restrictive financial covenants, all of which the Company and its subsidiaries were in compliance with at **December 31, 2022** **December 31, 2023**. See below for additional information.

Substantially all of the tangible utility property of South Dakota Electric and Wyoming Electric is subject to the lien of indentures securing their first mortgage bonds. First mortgage bonds of South Dakota Electric and Wyoming Electric may be issued in amounts limited by property, earnings and other provisions of the mortgage indentures.

Debt Transactions

On **August 26, 2021** September 15, 2023, we completed a public debt offering which consisted of \$**600** 450 million, **1.037** 6.15% senior unsecured notes due May 15, 2034. Proceeds from the offering, which were net of \$7.6 million of deferred financing costs, along with available cash were used to repay all of our \$525 million principal amount outstanding notes on their November 30, 2023 maturity date and for other general corporate purposes.

On March 7, 2023, we completed a public debt offering of \$350 million, 5.95% **three-year** **five year** senior unsecured notes due August 23, 2024. The notes include an optional redemption provision and may be redeemed, in whole or in part, without premium, on or after February 23, 2022 **March 15, 2028**. The proceeds from the offering, which were net of \$**3.7** **4.2** million of deferred financing costs, were used to repay amounts notes outstanding under our term loan entered into on February 24, 2021.

On June 17, 2020, we completed a public debt offering which consisted of \$400 million of 2.50% 10-year senior unsecured notes due June 15, 2030. The proceeds were used to repay short-term debt **CP Program** and for **working capital and other** general corporate purposes.

Amortization of Deferred Financing Costs

Our deferred financing costs and associated amortization expense included in Interest expense on the accompanying Consolidated Statements of Income were as follows (in thousands):

Deferred Financing Costs Remaining at December 31, 2022	Amortization Expense for the years ended December 31,		
	2022	2021	2020
\$ 22,332	\$ 4,549	\$ 3,769	\$ 3,272

Debt Covenants

Revolving Credit Facility

Under **We were in compliance with all of** our Revolving Credit Facility **we** covenants as of **December 31, 2023**. 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 **any of these covenants** **this covenant** would constitute an event of default that entitles the lenders to terminate their remaining commitments and accelerate all principal and interest outstanding.

We were in compliance with **As of December 31, 2023**, our covenants at December 31, 2022 as shown below: **Consolidated Indebtedness to Capitalization Ratio was 0.58 to 1.00.**

	As of December 31, 2022	Covenant Requirement	
Consolidated Indebtedness to Capitalization Ratio	60.9 %	Less than	65 %
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Wyoming Electric

Covenants Wyoming Electric was in compliance with all covenants within Wyoming Electric's its financing agreements require as of December 31, 2023. Wyoming Electric is required to maintain a debt to capitalization ratio of no more than 0.60 to 1.00. As of December 31, 2022 December 31, 2023, we were in compliance with these financial covenants. Wyoming Electric's debt to capitalization ratio was 0.51 to 1.00.

Dividend Restrictions

Our Revolving Credit Facility and other debt obligations contain restrictions on the payment of cash dividends when a default or event of default occurs.

Due to our holding company structure, substantially all of our operating cash flows are provided by dividends paid or distributions made by our subsidiaries. The cash to pay dividends to our shareholders is derived from these cash flows. As a result, certain statutory limitations or regulatory or financing agreements could affect the levels of distributions allowed to be made by our subsidiaries.

Our Utilities are generally limited to the amount of dividends allowed to be paid to our utility holding company under the Federal Power Act and settlement agreements with state regulatory jurisdictions. As of December 31, 2022 December 31, 2023, the amount of restricted net assets at our Utilities that may not be distributed to our utility holding company in the form of a loan or dividend was approximately \$155 142.6 million.

South Dakota Electric and Wyoming Electric are generally limited to the amount of dividends allowed to be paid to our utility holding company under certain financing agreements.

Equity

Although our aforementioned shelf registration statement does not limit our issuance capacity, our ability to issue securities is limited to the authority granted by our Board of Directors, certain covenants in our financing arrangements and restrictions imposed by federal and state regulatory authorities. Our articles of incorporation authorize the issuance of 100 million shares of common stock and 25 million shares of preferred stock. As of December 31, 2023, we had approximately 68 million shares of common stock outstanding and no shares of preferred stock outstanding.

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At-the-Market Equity Offering Program

On August 3, 2020

As previously disclosed, on August 4, 2020, we filed a entered into an Amended and Restated Equity Distribution Sales Agreement ("Previous Sales Agreement") to sell shares of common stock up to an aggregate of \$400 million, from time to time, through our ATM program utilizing our shelf registration and DRSP with the SEC. statement. In conjunction with these the new shelf filings, registration statement filing discussed above, we renewed entered into a new Equity Distribution Sales Agreement ("Sales Agreement") on June 16, 2023. We also terminated the ATM. Previous Sales Agreement on June 16, 2023. The renewed ATM program, which Sales Agreement is similar to the Previous Sales Agreement and allows us to sell shares of our common stock is the same as the prior program other than the up to an aggregate value increased from \$300 million to of \$400 million and a forward sales option was incorporated. This forward sales option allows us to sell through our shares through the ATM program at the current trading price without actually issuing any shares to satisfy the sale until a future date. Under the ATM, shares may be offered from time to time pursuant to a sales agreement dated August 3, 2020. Shares of common stock are offered pursuant to our shelf registration statement filed with the SEC. program.

ATM activity for the years ended December 31 was as follows (net proceeds and issuance costs in millions) (in millions, except Average price per share amounts):

	December 31, 2022	December 31, 2021	December 31, 2020
Number of shares issued	1,307,755	1,812,197	-
Average price per share	\$ 69.74	\$ 66.18	\$ -
Proceeds, (net of issuance costs of \$(0.9), \$(1.1) and \$0 respectively)	\$ 90.3	\$ 118.8	\$ -
	December 31, 2023	December 31, 2022	December 31, 2021
<u>August 4, 2020 ATM Program</u>			
Proceeds, (net of issuance costs of \$(0.5), \$(0.9) and \$(1.1), respectively)	\$ 48.5	\$ 90.3	\$ 118.8
Number of shares issued	0.8	1.3	1.8
<u>June 16, 2023 ATM Program</u>			
Proceeds, (net of issuance costs of \$(0.7), \$0, \$0, respectively)	\$ 70.2	\$ —	\$ —
Number of shares issued	1.2	—	—
<u>Total activity under both ATM Programs</u>			
Proceeds, (net of issuance costs of \$(1.2), \$(0.9) and \$(1.1), respectively)	\$ 118.7	\$ 90.3	\$ 118.8
Number of shares issued	2.0	1.3	1.8
Average price per share	\$ 59.04	\$ 69.74	\$ 66.18

February 2020 Equity Issuance

On February 27, 2020, we issued 1.2 million shares of common stock to a single investor through an underwritten registered transaction at a price of \$81.77 per share for proceeds of \$99 million, net of \$1.0 million of issuance costs. The shares of common stock were offered pursuant to our shelf registration statement filed with the SEC.

Shareholder Dividend Reinvestment and Stock Purchase Plan

We have Effective as of July 7, 2023, we terminated our DRSP. On July 10, 2023, we filed a DRSP under which shareholders may purchase additional post-effective amendment to amend the Registration Statement on Form S-3 (File No. 333-240319) filed with the SEC on August 4, 2020. The filing of this post-effective amendment de-registered all shares of common stock through dividend reinvestment and/or optional cash payments at 100% that were issuable under the DRSP but not sold as of July 7, 2023. With the termination of the recent average market price. We have the option of issuing new shares or purchasing the shares on the open market. We issued new shares until March 1, 2018, after DRSP, a direct stock purchase plan is being offered which we began purchasing shares on the open market. At December 31, 2022, there were 74,198 shares of unissued stock available for future offering under the DRSP.

Preferred Stock

Our articles of incorporation authorize the issuance of 25 million shares of preferred stock of which we had no shares of preferred stock outstanding as of December 31, 2022 will allow shareholders to continue making share transactions. This plan is sponsored and 2021, administered solely by EQ Shareowner Services, our transfer agent.

(9) 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. To manage and mitigate these identified risks, we have adopted the Black Hills Corporation Risk Policies and Procedures. Valuation methodologies for our derivatives are detailed within [Note 1](#).

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 assets, which include market fluctuations due to unpredictable factors such as the COVID-19 pandemic, weather (e.g. Winter Storm Uri), geopolitical events, market speculation, recession, inflation, pipeline constraints, and other 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, such as the 2008 financial crisis and the COVID-19 pandemic.

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.

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We perform ongoing periodic credit evaluations of our customers and adjust credit limits based upon payment history and the customer's 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. Our credit exposure at December 31, 2022 December 31, 2023 was concentrated primarily among retail utility customers, investment grade companies, cooperative utilities and federal agencies.

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 (Loss) are detailed below and within [Note 10](#).

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 have entered 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 state regulatory commission guidelines. When the related costs are recovered through our rates, the hedging activity is recognized in the Consolidated Statements of Income.

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We periodically have wholesale power purchase and sale contracts used to manage purchased power costs and load requirements associated with serving our electric customers that are considered derivative instruments due to not qualifying for the normal purchase and normal sales exception to derivative accounting. Changes in the fair value of these commodity derivatives are 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 January 2023 2024 through December 2024. October 2025. 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.

The contract or notional amounts and terms of the natural gas derivative commodity instruments held by our utilities are comprised of both short and long positions. We had the following net long positions as of:

		December 31, 2022		December 31, 2021			December 31, 2023		December 31, 2022	
		Notional	Maximum	Notional	Maximum		Notional	Maximum	Notional	Maximum
		Amount	Term (months)	Amount	Term (months)		Amount	Term (months)	Amount	Term (months)
		(a)		(a)		Units	(a)		(a)	
Natural gas futures purchased	M									
	M									
	Bt	630,0		590,0						
	us	00	3	00	3	MMBtus	650,000	3	630,000	3
Natural gas options purchased, net	M									
	M									
	Bt	1,790,		3,100,						
	us	000	3	000	3	MMBtus	2,850,000	3	1,790,000	3
Natural gas basis swaps purchased	M									
	M									
	Bt	900,0		870,0						
	us	00	3	00	3	MMBtus	1,050,000	3	900,000	3
Natural gas over-the-counter swaps, net (b)	M									
	M									
	Bt	4,460,		4,570,						
	us	000	24	000	34	MMBtus	3,890,000	21	4,460,000	24

Natural gas	M								
physical	M								
commitments,	Bt	17,86		16,41					
net (c)	us	4,412	12	6,677	24	MMBtus	12,582,415	10	17,864,412
									12

- (a) Term reflects the maximum forward period hedged.
- (b) As of **December 31, 2022** **December 31, 2023**, **1,646,200** **2,101,700** MMBtus of natural gas over-the-counter swaps purchased were designated as cash flow hedges.
- (c) Volumes exclude derivative contracts that qualify for the normal purchase, 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 **December 31, 2022** **December 31, 2023**, the Company posted **\$2.9** **2.0** 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

As required by accounting standards for derivatives and hedges, fair values within the following tables are presented on a gross basis aside from the netting of asset and liability positions. Netting of positions is permitted in accordance with accounting standards for offsetting and under terms of our master netting agreements that allow us to settle positive and negative positions.

The following tables present the fair value and balance sheet classification of our derivative instruments as of December 31, (in **thousands**) **millions**:

	Balance Sheet Location	2022	2021
Derivatives designated as hedges:			
Asset derivative instruments:			
Current commodity derivatives	Derivative assets - current	\$ 118	\$ 2,017
Noncurrent commodity derivatives	Other assets, non-current	198	18
Liability derivative instruments:			
Current commodity derivatives	Derivative liabilities - current	(1,703)	—
Total derivatives designated as hedges		\$ (1,387)	\$ 2,035
Derivatives not designated as hedges:			
Asset derivative instruments:			
Current commodity derivatives	Derivative assets - current	\$ 464	\$ 2,356
Noncurrent commodity derivatives	Other assets, non-current	337	804
Liability derivative instruments:			
Current commodity derivatives	Derivative liabilities - current	(4,897)	(1,439)
Noncurrent commodity derivatives	Other deferred credits and other liabilities	(18)	(20)
Total derivatives not designated as hedges		\$ (4,114)	\$ 1,701
	Balance Sheet Location	2023	2022

Commodity derivatives	Fuel, purchased power and cost of natural gas sold						Fuel, purchased power and cost of natural gas sold					
	(	3	1	2	2	(	(	3	1	2	(	3
	,	,	5	9	5	7	0	6	0	5	0	1
	2)	2	0	8	1	1)	(1.6)	(3.5)	2.0	(3.0)	2.7	2.1
Total	(	4	3	(	(	3,						
	6	8	3	1	8	4						
	8	0	9	4	0	5						
	\$ 2)	\$ 3	\$ 1	\$ 2)	\$ 0)	\$ 2)	\$ 1.3	\$ (0.7)	\$ 4.8	\$ (5.9)	\$ (0.1)	\$ (0.8)

As of **December 31, 2022** **December 31, 2023**, \$4.5 5.9 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.

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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 years ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020**, **2021**. 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 gross profit we realized when the underlying physical and financial transactions were settled.

Derivatives Not Designated as Hedging		2022	2021	2020
		Amount of Gain/(Loss) on Derivatives		
Instruments	Income Statement Location	Recognized in Income		
(in thousands)				
Commodity derivatives - Electric	Fuel, purchased power and cost of natural gas sold	\$ —	\$ (144)	\$ 144
Commodity derivatives - Natural Gas	Fuel, purchased power and cost of natural gas sold	(797)	2,599	1,640
		\$ (797)	\$ 2,455	\$ 1,784
		2023	2022	2021
Location of Gain/(Loss) on Derivatives Recognized		Amount of Gain/(Loss) on Derivatives		
Derivatives Not Designated as Hedging Instruments	in Income	Recognized in Income		
(in millions)				
Commodity derivatives - Natural Gas	Fuel, purchased power and cost of natural gas sold	\$ (4.2)	\$ (0.8)	\$ 2.6
		\$ (4.2)	\$ (0.8)	\$ 2.6

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. The net unrealized losses included in a Regulatory asset related to these financial instruments used in our Gas Utilities were \$8.8 5.1 million and \$2.6 8.8 million at **December 31, 2022** **December 31, 2023** and **2021**, **2022**, respectively.

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For our Electric Utilities, the unrealized gains and losses arising from these derivatives are recognized in the Consolidated Statements of Income.

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FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements

Derivatives

Valuation methodologies for our derivatives are detailed within [Note 1](#). 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 December 31, 2022					As of December 31, 2023				
	Cash Collateral and Counterparty									
	Level 1	Level 2	Level 3	Netting (a)	Total	Level 1	Level 2	Level 3	Cash Collateral and Counterparty Netting (a)	Total
	(in thousands)						(in millions)			
Assets:										
Commodity derivatives - Gas Utilities					1,111					
	\$—	7	\$—	(4,290)	\$ 7					
Commodity derivatives						\$ —	\$ 1.9	\$ —		(1.9) \$ —
Total					1,111					
		5,40			111					
	\$—	\$ 7	\$—	\$ (4,290)	\$ 7	\$ —	\$ 1.9	\$ —		(1.9) \$ —
Liabilities:										
Commodity derivatives - Gas Utilities					6,61					
	\$—	55	\$—	(4,837)	\$ 8					
Commodity derivatives						\$ —	\$ 10.1	\$ —		(3.3) \$ 6.8

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The following table presents the carrying amounts and fair values of financial instruments not recorded at fair value on the Consolidated Balance Sheets at December 31 (in thousands) millions):

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current maturities (a)	\$ 4,132,340	\$ 3,760,848	\$ 4,126,923	\$ 4,570,619

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current maturities (a)	\$ 4,401.2	\$ 4,215.6	\$ 4,132.3	\$ 3,760.8

(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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OTHER COMPREHENSIVE INCOME

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 thousands) millions):

Location on the Consolidated		Amount Reclassified from AOCI	
Statements of Income		December 31, 2022	December 31, 2021
Gains and (losses) on cash flow hedges:			
Interest rate swaps	Interest expense	\$ (2,850)	\$ (2,851)
Commodity contracts	Fuel, purchased power and cost of natural gas		
	sold	2,708	2,051
		(142)	(800)
Income tax	Income tax benefit (expense)	58	175
Total reclassification adjustments related to cash flow			
hedges, net of tax		\$ (84)	\$ (625)
Amortization of components of defined benefit plans:			

Prior service cost	Operations and maintenance	\$	93	\$	98
Actuarial gain (loss)	Operations and maintenance		(751)		(2,391)
			(658)		(2,293)
Income tax	Income tax benefit (expense)		198		638
Total reclassification adjustments related to defined benefit plans, net of tax		\$	(460)	\$	(1,655)
Total reclassifications		\$	(544)	\$	(2,280)
Location on the Consolidated Statements of Income		Amount Reclassified from AOCI			
		December 31, 2023		December 31, 2022	
Gains and (losses) on cash flow hedges:					
Interest rate swaps	Interest expense	\$	(2.9)	\$	(2.8)
Commodity contracts	Fuel, purchased power and cost of natural gas sold		(3.0)		2.7
			(5.9)		(0.1)
Income tax	Income tax benefit (expense)		1.4		—
Total reclassification adjustments related to cash flow hedges, net of tax		\$	(4.5)	\$	(0.1)
Amortization of components of defined benefit plans:					
Prior service cost	Operations and maintenance	\$	—	\$	0.1
Actuarial gain (loss)	Operations and maintenance		(0.2)		(0.8)
			(0.2)		(0.7)
Income tax	Income tax benefit (expense)		—		0.2
Total reclassification adjustments related to defined benefit plans, net of tax		\$	(0.2)	\$	(0.5)
Total reclassifications		\$	(4.7)	\$	(0.6)

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

	Derivatives Designated as Cash Flow Hedges				
	Commodity		Employee Benefit		Total
	Interest Rate Swaps	Derivatives	Plans		
As of December 31, 2021	\$ (10,384)	\$ 1,476	\$ (11,176)	\$	(20,084)
Other comprehensive income (loss) before reclassifications	—	(631)	4,604		3,973
Amounts reclassified from AOCI	2,129	(2,045)	460		544
As of December 31, 2022	\$ (8,255)	\$ (1,200)	\$ (6,112)	\$	(15,567)

	Derivatives Designated as Cash Flow Hedges			
	Commodity		Employee Benefit	
	Interest Rate Swaps	Derivatives	Plans	Total
As of December 31, 2020	\$ (12,558)	\$ 2	\$ (14,790)	\$ (27,346)
Other comprehensive income (loss) before reclassifications	—	3,023	1,959	4,982
Amounts reclassified from AOCI	2,174	(1,549)	1,655	2,280
As of December 31, 2021	\$ (10,384)	\$ 1,476	\$ (11,176)	\$ (20,084)

	Derivatives Designated as Cash Flow Hedges			
	Commodity		Employee Benefit	
	Interest Rate Swaps	Derivatives	Plans	Total
As of December 31, 2021	\$ (10.4)	\$ 1.5	\$ (11.2)	\$ (20.1)
Other comprehensive income (loss) before reclassifications	—	(0.6)	4.6	4.0
Amounts reclassified from AOCI	2.1	(2.1)	0.5	0.5
As of December 31, 2022	\$ (8.3)	\$ (1.2)	\$ (6.1)	\$ (15.6)
Other comprehensive income (loss) before reclassifications	—	(3.6)	(0.3)	(3.9)
Amounts reclassified from AOCI	2.2	2.3	0.2	4.7
As of December 31, 2023	\$ (6.1)	\$ (2.5)	\$ (6.2)	\$ (14.8)

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(12)VARIABLE INTEREST ENTITY

Black Hills Colorado IPP owns and operates a 200 MW, combined-cycle natural gas generating facility located in Pueblo, Colorado. In 2016, Black Hills Electric Generation sold a 49.9%, non-controlling interest in Black Hills Colorado IPP to a third-party buyer. Black Hills Electric Generation is the operator of the facility, which is contracted to provide capacity and energy through 2031 to Colorado Electric.

The accounting for a partial sale of a subsidiary in which control is maintained and the subsidiary continues to be consolidated is specified under ASC 810, *Consolidation*. The partial sale is required to be recorded as an equity transaction with no resulting gain or loss on the sale. GAAP requires that non-controlling interests in subsidiaries and affiliates be reported in the equity section of a company's balance sheet.

Net income available for common stock for the years ended **December 31, 2022**, **December 31, 2023**, **2021** **2022** and **2020** **2021** was reduced by **\$12** **13.8** million, **\$15** **12.4** million, and **\$15** **14.5** million, respectively, attributable to this non-controlling interest. The net income allocable to the non-controlling interest holder is based on ownership interest with the exception of certain agreed upon adjustments. Distributions of net income attributable to this non-controlling interest are due within 30 days following the end of a quarter but may be withheld as necessary by Black Hills Electric Generation.

Black Hills Colorado IPP has been determined to be a VIE in which the Company has a variable interest. Black Hills Electric Generation has been determined to be the primary beneficiary of the VIE as Black Hills Electric Generation is the operator and manager of the generation facility and, as such, has the power to direct the activities that most significantly impact Black Hills Colorado IPP's economic performance. Black Hills Electric Generation, as the primary beneficiary, continues to consolidate Black Hills Colorado IPP. Black Hills Colorado IPP has not received financial or other support from the Company outside of pre-existing contractual arrangements during the reporting period. Black Hills Colorado IPP does not have any debt and its cash flows from operations are sufficient to support its ongoing operations.

We have recorded the following assets and liabilities on our Consolidated Balance Sheets related to the VIE described above as of December 31 (in **thousands**) **millions**):

	2022	2021	2023	2022
Assets:				
Current assets	\$ 12,761	\$ 13,220	\$ 15.1	\$ 12.8
Property, plant and equipment of variable interest entities, net	\$ 178,761	\$ 189,079		
Property, plant and equipment			\$ 166.8	\$ 178.8
Liabilities:				
Current liabilities	\$ 5,394	\$ 5,841	\$ 4.8	\$ 5.4

(13)

EMPLOYEE BENEFIT PLANS

Defined Contribution Plans

We sponsor a 401(k) retirement savings plan (the 401(k) Plan). Participants in the 401(k) Plan may elect to invest a portion of their eligible compensation in the 401(k) Plan up to the maximum amounts established by the IRS. The 401(k) Plan provides employees the opportunity to invest up to 50% of their eligible compensation on a pre-tax or after-tax basis.

The 401(k) Plan provides a Company matching contribution for all eligible participants. Certain eligible participants who are not currently accruing a benefit in the Pension Plan also receive a Company retirement contribution based on the participant's age and years of service. Vesting of all Company and matching contributions occurs at 20% per year with 100% vesting when the participant has 5 years of service with the Company.

Defined Benefit Pension Plan

We have one defined benefit pension plan, the Black Hills Retirement Plan (Pension Plan). The Pension Plan covers certain eligible employees of the Company. The benefits for the Pension Plan are based on years of service and calculations of average earnings during a specific time period prior to retirement. The Pension Plan is closed to new employees and frozen for certain employees who did not meet age and service-based criteria.

The Pension Plan assets are held in a Master Trust. Our Board of Directors has approved the Pension Plan's investment policy. The objective of the investment policy is to manage assets in such a way that will allow the eventual settlement of our obligations to the Pension Plan's beneficiaries. To meet this objective, our pension assets are managed by an outside adviser using a portfolio strategy that will provide liquidity to meet the Pension Plan's benefit payment obligations. The Pension Plan's assets consist primarily of equity, fixed income and hedged investments.

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The expected rate of return on the Pension Plan assets is determined by reviewing the historical and expected returns of both equity and fixed income markets, taking into account asset allocation, the correlation between asset class returns and the mix of active and passive investments. The Pension Plan utilizes a dynamic asset allocation where the target range to return-seeking and liability-hedging assets is determined based on the funded status of the Plan. As of December 31, 2022 December 31, 2023, the expected rate of return on pension plan assets was based on the targeted asset allocation range of 20% to 28% return-seeking assets and 72% to 80% liability-hedging assets.

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Our Pension Plan is funded in compliance with the federal government’s funding requirements.

Plan Assets

The percentages of total plan asset by investment category for our Pension Plan at December 31 were as follows:

Return-seeking Assets	2022	2021
Equity	14%	15%
Real estate	7%	7%
Fixed income	2%	3%
Hedge funds	3%	3%
Total	26%	28%
Liability-hedging Assets	2022	2021
Fixed income	72%	71%
Cash	2%	1%
Total	74%	72%
Total Assets	100%	100%
Return-seeking Assets	2023	2022
Equity	14%	14%
Real estate	5%	7%
Hedge funds	3%	3%
Fixed income	2%	2%
Total	24%	26%
Liability-hedging Assets	2023	2022

Fixed income	74%	72%
Cash	2%	2%
Total	76%	74%
Total Assets	100%	100%

Supplemental Non-qualified Defined Benefit Plans

We have various supplemental retirement plans for key executives of the Company. The plans are non-qualified defined benefit and defined contribution plans (Supplemental Plans). The Supplemental Plans are subject to various vesting schedules and are funded on a cash basis as benefits are paid.

Non-pension Defined Benefit Postretirement Healthcare Plan

BHC sponsors a retiree healthcare plan (Healthcare Plan) for employees who meet certain age and service requirements at retirement. Healthcare Plan benefits are subject to premiums, deductibles, co-payment provisions and other limitations. A portion of the Healthcare Plan for participating business units are pre-funded via VEBA trusts. Pre-65 retirees as well as a grandfathered group of post-65 retirees receive their retiree medical benefits through the Black Hills self-insured retiree medical plans.

Healthcare coverage for post-65 Medicare-eligible retirees is provided through an individual market healthcare exchange.

We fund the Healthcare Plan on a cash basis as benefits are paid. The Healthcare Plan provides for partial pre-funding via VEBA trusts. Assets related to this pre-funding are held in trust and are for the benefit of the union and non-union employees located in the states of Arkansas, Iowa and Kansas. We do not pre-fund the Healthcare Plan for those employees outside Arkansas, Iowa and Kansas.

Plan Contributions

Contributions to the Pension Plan are cash contributions made directly to the Master Trust. Healthcare and Supplemental Plan contributions are made in the form of benefit payments. Healthcare benefits include company and participant paid premiums.

Contributions for the years ended December 31 were as follows (in **thousands** **millions**):

	2022	2021	2023	2022
Defined Contribution Plan				
Company retirement contributions	\$ 11,885	\$ 11,332	\$ 12.7	\$ 11.9
Company matching contributions	\$ 16,187	\$ 15,938	\$ 17.1	\$ 16.2
Defined Benefit Plans				
Defined Benefit Pension Plan		\$ —	\$ —	\$ —
Non-Pension Defined Benefit Postretirement Healthcare Plan		\$ 5.4	\$ 6.1	
Supplemental Non-Qualified Defined Benefit Plans		\$ 3.5	\$ 3.1	

	2022	2021
Defined Benefit Plans		
Defined Benefit Pension Plan	\$ -	\$ -
Non-Pension Defined Benefit Postretirement Healthcare Plan	\$ 6,131	\$ 6,432
Supplemental Non-Qualified Defined Benefit Plans	\$ 3,061	\$ 2,576

We do not have any required contributions to our Pension Plan in **2023 and do not intend 2024; however, we expect** to make **any \$2.3 million in** contributions.

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Fair Value Measurements

The following tables set forth, by level within the fair value hierarchy, the assets that were accounted for at fair value on a recurring basis (in **thousands** **millions**):

							December 31, 2023					
							Total Investments					
							Level 1	Level 2	Level 3	Measured at	NAV	Total
							1	2	3	Fair Value	(a)	Investments
Pension Plan	December 31, 2022											
	Total Investments Measured at Fair Value											
	Level 1	Level 2	Level 3	at Fair Value	NAV (a)	Total Investments						
Common Collective Trust - Cash and Cash Equivalents	\$ -	\$ 6,374	\$ -	\$ 6,374	\$ -	\$ 6,374	\$ —	\$ 6.7	\$ —	\$ 6.7	\$ —	\$ 6.7
Common Collective Trust - Equity	-	45,087	-	45,087	-	45,087	—	42.7	—	42.7	—	42.7
Common Collective Trust - Fixed Income	-	242,025	-	242,025	-	242,025	—	234.5	—	234.5	—	234.5
Common Collective Trust - Real Estate	-	-	-	-	21,572	21,572	—	—	—	—	16.4	16.4
Hedge Funds	-	-	-	-	8,084	8,084	—	—	—	—	8.1	8.1
Total investments measured at fair value	\$ -	\$ 293,486	\$ -	\$ 293,486	\$ 29,655	\$ 323,142	\$ —	\$ 283.9	\$ —	\$ 283.9	\$ 24.5	\$ 308.4
Non-pension Defined Benefit Postretirement Healthcare Plan												
Cash and Cash Equivalents							8.0	—	—	8.0	8.0	
Total investments measured at fair value							\$ 8.0	\$ —	\$ —	\$ 8.0	\$ 8.0	
December 31, 2022												

							Total Investments					
							Level	Level	Level	Measured at	NAV	Total
							1	2	3	Fair Value	(a)	Investments
Pension Plan	December 31, 2021											
	Level 1	Level 2	Level 3	Total Investme nts Measured at Fair Value	NAV (a)	Total Investme nts						
Common Collective Trust - Cash and Cash Equivalents	\$ -	\$ 6,009	\$ -	\$ 6,009	\$ -	\$ 6,009	\$ —	\$ 6.4	\$ —	\$ 6.4	\$ —	\$ 6.4
Common Collective Trust - Equity	-	70,262	-	70,262	-	70,262	—	45.1	—	45.1	—	45.1
Common Collective Trust - Fixed Income	-	339,219	-	339,219	-	339,219	—	242.0	—	242.0	—	242.0
Common Collective Trust - Real Estate	-	-	-	-	30,407	30,407	—	—	—	—	21.5	21.5
Hedge Funds	-	-	-	-	12,490	12,490	—	—	—	—	8.1	8.1
Total investments measured at fair value	\$ -	\$ 415,49	\$ -	\$ 415,490	\$ 7	\$ 458,387	\$ —	\$ 293.5	\$ —	\$ 293.5	\$ 29.6	\$ 323.1
Non-pension Defined Benefit Postretirement Healthcare Plan												
Cash and Cash Equivalents							7.8	—	—	7.8		7.8
Total investments measured at fair value							\$ 7.8	\$ —	\$ —	\$ 7.8		\$ 7.8

(a) Certain investments that are measured at fair value using NAV per share (or its equivalent) for practical expedient have not been classified in the fair value hierarchy. The fair value amount presented in these tables for these investments are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the reconciliation of changes in the plan's benefits and obligations and fair value of plan assets above.

Non-pension Defined Benefit Postretirement Healthcare Plan						December 31, 2022					
						Total Investments					
						Measured at Fair			Total		
						Level 1	Level 2	Level 3	Value	Investments	
Cash and Cash Equivalents						\$ 7,752	\$ -	\$ -	\$ 7,752	\$ 7,752	
Total investments measured at fair value						\$ 7,752	\$ -	\$ -	\$ 7,752	\$ 7,752	

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Non-pension Defined Benefit Postretirement Healthcare Plan						December 31, 2021					
						Total Investments					
						Measured at Fair			Total		
						Level 1	Level 2	Level 3	Value	Investments	
Cash and Cash Equivalents						\$ 7,972	\$ -	\$ -	\$ 7,972	\$ 7,972	
Total investments measured at fair value						\$ 7,972	\$ -	\$ -	\$ 7,972	\$ 7,972	

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Additional information about assets of the benefit plans, including methods and assumptions used to estimate the fair value of these assets, is as follows:

Pension Plan

Common Collective Trust Funds: These funds are valued based upon the redemption price of units held by the Pension Plan, which is based on the current fair value of the common collective trust funds' underlying assets. Unit values are determined by the financial institution sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The Pension Plan's investments in common collective trust funds, with the exception of shares of the common collective trust-real estate are categorized as Level 2.

The following investments are measured at NAV and are not classified in the fair value hierarchy, in accordance with accounting guidance:

Common Collective Trust-Real Estate Funds: These funds are valued based on various factors of the underlying real estate properties, including market rent, market rent growth, occupancy levels, etc. As part of the trustee's valuation process, properties are externally appraised generally on an annual basis. The appraisals are conducted by reputable independent appraisal firms and signed by appraisers that are members of the Appraisal Institute, with professional designation of Member, Appraisal Institute. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. We receive monthly statements from the trustee, along with the annual schedule of investments and rely on these reports for pricing the units of the fund.

Hedge Funds: These funds represent investments in other investment funds that seek a return utilizing a number of diverse investment strategies. The strategies, when combined, aim to reduce volatility and risk while attempting to deliver positive returns under all market conditions. Amounts are reported on a one-month lag. The fair value of hedge funds is determined using net asset value per share based on the fair value of the hedge fund's underlying investments. 10% of the shares may be redeemed at the end of each month with a 15-day notice and full redemptions are available at the end of each quarter with 60-day notice and is limited to a percentage of the total net assets value of the fund. The net asset values are based on the fair value of each fund's underlying investments. There are no unfunded commitments related to these hedge funds.

Non-pension Defined Benefit Postretirement Healthcare Plan

Cash and Cash Equivalents: This represents an investment in Northern Institutional Government Assets Portfolio, which is a government money market fund. As shares held reflect quoted prices in an active market, they are categorized as Level 1.

Components of Net Periodic Expense

The following table provides a reconciliation of components of the net periodic expense (in millions):

For the years ended December 31,	Defined Benefit			Supplemental			Non-pension Defined Benefit		
	Pension Plan			Non-qualified Defined Benefit Plans			Postretirement Healthcare Plan		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Service cost	\$ 2.5	\$ 3.9	\$ 5.0	\$ 3.1	\$ (0.8)	\$ 3.1	\$ 1.5	\$ 1.9	\$ 2.2
Interest cost	17.5	10.8	9.3	1.5	0.8	0.7	2.4	1.3	1.0
Expected return on assets	(18.7)	(18.5)	(20.8)	—	—	—	(0.2)	(0.1)	(0.1)
Net amortization of prior service cost	(0.1)	(0.1)	—	—	—	—	—	(0.3)	(0.4)

Recognized net actuarial loss (gain)	2.0	6.1	7.3	—	0.3	1.8	—	0.1	0.5
Net periodic expense	\$ 3.2	\$ 2.2	\$ 0.8	\$ 4.6	\$ 0.3	\$ 5.6	\$ 3.7	\$ 2.9	\$ 3.2

Service costs are recorded in Operations and maintenance expense while non-service costs are recorded in Other expense on the Consolidated Statements of Income.

Actuarial gains and losses are amortized using a straight-line method over the average remaining service period of active plan participants or over the average remaining lifetime of the remaining plan participants if the plan is viewed as “all or almost all” inactive participants.

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Other Plan Information

The following tables provide a reconciliation of the employee benefit plan obligations and fair value of employee benefit plan assets, amounts recognized in the on our Consolidated Balance Sheets, accumulated benefit obligation and reconciliation of components of the net periodic expense and elements of AOCI (in thousands) millions):

Employee Benefit Plan Obligations

As of December 31,	Supplemental Non-qualified					
	Defined Benefit Pension Plan		Defined Benefit Plans		Non-pension Defined Benefit Postretirement Healthcare Plan	
	2022	2021	2022	2021	2022	2021
Change in benefit obligation:						
Projected benefit obligation at beginning of year	\$ 478,262	\$ 514,008	\$ 55,260	\$ 55,054	\$ 63,484	\$ 70,238
Service cost ^(a)	3,927	5,038	(801)	3,149	1,968	2,237
Interest cost	10,819	9,313	834	706	1,285	1,058
Actuarial (gain) loss	(97,960)	(14,037)	(7,007)	(1,073)	(12,300)	(5,165)
Amendments	-	(561)	-	-	-	-
Benefits paid	(36,663)	(35,499)	(3,061)	(2,576)	(6,131)	(6,432)
Plan participants' contributions	-	-	-	-	1,419	1,548
Projected benefit obligation at end of year	\$ 358,385	\$ 478,262	\$ 45,225	\$ 55,260	\$ 49,725	\$ 63,484

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Fair Value Employee Benefit Plan Assets

As of December 31,	Supplemental Non-qualified					
	Defined Benefit Pension Plan		Defined Benefit Plans		Non-pension Defined Benefit Postretirement Healthcare Plan ^(a)	
	2022	2021	2022	2021	2022	2021
Change in fair value of plan assets:						
Beginning fair value of plan assets	\$ 458,387	\$ 473,721	\$ -	\$ -	\$ 7,972	\$ 8,165
Investment income (loss)	(98,585)	20,165	-	-	4	(35)
Employer contributions	-	-	3,061	2,576	4,488	4,726

Retiree contributions	-	-	-	-	1,419	1,548
Benefits paid	(36,661)	(35,499)	(3,061)	(2,576)	(6,131)	(6,432)
Ending fair value of plan assets	\$ 323,141	\$ 458,387	\$ -	\$ -	\$ 7,752	\$ 7,972

(a) Assets of VEBA trusts.

	Non-pension Defined			Non-pension Defined		
	Supplemental Non-		Benefit	Supplemental Non-		Benefit
	Defined Benefit Pension Plan	qualified Defined Benefit Plans	Postretirement Healthcare Plan	Defined Benefit Pension Plan	qualified Defined Benefit Plans	Postretirement Healthcare Plan
	2023			2022		
Accumulated benefit obligation at December 31	\$ 341.8	\$ 46.7	\$ 51.1	\$ 350.2	\$ 45.2	\$ 49.7
Change in benefit obligation:						
Projected benefit obligation at beginning of year	\$ 358.4	\$ 45.2	\$ 49.7	\$ 478.3	\$ 55.3	\$ 63.5
Service cost	2.5	3.1	1.5	3.9	(0.8)	1.9
Interest cost	17.5	1.5	2.4	10.8	0.8	1.3
Actuarial (gain) loss	11.6	0.3	1.7	(97.9)	(7.0)	(12.3)
Benefits paid	(41.9)	(3.4)	(5.3)	(36.7)	(3.1)	(6.1)
Plan participants' contributions	—	—	1.1	—	—	1.4
Projected benefit obligation at end of year	348.1	46.7	51.1	358.4	45.2	49.7
Change in fair value of plan assets:						
Fair value of plan assets at beginning of year	323.1	—	7.8	458.4	—	8.0
Investment income (loss)	27.4	—	0.2	(98.6)	—	—
Employer contributions	—	3.5	4.3	—	3.1	4.5
Retiree contributions	—	—	1.1	—	—	1.4
Benefits paid	(41.9)	(3.5)	(5.4)	(36.7)	(3.1)	(6.1)
Fair value of plan assets at end of year	308.6	—	8.0	323.1	—	7.8
Funded status - deficiency	\$ 39.5	\$ 46.7	\$ 43.1	\$ 35.3	\$ 45.2	\$ 41.9
Amounts recognized on our Consolidated Balance						
Sheets as of December 31:						
Regulatory assets	\$ 79.9	\$ —	\$ 4.8	\$ 78.7	\$ —	\$ 3.8
Current liabilities	—	2.4	4.2	—	2.2	4.4
Non-current assets	—	—	1.3	—	—	1.0
Non-current liabilities	39.4	44.3	40.2	35.2	43.0	38.5
Regulatory liabilities	2.9	—	5.5	2.8	—	6.2
Amounts recognized in AOCI, net of tax as of						
December 31:						
Net (gain) loss	\$ 5.0	\$ 1.8	\$ (0.7)	\$ 5.2	\$ 1.6	\$ (0.7)
Prior service cost (gain)	—	—	0.1	(0.1)	—	0.1
Total amounts included in AOCI, net of tax not yet recognized as components of net periodic expense	\$ 5.0	\$ 1.8	\$ (0.6)	\$ 5.1	\$ 1.6	\$ (0.6)

In 2012, we froze our Pension Plan and closed it to new participants. Since then, we have implemented various de-risking strategies including lump sum buyouts, the purchase of annuities and the reduction of return-seeking assets over time to a more liability-hedged portfolio. As a result, capital markets volatility had a limited impact to our unfunded status.

Amounts Recognized in the Consolidated Balance Sheets

As of December 31,	Defined Benefit Pension Plan			Supplemental Non-qualified Defined Benefit Plans			Non-pension Defined Benefit Postretirement Healthcare Plan		
	2022	2021		2022	2021		2022	2021	
Regulatory assets	\$ 78,654	\$ 67,403		\$ -	\$ -		\$ 3,788	\$ 11,660	
Current liabilities	\$ -	\$ -		\$ 2,231	\$ 2,156		\$ 4,427	\$ 4,584	
Non-current assets	\$ -	\$ -		\$ -	\$ -		\$ 959	\$ -	
Non-current liabilities	\$ 35,243	\$ 19,872		\$ 42,994	\$ 53,104		\$ 38,505	\$ 50,949	
Regulatory liabilities	\$ 2,804	\$ 3,830		\$ -	\$ -		\$ 6,198	\$ 2,447	

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Accumulated Benefit Obligation

As of December 31,	Defined Benefit Pension Plan			Supplemental Non-qualified Defined Benefit Plans			Non-pension Defined Benefit Postretirement Healthcare Plan		
	2022	2021		2022	2021		2022	2021	
Accumulated Benefit Obligation	\$ 350,187	\$ 466,505		\$ 45,225	\$ 55,260		\$ 49,725	\$ 63,484	

Components of Net Periodic Expense

For the years ended December 31,	Defined Benefit Pension Plan			Supplemental Non-qualified Defined Benefit Plans			Non-pension Defined Benefit Postretirement Healthcare Plan		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Service cost	\$ 3,927	\$ 5,038	\$ 5,411	\$ (801)	\$ 3,149	\$ 1,579	\$ 1,968	\$ 2,237	\$ 2,056
Interest cost	10,819	9,313	13,426	834	706	1,099	1,285	1,058	1,649
Expected return on assets	(18,523)	(20,876)	(22,591)	-	-	-	(125)	(136)	(182)
Net amortization of prior service cost	(68)	-	-	-	-	2	(289)	(434)	(546)
Recognized net actuarial loss (gain)	6,092	7,315	8,372	276	1,754	1,702	64	466	20
Net periodic expense	\$ 2,247	\$ 790	\$ 4,618	\$ 309	\$ 5,609	\$ 4,382	\$ 2,903	\$ 3,191	\$ 2,997

Service costs are recorded in Operations and maintenance expense while nonservice costs were recorded in Other expense on the Consolidated Statements of Income.

Actuarial gains and losses are amortized using a straight-line method over the average remaining service period of active plan participants or over the average remaining lifetime of the remaining plan participants if the plan is viewed as “all or almost all” inactive participants.

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AOCI Amounts (After-Tax)

As of December 31,	Defined Benefit Pension Plan		Supplemental Non-qualified Defined Benefit Plans		Non-pension Defined Benefit Postretirement Healthcare Plan	
	2022	2021	2022	2021	2022	2021
Net (gain) loss	\$ 5,179	\$ 4,398	\$ 1,565	\$ 7,159	\$ (667)	\$ (308)

Prior service cost (gain)		(39)		(46)		-		-		74		(27)
Total amounts included in AOCI, after-tax not yet recognized as components of net periodic expense	\$	5,140	\$	4,352	\$	1,565	\$	7,159	\$	(593)	\$	(335)

Assumptions

			Defined Benefit			Supplemental			Non-pension Defined Benefit																				
			Pension Plan			Non-qualified Defined Benefit Plans			Postretirement Healthcare Plan																				
Weighted-average assumptions used to determine benefit obligations:										2022	2021	2020	2022	2021	2020	2022	2021	2020											
Discount rate			5.17 %			2.88 %			2.56 %			5.13 %			2.77 %			2.41 %			5.14 %			2.79 %			2.41 %		
Rate of increase in compensation levels			3.06 %			3.08 %			3.34 %			—			5.00 %			5.00 %			N/A			N/A			N/A		
	Defined Benefit Pension Plan	Supplemental Non-qualified Defined Benefit Plans	Non-pension Defined Benefit Postretirement Healthcare Plan			Supplemental Non-qualified Defined Benefit Plans																							
						Defined Benefit Pension Plan	Non-qualified Defined Benefit Plans			Non-pension Defined Benefit Postretirement Healthcare Plan																			
									2023	2022	2021	2023	2022	2021	2023	2022			2021										
Weighted-average assumptions used to determine benefit obligations:																													
Discount rate (a)						4.99 %			5.17 %	2.88 %	4.93 %	5.13 %	2.77 %	4.97 %	5.14 %			2.79 %											
Rate of increase in compensation levels						3.04 %			3.06 %	3.08 %	—	—	5.00 %	N/A	N/A			N/A											
Weighted-average assumptions used to determine net periodic benefit cost for plan year:			2	2	2	2	2	20	2	2	20	20	20																
			0	0	0	0	0																						
Discount rate (a)			2	2	3	2	3																						
			.	.	.	2.	.	.	2.	2.	3.																		
			8	5	2	7	4	1	7	4	1																		
			8%	6%	7%	7 %	1%	4%	9 %	1 %	5 %	5.17 %	2.88 %	2.56 %	5.13 %	2.77 %	2.41 %	5.14 %	2.79 %	2.41 %									
Expected long-term rate of return on assets			4	4	5																								
			.	.	.	N	N	1.	1.	2.																			
			2	5	2	N/	/	/	7	8	3																		
(b)			5%	0%	5%	A	A	A	0 %	0 %	5 %	6.00 %	4.25 %	4.50 %	N/A	N/A	N/A	3.10 %	1.70 %	1.80 %									

Rate of increase in compensation levels	3	3	3		5	5												
	.	.	.		.	.												
	0	3	4		0	0	N/	N/	N/									
	8%	4%	9%	—	0%	0%	A	A	A	3.06 %	3.08 %	3.34 %	—	—	5.00 %	N/A	N/A	N/A

- (a) The estimated discount rate for the Defined Benefit Pension Plan is 5.2 5.0% for the calculation of the 2023 2024 net periodic pension costs.
- (b) The expected rate of return on plan assets for the Defined Benefit Pension Plan is 6.0% for the calculation of the 2023 2024 net periodic pension cost.

The healthcare benefit obligation at December 31 was determined as follows:

	2022	2021	2023	2022
Trend Rate - Medical				
Pre-65 for next year - All Plans	7.00 %	6.05 %	6.69 %	7.00 %
Pre-65 Ultimate trend rate - Black Hills Corp	4.50 %	4.50 %	4.50 %	4.50 %
Trend Year	2031	2030	2034	2031
Post-65 for next year - All Plans				
Post-65 Ultimate trend rate - Black Hills Corp	4.50 %	4.50 %	4.50 %	4.50 %
Trend Year	2031	2030	2034	2031

The following benefit payments to employees, which reflect future service, are expected to be paid (in thousands) millions):

	Defined Benefit Pension Plan	Supplemental Non-qualified Defined Benefit Plans	Non-pension Defined Benefit Postretirement Healthcare Plan
2023	\$ 26,889	\$ 2,231	\$ 5,600
2024	\$ 26,882	\$ 2,417	\$ 5,313
2025	\$ 27,870	\$ 2,764	\$ 5,022
2026	\$ 28,182	\$ 2,790	\$ 4,883
2027	\$ 28,166	\$ 2,727	\$ 4,769
2028 -2032	\$ 140,416	\$ 12,184	\$ 21,147

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	Defined Benefit Pension Plan	Supplemental Non-qualified Defined Benefit Plans	Non-pension Defined Benefit Postretirement Healthcare Plan
2024	\$ 24.5	\$ 2.4	\$ 5.2
2025	25.4	2.8	5.0
2026	26.0	2.8	4.9
2027	25.9	2.7	4.8
2028	26.2	2.6	4.6
2029 - 2033	\$ 129.7	\$ 11.7	\$ 21.4

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SHARE-BASED COMPENSATION PLANS

On April 26, 2022, our shareholders approved the [Our](#) Amended and Restated 2015 Omnibus Incentive Plan (the "Amended Plan"), which was adopted by our Board of Directors and became effective on February 24, 2022. The Amended Plan increased the number of shares available for issuance under the 2015 Plan from 1,200,000 to a total of 2,900,000. The Amended Plan allows for the granting of stock, restricted stock, restricted stock units, stock options, performance shares and performance share units. We had [2,213,716](#) [2,132,275](#) shares available to grant at [December 31, 2022](#) [December 31, 2023](#).

Compensation expense is determined using the grant date fair value estimated in accordance with the provisions of accounting standards for stock compensation and is recognized over the vesting periods of the individual awards. As of [December 31, 2022](#) [December 31, 2023](#), total unrecognized compensation expense related to non-vested stock awards was approximately [\\$12.1](#) million and is expected to be recognized over a weighted-average period of 1.7 years. Stock-based compensation expense, which is included in Operations and maintenance on the accompanying Consolidated Statements of Income, was as follows for the years ended December 31 (in thousands) millions):

	2022		2021		2020	
Stock-based compensation expense	\$	8,551	\$	9,655	\$	5,373
	2023		2022		2021	
Stock-based compensation expense	\$	7.0	\$	8.6	\$	9.7

Restricted Stock

The fair value of restricted stock and restricted stock unit awards equals the market price of our stock on the date of grant.

The shares carry a restriction on the ability to sell the shares until the shares vest. The shares substantially vest over three years, contingent on continued employment. Compensation expense related to the awards is recognized over the vesting period.

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A summary of the status of the restricted stock and restricted stock units at [December 31, 2022](#) [December 31, 2023](#), was as follows:

	Restricted Stock		Weighted-Average Grant Date Fair Value		Restricted Stock		Weighted-Average Grant Date Fair Value	
	(in thousands)							
Balance at January 1, 2022	219	\$	67.64					
Balance at January 1, 2023					178,129	\$	67.23	
Granted	70		69.03		110,198		63.33	
Vested	(94)		69.64		(97,084)		67.56	
Forfeited	(16)		66.03		(26,556)		65.10	

Balance at December 31, 2022	179	\$	67.23
Balance at December 31, 2023	164,687	\$	64.81

The weighted-average grant-date fair value of restricted stock granted, and the total fair value of shares vested during the years ended December 31, were as follows:

	Weighted-Average Grant Date Fair Value		Total Fair Value of Shares Vested	
			(in thousands)	
2022	\$	69.03	\$	6,436
2021	\$	65.64	\$	5,400
2020	\$	69.49	\$	6,722
	Weighted-Average Grant Date Fair Value		Total Fair Value of Shares Vested	
			(in millions)	
2023	\$	63.33	\$	5.9
2022	\$	69.03	\$	6.4
2021	\$	65.64	\$	5.4

As of **December 31, 2022** December 31, 2023, there was **\$7.5** 6.3 million of unrecognized compensation expense related to non-vested restricted stock that is expected to be recognized over a weighted-average period of **1.7** 1.6 years.

Performance Share Units

Beginning in 2021, certain officers of the Company, and its subsidiaries, were granted performance share units which have a three-year vesting period, do not have voting rights until vested, and are subject to three specified conditions. A market condition of relative total shareholder return and two equally weighted performance metrics of average earnings per share and the average cost to serve. Beginning in 2023, the metric of natural gas emissions reduction by 2035 was added, resulting in three equally weighted performance metrics. The units are paid 100% in common stock should conditions be met and can range from 0% to 200% of the target award. Dividend equivalents are accrued during the vesting period and paid out based on the final number of shares awarded. In the event of participant's death or retirement at age 55 or older, shares awarded vest on a pro-rata basis commensurate with the months of service performed over the three-year period.

Performance Share Units - Market Condition

The fair value of each share unit is based on the Company's closing price at December 31 of the year prior to the award and a Monte Carlo simulation. The Monte Carlo simulation is used to estimate expected share payout based on the Company's TSR for a three-year performance period relative to the designated peer group beginning January 1 of the award year. The significant assumptions included in the company's Monte Carlo simulations were as follows:

	2023	2022
Fair value of share units award	\$77.95	\$74.48
Risk-free rate	3.84%	0.97%
Black Hills Corporation's common stock volatility	31%	30%
Volatility range for the peer group	24-39%	22-67%

Performance Share Units - Performance Condition

A performance condition share unit vests at the end of the three-year performance period if the specified performance conditions are achieved. The conditions are based on the Company's average earnings per share, the average cost to serve and natural gas emissions reductions by 2035. The grant-date fair value for an individual outcome of a performance condition is determined by the closing common share price on the grant date or, beginning in 2023, the average ten-day closing common share price preceding the grant date.

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The following table summarizes the performance share unit activity for the year ended December 31, 2023:

	Performance Share Units - Market Condition		Performance Share Units - Performance Condition	
	Share Units	Weighted-Average Fair	Share Units	Weighted-Average Fair
		Value per Share Unit		Value per Share Unit
Nonvested at January 1, 2023	68,474	\$ 69.91	45,666	\$ 66.19
Granted	50,440	77.95	21,615	71.50
Forfeited	(8,167)	73.43	(4,627)	68.03
Nonvested at December 31, 2023	110,747	\$ 73.31	62,654	\$ 67.88

As of December 31, 2023, there was \$4.0 million of unrecognized compensation expense related to outstanding performance share/units that is expected to be recognized over a weighted-average period of 1.8 years.

On January 25, 2024, the Compensation Committee of our Board of Directors confirmed a payout equal to 16.21% of target shares valued at \$0.5 million. The payout was fully accrued at December 31, 2023.

Performance Share Plan

Prior to 2021, certain officers of the Company and its subsidiaries became participants in a market-based performance share award plan. Performance shares are awarded based on our total shareholder return over designated performance periods as measured against a selected peer group. In addition, certain stock price performance must be achieved for a payout to occur. The final value of the performance shares will vary according to the number of shares of common stock that are ultimately granted based upon the actual level of attainment of the performance criteria.

These performance share awards are were paid 50% in cash and 50% in common stock. The cash portion accrued is classified as a liability and the stock portion is classified as equity. In the event of a change-in-control, performance awards are paid 100% in cash. If it is determined that a change-in-control is probable, the equity portion of \$1.4 million at December 31, 2022 would be reclassified as a liability.

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The outstanding performance periods at December 31, 2022 December 31, 2023 were as follows (shares in thousands): follows:

Grant Date	Performance Period	Target Grant of Shares	Possible Payout Range of Target		Performance Period	Target Grant of Shares	Possible Payout Range of Target	
			Mini	Maxi			Minimum	Maximum
January 1, 2020	January 1, 2020 - December 31, 2022	36	0%	200%	January 1, 2020 - December 31, 2022	35,571	0%	200%

A summary of the status of the Performance Share Plan at December 31, 2022 December 31, 2023 was as follows:

	Equity Portion		Liability Portion					
	Weighted-Average Grant Date		Weighted-Average Fair Value at					
	Share		Share	December 31,	Equity Portion		Liability Portion	
	s	Fair Value (a)	s	2022	Weighted-Average Grant Date		Weighted-Average Fair Value at	
	(in thous ands)		(in thous ands)		Shares	Fair Value (a)	Shares	December 31, 2023
Performance Shares balance at beginning of period	36	\$ 68.14	36		18,105	\$ 81.42	18,105	
Granted	—	—	—		—	—	—	
Forfeited	—	—	—		—	—	—	
Vested	(18)	68.72	(18)		(18,105)	81.42	(18,105)	
Performance Shares balance at end of period	18	\$ 81.42	18	\$ 32.74	—	\$ —	—	\$ —

(a) The grant date fair values for the performance shares granted in 2020 were determined by Monte Carlo simulation using a blended volatility of 18%, comprised of 50% historical volatility and 50% implied volatility and the average risk-free interest rate of the three-year United States Treasury security rate in effect as of the grant date.

The weighted-average grant-date fair value of performance share awards granted was as follows in the years ended:

	Weighted Average Grant Date Fair Value
December 31, 2020	\$ 81.42

Performance plan payouts have been as follows (in thousands) millions, except stock issued):

Performance Period	Year Paid	Stock Issued	Cash Paid	Total Intrinsic Value	Year Paid	Stock Issued	Cash Paid	Total Intrinsic Value
January 1, 2020 to December 31, 2022					2023	4,958	\$ 0.3	\$ 0.7
January 1, 2019 to December 31, 2021	2022	8	\$ 519	\$ 1,038	2022	7,582	\$ 0.5	\$ 1.0
January 1, 2018 to December 31, 2020	2021	28	\$ 1,647	\$ 3,294	2021	27,515	\$ 1.6	\$ 3.3
January 1, 2017 to December 31, 2019	2020	14	\$ 1,100	\$ 2,199				

On January 25, 2023, the Compensation Committee of our Board of Directors determined that the Company's total shareholder return for the January 1, 2020 to December 31, 2022 performance period was at the 26th percentile of its peer group and confirmed a payout equal to 27% of target shares, valued at \$0.7 million. The payout was fully accrued at December 31, 2022. 97

Performance Share Units

Beginning in 2021, certain officers of the Company, and its subsidiaries, were granted performance share units which have a three-year vesting period, do not have voting rights until vested, and are subject to three specified conditions. A market condition of relative total shareholder return, and two equally weighted performance metrics of

average earnings per share and the average cost to serve. The units are paid 100% in common stock should conditions be met and can range from 0% to 200% of the target award. Dividend equivalents are accrued during the vesting period and paid out based on the final number of shares awarded. In the event of participant's death or retirement at age 55 or older, shares awarded vest on a pro-rata basis over the three-year period.

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Performance Share Units - Market Condition (15) INCOME TAXES

The fair value of each share unit is based on the Company's closing price at December 31 of the year prior to the award and a Monte Carlo simulation. The Monte Carlo simulation is used to estimate expected share payout based on the Company's TSR for a three-year performance period relative to the designated peer group beginning January 1 of the award year.

	2022	2021
Fair value of share units award	74.48	64.97
Three-year risk-free rate	0.97%	0.17%
Black Hills Corporation's common stock volatility	30%	33%
Volatility range for the peer group	22-67%	25-76%

Performance Share Units - Performance Condition

A performance condition share unit vests at the end of the three-year performance period if the specified performance conditions are achieved. The conditions are based on the Company's average earnings per share and the average cost to serve. The grant-date fair value for an individual outcome of a performance condition is determined by the closing common share price on the grant date.

The following table summarizes the performance share unit activity for the year ended December 31, 2022:

	Performance Share Units - Market Condition		Performance Share Units - Performance Condition	
	Weighted-Average Fair Value per Share		Weighted-Average Fair Value per Share	
	Share Units	Unit	Share Units	Unit
Nonvested at January 1, 2022	32,903	\$ 64.97	21,948	\$ 61.45
Granted	35,571	74.48	23,718	70.57
Nonvested at December 31, 2022	68,474	\$ 69.91	45,666	\$ 66.19

As of December 31, 2022, there was \$4.1 million of unrecognized compensation expense related to outstanding performance share/unit plans that is expected to be recognized over a weighted-average period of 1.7 years.

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(15) INCOME TAXES

Winter Storm Uri

As discussed in [Note 2](#) above, our Utilities received final commission approval for all of our Winter Storm Uri cost recovery applications, which will allow full recovery of our \$546 million of incremental fuel, purchased power and natural gas costs. We will recover these costs from customers over several years, which will increase our taxable income on our tax returns by the amounts collected for each respective year. The incremental costs from Winter Storm Uri were deductible in our 2021 tax return and created a net deferred tax liability, which had balances as of December 31, 2022 and 2021 of \$85 million and \$124 million, respectively. The deferred tax liability is reversed with the same timing as the costs are recovered from our customers.

The income tax deduction recognized from Winter Storm Uri created a \$509 million NOL in our 2021 federal income tax return and a \$375 million NOL in our state income tax returns. Our federal NOL carryforwards related to Winter Storm Uri and other recent adjustments no longer expire due to the TCJA; however, our state NOL carryforwards expire at various dates from 2023 to 2041. We do not anticipate material changes to our valuation allowance against the state NOL carryforwards from Winter Storm Uri. Therefore, we did not record an additional valuation allowance against the state NOL carryforwards as of December 31, 2022 and 2021.

TCJA IRS Revenue Procedure 2023-15

On December 22, 2017 April 14, 2023, the U.S. government enacted comprehensive 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 legislation commonly referred years ending after May 1, 2023. We are currently assessing the Revenue Procedure to as the TCJA. The TCJA reduced the U.S. federal corporate tax rate from 35% to 21%. As such, the Company remeasured the deferred income taxes at the 21% federal tax rate as of December 31, 2017. The entities subject to regulatory construct have made their best estimate regarding the probability of settlements of net regulatory liabilities established pursuant to the TCJA. The amount of the settlements may change based on decisions and actions by the federal and state utility commissions, which could have a material determine its impact on the Company's future results of operations, cash flows or financial position. A majority of the excess deferred taxes are subject to the average rate assumption method, as prescribed by the IRS, and will generally be amortized as a reduction of customer rates over the remaining lives of the related assets. For the years ended December 31, 2022, 2021 and 2020, respectively, the Company has amortized, or provided bill credits for, \$11 million, \$23 million and \$13 million of the regulatory liability. The portion that was eligible for amortization under the average rate assumption method in 2021 but is awaiting resolution of the treatment of these amounts in future regulatory proceedings has not been recognized and may be refunded in customer rates at any time in accordance with the resolution of pending or future regulatory proceedings. Beginning in 2022, the TJCA modified IRC 174 which changes how taxpayers account for research and development costs. After the IRC 174 modification, taxpayers must amortize specified research and experimental expenditures performed in the United States ratably over five years instead of deducting research and experimental expenditures. This modification did not have a material impact for the year ended December 31, 2022. our tax repairs deduction.

Income Tax Expense (Benefit)

Income tax expense (benefit) from continuing operations for the years ended December 31 was (in thousands) millions):

	2022	2021	2020
Current:			
Federal	\$ (467)	\$ 574	\$ (6,020)
State	80	(666)	847
Current income tax (benefit)	(387)	(92)	(5,173)
Deferred:			
Federal	23,205	2,170	35,672
State	2,387	5,091	2,419
Deferred income tax expense	25,592	7,261	38,091
Income tax expense	\$ 25,205	\$ 7,169	\$ 32,918

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	2023	2022	2021
Current:			
Federal	\$ (0.8)	\$ (0.5)	0.6
State	1.0	0.1	(0.7)

Current income tax (benefit)	0.2	(0.4)	(0.1)
Deferred:			
Federal	30.9	23.2	2.2
State	(5.5)	2.4	5.1
Deferred income tax expense	25.4	25.6	7.3
Income tax expense	\$ 25.6	\$ 25.2	\$ 7.2

Effective Tax Rates

The effective tax rate differs from the federal statutory rate for the years ended December 31, as follows:

	2022	2021	2020	2023	2022	2021
Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
State income tax (net of federal tax effect) (a)	0.5	1.2	2.4	(0.8)	0.5	1.2
Non-controlling interest (b)	(0.9)	(1.2)	(1.2)	(1.0)	(0.9)	(1.2)
Tax credits	(7.7)	(8.4)	(9.2)	(6.2)	(7.7)	(8.4)
Flow-through adjustments (c)	(1.4)	(3.2)	(1.6)	(1.7)	(1.4)	(3.2)
Uncertain Tax Benefits	—	0.3	1.5			
Valuation Allowance	—	—	0.7			
Other tax differences	(0.1)	(0.2)	0.6			
Amortization of excess deferred income tax expense (d)	(2.5)	(3.1)	(2.3)			
Amortization of excess deferred income taxes (d)				(3.0)	(2.5)	(3.1)
TCJA bill credits (e)	(0.4)	(3.6)	—	—	(0.4)	(3.6)
Other				0.2	(0.1)	0.1
Effective Tax Rate	8.5 %	2.8 %	11.9 %	8.5 %	8.5 %	2.8 %

- (a) The state effective tax rate contains the tax expense attributable to multiple statutory state rate reductions changes in the Company's state jurisdictions. For the year ended December 31, 2023, we recognized an \$8.2 million tax benefit from a Nebraska income tax rate decrease.
- (b) The effective tax rate reflects the income attributable to the non-controlling interest in Black Hills Colorado IPP for which a tax provision was not recorded.
- (c) Flow-through adjustments related primarily to accounting method changes for tax purposes that allow us to take a current tax deduction for repair costs and certain indirect costs and gain deferral costs. We recorded a deferred income tax liability in recognition of the temporary difference created between book and tax treatment and flowed the tax benefit through to tax expense. A regulatory asset was established to reflect the recovery of future increases in taxes payable from customers as the temporary differences reverse. As a result of this regulatory treatment, we continue to record tax benefits consistent with the flow-through method.
- (d) Primarily TCJA - see above Note 2 for additional information.
- (e) Primarily related to one-time bill credits of TCJA benefits which were delivered to Colorado Electric and Nebraska Gas customers in 2021. These bill credits, which resulted in a reduction in revenue, were offset by a reduction in income tax expense and resulted in a minimal impact to Net income for the year ended December 31, 2021.

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Deferred Tax Assets and Liabilities

The temporary differences, which gave rise to the net deferred tax liability, for the years ended December 31 were as follows (in thousands millions):

	2022	2021
Deferred tax assets:		
Regulatory liabilities	\$ 74,728	\$ 77,099
State tax credits	22,817	23,342
Federal NOL	191,992	227,535
State NOL	23,031	33,639
Partnership	12,755	13,395
Credit Carryovers	90,881	68,646
Other deferred tax assets	45,407	31,996
Less: Valuation allowance	(15,476)	(14,719)
Total deferred tax assets	446,135	460,933
Deferred tax liabilities:		
Accelerated depreciation, amortization and other property-related differences	(645,762)	(597,284)
Regulatory assets	(94,433)	(124,582)
Goodwill	(57,884)	(45,471)
State deferred tax liability	(98,200)	(109,136)
Other deferred tax liabilities	(58,797)	(49,848)
Total deferred tax liabilities	(955,076)	(926,321)
Net deferred tax liability	\$ (508,941)	\$ (465,388)

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	2023	2022
Deferred tax assets:		
Regulatory liabilities	\$ 74.0	\$ 74.7
State tax credits	22.8	22.8
Federal NOL	146.6	192.0
State NOL	16.5	23.0
Partnership	12.2	12.8
Credit Carryovers	110.1	90.9
Other deferred tax assets	33.7	45.4
Less: Valuation allowance	(15.4)	(15.5)
Total deferred tax assets	400.5	446.1
Deferred tax liabilities:		
Accelerated depreciation, amortization and other property-related differences	(686.2)	(645.7)
Regulatory assets	(65.6)	(94.4)
Goodwill	(67.8)	(57.9)
State deferred tax liability	(84.5)	(98.2)
Other deferred tax liabilities	(44.4)	(58.8)

Total deferred tax liabilities	(948.5)	(955.0)
Net deferred tax liability	\$ (548.0)	\$ (508.9)

Net Operating Loss and Tax Credit Carryforwards

At **December 31, 2022** **December 31, 2023**, we have federal NOL and state NOL and tax credit carryforwards that will expire at various dates as follows (in **thousands**) **millions**):

	Amounts	Expiration Dates	Amounts	Expiration Dates
Federal NOL Carryforward	\$ 330,085	2023 to 2037	\$ 111.0	2036-2037
Federal NOL Carryforward	\$ 584,161	No expiration	\$ 587.3	No expiration
Federal Tax Credit Carryforward			\$ 110.1	2028-2043
State NOL Carryforward (a)	\$ 408,269	2023 to 2041	\$ 325.3	2024-2042
State Tax Credit Carryforward	\$ 22,817	2023 to 2041	\$ 22.8	2024-2038

(a) The carryforward balance is reflected on the basis of apportioned tax losses to jurisdictions imposing state income taxes.

As of **December 31, 2022** **December 31, 2023**, we had a **\$1.1** **1.0** million valuation allowance against the state NOL carryforwards. Our **2022** **2023** analysis of the ability to utilize such NOLs resulted in no increase in the valuation allowance. If the valuation allowance is adjusted due to higher or lower than anticipated utilization of the NOLs, the offsetting amount will affect tax expense.

As of **December 31, 2022** **December 31, 2023**, we had a **\$14** **14.4** million valuation allowance against the state ITC carryforwards. Our **2022** **2023** analysis of the ability to utilize such ITC resulted in a **\$0.8 million increase** **slight decrease** in the valuation allowance, which resulted in an increase to tax expense of \$0.6 million. The remaining **\$0.2 million increase** is attributable to our regulated business and is being accounted for under the deferral method whereby the credits are amortized to expense over the estimated useful life of the underlying asset that generated the credit. The valuation allowance adjustment was primarily attributable to expiring state ITC credits. allowance.

Unrecognized Tax Benefits

The following table reconciles the total amounts of unrecognized tax benefits, without interest, at the beginning and end of the period included in Other deferred credits and other liabilities on the accompanying Consolidated Balance Sheets (in **thousands**) **millions**):

Changes in Uncertain Tax Positions:	2022	2021	2020
Beginning balance	\$ 10,554	\$ 8,383	\$ 4,165
Additions for prior year tax positions	7	448	3,788
Reductions for prior year tax positions	(773)	(732)	(1,313)
Additions for current year tax positions	2,097	2,455	1,743
Ending balance	\$ 11,885	\$ 10,554	\$ 8,383
Changes in Uncertain Tax Positions:	2023	2022	2021
Beginning balance	\$ 11.9	\$ 10.6	\$ 8.4
Additions for prior year tax positions	—	—	0.5
Reductions for prior year tax positions	(0.3)	(0.8)	(0.7)

Additions for current year tax positions	2.1		2.1		2.4
Ending balance	\$	13.7	\$	11.9	\$ 10.6

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is approximately \$5.7 6.5 million.

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We recognized no interest expense associated with income taxes for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021. We had no accrued interest (before tax effect) associated with income taxes at December 31, 2022 December 31, 2023 and 2021. The Company is subject to federal income tax as well as income tax in various state and local jurisdictions. 2022.

As of December 31, 2022 December 31, 2023, we do not have any tax positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease on or before December 31, 2023 December 31, 2024.

Table We are subject to federal income tax as well as income tax in various state and local jurisdictions. As of Contents December 31, 2023, tax years for 2020, 2021, and 2022 are subject to examination by the tax authorities. With few exceptions, we are no longer subject to U.S. or state exam for years before 2020. Tax years 2017 and 2018 was open as of December 31, 2023.

(16)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 operating segments are based on our method of internal reporting, which is generally segregated by differences in products and services. All of our operations and assets are located within the United States.

Our Electric Utilities segment includes the operating results of the regulated electric utility operations of Colorado Electric, South Dakota Electric, and Wyoming Electric, which supply regulated electric utility services to areas in Colorado, Montana, South Dakota and Wyoming. We also own and operate non-regulated power generation and mining businesses that are vertically integrated with our Electric Utilities.

Our Gas Utilities segment consists of the operating results of our regulated natural gas utility subsidiaries in Arkansas, Colorado, Iowa, Kansas, Nebraska and Wyoming.

Corporate and Other represents certain unallocated expenses for administrative activities that support our operating segments. Corporate and Other also includes business development activities that are not part of our operating segments. segments and inter-segment eliminations.

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. Our operating segments are equivalent to our reportable segments.

Segment information was as follows (in thousands) millions):

Consolidating Income Statement	

Year ended December 31, 2022	Electric Utilities	Gas Utilities	Corporate	Inter-Company Eliminations	Total
Revenue -					
Contracts with customers	\$ 882,899	\$ 1,659,957	\$ —	\$ —	\$ 2,542,856
Other revenues	5,548	3,412	—	—	8,960
	888,447	1,663,369	—	—	2,551,816
Inter-company operating revenue -					
Contracts with customers	11,715	5,292	538	(17,545)	—
Other revenues	—	429	368,201	(368,630)	—
	11,715	5,721	368,739	(386,175)	—
Total revenue	900,162	1,669,090	368,739	(386,175)	2,551,816
Fuel, purchased power and cost of natural gas sold	266,284	965,108	(11)	(831)	1,230,550
Operations and maintenance, including taxes	283,654	345,143	309,773	(323,457)	615,113
Depreciation, depletion and amortization	135,966	114,679	26,964	(26,700)	250,909
Operating income (loss)	\$ 214,258	\$ 244,160	\$ 32,013	\$ (35,187)	\$ 455,244
Interest expense, net					(160,989)
Impairment of investment					—
Other income (expense), net					1,708
Income tax benefit (expense)					(25,205)
Net income					270,758
Net income attributable to non-controlling interest					(12,371)
Net income available for common stock					\$ 258,387

Consolidating Income Statement				
Year ended December 31, 2023	Electric Utilities	Gas Utilities	Corporate and Other	Total
Revenue -				
External Customers	\$ 853.6	\$ 1,477.7	\$ —	\$ 2,331.3
Inter-segment	11.4	6.5	(17.9)	—
Total revenue	865.0	1,484.2	(17.9)	2,331.3
Fuel, purchased power and cost of natural gas sold	200.1	783.2	(0.4)	982.9
Operations and maintenance	236.2	328.7	(12.9)	552.0
Depreciation, depletion and amortization	142.6	113.9	0.3	256.8
Taxes - property and production	37.3	29.6	—	66.9
Operating income (loss)	\$ 248.8	\$ 228.8	\$ (4.9)	\$ 472.7
Interest expense, net				(167.9)
Other income (expense), net				(3.2)

Income tax (expense)	(25.6)
Net income	276.0
Net income attributable to non-controlling interest	(13.8)
Net income available for common stock	\$ 262.2

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Year ended December 31, 2021	Consolidating Income Statement				
	Electric Utilities	Gas Utilities	Corporate	Inter-Company Eliminations	Total
Revenue -					
Contracts with customers	\$ 825,404	\$ 1,105,430	\$ —	\$ —	\$ 1,930,834
Other revenues	5,336	12,932	—	—	18,268
	830,740	1,118,362	—	—	1,949,102
Inter-company operating revenue -					
Contracts with customers	11,518	6,110	196	(17,824)	—
Other revenues	—	393	356,151	(356,544)	—
	11,518	6,503	356,347	(374,368)	—
Total revenue	842,258	1,124,865	356,347	(374,368)	1,949,102
Fuel, purchased power and cost of natural gas sold	248,018	494,738	96	(918)	741,934
Operations and maintenance, including taxes	260,036	314,810	293,265	(306,325)	561,786
Depreciation, depletion and amortization	131,528	104,160	26,838	(26,573)	235,953
Operating income (loss)	\$ 202,676	\$ 211,157	\$ 36,148	\$ (40,552)	\$ 409,429
Interest expense, net					(152,404)
Impairment of investment					—
Other income (expense), net					1,404
Income tax benefit (expense)					(7,169)
Net income					251,260
Net income attributable to non-controlling interest					(14,516)
Net income available for common stock					\$ 236,744
	Consolidating Income Statement				
Year ended December 31, 2022	Electric Utilities	Gas Utilities	Corporate and Other		Total
Revenue -					

External Customers	\$	888.4	\$	1,663.4	\$	—	\$	2,551.8
Inter-segment		11.8		5.7		(17.5)		—
Total revenue		900.2		1,669.1		(17.5)		2,551.8
Fuel, purchased power and cost of natural gas sold		266.3		965.1		(0.8)		1,230.6
Operations and maintenance		244.8		317.3		(13.7)		548.4
Depreciation, depletion and amortization		135.9		114.7		0.3		250.9
Taxes - property and production		38.9		27.8		—		66.7
Operating income (loss)	\$	214.3	\$	244.2	\$	(3.3)	\$	455.2
Interest expense, net								(161.0)
Other income (expense), net								1.8
Income tax (expense)								(25.2)
Net income								270.8
Net income attributable to non-controlling interest								(12.4)
Net income available for common stock	\$						\$	258.4

	Consolidating Income Statement					Consolidating Income Statement				
	Electri	Gas	Corp	Inter-						
	c	Gas	Corp	Company						
Year ended	Utilitie	Utiliti	orat	Elimination						
December 31, 2020	s	es	e	s	Total					
Year ended								Corporate		
December 31, 2021						Electric Utilities	Gas Utilities	and Other	Total	
Revenue -										
Contracts with customers										
	721,1	959,			1,6					
	\$ 08	\$ 696	\$ —	\$ —	\$ 804					
Other revenues										
	9,96				16,					
	6,175	2	—	—	137					
	727,2	969,			96,					
	83	658	—	—	941					
Inter-company operating revenue -										
Contracts with customers	11,57	4,72								
	4	4	167	(16,465)	—					
Other revenues										
			35							
			2,9							
	—	288	76	(353,264)	—					

	35												
	11,57	5,01	3,1										
	4	2	43	(369,729)	—								
External Customers						\$	830.7	\$	1,118.4	\$	—	\$	1,949.1
Inter-segment							11.5		6.5		(18.0)		—
Total revenue	35					1,6							
	738,8	974,	3,1		96,								
	57	670	43	(369,729)	941		842.2		1,124.9		(18.0)		1,949.1
Fuel, purchased power and cost of natural gas sold	492												
	138,5	354,			,40								
	72	645	83	(896)	4		248.0		494.7		(0.8)		741.9
Operations and maintenance, including taxes	28					551							
	265,6	303,	4,5		,77								
	79	577	01	(301,980)	7								
Operations and maintenance							224.5		290.2		(13.0)		501.7
Depreciation, depletion and amortization	224												
	123,6	100,	25,		,45								
	32	559	150	(24,884)	7		131.5		104.2		0.3		236.0
Taxes - property and production							35.5		24.6		—		60.1
Operating income (loss)	428												
	210,9	215,	43,		,30								
	\$ 74	\$ 889	\$ 409	\$ (41,969)	\$ 3	\$	202.7	\$	211.2	\$	(4.5)	\$	409.4
Interest expense, net	(14												
	3,4												
	70)						(152.4)						
Impairment of investment	(6,8												
	59)												
Other income (expense), net	(2,2												
	93)						1.4						
Income tax benefit (expense)	(32,												
	918)												
Income tax (expense)							(7.2)						
Net income	242												
	,76												
	3						251.2						
Net income attributable to non-controlling interest	(15,												
	155)						(14.5)						

Net income	227	
available for	,60	
common stock	\$ 8	\$ 236.7

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Total Assets (net of intercompany eliminations) as of December 31,				2022	2021
Electric Utilities				\$ 3,929,721	\$ 3,796,662
Gas Utilities				5,578,282	5,246,370
Corporate and Other				110,227	88,864
Total assets				\$ 9,618,230	\$ 9,131,896

Capital Expenditures ^(a) for the years ended December 31,				2023	2022	2021
Electric Utilities				243,13	285,77	288,68
				\$ 3	\$ 0	\$ 3
Gas Utilities				349,43	383,32	449,20
				8	0	9
Corporate and Other				5,097	10,500	17,500
Total capital expenditures				597,66	679,59	755,39
				\$ 8	\$ 0	\$ 2
				\$ 589.9	\$ 597.7	\$ 679.6

(a) Includes accruals for property, plant and equipment as disclosed in the Supplemental Cash Flow Information to the [Consolidated Statement of Cash Flows](#).

(17) SUBSEQUENT EVENTS

Except as described in [Note 2](#), there have been no events subsequent to [December 31, 2022](#) [December 31, 2023](#) which would require recognition in the Consolidated Financial Statements or disclosures.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure 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 (Exchange Act)) as of [December 31, 2022](#) [December 31, 2023](#). Based on their evaluation, they have concluded that our disclosure controls and procedures are effective.

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, as amended, 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 [December 31, 2022](#) [December 31, 2023](#), there were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting is presented on Page [56](#) of this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

[None](#). 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 [December 31, 2023](#).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required under this item with respect to directors and information required by Items 401, 405, 406, 407(c)(3), 407(d)(4), [407\(d\)\(5\)](#) and [407\(d\)\(5\)](#) [408\(b\)](#) of Regulation S-K, is set forth in the Proxy Statement for our [2023](#) [2024](#) Annual Meeting of Shareholders, which is incorporated herein by reference. Information about our Executive Officers is reported in [Part 1](#) of this Annual Report on Form 10-K.

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ITEM 11. EXECUTIVE COMPENSATION

Information required under this item is set forth in the Proxy Statement for our [2023](#) [2024](#) Annual Meeting of Shareholders, which is incorporated herein by reference.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding the security ownership of certain beneficial owners and management is set forth in the Proxy Statement for our 2023 2024 Annual Meeting of Shareholders, which is incorporated herein by reference.

EQUITY COMPENSATION PLAN INFORMATION

The following table includes information as of December 31, 2022 December 31, 2023 with respect to our equity compensation plans which includes the Amended and Restated 2015 Omnibus Incentive Plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)	(a)	(b)	(c)
Equity compensation plans approved by security holders	255,588	\$ -	2,213,716	290,266	\$ -	2,132,275
Equity compensation plans not approved by security holders	---	-	---	---	---	---
Total	255,588	\$ -	2,213,716	290,266	\$ -	2,132,275

(1) 255,588 290,266 full value awards outstanding as of December 31, 2022 December 31, 2023, comprised of restricted stock units, performance shares, short-term incentive plan units and Director common stock units. In addition, 163,387 148,163 shares of unvested restricted stock were outstanding as of December 31, 2022 December 31, 2023, which are not in the table above because they have already been issued. We do not have any outstanding options, warrant warrants or rights.

- (2) Shares available for issuance are from the 2015 Amended and Restated Omnibus Incentive Plan. The 2015 Amended and Restated Omnibus Incentive Plan permits grant of stock option, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions and director independence is set forth in the Proxy Statement for our 2023 2024 Annual Meeting of Shareholders, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accounting fees and services billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) is set forth in the Proxy Statement for our 2023 2024 Annual Meeting to Shareholders, which is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report

1. Consolidated Financial Statements

Financial statements required under this item are included in [Item 8](#) of Part II

2. Schedules

All other schedules have been omitted because of the absence of the conditions under which they are required or because the required information is included in our consolidated financial statements and notes thereto. Consolidated valuation and qualifying accounts are detailed within [Note 1](#) of the Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K.

3. Exhibits

Exhibits filed herewithin are designated by an asterisk (*). All exhibits not so designated are incorporated by reference to a prior filing, as indicated. Items constituting a board of director or management compensatory plan are designated by a cross (†).

Exhibit Number	Description

2.1	Purchase and Sale Agreement by and among Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation, as Sellers, and Black Hills Utility Holdings, Inc., as Buyer, dated as of July 12, 2015 (filed as Exhibit 2.1 to the Registrant's Form 8-K filed on July 14, 2015).
2.2	First Amendment to Purchase and Sale Agreement effective December 10, 2015, by and among, Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation, as Sellers, and Black Hills Utility Holdings, Inc., as Buyer (filed as Exhibit 2.2 to the Registrant's Form 10-K for 2015).
2.3	Option Agreement, by and among, Aircraft Services Corporation, as ASC, SourceGas Holdings LLC, as the Company and Black Hills Utility Holdings, Inc., as Buyer (filed as Exhibit 2.2 to the Registrant's Form 8-K filed on July 14, 2015).
3.1	Restated Articles of Incorporation of the Registrant (filed as Exhibit 3 to the Registrant's Form 8-K filed on February 5, 2018).
3.2	Amended and Restated Bylaws of the Registrant dated April 24, 2017 April 24, 2023 (filed as Exhibit 3.2 to the Registrant's Form 8-K filed on April 28, 2017 May 3, 2023).
4.1	Indenture dated as of May 21, 2003 between the Registrant and Wells Fargo Bank, National Association (as successor to LaSalle Bank National Association), as Trustee (filed as Exhibit 4.1 to the Registrant's Form 10-Q for the quarterly period ended June 30, 2003).
4.1.1 4.1-1	First Supplemental Indenture dated as of May 21, 2003 (filed as Exhibit 4.2 to the Registrant's Form 10-Q for the quarterly period ended June 30, 2003).
4.1.2 4.1-2	Second Supplemental Indenture dated as of May 14, 2009 (filed as Exhibit 4 to the Registrant's Form 8-K filed on May 14, 2009).
4.1.3 4.1-3	Third Supplemental Indenture dated as of July 16, 2010 (filed as Exhibit 4 to Registrant's Form 8-K filed on July 15, 2010).
4.1.4 4.1-4	Fourth Supplemental Indenture dated as of November 19, 2013 (filed as Exhibit 4 to the Registrant's Form 8-K filed on November 18, 2013).
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4.1.5 4.1-5	Fifth Supplemental Indenture dated as of January 13, 2016 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on January 13, 2016).
4.1.6 4.1-6	Sixth Supplemental Indenture dated as of August 19, 2016 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on August 19, 2016).
4.1.7 4.1-7	Seventh Supplemental Indenture dated as of August 17, 2018 (filed as Exhibit 4.2 to the Registrant's Form 8-K filed on August 17, 2018).
4.1.8 4.1-8	Eighth Supplemental Indenture dated as of October 3, 2019 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on October 4, 2019).
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4.1.9 4.1-9	Ninth Supplemental Indenture dated as of June 17, 2020 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on June 17, 2020).
4.1.10 4.1-10	Tenth Supplemental Indenture dated as of August 26, 2021 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on August 26, 2021).
4.1-11	Eleventh Supplemental Indenture dated as of March 7, 2023 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on March 7, 2023).
4.1-12	Twelfth Supplemental Indenture dated as of September 15, 2023 (filed as Exhibit 4.1 to the Registrant's Form 8-K filed on September 15, 2023).
4.2	Restated and Amended Indenture of Mortgage and Deed of Trust of Black Hills Corporation (now called Black Hills Power, Inc.) dated as of September 1, 1999 (filed as Exhibit 4.19 to the Registrant's Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-3 (No. 333-150669)).

4.2.1 4.2-1	First Supplemental Indenture, dated as of August 13, 2002, between Black Hills Power, Inc. and The Bank of New York Mellon (as successor to JPMorgan Chase Bank), as Trustee (filed as Exhibit 4.20 to the Registrant's Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-3 (No. 333-150669)).
4.2.2 4.2-2	Second Supplemental Indenture, dated as of October 27, 2009, between Black Hills Power, Inc. and The Bank of New York Mellon (filed as Exhibit 4.21 to the Registrant's Post-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-3 (No. 333-150669)).
4.2.3 4.2-3	Third Supplemental Indenture, dated as of October 1, 2014, between Black Hills Power, Inc. and The Bank of New York Mellon (filed as Exhibit 10.1 to the Registrant's Form 8-K filed on October 2, 2014).
4.3	Restated Indenture of Mortgage, Deed of Trust, Security Agreement and Financing Statement, amended and restated as of November 20, 2007, between Cheyenne Light, Fuel and Power Company and Wells Fargo Bank, National Association (filed as Exhibit 10.2 to the Registrant's Form 8-K filed on October 2, 2014).
4.3.1 4.3-1	First Supplemental Indenture, dated as of September 3, 2009, between Cheyenne Light, Fuel and Power Company and Wells Fargo Bank, National Association (filed as Exhibit 10.3 to the Registrant's Form 8-K filed on October 2, 2014).
4.3.2 4.3-2	Second Supplemental Indenture, dated as of October 1, 2014, between Cheyenne Light, Fuel and Power Company and Wells Fargo Bank, National Association (filed as Exhibit 10.4 to the Registrant's Form 8-K filed on October 2, 2014).
4.4	Form of Stock Certificate for Common Stock, Par Value \$1.00 Per Share (filed as Exhibit 4.2 to the Registrant's Form 10-K for 2000).
4.5	Description of Securities (filed as Exhibit 4.5 to the Registrant's Form 10-K for 2019).
10.1†	Amended and Restated Pension Equalization Plan of Black Hills Corporation dated November 6, 2001 (filed as Exhibit 10.11 to the Registrant's Form 10-K/A for 2001).
10.1.1† 10.1-1†	First Amendment to Pension Equalization Plan (filed as Exhibit 10.10 to the Registrant's Form 10-K for 2002).
10.1.2† 10.1-2†	Grandfather Amendment to the Amended and Restated Pension Equalization Plan of Black Hills Corporation (filed as Exhibit 10.2 to the Registrant's Form 10-K for 2008).
10.2†	Restoration Plan of Black Hills Corporation (filed as Exhibit 10.5 to the Registrant's Form 10-K for 2008).
10.2.1† 10.2-1†	First Amendment to the Restoration Plan of Black Hills Corporation dated July 24, 2011 (filed as Exhibit 10.2 to the Registrant's Form 10-Q for the quarterly period ended June 30, 2011).
10.3†	Black Hills Corporation Non-qualified Deferred Compensation Plan as Amended and Restated effective January 1, 2011 (filed as Exhibit 10.4 to the Registrant's Form 10-K for 2010).
10.3.1† 10.3-1†	First Amendment to the Black Hills Corporation Nonqualified Deferred Compensation Plan as Amended and Restated effective January 1, 2011 (filed as Exhibit 10.5 to the Registrant's Form 10-K for 2018).
10.4*† 10.4†	Black Hills Corporation Post-2018 Nonqualified Deferred Compensation Plan, Plan (filed as Exhibit 10.4 to the Registrant's Form 10-K for 2022).
10.5†	Black Hills Corporation 2005 Omnibus Incentive Plan ("Omnibus Plan") (filed as Appendix A to the Registrant's Proxy Statement filed April 13, 2005).
10.5.1† 10.5-1†	First Amendment to the Omnibus Plan (filed as Exhibit 10.11 to the Registrant's Form 10-K for 2008).
10.5.2† 10.5-2†	Second Amendment to the Omnibus Plan (filed as Exhibit 10 to the Registrant's Form 8-K filed on May 26, 2010).

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10.6*† 10.6†	Black Hills Corporation Amended and Restated 2015 Omnibus Incentive Plan effective January 24, 2023, January 24, 2023 (filed as Exhibit 10.6 to the Registrant's Form 10-K for 2022).

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10.7†	Form of Stock Option Agreement for Omnibus Plan effective for awards granted on or after January 1, 2014 (filed as Exhibit 10.7 to the Registrant's Form 10-K for 2013).
10.8†	Form of Stock Option Agreement effective for awards granted on or after April 28, 2015 (filed as Exhibit 10.8 to Registrant's Form 10-K for 2015).
10.9†	Form of Restricted Stock Award Agreement for 2015 Omnibus Incentive Plan effective for awards granted on or after April 28, 2015 (filed as Exhibit 10.10 to Registrant's Form 10-K for 2015).
10.10†	Form of Restricted Stock Award Agreement for 2015 Omnibus Incentive Plan effective for awards granted on or after January 26, 2021. (filed as Exhibit 10.11 to the Registrant's Form 10-K for 2020).
10.11†	Form of Restricted Stock Unit Award Agreement for 2015 Omnibus Plan effective for awards granted on or after April 28, 2015 (filed as Exhibit 10.12 to the Registrant's Form 10-K for 2015).
10.12†	Form of Performance Share Award Agreement effective for awards granted on or after January 1, 2016 (filed as Exhibit 10.6 to the Registrant's Form 10-Q for the quarterly period ended March 31, 2016).
10.13†	Form of Performance Share Award Agreement effective for awards granted on or after January 1, 2017 (filed as Exhibit 10.12 to the Registrant's Form 10-K for 2019).
10.14†	Form of Short-term Incentive Plan for Officers Award Agreement effective for awards granted on or after January 1, 2021 (filed as Exhibit 10.16 to the Registrant's Form 10-K for 2020).
10.15†	Form of Performance Unit Award Agreement for 2015 Omnibus Incentive Plan effective for awards granted on or after January 1, 2021. (filed as Exhibit 10.17 to the Registrant's Form 10-K for 2020).
10.16†	Form of Indemnification Agreement (filed as Exhibit 10.5 to the Registrant's Form 8-K filed on September 3, 2004).
10.17*† 10.17†	Change in Control Agreement dated November 15, 2022 between Black Hills Corporation and Linden R. Evans.
10.18*† 10.18†	Change in Control Agreements dated November 15, 2022 between Black Hills Corporation and its non-CEO Senior Executive Officers.
10.19†	Outside Directors Stock Based Compensation Plan as Amended and Restated effective January 1, 2009 (filed as Exhibit 10.23 to the Registrant's Form 10-K for 2008).
10.19.1† 10.19-1†	First Amendment to the Outside Directors Stock Based Compensation Plan effective January 1, 2011 (filed as Exhibit 10.16 to the Registrant's Form 10-K for 2010).
10.19.2† 10.19-2†	Second Amendment to the Outside Director's Stock Based Compensation Plan effective January 1, 2013 (filed as Exhibit 10.15 to the Registrant's Form 10-K for 2012).
10.19.3† 10.19-3†	Third Amendment to the Outside Director's Stock Based Compensation Plan effective January 1, 2015 (filed as Exhibit 10.16 to the Registrant's Form 10-K for 2014).
10.19.4† 10.19-4†	Fourth Amendment to the Outside Director's Stock Based Compensation Plan effective January 1, 2017 (filed as Exhibit 10.4 to the Registrant's Form 10-Q for the quarterly period ended September 30, 2016).
10.19.5† 10.19-5†	Fifth Amendment to the Outside Director's Stock Based Compensation Plan effective January 1, 2018 (filed as Exhibit 10.16 to the Registrant's Form 10-K for 2017).
10.19.6† 10.19-6†	Sixth Amendment to the Outside Director's Stock Based Compensation Plan effective January 1, 2019 (filed as Exhibit 10.18 to the Registrant's Form 10-K for 2018).
10.20†	Form of Non-Disclosure and Non-Solicitation Agreement for Certain Employees (filed as Exhibit 10.8 to the Registrant's Form 10-Q for the quarterly period ended March 31, 2016).

10.21	Equity Distribution Sales Agreement dated August 4, 2020 June 16, 2023 among Black Hills Corporation and the several Agents named therein (filed as Exhibit 1.1 to the Registrant's Form 8-K filed on August 4, 2020 June 20, 2023).
10.22	Fourth Amended and Restated Credit Agreement dated as of July 19, 2021 (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 filed on July 19, 2021).
10.23 10.22-1	First Amendment to Fourth Amended and Restated Credit Agreement dated as of February 24, 2021 May 9, 2023 (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 Registrant's Form 8-K 10-Q filed on February 25, 2021 August 3, 2023).
10.24 10.23†	Letter Agreement between Black Hills Corporation and Jennifer C. Landis (filed as Exhibit 10.1 to Form 10-Q filed May 4, 2023).
10.24†	Non-Employee Director Equity Compensation Plan effective January 1, 2022 (filed as Exhibit 10.25 to the Registrant's Form 10-K filed on February 15, 2022), February 15, 2022).

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10.25 10.25†	Form of Restricted Stock Unit Award Agreement (Non-Employee Director) effective for awards granted on or after January 1, 2022 (filed as Exhibit 10.26 to the Registrant's Form 10-K filed on February 15, 2022).

10.26	Coal Leases between WRDC and the Federal Government

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	-Dated May 1, 1959 (filed as Exhibit 5(i) to the Registrant's Form S-7, File No. 2-60755) -Modified January 22, 1990 (filed as Exhibit 10(h) to the Registrant's Form 10-K for 1989) -Dated April 1, 1961 (filed as Exhibit 5(j) to the Registrant's Form S-7, File No. 2-60755) -Modified January 22, 1990 (filed as Exhibit 10(i) to Registrant's Form 10-K for 1989) -Dated October 1, 1965 (filed as Exhibit 5(k) to the Registrant's Form S-7, File No. 2-60755) -Modified January 22, 1990 (filed as Exhibit 10(j) to the Registrant's Form 10-K for 1989).
10.27	Assignment of Mining Leases and Related Agreement effective May 27, 1997, between WRDC and Kerr-McGee Coal Corporation (filed as Exhibit 10(u) to the Registrant's Form 10-K for 1997).
10.28* 10.28†	Form of Restricted Stock Award Agreement for the Amended and Restated 2015 Omnibus Incentive Plan effective for awards granted on or after January 24, 2023 (filed as Exhibit 10.30 to the Registrant's Form 10-K for 2022).
10.29†	Form of Performance Unit Award Agreement for the Amended and Restated 2015 Omnibus Incentive Plan effective for awards granted on or after January 1, 2023 (filed as Exhibit 10.29 to the Registrant's Form 10-K for 2022).
10.30*†	Form of Short-term Incentive Plan Award Agreement for the Amended and Restated 2015 Omnibus Incentive Plan effective for awards granted on or after January 1, 2023 January 1, 2024.
10.29* 10.31*†	Form of Performance Unit Award Agreement for the Amended and Restated 2015 Omnibus Incentive Plan effective for awards granted on or after January 1, 2023 January 1, 2024.
10.30*† 19*	Form of Restricted Stock Award Agreement for the Amended and Restated 2015 Omnibus Incentive Plan effective for awards granted on or after January 24, 2023 Insider Trading Policy.

21*	List of Subsidiaries of Black Hills Corporation.
23.1*	Consent of Independent Registered Public Accounting Firm.
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
97†	Mandatory Compensation Recovery Policy dated December 1, 2023
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 Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase with Embedded Linkbases Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

ITEM 16. FORM 10-K SUMMARY

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /S/ LINDEN R. EVANS

Linden R. Evans, President and Chief Executive Officer

Dated: February 14, 2023 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/S/ STEVEN R. MILLS	Director and	February 14, 2023 2024
Steven R. Mills	Chairman	
/S/ LINDEN R. EVANS	Director and	February 14, 2023 2024
Linden R. Evans, President	Principal Executive Officer	
and Chief Executive Officer		
/S/ RICHARD W. KINZLEY KIMBERLY F. NOONEY	Principal Financial and	February 14, 2023 2024
Richard W. Kinzley, Kimberly F. Nooney, Senior Vice President	Accounting Officer	
and Chief Financial Officer		
/S/ BARRY M. GRANGER	Director	February 14, 2023 2024
Barry M. Granger		
/S/ TONY A. JENSEN	Director	February 14, 2023 2024
Tony A. Jensen		
/S/ KATHLEEN S. MCALLISTER	Director	February 14, 2023 2024
Kathleen S. McAllister		
/S/ ROBERT P. OTTO	Director	February 14, 2023 2024
Robert P. Otto		
/S/ SCOTT M. PROCHAZKA	Director	February 14, 2023 2024
Scott M. Prochazka		
/S/ REBECCA B. ROBERTS	Director	February 14, 2023 2024
Rebecca B. Roberts		
/S/ MARK A. SCHOBBER	Director	February 14, 2023 2024
Mark A. Schober		
/S/ TERESA A. TAYLOR	Director	February 14, 2023 2024

BLACK HILLS CORPORATION
AMENDED & RESTATED POST-2018 NONQUALIFIED DEFERRED COMPENSATION PLAN
(Effective January 1, 2023)

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Black Hills Corporation Amended & Restated Post-2018 Nonqualified Deferred Compensation Plan

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Black Hills Corporation Amended & Restated Post-2018 Nonqualified Deferred Compensation Plan

ARTICLE I
Establishment and Purpose

Black Hills Corporation (the “Company”) has adopted the Black Hills Corporation Post-2018 Nonqualified Deferred Compensation Plan, applicable to Compensation deferred under Compensation Deferral Agreements submitted hereunder for

Plan Years beginning on and after the Effective Date and Company Contributions credited on or after the Effective Date. The Plan is amended and restated as set forth herein, effective as of January 1, 2023 and such other dates as provided herein. The purpose of the Plan is to attract and retain key employees by providing them with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by a Participating Employer to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company or the Participating Employer, as applicable. Each Participating Employer shall be solely responsible for payment of the benefits attributable to services performed for it. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company or a Participating Employer will remain the general assets of the Company or the Participating Employer and shall remain subject to the claims of the Company's or the Participating Employer's creditors until such amounts are distributed to the Participants.

ARTICLE II

Definitions

- 2.1 **Account.** Account means a bookkeeping account maintained by the Committee to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Plan. The Committee may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Committee, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.
- 2.2 **Account Balance.** Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.
- 2.3 **Affiliate.** Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

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Black Hills Corporation Amended & Restated Post-2018 Nonqualified Deferred Compensation Plan

- 2.4 **Beneficial Owner or Beneficial Ownership.** Beneficial Owner or Beneficial Ownership shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.
- 2.5 **Beneficiary.** Beneficiary means a natural person, estate, or trust designated by a Participant in accordance with Section 6.4 hereof to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan.
- 2.6 **Board of Directors.** Board of Directors ("the Board") means, for a Participating Employer organized as a corporation, its board of directors and for a Participating Employer organized as a limited liability company, its board of managers.
- 2.7 **Business Day.** Business Day means each day on which the New York Stock Exchange is open for business.
- 2.8 **Change in Control.** Change in Control means any of the following events:
- (a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Plan, the following acquisitions will not constitute a Change in Control: (i) any acquisition by the Company; (ii) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (iii) any acquisition by any Person pursuant to a transaction which complies with subsections (c)(i), (ii) and (iii) below;
 - (b) Individuals who, as of January 1, 2023, are members of the Board of Directors of the Company (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board of Directors of the

Company; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened proxy contest involving the solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of the Company (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any actual or threatened proxy contest;

- (c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a "Business Combination"), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were

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beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries) (the "Successor Entity") (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or

- (d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c)(i), (ii), and (iii) above.

- (e) A Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding common stock as a result of the acquisition of common stock by the Company which, by reducing the number of shares of common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of common stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional common stock which increases the percentage of the then outstanding common stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.

- (f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

2.9 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XI of this Plan.

2.10 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

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- 2.11 Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.
- 2.12 Committee. Committee means the committee appointed by the Company's Board of Directors to administer the Plan.
- 2.13 Company. Company means Black Hills Corporation.
- 2.14 Company Contribution. Company Contribution means a credit by a Participating Employer to a Participant's Retirement Account as an RSP Supplemental Contribution, Supplemental Target Contribution, Supplemental Retirement Contribution, or Supplemental Matching Contribution, as applicable, in accordance with the provisions of Article V of the Plan. Unless the context clearly indicates otherwise, a reference to a Company Contribution shall include Earnings attributable to such contribution.
- 2.15 Compensation. Compensation means a Participant's base salary, the portion of a Participant's incentive award under the Company's Short Term Annual Incentive Plan ("STIP") that is payable in cash, the portion of a Participant's Performance Share Award that is payable in cash, and such other cash compensation as may be approved by the Committee as Compensation that may be deferred under Section 4.2 of this Plan, excluding any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A and excluding any compensation that is not U.S. source income. For purposes of Participant deferral elections under Article IV of this Plan, any base salary payable after the last day of a calendar year solely for services performed during the final payroll period described in Section 3401(b) of the Code containing December 31 of such year shall be treated as earned during the subsequent calendar year.
- 2.16 Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and a Participating Employer that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and/or (ii) the Payment Schedule applicable to one or more Accounts.
- 2.17 Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.
- 2.18 Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VII.
- 2.19 Effective Date. Effective Date means January 1, 2019.

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- 2.20 Eligible Employee. Eligible Employee means an Employee who is selected as such by the Committee pursuant to Section 3.1.
- 2.21 Employee. Employee means a common-law employee of an Employer.
- 2.22 Employer. Employer means the Company and each Affiliate.
- 2.23 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 2.24 Excess Compensation. Excess Compensation means the amount by which a Participant's Total Compensation exceeds the Participant's "Compensation" (as defined in Article I of the RSP).
- 2.25 Exchange Act. Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.
- 2.26 Flex Account. Flex Account means a Separation Account or Specified Date Account established to record Deferrals credited to the Flex Account under the terms of a Participant's Compensation Deferral Agreement. Unless the Committee specifies otherwise, a Participant may maintain no more than five (5) Flex Accounts at any one time.
- 2.27 Group 1 Participant. Group 1 Participant means a Participant who is listed on Schedule 1.
- 2.28 Group 2 Participant. Effective as of July 25, 2022, Group 2 Participant means an Employee of a Participating Employer who is an exempt employee in grade 20 or above and who is serving in a director, general counsel or similar leadership

position.

2.29 Group 3 Participant. Effective as of July 25, 2022, Group 3 Participant means an Employee of a Participating Employer who is an exempt employee in grade 20 or above and who is serving in a director, general counsel or similar leadership position, but excluding any such Employee who is actively accruing a benefit under a pension plan of a Participating Employer.

2.30 Participant. Participant means an individual described in Article III.

2.31 Participating Employer. Participating Employer means the Company and each Affiliate who has adopted the Plan with the consent of the Company. Each Participating Employer shall be identified on Schedule A attached hereto.

2.32 Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made.

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2.33 Performance-Based Compensation. Performance-Based Compensation means Compensation where the amount of, or entitlement to, the Compensation is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. Organizational or individual performance criteria are considered pre-established if established in writing by not later than 90 days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. Performance-Based Compensation shall not include any Compensation payable upon the Participant's death or disability (as defined in Treas. Section 1.409A-1(e)) without regard to the satisfaction of the performance criteria.

2.34 Performance Share Award. Performance Share Award means a performance share award granted to a Participant under the Company's Omnibus Incentive Plan (or any successor shareholder-approved incentive plan of the Company).

2.35 Person. Person shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d).

2.36 Plan. Plan means "Black Hills Corporation Amended & Restated Post-2018 Nonqualified Deferred Compensation Plan" as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also means a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

2.37 Plan Year. Plan Year means January 1 through December 31.

2.38 Retirement Account. Retirement Account means an Account established by the Committee to record Company Contributions allocated to the Retirement Account, payable to a Participant following Separation from Service in accordance with Section 6.3.

2.39 RSP. RSP means the Black Hills Corporation 401(k) Retirement Savings Plan, as amended from time to time.

2.40 RSP Supplemental Contributions. RSP Supplemental Contributions means Company Contributions equal to the amount, if any, of matching contributions that could not be allocated on behalf of a Group 2 Participant under the RSP due to the results of ADP/ACP testing for a calendar year.

2.41 Separation Account. Separation Account means an Account established by the Committee in accordance with a Participant's Compensation Deferral Agreement to record Deferrals allocated to such Account by the Participant and which are payable upon the Participant's Separation from Service as set forth in Section 6.3. The Committee may

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limit the number of Separation Accounts that may be maintained at any one time by a Participant, as set forth in the Plan's enrollment materials.

2.42 Separation from Service. Separation from Service means an Employee's termination of employment with the Employer and all Affiliates, in such manner as to constitute a "separation from service" for purposes of Code Section 409A.

An Employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of: (i) the six month anniversary of the commencement of the leave, or (ii) the expiration of the Employee's right, if any, to reemployment under statute, policy, or contract.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.22 of the Plan, except that in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(b), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(c), "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in those sections.

The Committee specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to a Participant providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction.

2.43 Specified Date Account. Specified Date Account means an Account established by the Committee to record the amounts payable in a future year as specified in the Participant's Compensation Deferral Agreement. The Committee may limit the number of Specified Date Accounts that may be maintained at any one time by a Participant, as set forth in the Plan's enrollment materials.

2.44 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture has the meaning specified in Treas. Reg. Section 1.409A-1(d).

2.45 Supplemental Matching Contributions. Supplemental Matching Contributions means an amount equal to six percent (6%) of a Group 2 Participant's Excess Compensation for a Plan Year. Supplemental Matching Contributions are not conditioned upon a Participant's election to make deferrals under this Plan or under the RSP.

2.46 Supplemental Retirement Contributions. Supplemental Retirement Contributions means the amount by which (a) exceeds (b), where

(a) is the amount that would have been contributed to the RSP on behalf of a Group 3 Participant as a non-safe harbor non-elective employer contribution described in

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Section 7 of the RSP if such contribution were determined as a percentage of the Group 3 Participant's Total Compensation for a Plan Year, and

(b) is the amount actually contributed to the RSP as a non-safe harbor non-elective employer contribution described in Section 7 of the RSP on behalf of the Group 3 Participant for the Plan Year.

2.47 Supplemental Target Contributions. Supplemental Target Contributions means an amount equal to the specified percentage of a Group 1 Participant's Total Compensation for a Plan Year. Group 1 Participants and the specified percentage for each such Participant are listed on Schedule 1.

2.48 Total Compensation. Total Compensation means "Compensation" as defined in Article I of the RSP, but determined without regard to the Code Section 401(a)(17) limitation.

2.49 Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable

circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

2.50 Valuation Date. Valuation Date means each Business Day.

ARTICLE III

Eligibility and Participation

3.1 Eligibility and Participation. In order to be eligible for participation in the Plan as an “Eligible Employee”, an Employee must be selected by the Committee. For each enrollment, the Committee, in its sole and absolute discretion, shall determine eligibility for participation from among management or highly compensated employees of the Employer in accordance with the purposes of the Plan and shall determine the amount and type of Company Contributions, if any, to be made on behalf of any Participant. In lieu of designating individual Employees as Eligible Employees, the Committee may establish eligibility criteria (consistent with the requirements of this Section 3.1) providing that all Employees who satisfy such criteria shall be treated as Eligible Employees and/or as Participants of a particular “group”. In accordance with the foregoing, effective as of January 1, 2023 and unless and until otherwise determined thereafter by the Committee:

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- (a) *Eligible Employees for Elective Deferrals*. An “Eligible Employee” who may elect a Deferral of Compensation pursuant to Article IV means an Employee of a Participating Employer who is an exempt employee in grade 24 or above and who is in the executive pay structure of the Company; and
- (b) *Eligible Employees for Company Contributions*. An “Eligible Employee” whose Account may be credited with a Company Contribution pursuant to Article V means a Group 1 Participant, Group 2 Participant or Group 3 Participant.

Eligible Employees become Participants on the first to occur of (i) the date on which the first Compensation Deferral Agreement becomes irrevocable under Article IV, or (ii) the date Company Contributions are credited to an Account on behalf of such Eligible Employee. An Employee ceases to be eligible for participation in the Plan upon his Separation from Service or, if earlier, the date his participation is discontinued by the Chief Executive Officer, provided that, to the extent required to comply with Section 409A of the Code, such Employee's Deferrals, if any (but not any Company Contributions), shall continue to be credited to the Employee's Account with respect to the Plan Year in which his participation is terminated. If a Participant or former Participant is reemployed by an Employer following a Separation from Service, such employee will not become eligible for participation again unless he is again designated by the Committee in accordance with this Section 3.1.

3.2 Duration. Only Eligible Employees designated pursuant to Section 3.1(a) may submit Compensation Deferral Agreements during an enrollment, and only Eligible Employees designated pursuant to Section 3.1(b) may receive Company Contributions during the Plan Year. A Participant who is no longer an Eligible Employee but has not incurred a Separation from Service will not be allowed to submit Compensation Deferral Agreements but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0). All Participants, regardless of employment status, will continue to be credited with Earnings and during such time may continue to make allocation elections as provided in Section 7.4. An individual shall cease being a Participant in the Plan when his Account has been reduced to zero (0).

3.3 Rehires. An Eligible Employee who Separates from Service and who subsequently resumes performing services for an Employer in the same calendar year (regardless of eligibility) will have his or her Compensation Deferral Agreement for such year, if any, reinstated, but his or her eligibility to participate in the Plan in years subsequent to the year of rehire shall be governed by the provisions of Section 3.1.

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4.1 Deferral Elections, Generally.

- (a) A Participant may make an initial election to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. Unless an earlier date is specified in the Compensation Deferral Agreement, deferral elections with respect to a Compensation source (such as salary, bonus or other Compensation) become irrevocable on the latest date applicable to such Compensation source under Section 4.2.
- (b) A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation, or that is submitted by a Participant who Separates from Service prior to the latest date such agreement would become irrevocable under Section 409A, shall be considered null and void and shall not take effect with respect to such item of Compensation. The Committee may modify or revoke any Compensation Deferral Agreement prior to the date the election becomes irrevocable under the rules of Section 4.2.
- (c) The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, Participants may defer up to fifty percent (50%) of their base salary, up to one hundred percent (100%) of the cash portion of their STIP bonus earned during a Plan Year, and up to one hundred percent (100%) of the cash portion of their Performance Share Awards that become earned and vested in accordance with the terms of the applicable Performance Share Award.
- (d) Deferrals of cash Compensation shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings, but shall be reduced by the Committee as necessary so as not to exceed 100% of the cash Compensation of the Participant remaining after deduction of all required income and employment taxes, required employee benefit deductions, deferrals to 401(k) plans and other deductions required by law. Changes to payroll withholdings that affect the amount of Compensation being deferred to the Plan shall be allowed only to the extent permissible under Code Section 409A.
- (e) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals to a Separation Account or to one or more Specified Date Accounts.

4.2 Timing Requirements for Compensation Deferral Agreements.

- (a) *Initial Eligibility.* The Committee may permit an Eligible Employee designated pursuant to Section 3.1(a) to defer Compensation earned in the first year of

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eligibility for participation in the Plan and any other nonqualified deferred compensation plan or arrangement that would be aggregated with the Plan under Section 409A of the Code. The Compensation Deferral Agreement must be filed within 30 days after attaining Eligible Employee status and becomes irrevocable not later than the 30th day.

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned after the date that the Compensation Deferral Agreement becomes irrevocable.

- (b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, the Committee may permit an Eligible Employee designated pursuant to Section 3.1(a) to defer Compensation, or make a payment election with respect to Compensation, by filing a Compensation Deferral Agreement during the enrollment period established by the Committee and ending no later than December 31 of the year prior to the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement filed under this paragraph shall become irrevocable with respect to such Compensation not later than the December 31 filing deadline.
- (c) *Performance-Based Compensation.* The Committee may permit an Eligible Employee designated pursuant to Section 3.1(a) to defer Compensation which qualifies as Performance-Based Compensation by filing a Compensation Deferral Agreement no later than the date that is six months before the end of the applicable performance period, provided that:
- (i) the Participant performs services continuously from the later of the beginning of the performance period date the performance criteria are established through the date the Compensation Deferral Agreement is submitted; and
 - (ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.
- Any election to defer Performance-Based Compensation that is made in accordance with this paragraph and that becomes payable as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-1(e)) or upon a change in control (as defined in Treas. Reg. Section 1.409A-3(i)(5)) prior to the satisfaction of the performance criteria, will be void unless it would be considered timely under another rule described in this Section.
- (d) *Short-Term Deferrals.* The Committee may permit Compensation that meets the definition of a "short-term deferral" described in Treas. Reg. Section 1.409A-1(b)(4) to be deferred in accordance with the rules of Section 6.9, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 6.9(b)

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shall not apply to payments attributable to a change in control (as defined in Treas. Reg. Section 1.409A-3(i)(5)). A Compensation Deferral Agreement submitted in accordance with this paragraph becomes irrevocable on the latest date it could be submitted under Section 6.9.

- (e) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, the Committee may permit an Eligible Employee designated pursuant to Section 3.1(a) to defer such Compensation, or make a payment election with respect to such Compensation, by filing a Compensation Deferral Agreement on or before the 30th day after the legally binding right to the Compensation accrues, provided that the Compensation Deferral Agreement is submitted at least 12 months in advance of the earliest date on which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable not later than such 30th day. If the forfeiture condition applicable to the payment lapses before the end of such 12-month period as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4)) or upon a change in control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.
- (f) *"Evergreen" Deferral Elections.* The Committee, in its discretion, may provide, if so specified in the applicable Compensation Deferral Agreement, that Compensation Deferral Agreements will continue in effect for subsequent years or performance periods by communicating that intention to Participants in writing prior to the

date Compensation Deferral Agreements become irrevocable under this Section 4.2. An evergreen Compensation Deferral Agreement may be revoked or modified in writing prospectively by the Participant or the Committee with respect to Compensation for which such election remains revocable under this Section 4.2.

A Compensation Deferral Agreement is deemed to be revoked for subsequent years if the Participant is not an Eligible Employee designated pursuant to Section 3.1(a) as of the last permissible date for making elections under this Section 4.2 or if the Compensation Deferral Agreement is cancelled in accordance with Section 4.6.

4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate Deferrals to one or more Flex Accounts, each of which shall be either a Separation Account or a Specified Date Account. The Committee may, in its discretion, establish in a written communication during enrollment a minimum deferral period for the establishment of a Specified Date Account (for example, the fourth Plan Year following the year Compensation is first allocated to such Accounts). In the event a Participant's Compensation Deferral Agreement allocates a component of Compensation to a

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Specified Date Account that commences payment in the year such Compensation is earned, the Compensation Deferral Agreement shall be deemed to allocate the Deferral to the Participant's Specified Date Account having the next earliest payment year. If the Participant has no other Specified Date Accounts, the Committee will allocate the Deferral to the Retirement Account.

4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant's Compensation.

4.5 Vesting. Participant Deferrals of cash Compensation shall be 100% vested at all times. Deferrals of vesting awards of Compensation shall become vested in accordance with the provisions of the underlying award.

4.6 Cancellation of Deferrals. The Committee may cancel a Participant's Deferrals: (i) for the balance of the Plan Year in which an Unforeseeable Emergency occurs, and (ii) during periods in which the Participant incurs a "disability," meaning that the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the calendar year or the 15th day of the third month following the date the Participant incurs the disability (as defined in this Section 4.6).

ARTICLE V

Company Contributions

5.1 Company Contributions. For each Participant who is a Group 1 Participant, Group 2 Participant or Group 3 Participant, Company Contributions shall be made to the Participant's Retirement Account in the form of RSP Supplemental Contributions, Supplemental Target Contributions, Supplemental Retirement Contributions, and/or Supplemental Matching Contributions, as applicable, in accordance with this Article V.

- (a) *Supplemental Matching Contributions.* As of the last day of each pay period in which a Group 2 Participant receives Excess Compensation, the Company shall credit to the Group 2 Participant's Retirement Account the amount of the Supplemental Matching Contributions determined in accordance with the terms of the Plan.
- (b) *Supplemental Target Contributions.* As of the last day of each Plan Year, the Company shall credit to each Group 1 Participant's Retirement Account the amount of the Supplemental Target Contribution determined in accordance with the terms of the Plan.
- (c) *Supplemental Retirement Contributions.* As of the last day of each pay period in which a Group 3 Participant receives Excess Compensation, the Company shall

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credit to the Group 3 Participant's Retirement Account the amount of Supplemental Retirement Contributions determined in accordance with the terms of the Plan.

- (d) *RSP Supplemental Contributions.* After the end of each Plan Year, the Company shall determine the amount, if any, of RSP Supplemental Contributions to which a Group 2 Participant is entitled and shall credit such amount to the Participant's Retirement Account as of the last day of such Plan Year.

5.2 Vesting. Company Contributions vest according to the schedule specified by the Committee on or before the time the contributions are made.

Deferrals of the cash portion of Performance Share Awards will vest as provided under the terms of the applicable award.

If no vesting schedule is otherwise specified, Company Contributions vest as follows:

No. of Years of Service:	Vested %
1 Years	20 %
2 Years	40 %
3 Years	60 %
4 Years	80 %
5 Years	100%

Participants are credited with one year of service for each 12 month-period of continuous service commencing on the date the Employee becomes a Participant in the Plan and each anniversary thereof.

All Accounts become 100% vested, if while employed by an Employer, a Participant dies, becomes disabled (within the meaning of any long-term disability plan of the Employer that is applicable to the Participant), or his or her Employer experiences a Change in Control. Notwithstanding the foregoing, in the event of a "Change in Control" as defined in a Change in Control Agreement, if any, in effect between a Participant and the Company at the date such "Change in Control" occurs, the terms of such Change in Control Agreement shall apply with respect to such Participant.

ARTICLE VI

Payments from Accounts

6.1 General Rules. A Participant's Accounts become payable upon the first to occur of the payment events applicable to such Account under (i) Sections 6.2 or 6.3 (as elected, and subject to the \$100,000 minimum balance requirement) and (ii) Sections 6.4 through 6.6.

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Payment events and Payment Schedules elected by the Participant shall be set forth in a valid Compensation Deferral Agreement that establishes the Account to which such elections apply in accordance with Article IV or in a valid modification election applicable to such Account as described in Section 6.9.

Payment amounts are based on Account Balances as of the last Valuation Date of the month next preceding the month actual payment is made.

6.2 Specified Date Accounts.

Commencement. Payment is made or begins in the calendar year designated by the Participant. When a Specified Date Account is first established, the Account will pay in the 4th calendar year following the year the Compensation Deferral Agreement that established the Account is effective unless the Participant designates a later calendar year.

For example, a Specified Date Account established for the 2019 Plan Year will commence in 2023, unless the Participant designated a later calendar year.

Form of Payment. Payment will be made in a lump sum, unless the Participant elected to receive annual installments up to five years.

The time and form of payment of Specified Date Accounts is unaffected by an earlier Separation from Service, provided the Participant's total Account Balance is more than \$100,000 as of his or her Separation from Service, as set forth in Section 6.3.

6.3 Separation from Service. Upon a Participant's Separation from Service other than death, the Participant is entitled to receive his or her vested Retirement Account and vested Separation Accounts.

- (a) *Commencement.* Each vested Retirement Account and all Separation Accounts will commence payment in the calendar year next following the calendar year in which the Participant's Separation from Service occurs. Notwithstanding the foregoing, all Accounts, including any unpaid Specified Date Accounts will be payable upon Separation from Service if the combined Account Balance for a Participant is not more than \$100,000 as of his or her Separation from Service.
- (b) *Form of Payment.* The vested Retirement Account and Separation Accounts will be paid in a single lump sum unless the Participant elected with respect to an Account to receive annual installments up to 10 years. If the combined vested Account Balances of all of a Participant's Accounts on the date of a Participant's Separation from Service is not more than \$100,000, all Accounts will be paid in a lump sum, without regard to the provisions of Section 6.2 and without regard to any other election the Participant may have made for such Accounts.
- (c) *Mandatory Delay for Specified Employees.* Notwithstanding any other provision of this Plan, to the extent required to comply with Code Section 409A, payment to a Participant who is a "specified employee" as defined in Code Section

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409A(a)(2)(B) will commence no earlier than six months following his or her Separation from Service.

6.4 Death. Notwithstanding anything to the contrary in this Article VI, upon the death of the Participant (regardless of whether such Participant is an Employee at the time of death), all remaining vested Account Balances shall be paid to his or her Beneficiary in a single lump sum no later than December 31 of the calendar year following the year of the Participant's death.

- (a) *Designation of Beneficiary in General.* The Participant shall designate a Beneficiary in the manner and on such terms and conditions as the Committee may prescribe. No such designation shall become effective unless filed with the Committee during the Participant's lifetime. Any designation shall remain in effect until a new designation is filed with the Committee; provided, however, that in the event a Participant designates his or her spouse as a Beneficiary, such designation shall be automatically revoked upon the dissolution of the marriage unless, following such dissolution, the Participant submits a new designation naming the former spouse as a Beneficiary. A Participant may from time to time change his or her designated Beneficiary without the consent of a previously-designated Beneficiary by filing a new designation with the Committee.
- (b) *No Beneficiary.* If a designated Beneficiary does not survive the Participant, or if there is no valid Beneficiary designation, amounts payable under the Plan upon the death of the Participant shall be paid to the

Participant's spouse, or if there is no surviving spouse, then to the duly appointed and currently acting personal representative of the Participant's estate.

6.5 Unforeseeable Emergency. A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. If the emergency need cannot be relieved by cessation of Deferrals to the Plan, the Committee may approve an emergency payment therefrom not to exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted from the Separation Accounts and then from the Specified Date Accounts, starting with the Account having the latest commencement date until fully distributed, then continuing in this manner with the next latest Account until the full amount of the distribution is made. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee. The Committee may specify that Deferrals will be distributed before any Company Contributions.

6.6 Administrative Cash-Out of Small Balances. Notwithstanding anything to the contrary in this Article VI, the Committee may at any time and without regard to whether a payment event has occurred, direct in writing an immediate lump sum payment of the Participant's

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Accounts if the balance of such Accounts, combined with any other amounts required to be treated as deferred under a single plan pursuant to Code Section 409A, does not exceed the applicable dollar amount under Code Section 402(g)(1)(B), provided any other such aggregated amounts are also distributed in a lump sum at the same time.

6.7 Acceleration of or Delay in Payments. Notwithstanding anything to the contrary in this Article VI, the Board, in its sole and absolute discretion, may elect to accelerate the time or form of payment of an Account, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Board may also, in its sole and absolute discretion, delay the time for payment of an Account, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

6.8 Rules Applicable to Installment Payments. If a Payment Schedule specifies installment payments, payments will be made beginning as of the payment commencement date for such installments and shall continue to be made in each subsequent payment period until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the last Valuation Date in the month preceding the month of payment (or as of such other date as approved by the Committee to facilitate administration of the Plan) and (b) equals the remaining number of installment payments. For purposes of Section 6.9, installment payments will be treated as a single payment. If an Account is payable in installments, the Account will continue to be credited with Earnings in accordance with Article VII hereof until the Account is completely distributed.

6.9 Modifications to Payment Schedules. A Participant may modify the Payment Schedule elected by him or her with respect to an Account, consistent with the permissible Payment Schedules available under the Plan for the applicable payment event, provided such modification complies with the requirements of this Section 6.9.

(a) *Time of Election.* The modification election must be submitted to the Committee not less than 12 months prior to the date payments would have commenced under the Payment Schedule in effect prior to modification (the "Prior Election").

(b) *Date of Payment under Modified Payment Schedule.* The date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the Prior Election. Under no circumstances may a modification election result in an acceleration of payments in

violation of Code Section 409A. If the Participant modifies only the form, and not the commencement date for payment, payments shall commence on the fifth anniversary of the date payment would have commenced under the Prior Election.

- (c) *Irrevocability; Effective Date.* A modification election is irrevocable when filed and becomes effective 12 months after the filing date.

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- (d) *Effect on Accounts.* An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules or payment events of any other Accounts. A modification election has no effect on the lump sum cash out for Account Balances at or below \$100,000 as provided in Section 6.3.

ARTICLE VII

Valuation of Account Balances; Investments

- 7.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Valuation of Accounts shall be performed under procedures approved by the Committee.
- 7.2 Earnings Credit. Each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Board, in accordance with the provisions of this Article VII ("investment allocation").
- 7.3 Investment Options. Investment options will be determined by the Board. The Board, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period prior to the effective date of such change.
- 7.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.
- A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.
- A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.

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- 7.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Committee.

7.6 Valuations Final After 180 Days. The Participant shall have 180 days following the Valuation Date on which the Participant failed to receive the full amount of Earnings and to file a claim under Article XI for the correction of such error.

ARTICLE VIII

Administration

8.1 Plan Administration. This Plan shall be administered by the Committee which shall have discretionary authority to make, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XI.

8.2 Withholding. The Employer may withhold or cause to be withheld from any amounts payable under the Plan all federal, state, local and other taxes as shall be legally required to be withheld. Further, with respect to any federal, state, local and other taxes that may be required to be withheld at any time as a result of the crediting, vesting or payment of benefits under the Plan, the Employer shall have the right to (a) require a Participant to pay or provide for payment of any such taxes, or (b) withhold any such taxes from any compensation otherwise payable in cash to the Participant.

8.3 Indemnification. The Participating Employers shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee, its delegates and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.

8.4 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit,

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and may from time to time consult with legal counsel who shall be legal counsel to the Company.

8.5 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

ARTICLE IX

Amendment and Termination

9.1 Amendment and Termination. The Company may at any time and from time to time amend the Plan or may terminate the Plan as provided in this Article IX. Each Participating Employer may also terminate its participation in the Plan.

9.2 Amendments. The Company, by action taken by its Board of Directors, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date). The Board of Directors of the Company may delegate to the Committee the authority to amend the Plan without the consent of the Board of Directors for the purpose of: (i) conforming the Plan to the requirements of law; (ii) facilitating the administration of the Plan; (iii) clarifying provisions based on the Committee's interpretation of the

Plan documents; and (iv) making such other amendments as the Board of Directors may authorize. No amendment is needed to revise the list of Participating Employers set forth on Schedule A attached hereto.

9.3 Termination. The Company, by action taken by its Board of Directors, may terminate the Plan and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix).

9.4 Accounts Taxable Under Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. The Committee, pursuant to its authority to interpret the Plan, may sever from the Plan or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

ARTICLE X

Informal Funding

10.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Participating Employers, or a trust described in this Article X. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Participating Employers. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a

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fiduciary relationship, between the Participating Employers and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Participating Employer.

10.2 Rabbi Trust. A Participating Employer may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan. Notwithstanding the foregoing, in the event of a Change in Control, the Company shall (a) establish a rabbi trust (unless a rabbi trust has already been established before the Change in Control), (b) make a contribution to such rabbi trust in an amount equal to the accrued liabilities under this Plan as of the date of the Change in Control, and (c) make such additional contributions to the rabbi trust thereafter as may be necessary from time to time to reflect any subsequent increase in liabilities under the Plan after the Change in Control.

ARTICLE XI

Claims

11.1 Filing a Claim. Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Committee which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the "Claimant"). Notice of a claim for payments shall be delivered to the Committee within 90 days of the latest date upon which the payment could have been timely made in accordance with the terms of the Plan and Code Section 409A, and if not paid, the Participant or Beneficiary must file a claim under this Article XI not later than 180 days after such latest date. If the Participant or Beneficiary fails to file a timely claim, the Participant forfeits any amounts to which he or she may have been entitled to receive under the claim.

(a) *In General.* Notice of a denial of benefits (other than claims based on disability) will be provided within 90 days of the Committee's receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 90-day period. The extension will not be more than 90 days from the end of the

initial 90-day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.

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- (b) *Disability Benefits.* Notice of denial of claims based on disability will be provided within forty-five (45) days of the Committee's receipt of the Claimant's claim for disability benefits. If the Committee determines that it needs additional time to review the disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 45-day period. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional 30 days. If such an additional extension is necessary, the Committee shall notify the Claimant prior to the expiration of the initial 30-day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of 45 days to submit any necessary additional information to the Committee. In the event that a 30-day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline.
- (c) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation 29 CFR 2520.104b-1(c)(1)(i), (iii), and (iv). The notice of denial shall set forth the specific reasons for denial in plain language. The notice shall: (i) cite the pertinent provisions of the Plan document, and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including the right to appeal the decision, the deadline by which such appeal must be filed and a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on appeal and the specific date by which such a civil action must commence under Section 11.4.

In the case of a complete or partial denial of a disability benefit claim, the notice shall provide such information and shall be communicated in the manner required under applicable Department of Labor regulations.

11.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other

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information relevant to the denial and may submit written comments, documents, records and other information relating to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information: (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making

benefit decisions. The review shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

- (a) *In General.* Appeal of a denied benefits claim (other than a disability benefits claim) must be filed in writing with the Appeals Committee no later than 60 days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within 60 days following receipt of the appeal (or within 120 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.
- (b) *Disability Benefits.* Appeal of a denied disability benefits claim must be filed in writing with the Appeals Committee no later than 180 days after receipt of the written notification of such claim denial. The review shall be conducted in accordance with applicable Department of Labor regulations.

The Appeals Committee shall make its decision regarding the merits of the denied claim within 45 days following receipt of the appeal (or within 90 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Appeals Committee shall render a decision on its review of the denied claim.

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- (c) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation 29 CFR 2520.104b-1(c)(1)(i), (iii), and (iv). Such notice shall set forth the reasons for denial in plain language.
- The decision on review shall set forth: (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant's claim, and (iv) a statement of the Claimant's right to bring an action under Section 502(a) of ERISA, following an adverse decision on review and the specific date by which such a civil action must commence under Section 11.4.
- For the denial of a disability benefit, the notice will also include such additional information and be communicated in the manner required under applicable Department of Labor regulations.

11.3 Legal Action. A Claimant may not bring any legal action relating to a claim for benefits under the Plan unless and until the Claimant has followed the claims procedures under the Plan and exhausted his or administrative remedies under Sections 11.1 and 11.2. No such legal action may be brought more than twelve (12) months following the notice of denial of benefits under Section 11.2, or if no appeal is filed by the applicable appeals deadline, twelve (12) months following the appeals deadline.

If a Participant or Beneficiary prevails in a legal proceeding brought under the Plan to enforce the rights of such Participant or any other similarly situated Participant or Beneficiary, in whole or in part, the Participating Employer shall reimburse such Participant or Beneficiary for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings. If the legal proceeding is brought in connection with a change in control as defined in Section 11.3, the Participant or Beneficiary may file a claim directly with the trustee for reimbursement of such costs, expenses and fees. For purposes of the preceding sentence, the amount of the claim shall be treated as if it were an addition to the Participant's or Beneficiary's Account Balance and will be included in determining the Participating Employer's trust funding obligation under Section 10.2.

11.4 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

ARTICLE XII

General Provisions

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12.1 Assignment. No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting a Participating Employer without the consent of the Participant.

12.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved. The Participating Employers make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Plan.

12.3 No Employment Contract. Nothing contained herein shall be construed to constitute a contract of employment between an Employee and a Participating Employer.

12.4 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means (such as secure facsimile) as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

BLACK HILLS CORPORATION

P.O. BOX 1400

RAPID CITY, SD 57709

ATTN: HUMAN RESOURCES/RETIREMENT SERVICES

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

12.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

12.6 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions

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hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.

12.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored. If the Committee is unable to locate the Participant or Beneficiary after five years of the date payment is scheduled to be made, provided that a Participant's Account shall not be credited with Earnings following the first anniversary of such date on which payment is to be made and further provided, however, that such benefit shall be reinstated, without further adjustment for interest, if a valid claim is made by or on behalf of the Participant or Beneficiary for all or part of the forfeited benefit.

12.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Company, and the Plan from further liability on account thereof.

12.9 Governing Law. To the extent not preempted by ERISA, the laws of the State of South Dakota shall govern the construction and administration of the Plan.

12.10 Compliance With Code Section 409A; No Guarantee. This Plan is intended to be administered in compliance with Code Section 409A and each provision of the Plan shall be interpreted consistent with Code Section 409A. Although the Company intends for the Plan to comply with Code Section 409A, the tax treatment of benefits under the Plan is not warranted or guaranteed, and neither the Company, any other Employer, the Committee, nor the Board of Directors (nor any of their delegates) shall be held liable for any taxes, interest, penalties or other monetary amounts that may be owed by any Participant, Beneficiary or other taxpayer claiming benefits hereunder. No Employer shall have any legal obligation to a Participant with respect to taxes imposed under Code Section 409A.

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IN WITNESS WHEREOF, the undersigned executed this Plan on this ____ day of _____, 2022.

Black Hills Corporation

By: _____ (Print Name)

Its: _____ (Title)

_____, (Signature)

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Schedule A

Participating Employers

Black Hills Corporation

Schedule 1 – Group 1**Participants Eligible for Supplemental Target Contributions**

Name	Percentage of Total Compensation
Linn Evans	20.00%
Brian Iverson	8.00%
Erik Keller	8.00%
Rich Kinzley	17.50%
Amy Koenig	8.00%
Jennifer Landis	8.00%
Mark Lux	8.00%
Marne Jones	8.00%
Kimberly Nooney	8.00%

Effective April 25, 2022, the class of Group 1 Participants is closed and limited to the individuals listed in the table above. In no event will any new individual be designated as a Group 1 Participant after April 25, 2022.

Exhibit 10.6

Amended and Restated 2015 Omnibus Incentive Plan
Black Hills Corporation

(as amended and restated January 24, 2023)

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Black Hills Corporation Amended and Restated 2015 Omnibus Incentive Plan

Article 1 Establishment, Purpose, and Duration

1.1 Establishment. Black Hills Corporation, a South Dakota corporation (hereinafter referred to as the “Company”), established an incentive compensation plan known as the Black Hills Corporation 2015 Omnibus Incentive Plan effective April 28, 2015 (the “Original Effective Date”), as amended and restated on January 24, 2022, which is hereby further amended and restated as set forth in this document and effective as of January 24, 2023 (the “Restatement Effective Date”) (hereinafter referred to as the “Plan”).

This Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, and Other Stock-Based Awards.

This Plan shall remain in effect as provided in Section 1.3 hereof.

1.2 Purpose of this Plan. The purpose of this Plan is to provide a means whereby Employees and Directors of the Company develop a sense of proprietorship and personal involvement in the development and financial success of the Company, and to encourage them to devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. A further purpose of this Plan is to provide a means through which the Company may attract able individuals to become Employees or serve as Directors of the Company and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company are of importance, can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company.

1.3 Duration of this Plan. Unless sooner terminated as provided herein, this Plan shall terminate April 26, 2032 (the “Expiration Date”), which is ten (10) years after shareholder approval of the most recent material amendment of this Plan. After this Plan is terminated, no Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and this Plan’s terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten (10) years after the earlier of (a) adoption of this Plan by the Board, or (b) the Expiration Date.

1.4 Prior Plan. No further grants shall be made under the Prior Plan from and after the Original Effective Date of this Plan.

Article 2 Definitions

Whenever used in this Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized.

2.1 “Affiliate” shall mean any corporation or other entity (including, but not limited to, a partnership or a limited liability company), that is affiliated with the Company through stock or equity ownership or otherwise, and is designated as an Affiliate for purposes of this Plan by the Committee.

2.2 “Annual Award Limit” or “Annual Award Limits” have the meaning set forth in Section 4.3.

2.3 “Award” means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, SARs, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, or Other Stock-Based Awards, in each case subject to the terms of this Plan.

2.4 “Award Agreement” means either (i) an agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under this Plan, or (ii) a written or electronic statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic, internet or other non-paper Award Agreements, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

2.5 “Beneficial Owner” or “Beneficial Ownership” shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.6 “Board” or “Board of Directors” means the Board of Directors of the Company.

2.7 “Cash-Based Awards” means an Award granted to a Participant as described in Article 9 herein.

2.8 “Cause” means, unless otherwise provided in an Award Agreement, any of the following:

(a) Participant's violation of his or her material duties to the Company or any of its Affiliates, which continues after written notice from the Company or any Affiliate to cure such violation;

(b) Participant's failure to follow the lawful written directives of the Company in any material respect;

(c) Participant's misconduct in connection with the performance of any of his or her duties, including but not limited to falsifying or attempting to falsify documents, books or records of the Company or any of its Affiliates, making or delivering a false representation, statement or certification of compliance to the Company, misappropriating or attempting to misappropriate funds or other property of the Company or any of its Affiliates, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or any of its Affiliates;

(d) Participant's breach of any material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Participant with the Company or any of its Affiliates;

(e) Conviction (or plea of guilty or nolo contendere) of the Participant of any felony offense that is demonstratively injurious to the Company; or

(f) Intentional engagement in any activity which would constitute or cause a breach of duty of loyalty, or any fiduciary duty to the Company or any of its Affiliates.

Notwithstanding the foregoing, if the Participant is a party to a then-effective written severance or employment agreement with the Company providing a definition of “cause,” then that definition shall apply.

2.9 “Change in Control” or “Change of Control” maybe used interchangeably and shall mean, unless provided otherwise in an Award Agreement, any of the following events:

(a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Plan, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company

by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c)(i), (ii) and (iii);

(b) Individuals who, as of December 31, 2014, are members of the Board (the “**Incumbent Board**”), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company’s common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened proxy contest involving the solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of any agreement intended to avoid or settle any actual or threatened proxy contest;

(c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a “**Business Combination**”), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one (1) or more subsidiaries) (the “**Successor Entity**”); (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c)(i), (ii), and (iii) above.

(e) A Change in Control shall not be deemed to occur solely because any Person (the “**Subject Person**”) acquired Beneficial Ownership of more than the permitted amount of the then outstanding Common Stock as a result of the acquisition of Common Stock by the Company which, by reducing the number of shares of Common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Common Stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Common Stock which increases the percentage of the then outstanding Common Stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.

(f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

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Notwithstanding the foregoing, to the extent that any Award constitutes a deferral of compensation subject to Code Section 409A, and if that Award provides for a change in the time or form of payment upon a Change in Control, then no Change in Control shall be deemed to have occurred upon an event described in this Section 2.8 unless the event would also constitute a change in ownership or effective control of, or a change in the ownership of a substantial portion of the assets of, the Company under Code Section 409A.

2.10 “Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

2.11 “Committee” means the Compensation Committee of the Board or a subcommittee thereof, or any other committee designated by the Board to administer this Plan. The members of the Committee shall be appointed from time to time by and shall serve at the discretion of the Board. All members of the Committee shall be independent in accordance with any applicable standards and/or regulations adopted by the New York Stock Exchange (or, if not listed on such exchange, on any other national securities exchange on which the Shares are listed). If the Committee does not exist

or cannot function for any reason, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee. With respect to any decision relating to an Insider, the Committee shall consist of two or more Directors who are disinterested within the meaning of Rule 16b-3.

2.12 “Company” means Black Hills Corporation, a South Dakota corporation, and any successor thereto as provided in Article 21 herein; provided, however, that in the event the Company reincorporates to another jurisdiction, all references to the term “Company” shall refer to the Company in such new jurisdiction.

2.13 “Corporate Transaction” means (i) a sale or other disposition of all or substantially all of the assets of the Company, or (ii) a merger, consolidation, share exchange or similar transaction involving the Company, regardless of whether the Company is the surviving entity.

2.14 “Director” means any individual who is a member of the Board of Directors of the Company.

2.15 “Employee” means any person designated as an employee of the Company, its Affiliates, and/or its Subsidiaries on the payroll records thereof. An Employee shall not include any individual during any period he or she is classified or treated by the Company, Affiliate, and/or Subsidiary as an independent contractor, a consultant, or any employee of an employment, consulting, or temporary agency or any other entity other than the Company, Affiliate, and/or Subsidiary, without regard to whether such individual is subsequently determined to have been, or is subsequently retroactively reclassified as a common-law employee of the Company, Affiliate, and/or Subsidiary during such period.

2.16 “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.17 “Expiration Date” has the meaning set forth in Section 1.3.

2.18 “Fair Market Value” or “FMV” shall be determined on the basis of the closing sale price on the principal securities exchange on which the Shares are traded or, if there is no such sale on the relevant date, then on the last previous day on which a sale was reported.

2.19 “Freestanding SAR” means an SAR that is granted independently of any Options, as described in Article 7.

2.20 “Full Value Award” means an Award other than in the form of an ISO, NQSO, or SAR, and which is settled by the issuance of Shares.

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2.21 “Good Reason” means, unless otherwise provided in an Award Agreement, the resignation of the Participant from employment with the Company and its Affiliates due to any of the events or conditions described below, without Participant’s consent:

(i) A material reduction of the Participant’s authority, duties, or responsibilities;

(ii) A material reduction in the Participant’s base salary or annual incentive target, excluding a temporary reduction in salary applicable to all similarly situated employees;

(iv) The Company’s requiring the Participant to be based outside a 50-mile radius from Participant’s usual and normal place of work, except for reasonably required travel on the Company’s business (provided that this clause (iv) shall not apply to the Participant’s relocation to remote work or back to the office from remote work).

In order to effectuate a termination for Good Reason, (A) the Participant must, within thirty (30) days after the initial existence of the condition, deliver written notice to the Company stating the grounds for Good Reason, (B) the condition is not remedied by the Company within 30 days after its receipt of such notice, and (C) the Participant resigns from employment effective within ninety (90) days after initially giving written notice of the condition to the Company. Notwithstanding the foregoing, if the Participant is a party to a then-effective written severance or employment agreement with the Company providing a definition of “good reason,” then that definition, and any related requirements, shall apply.

2.22 “Grant Price” means the price established at the time of grant of a SAR pursuant to Article 7, used to determine whether there is any payment due upon exercise of the SAR.

2.23 “Incentive Stock Option” or “ISO” means an Option to purchase Shares granted under Article 6 to an Employee and that is designated as an Incentive Stock Option and that is intended to meet the requirements of Code Section 422, or any successor provision.

2.24 “Insider” shall mean an individual who is, on the relevant date, an officer, or Director of the Company, or a more than ten percent (10%) Beneficial Owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act.

2.25 “Nonemployee Director” means a Director who is not an Employee.

2.26 “Nonemployee Director Award” means any NQSO, SAR, or Full Value Award granted, whether singly, in combination, or in tandem, to a Participant who is a Nonemployee Director pursuant to such applicable terms, conditions, and limitations as the Board or Committee may establish in accordance with this Plan.

2.27 “Nonqualified Stock Option” or “NQSO” means an Option that is not intended to meet the requirements of Code Section 422, or that otherwise does not meet such requirements.

2.28 “Option” means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 6.

2.29 “Option Price” means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.30 “Original Effective Date” has the meaning set forth in Section 1.1.

2.31 “Other Stock-Based Award” means an equity-based or equity-related Award not otherwise described by the terms of this Plan, granted pursuant to Article 10.

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2.32 “Participant” means any eligible individual as set forth in Article 5 to whom an Award is granted.

2.33 “Performance-Based Compensation” means any Award for which the vesting, or value of which at the time it is payable, is determined as a function of achievement of performance goals, including any such Cash-Based Award, Performance Share or Performance Unit.

2.34 “Performance Measures” means measures as described in Article 12 on which the performance goals are based.

2.35 “Performance Period” means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.

2.36 “Performance Share” means an Award under Article 9 herein and subject to the terms of this Plan, denominated in Shares, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

2.37 “Performance Unit” means an Award under Article 9 herein and subject to the terms of this Plan, denominated in Units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

2.38 “Period of Restriction” means the period when Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee, in its discretion), as provided in Article 8.

2.39 “Person” shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) thereof.

2.40 “Plan” means the Black Hills Corporation Amended and Restated 2015 Omnibus Incentive Plan.

2.41 “Plan Year” means the calendar year.

2.42 “Prior Plan” means the Black Hills Corporation 2005 Omnibus Incentive Compensation Plan dated May 25, 2005.

2.43 “Restatement Effective Date” has the meaning set forth in Section 1.1.

2.44 “Restricted Stock” means an Award granted to a Participant pursuant to Article 8.

2.45 “Restricted Stock Unit” means an Award granted to a Participant pursuant to Article 8, except no Shares are actually awarded to the Participant on the date of grant.

2.46 “Service-Provider” means an Employee, a Nonemployee Director, or any natural person who is a consultant or advisor, or is employed by a consultant or advisor retained by the Company or any Affiliate and/or Subsidiary, and who provides services (other than in connection with (i) a capital-raising transaction or (ii) promoting or maintaining a market in Company securities) to the Company or any Affiliate and/or Subsidiary.

2.47 “Share” means a Share of common stock of the Company, \$1.00 par value per Share.

2.48 “Stock Appreciation Right” or “SAR” means an Award, designated as a SAR, pursuant to the terms of Article 7 herein.

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2.49 “Subsidiary” means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

2.50 “Substitute Awards” means an Award granted upon the assumption of, or in substitution or exchange for, outstanding awards granted by a company or other entity acquired by the Company or any Affiliate or with which the Company or any Affiliate combines. The terms and conditions of a Substitute Award may vary from the terms and conditions set forth in the Plan to the extent that the Committee at the time of the grant may deem appropriate to conform, in whole or in part, to the provisions of the award in substitution for which it has been granted.

2.51 “Tandem SAR” means a SAR that is granted in connection with a related Option pursuant to Article 7 herein, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be canceled).

2.52 “Units” means a unit of measurement equivalent to one share of Common Stock, with none of the attendant rights of a shareholder of such share, (including among the rights which the holder of a Unit does not have are the right to vote such share and the right to receive dividends thereon), except to the extent otherwise specifically provided herein.

Article 3 Administration

3.1 General. The Committee shall be responsible for administering this Plan, subject to this Article 3 and the other provisions of this Plan. The Committee may employ attorneys, consultants, accountants, agents, and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions, or valuations of any such individuals. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Participants, the Company, and all other interested individuals.

3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of this Plan and any Award Agreement or other agreement or document ancillary to or in connection with this Plan, to determine eligibility for Awards and to adopt such rules, regulations, forms, instruments, and guidelines for administering this Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in Award Agreements, granting Awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, and, subject to Article 17, adopting modifications and amendments to this Plan or any Award Agreement, including without limitation, any that are necessary to comply with the laws of the countries and other jurisdictions in which the Company, its Affiliates, and/or its Subsidiaries operate.

3.3 Delegation. The Committee may delegate to one or more of its members or to one or more officers of the Company, and/or its Subsidiaries and Affiliates or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as can the Committee: (a) designate Employees or other Service-Providers to be recipients of Awards; and (b) determine the size of any such Awards; provided, however, (i) the Committee shall not delegate such responsibilities to any such officer for Awards granted to an Employee who is considered an Insider; (ii) the resolution providing such authorization sets forth the total number of Awards such officer(s) may grant; and (iii) the officer(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

Article 4 Shares Subject to this Plan and Maximum Awards

4.1 Number of Shares Available for Awards.

(a) **Maximum Shares Available Under the Plan.** Subject to adjustment as provided in Section 4.3 herein, the maximum number of Shares available for issuance to Participants under this Plan is 2,900,000. The Shares to be delivered under the Plan may consist, in whole or in part, of authorized, but unissued Shares or treasury stock not reserved for any other purpose.

(b) **Limit on ISOs.** Subject to the limit set forth in Section 4.1(a) on the number of Shares that may be issued in the aggregate under this Plan, the maximum number of Shares that may be issued pursuant to ISOs shall be 2,900,000 Shares.

(c) **Limit on Non-Employee Director Compensation.** Subject to adjustment in Section 4.3 and subject to the limit set forth in Section 4.1(a) on the number of Shares that may be issued in the aggregate under the Plan, no Nonemployee Director may be granted Awards having a grant date fair value (as determined in accordance with generally accepted accounting principles applicable in the United States) in excess of \$500,000 in any Plan Year.

(d) **Minimum Vesting Period.** Awards that vest solely on the satisfaction by the Participant of service-based vesting conditions shall be subject to a vesting period of not less than one year (during which no portion of the Award may be scheduled to vest), and Awards whose grant or vesting is subject to the satisfaction of performance goals over a Performance Period shall be subject to a Performance Period of not less than one year. The foregoing minimum vesting and Performance Periods will not, however, apply in connection with (i) a Substitute Award that does not reduce the vesting period of the award being replaced, (ii) Awards made in payment of or exchange for other compensation already earned and payable, and (iii) outstanding, exercised and settled Awards involving an aggregate number of Shares not in excess of 5% of the Plan's share reserved specified in Section 4.1(a). For purposes of Awards to Nonemployee Directors, a vesting period will be deemed to be one year if it runs from the date of one annual meeting of the Company's shareholders to the date of the next annual meeting of the Company's shareholders, provided that such vesting period may not be less than 50 weeks after grant. This Section 4.1(d) shall not restrict the right of the Committee to provide in an Award Agreement that such minimum vesting restrictions may lapse or be waived upon a Change in Control or a Participant's termination of service due to death, Disability, or retirement. Furthermore, this Section shall not restrict the right of the Committee to provide for the acceleration or continuation of the vesting or exercisability of an Award upon termination of service, including, without limitation, due to death, Disability, retirement or a termination without cause.

4.2 Share Counting.

(a) If an Award (or any award outstanding under the Prior Plan after February 28, 2015) terminates, expires, or lapses for any reason, the number of Shares subject to such Award shall again become available for the grant under the Plan.

(b) If an Award is settled in cash, the Shares used to measure the value of the award, if any, shall not reduce the Shares available for grant under the Plan.

(c) The exercise of a stock-settled SAR or broker-assisted "cashless" exercise of a stock option (or a portion thereof) shall reduce the Shares available for grant by the entire number of Shares subject to the Award (or applicable portion thereof), even though a smaller number of

Shares will be issued upon such an exercise.

(d) Dividend equivalents paid in stock shall reduce the number of Shares available for grant by the number of Shares used to satisfy such dividend equivalent.

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(e) Shares tendered or withheld to pay the exercise price of an Option or tendered or withheld to satisfy a tax withholding obligation arising in connection with an Award shall not again become available for grant under the Plan.

(f) Shares purchased on the open market with cash proceeds generated by the exercise of an Option shall not increase or replenish the number of Shares available for grant under the Plan.

(g) Shares subject to Substitute Awards shall not be counted against the Shares available for grant under the Plan.

4.3 Adjustments in Authorized Shares. In the event of any corporate event or transaction (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee, in its sole discretion, in order to prevent dilution or enlargement of Participants' rights under this Plan, shall substitute or adjust, as applicable, the number and kind of Shares that may be issued under this Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Annual Award Limits, and other value determinations applicable to outstanding Awards.

Subject to the provisions of Article 17, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with the ISO rules under Code Section 422, where applicable.

Article 5 Eligibility and Participation

5.1 Eligibility. Individuals eligible to participate in this Plan include all Service-Providers.

5.2 Actual Participation. Subject to the provisions of this Plan, the Committee may, from time to time, select from all eligible individuals, those individuals to whom Awards shall be granted and shall determine, in its sole discretion, the nature of, any and all terms permissible by law, and the amount of each Award.

5.3 Status as Service-Provider. A Service-Provider's service shall be deemed to have terminated either upon an actual cessation of providing services to the Company or any Affiliate and/or Subsidiary or upon the entity to which the Service-Provider provides services ceasing to be an Affiliate and/or Subsidiary. Except as otherwise provided in this Plan or any Award Agreement, status as a Service-Provider shall not be deemed terminated for purposes of determining continued vesting or other rights in Awards in the case of (i) any approved leave of absence; (ii) transfers among the Company and any Affiliates and/or Subsidiaries in any Service-Provider capacity; or (iii) any change in status so long as the individual remains in the service of the Company or any Affiliate and/or Subsidiary in any Service-Provider capacity.

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Article 6 Stock Options

6.1 Grant of Options. Subject to the terms and provisions of this Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion; provided that ISOs may be granted only to eligible Employees of the Company or of any parent or subsidiary corporation (as permitted under Code Section 422). However, a Service-Provider may only be granted Options to the extent the Affiliate and/or Subsidiary is part of the Company's consolidated group for United States federal tax purposes.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of this Plan. The Award Agreement also shall specify whether the Option is intended to be an ISO or a NQSO.

6.3 Option Price. The Option Price for each grant of an Option under this Plan shall be determined by the Committee, in its discretion, and shall be specified in the Award Agreement; provided, however, the Option Price on the date of grant must be at least equal to one hundred percent (100%) of the FMV of the Shares on the date of grant, except in the case of Substitute Awards (to the extent consistent with Code Section 409A and, in the case of ISOs, Code Section 424).

6.4 Term of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, no Option shall be exercisable later than the tenth (10th) anniversary date of its grant. Notwithstanding the foregoing, the Committee may provide in the terms of a NQSO (either at grant or by subsequent modification) that, to the extent consistent with Code Section 409A, in the event that on the last business day of the term of a NQSO (i) the exercise of the NQSO is prohibited by applicable law or (ii) Shares may not be purchased or sold by certain Employees or Non-Employee Directors of the Company due to the "black-out period" of a Company policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the NQSO shall be extended for a period of not more than thirty (30) days following the end of the legal prohibition, black-out period or lock-up agreement. Notwithstanding the foregoing, for NQSOs granted to Participants outside the United States, the Committee has the authority to grant NQSOs that have a term greater than ten (10) years.

6.5 Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant.

6.6 Payment. Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

A condition of the issuance of the Shares as to which an Option shall be exercised shall be the payment of the Option Price. The Option Price of any Option shall be payable to the Company in full either:

(a) in cash or its equivalent;

(b) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the Option Price and are free and clear of any and all claims, pledges, liens and encumbrances, or any restrictions which would in any manner restrict the transfer of such shares;

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(c) by a combination of (a) and (b); or

(d) any other method approved or accepted by the Committee in its sole discretion, including, without limitation, if the Committee so determines, a cashless (broker-assisted) exercise.

Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver to the Participant evidence of book entry Shares, or upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in United States dollars.

6.7 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under

applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or under any blue sky or state securities laws applicable to such Shares.

6.8 Termination of Service. Each Participant's Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options issued pursuant to this Article 6, and may reflect distinctions based on the reasons for termination.

6.9 Notification of Disqualifying Disposition. If any Participant shall make any disposition of Shares issued pursuant to the exercise of an ISO under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten (10) days thereof.

Article 7 Stock Appreciation Rights

7.1 Grant of SARs. Subject to the terms and conditions of this Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs. However, a Service-Provider may only be granted SARs to the extent the Affiliate and/or Subsidiary is part of the Company's consolidated group for United States federal tax purposes.

Subject to the terms and conditions of this Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Participant and, consistent with the provisions of this Plan, in determining the terms and conditions pertaining to such SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement; provided, however, the Grant Price on the date of grant must be at least equal to one hundred percent (100%) of the FMV of the Shares on the date of grant, except in the case of Substitute Awards (to the extent consistent with Code Section 409A and, in the case of ISOs, Code Section 424). The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

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7.2 SAR Agreement. Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and such other provisions as the Committee shall determine.

7.3 Term of SAR. The term of a SAR granted under this Plan shall be determined by the Committee, in its sole discretion, and except as determined otherwise by the Committee and specified in the SAR Award Agreement, no SAR shall be exercisable later than the tenth (10th) anniversary date of its grant. Notwithstanding the foregoing, for SARs granted to Participants outside the United States, the Committee has the authority to grant SARs that have a term greater than ten (10) years.

7.4 Exercise of Freestanding SARs. Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

7.5 Exercise of Tandem SARs. Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

Notwithstanding any other provision of this Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO: (a) the Tandem SAR will expire no later than the expiration of the underlying ISO; (b) the value of the payout with respect to the Tandem SAR may be for no more than one hundred percent (100%) of the excess of the Fair Market Value of the Shares subject to the underlying ISO at the time the Tandem SAR is exercised over the Option Price of the underlying ISO; and (c) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the ISO exceeds the Option Price of the ISO.

7.6 Settlement of SAR Amount. Upon the exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

- (a) The excess of the Fair Market Value of a Share on the date of exercise over the Grant Price; by
- (b) The number of Shares with respect to which the SAR is exercised.

The payment upon SAR exercise shall be in Shares.

7.7 Termination of Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Participants, need not be uniform among all SARs issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

7.8 Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares received upon exercise of a SAR granted pursuant to this Plan as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Participant hold the Shares received upon exercise of a SAR for a specified period of time.

Article 8 Restricted Stock and Restricted Stock Units

8.1 Grant of Restricted Stock or Restricted Stock Units. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts as the Committee shall determine.

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8.2 Restricted Stock or Restricted Stock Unit Agreement. Each Restricted Stock and/or Restricted Stock Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine.

8.3 Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock or Restricted Stock Units granted pursuant to this Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock or each Restricted Stock Unit, restrictions based upon the achievement of specific performance goals, time-based restrictions on vesting following the attainment of the performance goals, time-based restrictions, and/or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock or Restricted Stock Units.

To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

Except as otherwise provided in this Article 8, Shares of Restricted Stock covered by each Restricted Stock Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse (including satisfaction of any applicable tax withholding obligations), and Restricted Stock Units shall be paid in cash, Shares, or a combination of cash and Shares as the Committee, in its sole discretion shall determine.

8.4 Certificate Legend. In addition to any legends placed on certificates pursuant to Section 8.3, each certificate representing Shares of Restricted Stock granted pursuant to this Plan may bear a legend such as the following or as otherwise determined by the Committee in its sole discretion:

The sale or transfer of Shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer as set forth in this Plan and in the associated Award Agreement. A copy of this Plan and such Award Agreement may be obtained from Black Hills Corporation.

8.5 Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder may be granted the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

8.6 Termination of Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Restricted Stock and/or Restricted Stock Units following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares of Restricted Stock or Restricted Stock Units issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

8.7 Section 83(b) Election. The Committee may provide in an Award Agreement that the Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Code Section 83(b). If a Participant makes an election pursuant to Code Section 83(b) concerning a Restricted Stock Award, the Participant shall be required to file promptly a copy of such election with the Company.

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Article 9 Performance Units, Performance Shares and Cash-Based Awards

9.1 Grant of Performance Units, Performance Shares, and Cash-Based Awards. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Performance Units, Performance Shares, and/or Cash-Based Awards to Participants in such amounts and upon such terms as the Committee shall determine.

9.2 Value of Performance Units, Performance Shares, and Cash-Based Awards. Each Performance Unit shall be expressed as a number of Units based on Shares, each Performance Share shall be expressed as a number of Shares and each Cash-Based Award shall be expressed as a dollar value, in each case as determined by the Committee. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or number of Performance Units, Performance Shares or Cash-Based Awards that will be paid out to the Participant.

9.3 Earning of Performance Units, Performance Shares and Cash-Based Awards. Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units, Performance Shares or Cash-Based Awards shall be entitled to receive payout on the value and number of Performance Units, Performance Shares or Cash-Based Awards earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance goals have been achieved.

9.4 Form and Timing of Payment of Performance Units, Performance Shares, and Cash-Based Awards. Payment of earned Performance Units, Performance Shares or Cash-Based Awards shall be as determined by the Committee and as evidenced in the Award Agreement. Subject to the terms of this Plan, the Committee, in its sole discretion, may pay earned Performance Units, Performance Shares or Cash-Based Awards in the form of cash or in Shares (or in a combination thereof) equal to the value of the earned Performance Units, Performance Shares, or Cash-Based Awards at the close of the applicable Performance Period, or as soon as practicable after the end of the Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

9.5 Termination of Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Units, Performance Shares, and/or Cash-Based Awards following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Awards of Performance Units, Performance Shares, or Cash-Based Awards issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

Article 10 Other Stock-Based Awards

10.1 Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

10.2 Value of Other Stock-Based Awards. Each Other Stock-Based Award shall be expressed in terms of Shares or Units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion. If the Committee exercises its discretion to establish performance goals, the number and/or value of Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which the performance goals are met.

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10.3 Payment of Other Stock-Based Awards. Payment, if any, with respect to an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares as the Committee determines.

10.4 Termination of Service. The Committee shall determine the extent to which the Participant shall have the right to receive Other Stock-Based Awards following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, such provisions may be included in an Award Agreement entered into with each Participant, but need not be uniform among all Awards of Other Stock-Based Awards issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

Article 11 Transferability of Awards

Awards may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant. Notwithstanding the foregoing, an Award may never be transferred for value (as defined in the General Instructions to Form S-8).

Article 12 Performance Awards

12.1 Performance Measures. For each Award of Performance-Based Compensation, the Committee shall, not later than 90 days after the beginning of each performance period, (i) designate all Participants for such performance period and (ii) establish the objective performance factors for each Participant for that performance period on the basis of one or more of the performance goals, the outcome of which is substantially uncertain at the time the Committee actually establishes the performance goal. The Committee shall have sole discretion to determine the applicable performance period, provided that in the case of a performance period less than 12 months, in no event shall a performance goal be considered to be pre-established if it is established after 25 percent of the performance period (as scheduled in good faith at the time the performance goal is established) has elapsed.

The performance goals upon which the payment or vesting of an Award may be based on one or more of the following:

- (a) Net earnings or net income (before or after taxes);
- (b) Earnings per share;
- (c) Net sales or revenue growth;
- (d) Net operating profit;
- (e) Return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue);
- (f) Cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow return on investment);

- (g) Earnings before or after taxes, interest, depreciation, and/or amortization;
- (h) Gross or operating margins;
- (i) Productivity ratios;

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- (j) Share price (including, but not limited to, growth measures and total shareholder return);
- (k) Expense targets;
- (l) Average cost to serve;
- (m) Margins;
- (n) Operating efficiency;
- (o) Market share;
- (p) Customer satisfaction;
- (q) Working capital targets;
- (r) Internal rate of return or increase in net present value;
- (s) Dividends paid;
- (t) Price earnings ratio;
- (u) Economic value added or EVA® (net operating profit after tax minus the sum of capital multiplied by the cost of capital); and
- (v) Any other measure of performance as determined by the Committee.

Any Performance Measure(s) may be used to measure the performance of (i) the Company, Subsidiary, and/or Affiliate as a whole, (ii) any business unit of the Company, Subsidiary, and/or Affiliate, or (iii) the individual Participant, or any combination thereof, as the Committee may deem appropriate, or any of the Performance Measures expressed in absolute amounts or as compared to the performance of a group of comparator companies, or published or special index that the Committee, in its sole discretion, deems appropriate, or the Company may select Performance Measure (j) above as compared to various stock market indices. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of performance goals pursuant to the Performance Measures specified in this Article 11.

12.2 Evaluation of Performance. The Committee may provide in any such Award that any evaluation of performance may include or exclude any specified unusual or nonrecurring events that occur during a Performance Period, such as:

- (a) Asset write-downs;
- (b) Litigation or claim judgments or settlements;
- (c) The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
- (d) Any reorganization and restructuring programs;
- (e) Extraordinary, nonrecurring, or other items that are not indicative of on-going operations;
- (f) Acquisitions or divestitures; and

(g) Foreign exchange gains and losses.

Following the close of each Performance Period and prior to payment of any amount to a Participant with respect to an Award, the Committee shall certify in writing as to the attainment of all factors (including the performance factors for a Participant) upon which any payments to a Participant for that performance period are to be based.

12.3 Adjustment of Performance-Based Compensation Payments and Committee Discretion. The Committee may adjust any Award payments upward or downward, either on a formula or discretionary basis or any combination, as the Committee determines. In addition, the Committee shall have sole discretion to alter the Performance Measures.

Article 13 Nonemployee Director Awards

Nonemployee Directors may only be granted Awards under the Plan in accordance with this Article 13 and which shall not be subject to management's discretion. From time to time, the Board shall set the amount(s) and type(s) of equity awards that shall be granted to all Nonemployee Directors on a periodic, nondiscriminatory basis pursuant to the Plan, as well as any additional amount(s), if any, to be awarded, also on a periodic, nondiscriminatory basis. In determining Awards for any Nonemployee Directors, the Board may consider, among other things: the number of committees of the Board on which a Nonemployee Director serves, service of a Nonemployee Director as the chair of a Committee of the Board, service of a Nonemployee Director as Chairman of the Board, or the first selection or appointment of an individual to the Board as a Nonemployee Director. Subject to the limits set forth in Section 4.1(c) and the foregoing, the Board shall grant such Awards to Nonemployee Directors and any Nonemployee Chairman of the Board, and grant New Nonemployee Director Awards, as it shall from time to time determine.

Article 14 Dividends and Dividend Equivalents

The Committee may grant dividends or dividend equivalents based on the dividends declared on Shares that are subject to any Award except for Options and SARs. The dividends or dividend equivalents may be credited as of the dividend payment dates, during the period between the date the Award is granted and the date the Award vests; provided, however, any dividend or dividend equivalent awarded in connection with an Award other than an Award of Restricted Stock, shall be subject to the same restrictions and risk of forfeiture as the Units, Shares or other Share equivalents to which such dividends or dividend equivalents relate and shall not be paid unless and until the Award is earned. The dividends or dividend equivalents may be subject to any additional limitations and/or restrictions determined by the Committee. Dividend equivalents shall be converted to cash or additional Shares by such formula and at such time as may be determined by the Committee.

Article 15 Beneficiary Designation

Each Participant under this Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Plan is to be paid in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such beneficiary designation, benefits remaining unpaid or rights remaining unexercised at the Participant's death shall be paid or exercised by the Participant's executor, administrator, or legal representative.

Article 16 Rights of Participants

16.1 Employment. Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company, its Affiliates, and/or its Subsidiaries, to terminate any Participant's employment or service on the Board at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his employment or service as a Director for any specified period of time.

Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company, its Affiliates, and/or its Subsidiaries and, accordingly, subject to Articles 3 and 17, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive

discretion of the Committee without giving rise to any liability on the part of the Company, its Affiliates, and/or its Subsidiaries.

16.2 Participation. No individual shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

16.3 Rights as a Shareholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

Article 17 Change in Control; Corporate Transaction

17.1 Corporate Transaction. Unless otherwise provided in an applicable Award Agreement or another written agreement between a Participant and the Company, the following provisions shall apply to outstanding Awards that were granted on or after the Restatement Effective Date in the event of a Change in Control that involves a Corporate Transaction.

(a) **Continuation, Assumption or Replacement of Awards.** In the event of a Corporate Transaction, the surviving or successor entity (or its corporate parent) may continue, assume or replace Awards outstanding as of the date of the Change in Control (with such adjustments as may be required or permitted by Section 4.3), and such Awards or replacements therefor shall remain outstanding and be governed by their respective terms. A surviving or successor entity may elect to continue, assume or replace only some Awards or portions of Awards. For purposes of this Section 17.1(a), an Award shall be considered assumed or replaced if, in connection with the Change in Control and in a manner consistent with Code Section 409A (and Code Section 424 if the Award is an ISO), either (i) the contractual obligations represented by the Award are expressly assumed by the surviving or successor entity (or its corporate parent) with appropriate adjustments to the number and type of securities subject to the Award and any exercise price thereof that preserves the intrinsic value of the Award existing at the time of the Change in Control, or (ii) the Participant has received a comparable equity-based award that preserves the intrinsic value of the Award existing at the time of the Change in Control and contains terms and conditions that are substantially similar to those of the Award; provided that for a performance-based award, (i) such Awards will continue to be subject to any continuing service-based vesting requirements of the Awards through the end of the original Performance Period and (ii) the satisfaction of the performance-based vesting conditions will be determined by (A) assuming that the performance goals, other than for a relevant total shareholder return goal, are achieved at the target level as set forth in the Award Agreement, and (B) calculating the relevant total shareholder return goal achievement by deeming the date of the Change in Control to be the last day of the Performance Period as reference for determining the average closing price on the applicable stock exchange for the applicable number trading days immediately prior to the end of the Performance Period.

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(b) **Acceleration.** If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Corporate Transaction, then (i) all outstanding Option and SAR Awards shall become fully vested and exercisable for such period of time prior to the effective time of the Corporate Transaction as is deemed fair and equitable by the Committee, and shall terminate at the effective time of the Corporate Transaction, and (ii) all outstanding Full Value Awards shall fully vest immediately prior to the effective time of the Corporate Transaction (with vesting for a performance-based award determined by (A) assuming that the performance goals, other than for a relevant total shareholder return goal, are achieved at the target level as set forth in the Award Agreement, and (B) calculating the relevant total shareholder return goal achievement by deeming the date of the Change in Control to be the last day of the Performance Period as reference for determining the average closing price on the applicable stock exchange for the applicable number trading days immediately prior to the end of the Performance Period). The Committee shall provide written notice of the period of accelerated exercisability of Option and SAR Awards to all affected Participants. The exercise of any Option or SAR Award whose exercisability is accelerated as provided in this Section 17.1(b) shall be conditioned upon the consummation of the Corporate Transaction and shall be effective only immediately before such consummation.

(c) **Payment for Awards.** If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Corporate Transaction, then the Committee may provide that some or all of such outstanding Awards shall be canceled at or immediately prior to the effective time of the Corporate Transaction in exchange for payments to the holders as provided in this Section 17.1(c). The Committee will not be required to treat all Awards similarly for purposes of this Section 17.1(c). The payment for any Award canceled shall be in an amount equal to the difference, if any, between (i) the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Corporate Transaction for the number of Shares subject to the Award, and (ii) the aggregate exercise price (if any) for the

Shares subject to such Award. If the amount determined pursuant to the preceding sentence is not a positive number with respect to any Award, such Award may be canceled pursuant to this Section 17.1(c) without payment of any kind to the affected Participant. With respect to an Award whose vesting is subject to the satisfaction of specified performance goals, the number of Shares subject to such an Award for purposes of this Section 17.1(c) shall be the number of Shares as to which the Award would have been deemed "fully vested" for purposes of Section 17.1(b). Payment of any amount under this Section 17.1(c) shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion, which may or may not be the same as the form, terms and conditions applicable to payments to the Company's stockholders in connection with the Corporate Transaction, and may, in the Committee's discretion, include subjecting such payments to vesting conditions comparable to those of the Award canceled, subjecting such payments to escrow or holdback terms comparable to those imposed upon the Company's stockholders under the Corporate Transaction, or calculating and paying the present value of payments that would otherwise be subject to escrow or holdback terms.

17.2 Termination After a Change in Control. Unless treatment of an Award is otherwise provided for under Sections 17.1(b) or (c) or in an applicable Award Agreement or another written agreement between a Participant and the Company, , and if within twenty-four (24) months after such Change in Control, a Participant experiences an involuntary termination of the Participant's employment or provision of services to the Company, its Affiliates, and/or its Subsidiaries for reasons other than Cause or a voluntary termination for Good Reason, then (i) outstanding Option and SAR Awards issued to the Participant that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable for three (3) months following the Participant's termination of service, and (ii) any Full Value Awards that are not yet fully vested shall immediately vest in full (for a performance-based award, vesting will be determined by (A) assuming that the performance goals, other than for a relevant total shareholder return goal, are achieved at the target level as set forth in the Award Agreement, and (B) calculating the relevant total shareholder return goal achievement by deeming the date of the Change in Control to be the last day of the Performance Period as reference for determining the average closing price on the applicable stock exchange for the applicable number trading days immediately prior to the end of the Performance Period).

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17.3 Prior Awards. Awards granted prior to the Restatement Effective Date shall not be subject to Sections 17.1 and 17.2, and shall instead be subject to Section 17 of the Plan as in effect on the day prior to the Restatement Effective Date.

17.4 Dissolution or Liquidation. Unless otherwise provided in an applicable Award Agreement, in the event of a proposed dissolution or liquidation of the Company, the Committee will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. An Award will terminate immediately prior to the consummation of such proposed action.

17.5 Discretion. The Committee will not be required to treat all Awards similarly in the event of a Change in Control, and may include such further provisions and limitations in any Award Agreement as it may deem equitable and in the best interests of the Company.

Article 18 Amendment, Modification, Suspension, and Termination

18.1 Amendment, Modification, Suspension, and Termination. Subject to Section 18.3, the Committee may, at any time and from time to time, alter, amend, modify, suspend, or terminate this Plan and any Award Agreement in whole or in part; provided, however, that, without the prior approval of the Company's shareholders and except as provided in Section 4.3, the terms of outstanding awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel, exchange, buyout or surrender outstanding Options or SARs in exchange for cash, other awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs.

18.2 Adjustment of Awards upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.3 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan.

18.3 Awards Previously Granted. Notwithstanding any other provision of this Plan to the contrary (other than Section 18.4), no termination, amendment, suspension, or modification of this Plan or an Award Agreement shall adversely affect in any material way any Award previously granted

under this Plan, without the written consent of the Participant holding such Award.

18.4 Amendment to Conform to Law. Notwithstanding any other provision of this Plan to the contrary, the Board of Directors may amend the Plan or an Award Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or an Award Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Code Section 409A), and to the administrative regulations and rulings promulgated thereunder.

Article 19 Withholding

19.1 Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount equal to the tax withholding obligations to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld (but not to exceed the maximum individual statutory tax rate in each applicable jurisdiction) with respect to any taxable event arising as a result of this Plan.

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19.2 Share Withholding. With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock and Restricted Stock Units, or upon the achievement of performance goals related to Performance Shares, or any other taxable event arising as a result of an Award granted hereunder, Participants may elect to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

Article 20 Successors

All obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

Article 21 General Provisions

21.1 Forfeiture Events and Clawbacks.

(a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, clawback or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of service for Cause, termination of the Participant's provision of services to the Company, Affiliate, and/or Subsidiary, violation of material Company, Affiliate, and/or Subsidiary policies, breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company, its Affiliates, and/or its Subsidiaries.

(b) Awards and any compensation associated therewith shall be subject to forfeiture, recoupment by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act, the SEC's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142) and any listing rules or any implementing rules and regulations thereunder, or as otherwise required by law. Any Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy. By accepting an Award, each Participant agrees to be bound by, and comply with, the terms of any such compensation recovery policy. In the absence of any such policy requiring forfeiture or recovery of compensation in the event of an accounting restatement, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, if the Participant knowingly or grossly negligently engaged in the misconduct, or knowingly or grossly negligently failed to prevent the misconduct, or if the Participant is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, the Participant shall reimburse the Company the amount of any payment in settlement of an Award earned or accrued during the twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever just occurred) of the financial document embodying such financial reporting requirement.

21.2 Legend. The certificates for Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

21.3 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include all gender identifications, the plural shall include the singular, and the singular shall include the plural.

21.4 Severability. In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

21.5 Requirements of Law. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

21.6 Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

21.7 Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

21.8 Investment Representations. The Committee may require any individual receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

21.9 Employees or Directors Based Outside of the United States. Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws in other countries in which the Company, its Affiliates, and/or its Subsidiaries operate or have Employees or Directors, the Committee, in its sole discretion, shall have the power and authority to:

- (a) Determine which Affiliates and Subsidiaries shall be covered by this Plan;
- (b) Determine which Employees and/or Directors outside the United States are eligible to participate in this Plan;
- (c) Modify the terms and conditions of any Award granted to Employees and/or Directors outside the United States to comply with applicable foreign laws;
- (d) Establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable. Any subplans and modifications to Plan terms and procedures established under this Section 21.9 by the Committee shall be attached to this Plan document as appendices; and
- (e) Take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals.

Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate applicable law.

21.10 Uncertificated Shares. To the extent that this Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be affected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

21.11 Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company, and/or its Subsidiaries, and/or its Affiliates may make to aid it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other individual. To the extent that any person acquires a right to receive payments from the Company, its Subsidiaries, and/or its Affiliates under this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company, a Subsidiary, or an Affiliate, as the case may be. All payments to be made hereunder shall be paid from the general funds of the Company, a Subsidiary, or an Affiliate, as the case may be and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in this Plan.

21.12 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award. The Committee shall determine whether cash, Awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

21.13 Retirement and Welfare Plans. Neither Awards made under this Plan nor Shares or cash paid pursuant to such Awards, except pursuant to Covered Employee Annual Incentive Awards, may be included as "compensation" for purposes of computing the benefits payable to any Participant under the Company's or any Subsidiary's or Affiliate's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

21.14 No Deferred Compensation. No deferral of compensation (as defined under Code Section 409A or guidance thereto) shall be permitted under this Plan. However, the Committee may permit deferrals of compensation pursuant to a separate plan or a subplan which meets the requirements of Code Section 409A and the regulations thereunder. Additionally, to the extent any Award is subject to Code Section 409A, notwithstanding any provision herein to the contrary, the Plan does not permit the acceleration of the time or schedule of any distribution related to such Award, except as permitted by Code Section 409A, the regulations thereunder, and/or the Secretary of the United States Treasury.

21.15 Nonexclusivity of this Plan. The adoption of this Plan shall not be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

21.16 No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (i) limit, impair, or otherwise affect the Company's or a Subsidiary's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or, (ii) limit the right or power of the Company or a Subsidiary or an Affiliate to take any action which such entity deems to be necessary or appropriate.

21.17 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of South Dakota, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction. Unless otherwise provided in the Award Agreement, recipients of an Award under this Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of South Dakota, to resolve any and all issues that may arise out of or relate to this Plan or any related Award Agreement.

21.18 Indemnification. Subject to requirements of South Dakota law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Company to whom authority was delegated in accordance with Article 3, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by the individual in connection with or resulting from any claim, action, suit, or proceeding to which the individual may be a party or in which he or she may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by the individual in settlement thereof, with the Company's approval, or paid by the individual in satisfaction of any judgment in any such action, suit, or proceeding against the individual, provided the individual shall give the Company an opportunity, at its own expense, to handle and defend the same before the individual undertakes to handle and defend it on the individual's own behalf, unless such loss, cost, liability, or expense is a result of the individual's own willful misconduct or except as expressly provided by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individual may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

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Exhibit 10.17

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement ("**Agreement**") dated as of November 15, 2022, is entered into by and between Black Hills Corporation ("**Company**") and Linden R. Evans ("**Employee**").

1. RECITALS.

The Board of Directors of the Company ("**Board**") has determined that it is in the best interests of the Company and its shareholders to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control (as defined below). Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

2. DEFINITIONS.

"**AFFILIATE**" shall have the meaning ascribed to such term in rule 12b-2 of the General Rules and Regulations of the Exchange Act.

"**ANNUAL COMPENSATION**" shall mean, with respect to any calendar year, all of the following compensation paid or payable, as applicable, to or on behalf of the Employee by the Company during a calendar year including: (a) base salary, targeted annual incentive bonus, targeted long-term incentive grants and awards; and (b) Company Matching Contributions and Company Retirement Contributions or other benefits payable under the Retirement Savings Plan and Supplemental Matching Contributions, Supplemental Retirement Contributions and Supplemental Target Contributions under the Nonqualified Deferred Compensation Plan (as such terms are defined in the applicable plans).

"**BENEFICIAL OWNER**" or "**BENEFICIAL OWNERSHIP**" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

"**CAUSE**" means those events or conditions described in subsection 8(a).

"**CHANGE IN CONTROL**" shall mean any of the following events:

(a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c)(i), (ii) and (iii) below;

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(b) Individuals who, as of October 1, 2022, are members of the Board (the "**Incumbent Board**"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened proxy contest involving the solicitation of proxies or consents by or on behalf of a Person other than the Board (a "**Proxy Contest**") including by reason of any agreement intended to avoid or settle any actual or threatened proxy contest;

(c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a "**Business Combination**"), unless, in each case, immediately following such Business Combination, all of the following have

occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries) (the "**Successor Entity**") (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c)(i), (ii), and (iii) above.

(e) A Change in Control shall not be deemed to occur solely because any Person (the "**Subject Person**") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Common Stock as a result of the acquisition of Common Stock by the Company which, by reducing the number of shares of Common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Common Stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Common Stock which increases the percentage of the then outstanding Common Stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.

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(f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

"**CODE**" means the Internal Revenue Code of 1986, as amended from time to time, and applicable regulations and guidance thereunder.

"**DISABILITY**" means the Employee is eligible for and receiving benefits under the Company sponsored group long-term disability plan in which the Employee participates.

"**DISABILITY DATE**" means the date subsequent to a Change in Control on which the Employee is determined to have a Disability.

"**EFFECTIVE DATE**" means the first date on which a Change in Control occurs. The Effective Date does not occur and no benefits shall be paid under this Agreement if for any reason the Employee is not an employee of the Company on the day immediately prior to the Effective Date.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**EXCHANGE ACT**" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

"**GOOD REASON**" means those events or conditions described in subsection 8(c) below.

"**NONQUALIFIED DEFERRED COMPENSATION PLAN**" means the Company's Nonqualified Deferred Compensation Plan as amended and restated effective January 1, 2011, and as amended or replaced from time to time thereafter prior to the Effective Date and the Company's Post-2018 Nonqualified Deferred Compensation Plan as effective January 1, 2019, and as amended or replaced from time to time thereafter prior to the Effective Date.

"**NOTICE OF TERMINATION**" means a notice which indicates the specific termination provision in this Agreement, if any, relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provisions so indicated. Any purported termination by the Company or Employee shall be communicated by written notice of termination to the other.

"OMNIBUS INCENTIVE COMPENSATION PLANS" means the incentive compensation plans known as the "Amended and Restated 2015 Omnibus Incentive Plan" as effective April 26, 2022, the "Black Hills Corporation 2015 Omnibus Incentive Compensation Plan" as effective April 28, 2015, and the "Black Hills Corporation 2005 Omnibus Incentive Compensation Plan" as effective May 25, 2005, and as the plans are amended or replaced from time to time thereafter prior to the Effective Date.

"PENSION PLAN" means the Black Hills Retirement Plan as amended and restated effective January 1, 2020, and as amended from time to time thereafter prior to the Effective Date.

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"PERSON" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d).

"PROTECTION PERIOD" means the time period beginning on the Effective Date and ending on the third annual anniversary of the Effective Date.

"RELATED COMPANY" means any business organization or legal entity that directly or indirectly, controls, is controlled by or is under common control with the Company. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by", and "under common control with") includes the possession, direct or indirect, of the power to vote 50 percent or more of the voting equity securities, membership interest, or other voting interest, or to direct or cause the direction of the management and policies of such business organization or other legal entity, whether through the ownership of voting equity securities, membership interest, by contract, or otherwise.

"RESTORATION PLAN" means the Company's Restoration Plan as in effect on January 1, 2022 and as amended or replaced from time to time thereafter prior to the Effective Date.

"RETIREE HEALTHCARE PLAN" means the Company's Retiree Healthcare Plan as amended and restated effective January 1, 2016, and as further amended from time to time thereafter prior to the Effective Date.

"RETIREMENT SAVINGS PLAN" means the Black Hills Corporation 401(k) Retirement Savings Plan (401K) as amended and restated effective January 1, 2022, and as further amended from time to time thereafter prior to the Effective Date.

"SEVERANCE COMPENSATION" means the greater of: Employee's base salary and annual incentive target on the day immediately prior to the (i) Effective Date; or (ii) Termination Date.

"SUBSIDIARY" means any corporation, partnership, limited liability company, joint venture, or other entity in which the Company has a majority voting interest.

"SUCCESSOR EMPLOYER" means any Successor Entity (as defined in the definition of "Change in Control" herein) or any other successor in interest or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of the business and/or assets of the Company.

"TERMINATION DATE" means the date, subsequent to the Effective Date, of the Employee's separation from service (as defined for purposes of Code Section 409A) with the Company and all Related Companies.

"WELFARE BENEFITS" means the benefits provided under the Group Insurance Plan for the Employees of Black Hills Corporation and the Black Hills Corporation Employee Healthcare Plan, as the plans and the terms and conditions thereof exist on the day immediately prior to the Effective Date. For the avoidance of doubt, the term Welfare Benefits shall not include a "flexible spending arrangement" (within the meaning of Proposed Regulation Section 1.125-5(a) or subsequent authoritative guidance).

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3. TERM OF AGREEMENT.

The Term of this Agreement shall commence on the date of execution and shall continue in effect until November 15, 2025. If no Change in Control shall have occurred during the Term, this Agreement shall expire. If a Change in Control occurs during the Term, this Agreement shall remain in effect (including during the entire Protection Period) for full performance according to its terms. Upon expiration of the Term prior to a Change in Control, the Company, by action of its Board, may elect to renew or not renew this

Agreement, or may offer to renew the Agreement subject to modifications of any term or condition, at its discretion. The Board may, in its discretion, terminate this Agreement prior to the expiration of the Term, in the event that Employee, for any reason, ceases to be employed with the Company in a position as an executive officer within the meaning of the Exchange Act.

4. EMPLOYMENT.

During the Protection Period the Company or Successor Employer agrees to continue to employ the Employee and the Employee agrees to remain in the employ of the Company or Successor Employer, subject to the provisions of this Agreement. During the Protection Period, the Employee shall be employed in a position substantially similar to Employee's position prior to the Change in Control or in such other capacity as may be mutually agreed to in writing by the parties. Employee shall perform the duties, undertake the responsibilities and exercise the authority customarily performed, undertaken and exercised by persons situated in a similar capacity.

During the Protection Period, excluding paid-time-off or another approved leave of absence, Employee agrees to devote Employee's full attention and time to the business and affairs of the Company to the extent necessary to discharge the responsibilities assigned to Employee hereunder and to comply with all material written policies of the Company. It is expressly understood and agreed that to the extent that any civic, charitable or industry-related activities have been conducted by Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of Employee's responsibilities to the Company. In addition, if Employee serves on a public Board of Directors prior to the Effective Date, the Employee shall retain the right to continue to serve on that particular Board.

5. COMPENSATION.

During the Protection Period, the Company agrees to pay or cause to be paid to Employee Annual Compensation at a rate at least equal to the highest rate of the Employee's Annual Compensation as in effect at any time within one year preceding the Effective Date, and as may be increased from time to time. Such Annual Compensation shall be payable in accordance with the Company's customary practices applicable to its officers and employees.

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6. EMPLOYEE WELFARE AND PENSION BENEFITS.

During the Protection Period, the Company shall provide to the Employee the Welfare Benefits (including Retiree Healthcare Plan credits for purposes of this Section 6) and the Pension Plan, or other substantially similar employee welfare and pension benefits, as available from time to time, but in no event on a basis less favorable in the aggregate in terms of benefit levels and coverage than the Welfare Benefits and the Pension Plan. In the event Employee is not a participant in a Welfare Benefits plan or the Pension Plan prior to the Effective Date, then Company shall have no obligation to provide that Welfare Benefits plan or the Pension Plan or other substantially similar employee welfare and pension benefits as provided in this Section 6. For purposes of this Section 6, if the Employee is not entitled to any future benefit accruals in the Pension Plan as of the Effective Date the Employee shall not be treated as a participant in the Pension Plan for purposes of accruing benefits under the Pension Plan.

7. OTHER BENEFITS.

(a) **Executive and Fringe Benefits and Paid-Time-Off.** During the Protection Period, Employee shall be entitled to all executive and fringe benefits and paid-time-off generally made available by the Company, as applicable, to its executives or other employees. Unless otherwise provided herein, the executive and fringe benefits and paid-time-off provided to Employee during the Protection Period shall be on the same basis and terms as other similarly situated employees of the Company, but in no event shall be less favorable in the aggregate than the most favorable executive and fringe benefits or paid-time-off to Employee at any time within one year period preceding the Effective Date, or if more favorable, at any time thereafter. **(Expenses.** Employee shall be entitled to receive prompt reimbursement of all expenses reasonably incurred by Employee in connection with the performance of Employee's duties hereunder or for promoting, pursuing or otherwise furthering the business or interests of the Company. All reimbursements under this Section 7(b) will be paid as promptly as administratively practicable, but in no event later than by December 31st of the year next following the calendar year in which the expense was incurred.

(c) **Indemnity.** If, at the time of a Change in Control, the Employee was covered by an Indemnity Agreement and/or Directors' and Officers' Insurance (D & O) coverage, then the Indemnity Agreement and D & O coverage shall continue in full force and effect throughout the Protection Period, and beyond the Protection Period, with respect to claims arising out of acts or omissions of the Employee prior to a Change in Control. If, following a Change in Control, Company or the Successor Employer adopts substitute Indemnity Agreements, and/or D & O coverage, for employees having substantially the same authority, duties, and responsibilities as Employee, then Employee shall be entitled to receive the benefit of such protection with respect to claims arising from acts or omissions of Employee following a Change in Control. Payment for expenses to be reimbursed under this Section 7(c) shall be made in accordance with the time specified under the Indemnity Agreement or D & O coverage, but in no event later than by December 31st of the year next following the year in which the expense was incurred.

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8. **TERMINATION.**

During the Protection Period, Employee's employment hereunder may be terminated under the following circumstances:

(a) **Cause.** The Company may terminate Employee's employment for "Cause." A termination of employment is for "Cause" if Employee (1) enters a guilty plea, pleads *nolo contendere* to, or is convicted of a felony offense that is demonstrably injurious to the Company; (2) engages in misconduct which is demonstrably injurious to the Company, monetarily or otherwise; or (3) fails to perform Employee's material duties and responsibilities or to satisfy Employee's material obligations as an officer or employee of the Company, or other material breach of any terms or conditions of any material written policy of the Company or any written agreement between Employee and the Company, (4) fails, after reasonable request, to cooperate with the Company or governmental authorities in connection with a civil or criminal regulatory investigation or proceeding, or other civil litigation involving the company; provided, however, that no termination of Employee's employment shall be for Cause as set forth in clauses (2), (3) or (4), unless (i) there shall have been delivered to Employee a copy of a written Notice of Termination, at least thirty (30) days in advance of the Termination Date, setting forth that Employee was guilty of the conduct set forth in such applicable clause and specifying the particulars thereof in detail; and (ii) Employee shall have been provided an opportunity to be heard by the Board (with the assistance of Employee's counsel if Employee so desires). Notwithstanding anything contained in this Agreement to the contrary, no failure to perform by Employee after a Notice of Termination is given to the Employee shall constitute Cause for purposes of this Agreement.

(b) **Death or Disability.** Employee's employment with the Company will terminate upon Employee's death or upon the Employee's Disability Date, as applicable. The Company or Successor Employer may terminate Employee's employment as of or after the Employee's Disability Date. Employee shall be entitled to the compensation and benefits provided for under this Agreement for any period during the Protection Period and prior to the Employee's Disability Date, during which Employee is unable to work due to a physical or mental infirmity, and up to the Employee's Disability Date.

(c) **Good Reason.** The Employee may terminate employment for "Good Reason." For purposes of this Agreement, "Good Reason" shall mean the occurrence after the Effective Date of any of the events or conditions described below, without Employee's consent.

(i) A material reduction of the Employee's authority, duties, or responsibilities from those in effect immediately prior to the Effective Date;

(ii) A material reduction in the Employee's base salary or annual incentive target opportunity, excluding a temporary reduction in salary applicable to all similarly situated employees;

(iii) Any material breach by the Company of any provision of this Agreement, including, but not limited to, the Company's failure to provide the Employee Welfare and Pension Benefits or Restoration Plan benefits, as set forth in Section 6, provided that such failure constitutes a material breach under subsection 8(c)(v);

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(iv) The Company's requiring the Employee to be based outside a 50-mile radius from Employee's usual and normal place of work prior to the Effective Date, except for reasonably required travel on the Company's business which is not substantially greater than such travel requirements prior to the Effective Date; or

(v) Any other action or inaction that constitutes a material breach by the Company of the agreements under which the Employee provides services including, but not limited to, the failure of the Company to obtain an agreement, satisfactory to the Employee, from any Successor Employer or assign of the Company, to assume and

agree to perform this Agreement in the same manner and to the same extent that the Company would be obligated to perform under this Agreement, as contemplated in Section 13.

In order to effectuate a termination for Good Reason under this Section 8(c), the Employee shall, within ninety (90) days after the initial existence of the condition, deliver written Notice of Termination to the Company stating the grounds for Good Reason in support of termination and specifying the Termination Date, which shall be (A) not earlier than thirty (30) days after giving the Notice of Termination, and (B) not later than one hundred eighty (180) days after giving the Notice of Termination or the last day of the Protection Period.

The Company may, within thirty (30) days after receipt of such Notice of Termination, remedy the condition, in which case the Good Reason for termination shall be deemed not to have occurred. For purposes of determining the amount of any cash payment payable to the Employee in accordance with Section 9, any reduction in compensation or benefit that would constitute Good Reason hereunder shall be deemed not to have occurred.

(d) Other Terminations. The Company may terminate Employee's employment without Cause upon written Notice of Termination to Employee. Employee may terminate Employee's employment without Good Reason upon written Notice of Termination to Employee.

9. COMPENSATION UPON TERMINATION.

Upon termination of Employee's employment effective during the Protection Period, Employee shall be entitled to the following compensation and benefits:

(a) If Employee's employment with the Company shall be terminated (i) by the Company for Cause or Disability, or (ii) by reason of Employee's death, or (iii) by Employee without "Good Reason" pursuant to Section 8(c), the Company shall pay Employee all amounts earned or accrued through the Termination Date, but not paid as of the Termination Date, including all Annual Compensation, reimbursement for reasonable and necessary expenses incurred by Employee on behalf of the Company during the period ending on the Termination Date, together with accrued vacation pay, and paid-time-off (collectively "**Accrued Compensation**"), each in accordance with the applicable policies, plans and practices of the Company. In addition to the foregoing, if the Employee's employment is terminated by the Company for Disability or by reason of the Employee's death, the Company shall pay to the Employee or Employee's beneficiaries an amount equal to the "Pro Rata Bonus" which shall mean an amount equal to 100% of the annual incentive bonus target that the Employee would have been eligible to receive for the Company's fiscal year in which the Employee's employment terminates, multiplied by a fraction, the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is 365. The Pro Rata Bonus shall be paid in a lump sum within sixty (60) days following the Termination Date.

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(b) If during the Protection Period the Employee's employment with the Company shall be terminated (other than by reason of death) (i) by the Company other than for Cause or Disability, or (ii) by Employee for Good Reason, then following the Termination Date, subject to the conditions specified below, the Employee shall be entitled to the following:

(i) The Company shall pay Employee all Accrued Compensation, payable in accordance with the applicable policies, plans and practices of the Company, and a Pro Rata Bonus, payable within sixty (60) days following the Termination Date.

(ii) The Company shall pay Employee, in lieu of any further compensation for periods subsequent to the Termination Date, a lump sum severance payment, in cash, in an amount equal to 2.99 times (2.99x) the Employee's Severance Compensation. The lump sum severance payment described in this paragraph shall be paid within sixty (60) days after the Termination Date.

(iii) As a condition of receiving payments and benefits provided in this subsection 9(b) other than Accrued Compensation, Employee shall execute and deliver to Company or Successor Employer the Waiver and Release Agreement ("**Release**") in substantially the same form as attached hereto as Exhibit A. The severance payments and benefits shall not be paid or provided unless the Employee has executed and delivered the Release within the timeframe specified by the Company consistent with applicable laws, and the Release has become irrevocable as provided therein. Prior to the Effective Date, the Company may revise the Release to conform to applicable law, so long as the Release does not increase the obligations of Employee thereunder.

(iv) An Employee shall have the same rights as any other similarly situated terminated employee under the Black Hills Corporation Employee Health Care Plan, Group Insurance Plan for the Employees of Black Hills Corporation, and/or Black Hills Corporation Employee Flexible Benefits Plan (the "Plans"). In addition, if Employee, prior to the Termination Date, was enrolled in the medical, dental, vision, employee assistance program ("EAP") and/or executive physical program ("EPP") benefits (the "Benefits") provided under the Plans (or successors thereto), the Company or the Successor Employer, or any affiliate of the Successor Employer as determined under the rules of Code Sections 414(b) and (c), shall at its expense continue on behalf of Employee and Employee's dependents, if dependents were enrolled prior to the Termination Date, for a period of eighteen (18) months following the Termination Date, the benefits no less favorable than the benefit levels and coverage provided to and enrolled by the Employee prior to the Termination Date. Employee shall pay the employee portion of applicable premiums required to be paid by similarly situated active employees (or retired employees in the case that the Employee is retired) of the Company. At its election, the Company may provide Employee and Employee's dependents with taxable cash in the amount of the value of equivalent benefits outside the Welfare Benefits plans. The Company's obligation with respect to the foregoing benefit shall be discontinued in the event that Employee becomes eligible for health, dental or vision benefits of a subsequent employer. For purposes of this provision, Employee shall have a duty to inform Company as to the terms and conditions of any subsequent employment and the corresponding benefits the Employee is eligible for in connection with such employment. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to Employee under this Agreement shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Employee) during one year may not

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affect amounts reimbursable or provided in any subsequent year.

(v) If Employee was eligible for the Retiree Healthcare Plan immediately prior to a Change in Control, then as of Employee's Termination Date, the Employee's benefit under the Retiree Healthcare Plan shall be determined as if (i) Employee had completed an additional three (3) Years of Plan Participation (as defined in the Retiree Healthcare Plan), and (ii) Employee were three (3) years older for determining eligibility for plan benefits. Furthermore, if the Employee is not eligible for benefits after the age and participation adjustment, then the Retirement Medical Savings Account (after adjustment for three years of participation) will be considered vested, and upon attainment of age 55 the Employee shall be deemed eligible for Retiree Healthcare Plan benefits, with the vested Retirement Medical Savings Account available to offset premiums. At its election, the Company may provide Employee and Employee's dependents with equivalent benefits outside the Retiree Healthcare Plan.

(vi) If Employee was a participant in the Restoration Plan and the Pension Plan immediately prior to a Change in Control, then as of Employee's Termination Date, Employee's Restoration Plan benefit shall be determined as if (i) Employee completed three (3) additional years of Credited Service under the Pension Plan, and (ii) the Employee received Annual Compensation during each additional year of Credited Service. For purposes of this subsection 9(b)(vi), if the Employee is not entitled to any future benefit accruals in the Restoration Plan as of the Effective Date the Employee shall not receive any additional Credited Service or Annual Compensation when determining their Restoration benefit.

Furthermore, the Employee shall be made 100% vested for purposes of the Restoration Plan, if the Employee is a participant in such plan (for purposes of this subsection) and is not already fully vested.

(vii) If Employee was a participant in the Nonqualified Deferred Compensation Plan immediately prior to a Change in Control, then as of Employee's Termination Date, Employee's Non-Elective Account in the Nonqualified Deferred Compensation Plan shall become immediately vested and be determined as if (i) Employee had completed three (3) additional Plan Years of participation and earned the related Supplemental Matching Contributions, Supplemental Retirement Contributions, and Supplemental Target Contributions (all as defined in the Nonqualified Deferred Compensation Plan); no investment earnings shall be attributed for this additional period, and (ii) Employee received Annual Compensation during each additional Plan Year of participation.

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For purposes of this subsection 9(b)(vii), the additional contributions under the Nonqualified Deferred Compensation Plan (Supplemental Matching Contributions, Supplemental Retirement Contributions, and

Supplemental Target Contributions) shall be determined without regard to any offsets from the Retirement Savings Plan. (This has the same effect as if the Supplemental Matching Contributions and Supplemental Retirement Contributions were determined on total pay rather than only on pay over IRS pay limits.) Notwithstanding any provision herein to the contrary, if the Employee is a “specified employee” (as defined for purposes of Code Section 409A), no payment of any amount under this Section 9 that constitutes deferred compensation subject to Code Section 409A shall be made before the date which is six (6) months after the date of the Employee’s Termination Date, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to additional taxes thereunder. To the extent that the Agreement provides for such nonqualified deferred compensation, it is intended to be compliant with Code Section 409A, and shall be interpreted and administered accordingly.

10. NO MITIGATION OBLIGATION.

Employee shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, and except as provided in Section 9(b)(iv), such payments shall not be reduced whether or not Employee obtains other employment.

11. TAX EFFECT.

No additional payments shall be made to the Employee to account for any excise taxes, income taxes, interest or penalties the employee may incur due to receipt of any Severance Compensation or other payment, benefit, or distribution of any type by the Company pursuant to this Agreement.

Notwithstanding anything in this Agreement or any written or unwritten policy of the Company to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, any other agreement between the Company and the Employee or otherwise (a “**Payment**” or “**Payments**”), would constitute a parachute payment (“**Parachute Payment**”) within the meaning of Section 280G of the Code and would, but for this Section 11, be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the “**Excise Tax**”), then prior to making the Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Employee of the Payments after payment of the Excise Tax to (ii) the Net Benefit to the Employee if the Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Payments be reduced to the minimum extent necessary to ensure that no portion of the Payments is subject to the Excise Tax. “**Net Benefit**” shall mean the present value of the Payments net of all federal, state, local, foreign income, employment and excise taxes. The Payments shall be reduced in a manner that maximizes the Employee’s economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Any determination required under this Section 11, including whether any payments or benefits are parachute payments, shall be made by an independent third party expert retained by the Company. The Employee shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 11. The Company’s determination shall be final and binding on the Employee. The parties acknowledge that the Employee is solely responsible for the payment of any

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Excise Tax that is assessed based upon a payment made pursuant to this Agreement or any other payment made by the Company pursuant to any other plan or obligation.

As a result of the uncertainty in the application of Sections 280G and 4999 of the Code at the time of the initial determination by the independent third party expert, however, it is possible that amounts will have been paid or distributed to or for the benefit of Employee which should not have been so paid or distributed (an “**Overpayment**”) or that additional amounts which shall not have been paid or distributed to or for the benefit of Employee should have been so paid or distributed (an “**Underpayment**”), in each case, consistent with the calculation of the amount. If the independent third party expert, based either upon the assertion of a deficiency by the Internal Revenue Service against the Company or Employee which the independent third party expert believes has a high

probability of success or controlling precedent or other substantial authority, determines that an Overpayment has been made, any such Overpayment must be treated (if permitted by applicable law) for all purposes as a loan ab initio for which Employee must repay the Company together with interest at the applicable federal rate under Section 7872(f)(2) of the Code; provided, however, that no such loan may be deemed to have been made and no amount shall be payable by Employee to the Company if and to the extent that such deemed loan and payment would not either reduce the amount on which Employee is subject to tax under Section 4999 of the Code or generate a refund of such taxes. If the independent third party expert, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, the independent third party expert must promptly notify the Company of the amount of the Underpayment and such amount, together with interest at the applicable federal rate under Section 7872(f)(2) of the Code, must be paid to Employee.

12. OUTPLACEMENT SERVICES.

Following a Termination without Cause or resignation for Good Reason during the Protection Period, the Company shall, at its expense, permit the Employee to participate in outplacement assistance services, as determined by the Company, which are: (a) as to executive officers, at a level appropriate for senior management of a public company, and (b) not more than six (6) months in duration. Outplacement services shall be provided in kind; cash shall not be paid in lieu thereof, nor will cash compensation be increased if Employee declines or does not use outplacement services. All outplacement services shall be provided by the last day of the second calendar year beginning after the Employee's Termination Date.

13. SUCCESSORS AND ASSIGNS.

This Agreement shall be fully binding upon any Successor Employer or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to the business and/or assets of the Company, in the same manner and to the same extent that the Company would be obligated under this Agreement as if no succession had taken place. In the case of any transaction in which a successor or assign would not by the foregoing provision, or by operation of law, be bound by this Agreement, the Company shall require such successor or assign to expressly and unconditionally assume and agree to perform all the obligations of the Company and each Successor Employer under this Agreement, in the same manner and to the same extent that the Company and each Successor Employer would be required to perform it if no such succession or assignment had taken place. Any failure to obtain such assumption and continuation of this Agreement shall constitute a material breach hereof. Reference to the Company in this Agreement shall, following the Effective Date, include any Successor Employer.

Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, Employee's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

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14. FEES AND EXPENSES.

The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) reasonably and in good faith incurred by the Employee as they become due as a result of the Employee seeking to obtain or enforce any right or benefit provided by this Agreement.

For purposes of this Section 14, the Employee will not be deemed to have incurred legal fees or expenses reasonably or in good faith if, following resolution of a dispute under this Agreement, Employee has failed to prevail on at least one material issue in dispute. The amount of expenses eligible for reimbursement hereunder during any given calendar year shall not affect the expenses eligible for reimbursement in any other calendar year. Employee shall submit verification of expenses to the Company within sixty (60) days from the date the expense was incurred, and the Company shall reimburse eligible expenses within thirty (30) days thereafter, but in any case no later than the last day of the calendar year following the calendar year in which the expense was incurred. The right to reimbursement of legal fees and expenses hereunder may not be exchanged for cash or any other benefit.

15. NOTICE.

For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the last known address of Employee or in the case of the Company, to the principal executive office to the attention of the Board of the Company. All notices and communications shall be deemed to have been

received on the date of delivery thereof if personally delivered, or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

16. NONEXCLUSIVITY OF RIGHTS.

Except as expressly provided herein, nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its Subsidiaries or Affiliates and for which Employee may qualify, nor shall anything herein limit or reduce such rights as Employee may have under any other agreements with the Company or any of its Subsidiaries or Affiliates; provided however that in the event that Employee becomes eligible for any cash severance benefits under a Company severance program, plan or policy as a result of a termination during the Protection Period, then the Severance Compensation payable to Employee under this Agreement shall be reduced by any such cash severance benefits. Amounts which are vested benefits or which Employee is otherwise entitled to receive under any plan or program of the Company or any of its Subsidiaries or Affiliates shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement; provided, however, and notwithstanding anything contained in this Agreement, in the event that Employee is not a participant in or eligible to participate in any Welfare Benefits or the Pension Plan, then nothing contained in this Agreement shall be deemed to provide for or suggest the right in Employee to be a participant in or be eligible to participate in the Welfare Benefits or the Pension Plan.

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17. MISCELLANEOUS.

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

18. GOVERNING LAW.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of South Dakota.

19. SEVERABILITY.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

20. NO GUARANTEED EMPLOYMENT.

Employee and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Employee and the Company, the employment of Employee by the Company is "at will" and may be terminated by either Employee or the Company at any time, subject to the rights and obligations under this Agreement. Moreover, if prior to the Effective Date, Employee's employment with the Company terminates for any reason, Employee shall have no further rights under this Agreement.

21. SUBSIDIARY DEEMED TO BE COMPANY FOR PORTIONS OF AGREEMENT.

In the event that subsequent to the date of this Agreement the Employee becomes an employee of a Subsidiary or Affiliate of the Company, or in the event that any Employee is an employee of a Subsidiary or Affiliate of the Company, the references to "Company" in this Agreement shall be deemed to be a reference to the subsidiary or Affiliate which may employ the Employee to the full extent necessary or appropriate to preserve the intent of this Agreement; provided, however, nothing herein shall mean or suggest that any benefits are applicable hereunder upon a change in control of a Subsidiary or Affiliate rather than the Company.

22. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

Dated this 15th day of November, 2022.

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BLACK HILLS CORPORATION

By:

Brian G. Iverson

Senior Vice President and General Counsel

EMPLOYEE

By:

Linden R. Evans

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EXHIBIT A

WAIVER AND RELEASE AGREEMENT

This **Waiver and Release Agreement** (the "**Waiver and Release**") is entered into by and among Black Hills Corporation ("**Company**") and Linden R. Evans ("**Employee**") this ____ day of _____, 202_.

- 1. General Waiver and Release.** For and in consideration of the agreement of Company to provide Employee the severance benefits described in that certain Change in Control Agreement, dated as of _____, 202_, between Employee and the Company (the "**Agreement**"), Employee, with the intention of binding himself and all of Employee's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company, Successor Employer, their parents, affiliates, subsidiaries, predecessors, divisions, and successors, and all of their respective past and present officers, directors, stockholders, employees, agents, insurers, employee benefit plans and fiduciaries of such plans, assigns and attorneys (hereinafter collectively referred to as "**Released Parties**") from any and all claims, charges, actions causes of action, sums of money due, suites, debts, covenants, contracts, agreements, rights, damages, promises, demands or liabilities (hereinafter collectively referred to as "**Claims**") whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected, which Employee, individually or as a member of any class, now has, owns or holds or has at any time heretofore ever had, owned or held against the Released Parties, including but not limited to all Claims which arise out of or are in any way connected with Employee's employment with the Company or any of the Released Parties or the termination of any such employment relationship, including, but not by way of limitation, Claims pursuant to federal, state or local statute, regulation, ordinance or common-law for (i) employment discrimination; (ii) wrongful discharge; (iii) breach of contract; (iv) tort actions of any type, including those for intentional or negligent infliction of emotional harm; and (v) unpaid benefits, wages, compensation, commissions, bonuses or incentive payments of any type, except as follows:
- a. Those obligations of the Company and its Affiliates to pay benefits upon termination of employment as set forth in the Agreement, pursuant to which this Waiver and Release is being executed and delivered;
 - b. Claims, if any, for Employee's vested benefits under the retirement plans, savings plans, investment plans and employee welfare benefit plans, if any, of the Released Parties (within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), as amended; provided, however, that nothing herein is intended to or shall be construed to require the Released Parties to institute or continue in effect any particular plan or benefit sponsored by the Released Parties and the Company and all other Released Parties hereby reserve the right to amend or terminate any such plan or benefit at any time; and
 - c. Any rights to indemnification or advancement of expenses to which Employee may otherwise be entitled pursuant to the Articles of Incorporation or Bylaws of any of the Released Parties, or by contract or applicable law, as a result of Employee service as an officer or director of any of the Released Parties.

Employee further understands and agrees that, subject to the exceptions in

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subparagraphs a., b. and c. above, Employee is knowingly relinquishing, waiving and forever releasing any and all remedies arising out of the aforesaid employment relationship or the termination thereof, including, without limitation, claims for back pay, front pay, liquidated damages, compensatory damages, general damages, special damages, punitive damage, exemplary damages, costs, expenses and attorneys' fees.

2. Waiver and Release of ADEA Claims. Without limiting the generality of the foregoing, and also for and in consideration of the Company's agreement to provide Employee severance payments and benefits as described in the Agreement, Employee specifically acknowledges and agrees that Employee does hereby knowingly and voluntarily release the

Company and all other Released Parties from any and all claims arising under the Age Discrimination in Employment Act, 29 U.S.C. Section 621, et seq. ("ADEA"), which Employee ever had or now has from the beginning of time up to the date this Waiver and Release is executed, including, but not by way of limitation, those ADEA Claims which are in any way connected with any employment relationship or the termination of any employment relationship which existed between the Company or any other Released Parties and Employee. Employee further acknowledges and agrees that the Company is hereby advising Employee to consult with an attorney prior to executing this Waiver and Release and that Employee has been given at least twenty-one (21) days to consider this Waiver and Release prior to its execution. Employee agrees that in the event that Employee executes this Waiver and Release prior to the expiration of the twenty-one (21) day period, Employee shall waive the balance of said period and Employee has decided that Employee does not need any additional time to decide whether to sign this Waiver and Release. Employee also understands that Employee may revoke this Waiver and Release at any time within seven (7) days following its execution and that, if Employee revokes this waiver and Release within such seven (7) day period, it shall not be effective or enforceable and Employee will not receive the above-described consideration or any payments provided for in the Agreement.

3. Denial of Liability. Employee acknowledges and agrees that neither the payment of severance payments or benefits under the Agreement nor this Waiver and Release is to be construed in any way as an admission of any liability whatsoever by Company or any of the other Released Parties, by whom liability is expressly denied.

4. No Entitlement to Further Relief. Employee acknowledges and agrees that Employee has not, with respect to any transaction or state of facts existing prior to the date of execution of this Waiver and Release, filed any complaints, charges or lawsuits against any of the Released Parties with any governmental agency or any court or tribunal. Employee further acknowledges and agrees that, with the exception of money provided to Employee by a governmental agency as an award for providing information as a whistleblower, Employee hereby waives any right to accept any relief or recovery, including costs and attorneys' fees, that may arise from any charge or complaint before any federal, state or local court or administrative agency against the Released Parties.

5. Company Property and Confidential Information. Employee agrees that Employee will not retain or destroy, and will immediately return to the Company, any and all property of the Company in Employee's possession or subject to Employee's control, including, but not limited to, keys, credit and identification cards, personal items or equipment, customer files and information, all other files and documents relating to the Company and its business, together with all written or recorded materials, documents, computer disks, plans, records or notes or other papers belonging to the Company.

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Employee further agrees not to make, distribute or retain copies of any such information or property. Employee agrees to delete any digital copies of Company information that Employee may have on personal devices or storage media, after first providing a copy to the Company.

The Employee shall hold in a fiduciary capacity for the benefit of the Company all material proprietary information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge. Employee agrees after termination of the Employee's employment with the Company, the Employee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. Notwithstanding any other language in this Waiver and Release to the contrary, Employee understands that Employee may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of the law or for pursuing an anti-retaliation lawsuit; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the trade secret except pursuant to a court order.

6. Non-Competition. Employee agrees that for a period of one (1) -year following the Termination Date, Employee shall not, without the written express consent of the Company, directly or indirectly, alone or as a partner, owner, officer, director, employee, or consultant of any other firm, business or entity, engage in any activity in competition with the Company; provided, however, that the foregoing shall not be construed to preclude the Employee from making any investments in any securities to the extent such securities are traded on a national exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

7. Non-Solicitation. Employee agrees that for a period of two (2) years following the Termination Date, Employee shall not, directly or indirectly, whether for Employee's own benefit or on behalf of another: (i) hire or offer to hire any of the Company's officers, employees or agents; (ii) persuade, or attempt to persuade, any officer, employee or agent of the Company to discontinue any relationship with the Company; or (iii) solicit or divert or attempt to divert any customer or supplier of the Company then doing business in the Company's service territory.

8. Non-Disparagement. Employee agrees that for a period of two (2) years following the Termination Date, Employee shall not, directly or indirectly, disparage, criticize, or otherwise make derogatory statements regarding the Company or any aspect of management policies, operations, practices, or personnel of the Company. Notwithstanding the foregoing, nothing contained herein will be deemed to restrict the Employee from providing information to any governmental or regulatory agency (or in any way limit the content of such information) to the extent the Employee is required to provide such information pursuant to applicable law or regulation; nor will the foregoing restrict the Employee from enforcing Employee's rights under this Waiver and Release.

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9. Permitted Activities. Notwithstanding any other provision hereof, nothing contained in this Waiver and Release is intended to prevent Employee from filing a charge with the United States Equal Employment Opportunity Commission or any other governmental agency, providing information to a governmental agency, participating in an investigation conducted by a governmental agency, or responding to a subpoena or other court order; provided, however, that if Employee receives a subpoena or other court order relating to Employee's employment with the Company or requesting Company information, before responding to the subpoena Employee will notify the Company of the subpoena and provide the Company a reasonable opportunity to respond and seek protection before disclosing any Company information.

10. Supersedes All Other Non-Competition, Non-Solicitation and Non- Disparagement Agreements. Employee agrees, that in the event of a Termination Date under the Agreement, the foregoing Section 6. Non-Competition, Section 7. Non- Solicitation and Section 8. Non-Disparagement supersedes any other non-competition, non-solicitation or non-disparagement agreements or provisions that may have been in place prior to the Termination Date.

11. Confidentiality Agreement. Employee acknowledges that the terms of this Waiver and Release must be kept confidential. Accordingly, Employee agrees not to disclose or publish to any person or entity, except as required by law or as necessary to prepare tax returns, the terms and conditions or sums being paid in connection with this Waiver and Release.

12. Cooperation. Employee agrees to cooperate with the Company and its attorneys in connection with all lawsuits, claims, investigations, or similar proceedings, including the provision of testimony as my reasonably be required, arising out of or in any way related to Employee's employment by the Company or any of its Subsidiaries.

13. Acknowledgement. Employee acknowledges that Employee has carefully read and fully understands the terms of this Waiver and Release and the Agreement and that this Waiver and Release is executed by Employee voluntarily and is not based upon any representations or statements of any kind made by the Company or any of the other Released Parties. Employee further acknowledges that Employee has had a full and reasonable opportunity to consider this waiver Release and that Employee has not been pressured or in any way coerced into executing this Waiver and Release.

14. Choice of Laws. This Waiver and Release and the rights and obligation so the parties hereto shall be governed and construed in accordance with the laws of the State of South Dakota.

15. Severability. With the exception of the waiver and releases contained in Sections 1 and 2 hereof, if any provision of this Waiver and Release is unenforceable or is held to be unenforceable, such provision shall be fully severable, and this Waiver and Release and its terms shall be construed and enforced as if such unenforceable provision had never comprised a part hereof, the remaining provisions hereof shall remain in full force and effect, and the court construing the provisions shall add as a part hereof a provision as similar in terms and effect to such unenforceable provision as may be enforceable, in lieu of the unenforceable provision. In the event that both of the releases contained in Sections 1 and 2 are unenforceable or are held to be unenforceable, the parties understand and agree that the remaining provisions of this Waiver and Release shall be rendered null and void and that neither party shall have any further obligation

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under any provision of this Waiver and Release.

16. Defined Terms. Capitalized terms that are not defined in this Waiver and Release shall have the meanings set forth in the Agreement.

17. Entire Agreement. This document contains all terms of the Waiver and Release and supersedes and invalidates any previous agreements or contracts regarding the same subject matter; provided, however, the terms of the Agreement that survive the Termination Date shall remain in effect. No representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

Please read this document carefully, as it includes a release of claims.

IN WITNESS WHEREOF, the undersigned acknowledges that Employee has read this Waiver and Release Agreement and sets Employee's hand and seal this ___ day of _____, 202__.

EMPLOYEE

Linden R. Evans

BLACK HILLS CORPORATION

By:

Title:

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Exhibit 10.18

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement ("Agreement") dated as of November 15, 2022, is entered into by and between Black Hills Corporation ("**Company**") and _____ ("**Employee**").

1. RECITALS.

The Board of Directors of the Company ("**Board**") has determined that it is in the best interests of the Company and its shareholders to encourage the Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control (as defined below). Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

2. DEFINITIONS.

"**AFFILIATE**" shall have the meaning ascribed to such term in rule 12b-2 of the General Rules and Regulations of the Exchange Act.

"**ANNUAL COMPENSATION**" shall mean, with respect to any calendar year, all of the following compensation paid or payable, as applicable, to or on behalf of the Employee by the Company during a calendar year including: (a) base salary, targeted annual incentive bonus, targeted long-term incentive grants and awards; and (b) Company Matching Contributions and Company Retirement Contributions or other benefits payable under the Retirement Savings Plan and Supplemental Matching Contributions, Supplemental Retirement Contributions and Supplemental Target Contributions under the Nonqualified Deferred Compensation Plan (as such terms are defined in the applicable plans).

"**BENEFICIAL OWNER**" or "**BENEFICIAL OWNERSHIP**" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

"**CAUSE**" means those events or conditions described in subsection 8(a).

"**CHANGE IN CONTROL**" shall mean any of the following events:

(a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c)(i), (ii) and (iii) below;

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(b) Individuals who, as of October 1, 2022, are members of the Board (the "**Incumbent Board**"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board,

such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened proxy contest involving the solicitation of proxies or consents by or on behalf of a Person other than the Board (a **"Proxy Contest"**) including by reason of any agreement intended to avoid or settle any actual or threatened proxy contest;

(c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a **"Business Combination"**), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries) (the **"Successor Entity"**); (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c)(i), (ii), and (iii) above.

(e) A Change in Control shall not be deemed to occur solely because any Person (the **"Subject Person"**) acquired Beneficial Ownership of more than the permitted amount of the then outstanding Common Stock as a result of the acquisition of Common Stock by the Company which, by reducing the number of shares of Common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Common Stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Common Stock which increases the percentage of the then outstanding Common Stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.

(f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

"CODE" means the Internal Revenue Code of 1986, as amended from time to time, and applicable regulations and guidance thereunder.

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"DISABILITY" means the Employee is eligible for and receiving benefits under the Company sponsored group long-term disability plan in which the Employee participates.

"DISABILITY DATE" means the date subsequent to a Change in Control on which the Employee is determined to have a Disability.

"EFFECTIVE DATE" means the first date on which a Change in Control occurs. The Effective Date does not occur and no benefits shall be paid under this Agreement if for any reason the Employee is not an employee of the Company on the day immediately prior to the Effective Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

"GOOD REASON" means those events or conditions described in subsection 8(c) below.

"NONQUALIFIED DEFERRED COMPENSATION PLAN" means the Company's Nonqualified Deferred Compensation Plan as amended and restated effective January 1, 2011, and as amended or replaced from time to time thereafter prior to the Effective Date and the Company's Post-2018 Nonqualified Deferred Compensation Plan as effective January 1, 2019, and as amended or replaced from time to time thereafter prior to the Effective Date.

"NOTICE OF TERMINATION" means a notice which indicates the specific termination provision in this Agreement, if any, relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provisions so indicated. Any purported termination by the Company or Employee shall be communicated by written notice of termination to the other.

"OMNIBUS INCENTIVE COMPENSATION PLANS" means the incentive compensation plans known as the "Amended and Restated 2015 Omnibus Incentive Plan" as effective April 26, 2022, the "Black Hills Corporation 2015 Omnibus Incentive Compensation Plan" as effective April 28, 2015, and the "Black Hills Corporation 2005 Omnibus Incentive Compensation Plan" as effective May 25, 2005, and as the plans are amended or replaced from time to time thereafter prior to the Effective Date.

"PENSION PLAN" means the Black Hills Retirement Plan as amended and restated effective January 1, 2020, and as amended from time to time thereafter prior to the Effective Date.

"PERSON" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d).

"PROTECTION PERIOD" means the time period beginning on the Effective Date and ending on the second annual anniversary of the Effective Date.

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"RELATED COMPANY" means any business organization or legal entity that directly or indirectly, controls, is controlled by or is under common control with the Company. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by", and "under common control with") includes the possession, direct or indirect, of the power to vote 50 percent or more of the voting equity securities, membership interest, or other voting interest, or to direct or cause the direction of the management and policies of such business organization or other legal entity, whether through the ownership of voting equity securities, membership interest, by contract, or otherwise.

"RESTORATION PLAN" means the Company's Restoration Plan as in effect on January 1, 2022 and as amended or replaced from time to time thereafter prior to the Effective Date.

"RETIREE HEALTHCARE PLAN" means the Company's Retiree Healthcare Plan as amended and restated effective January 1, 2016, and as further amended from time to time thereafter prior to the Effective Date.

"RETIREMENT SAVINGS PLAN" means the Black Hills Corporation 401(K) Retirement Savings Plan (401K) as amended and restated effective January 1, 2022, and as further amended from time to time thereafter prior to the Effective Date.

"SEVERANCE COMPENSATION" means the greater of: Employee's base salary and annual incentive target on the day immediately prior to the (i) Effective Date; or (ii) Termination Date.

"SUBSIDIARY" means any corporation, partnership, limited liability company, joint venture, or other entity in which the Company has a majority voting interest.

"SUCCESSOR EMPLOYER" means any Successor Entity (as defined in the definition of "Change in Control" herein) or any other successor in interest or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of the business and/or assets of the Company.

"TERMINATION DATE" means the date, subsequent to the Effective Date, of the Employee's separation from service (as defined for purposes of Code Section 409A) with the Company and all Related Companies.

"WELFARE BENEFITS" means the benefits provided under the Group Insurance Plan for the Employees of Black Hills Corporation and the Black Hills Corporation Employee Healthcare Plan, as the plans and the terms and conditions thereof exist on the day immediately prior to the Effective Date. For the avoidance of doubt, the term Welfare Benefits shall not include a "flexible spending arrangement" (within the meaning of Proposed Regulation Section 1.125-5(a) or subsequent authoritative guidance).

3. **TERM OF AGREEMENT.**

The Term of this Agreement shall commence on the date of execution and shall continue in effect until November 15, 2025. If no Change in Control shall have occurred during the Term, this Agreement shall expire. If a Change in Control occurs during the Term, this Agreement shall remain in effect (including during the entire Protection Period) for full performance according to its terms. Upon expiration of the Term prior to a Change in Control, the Company, by action of its Board, may elect to renew or not renew this Agreement, or may offer to renew the Agreement subject to modifications of any term or condition, at its discretion. The Board may, in its discretion,

terminate this Agreement prior to the expiration of the Term, in the event that Employee, for any reason, ceases to be employed with the Company in a position as an executive officer within the meaning of the Exchange Act.

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4. **EMPLOYMENT.**

During the Protection Period the Company or Successor Employer agrees to continue to employ the Employee and the Employee agrees to remain in the employ of the Company or Successor Employer, subject to the provisions of this Agreement. During the Protection Period, the Employee shall be employed in a position substantially similar to Employee's position prior to the Change in Control or in such other capacity as may be mutually agreed to in writing by the parties. Employee shall perform the duties, undertake the responsibilities and exercise the authority customarily performed, undertaken and exercised by persons situated in a similar capacity.

During the Protection Period, excluding paid-time-off or another approved leave of absence, Employee agrees to devote Employee's full attention and time to the business and affairs of the Company to the extent necessary to discharge the responsibilities assigned to Employee hereunder and to comply with all material written policies of the Company. It is expressly understood and agreed that to the extent that any civic, charitable or industry-related activities have been conducted by Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of Employee's responsibilities to the Company. In addition, if Employee serves on a public Board of Directors prior to the Effective Date, the Employee shall retain the right to continue to serve on that particular Board.

5. **COMPENSATION.**

During the Protection Period, the Company agrees to pay or cause to be paid to Employee Annual Compensation at a rate at least equal to the highest rate of the Employee's Annual Compensation as in effect at any time within one year preceding the Effective Date, and as may be increased from time to time. Such Annual Compensation shall be payable in accordance with the Company's customary practices applicable to its officers and employees.

6. **EMPLOYEE WELFARE AND PENSION BENEFITS.**

During the Protection Period, the Company shall provide to the Employee the Welfare Benefits (including Retiree Healthcare Plan credits for purposes of this Section 6) and the Pension Plan, or other substantially similar employee welfare and pension benefits, as available from time to time, but in no event on a basis less favorable in the aggregate in terms of benefit levels and coverage than the Welfare Benefits and the Pension Plan. In the event Employee is not a participant in a Welfare Benefits plan or the Pension Plan prior to the Effective Date, then Company shall have no obligation to provide that Welfare Benefits plan or the Pension Plan or other substantially similar employee welfare and pension benefits as provided in this Section 6. For purposes of this Section 6, if the Employee is not entitled to any future benefit accruals in the Pension Plan as of the Effective Date the Employee shall not be treated as a participant in the Pension Plan for purposes of accruing benefits under the Pension Plan.

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7. **OTHER BENEFITS.**

(a) **Executive and Fringe Benefits and Paid-Time-Off.** During the Protection Period, Employee shall be entitled to all executive and fringe benefits and paid-time-off generally made available by the Company, as applicable, to its executives or other employees. Unless otherwise provided herein, the executive and fringe benefits and paid-time-off provided to Employee during the Protection Period shall be on the same basis and terms as other similarly situated employees of the Company, but in no event shall be less favorable in the aggregate than the most favorable executive and fringe benefits or paid-time-off to Employee at any time within one year period preceding the Effective Date, or if more favorable, at any time thereafter.

(b) **Expenses.** Employee shall be entitled to receive prompt reimbursement of all expenses reasonably incurred by Employee in connection with the performance of Employee's duties hereunder or for promoting, pursuing or otherwise furthering the business or interests of the Company. All reimbursements under this Section 7(b) will be paid as promptly as administratively practicable, but in no event later than by December 31st of the year next following the calendar year in which the expense was incurred.

Indemnity. If, at the time of a Change in Control, the Employee was covered by an Indemnity Agreement and/or Directors' and Officers' Insurance (D & O) coverage, then the Indemnity Agreement and D & O coverage shall continue in full force and effect throughout the Protection Period, and beyond the Protection Period, with respect to claims arising out of acts or omissions of

the Employee prior to a Change in Control. If, following a Change in Control, Company or the Successor Employer adopts substitute Indemnity Agreements, and/or D & O coverage, for employees having substantially the same authority, duties, and responsibilities as Employee, then Employee shall be entitled to receive the benefit of such protection with respect to claims arising from acts or omissions of Employee following a Change in Control. Payment for expenses to be reimbursed under this Section 7(c) shall be made in accordance with the time specified under the Indemnity Agreement or D & O coverage, but in no event later than by December 31st of the year next following the year in which the expense was incurred.

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8. **TERMINATION.**

During the Protection Period, Employee's employment hereunder may be terminated under the following circumstances:

(a) **Cause.** The Company may terminate Employee's employment for "Cause." A termination of employment is for "Cause" if Employee (1) enters a guilty plea, pleads *nolo contendere* to, or is convicted of a felony offense that is demonstrably injurious to the Company; (2) engages in misconduct which is demonstrably injurious to the Company, monetarily or otherwise; (3) fails to perform Employee's material duties and responsibilities or to satisfy Employee's material obligations as an officer or employee of the Company, or other material breach of any terms or conditions of any material written policy of the Company or any written agreement between Employee and the Company, or (4) fails, after reasonable request, to cooperate with the Company or governmental authorities in connection with a civil or criminal regulatory investigation or proceeding, or other civil litigation involving the company; provided, however, that no termination of Employee's employment shall be for Cause as set forth in clauses (2), (3) or (4), unless (i) there shall have been delivered to Employee a copy of a written Notice of Termination, at least thirty (30) days in advance of the Termination Date, setting forth that Employee was guilty of the conduct set forth in such applicable clause and specifying the particulars thereof in detail; and (ii) Employee shall have been provided an opportunity to be heard by the Board (with the assistance of Employee's counsel if Employee so desires). Notwithstanding anything contained in this Agreement to the contrary, no failure to perform by Employee after a Notice of Termination is given to the Employee shall constitute Cause for purposes of this Agreement.

(b) **Death or Disability.** Employee's employment with the Company will terminate upon Employee's death or upon the Employee's Disability Date, as applicable. The Company or Successor Employer may terminate Employee's employment as of or after the Employee's Disability Date. Employee shall be entitled to the compensation and benefits provided for under this Agreement for any period during the Protection Period and prior to the Employee's Disability Date, during which Employee is unable to work due to a physical or mental infirmity, and up to the Employee's Disability Date.

(c) **Good Reason.** The Employee may terminate employment for "Good Reason." For purposes of this Agreement, "Good Reason" shall mean the occurrence after the Effective Date of any of the events or conditions described below, without Employee's consent.

(i) A material reduction of the Employee's authority, duties, or responsibilities from those in effect immediately prior to the Effective Date;

(ii) A material reduction in the Employee's base salary or annual incentive target opportunity, excluding a temporary reduction in salary applicable to all similarly situated employees;

(iii) Any material breach by the Company of any provision of this Agreement, including, but not limited to, the Company's failure to provide the Employee Welfare and Pension Benefits or Restoration Plan benefits, as set forth in Section 6, provided that such failure constitutes a material breach under subsection 8(c)(v);

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(iv) The Company's requiring the Employee to be based outside a 50-mile radius from Employee's usual and normal place of work prior to the Effective Date, except for reasonably required travel on the Company's business which is not substantially greater than such travel requirements prior to the Effective Date; or

(v) Any other action or inaction that constitutes a material breach by the Company of the agreements under which the Employee provides services including, but not limited to, the failure of the Company to obtain an agreement, satisfactory to the Employee, from any Successor Employer or assign of the Company, to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be obligated to perform under this Agreement, as contemplated in Section 13.

In order to effectuate a termination for Good Reason under this Section 8(c), the Employee shall, within ninety (90) days after the initial existence of the condition, deliver written Notice of Termination to the Company stating the grounds for Good Reason in support of termination and specifying the Termination Date, which shall be (A) not earlier than thirty (30) days after giving the Notice of Termination, and (B) not later than one hundred eighty (180) days after giving the Notice of Termination or the last day of the Protection Period.

The Company may, within thirty (30) days after receipt of such Notice of Termination, remedy the condition, in which case the Good Reason for termination shall be deemed not to have occurred. For purposes of determining the amount of any cash payment payable to the Employee in accordance with Section 9, any reduction in compensation or benefit that would constitute Good Reason hereunder shall be deemed not to have occurred.

(d) Other Terminations. The Company may terminate Employee's employment without Cause upon written Notice of Termination to Employee. Employee may terminate Employee's employment without Good Reason upon written Notice of Termination to Employee.

9. **COMPENSATION UPON TERMINATION.**

Upon termination of Employee's employment effective during the Protection Period, Employee shall be entitled to the following compensation and benefits:

(a) If Employee's employment with the Company shall be terminated (i) by the Company for Cause or Disability, or (ii) by reason of Employee's death, or (iii) by Employee without "Good Reason" pursuant to Section 8(c), the Company shall pay Employee all amounts earned or accrued through the Termination Date, but not paid as of the Termination Date, including all Annual Compensation, reimbursement for reasonable and necessary expenses incurred by Employee on behalf of the Company during the period ending on the Termination Date, together with accrued vacation pay, and paid time off (collectively "**Accrued Compensation**"), each in accordance with the applicable policies, plans and practices of the Company. In addition to the foregoing, if the Employee's employment is terminated by the Company for Disability or by reason of the Employee's death, the Company shall pay to the Employee or Employee's beneficiaries an amount equal to the "Pro Rata Bonus" which shall mean an amount equal to 100% of the annual incentive bonus target that the Employee would have been eligible to receive for the Company's fiscal year in which the Employee's employment terminates, multiplied by a fraction, the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is 365. The Pro Rata Bonus shall be paid in a lump sum within sixty (60) days following the Termination Date.

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(b) If during the Protection Period the Employee's employment with the Company shall be terminated (other than by reason of death) (i) by the Company other than for Cause or Disability, or (ii) by Employee for Good Reason, then following the Termination Date, subject to the conditions specified below, the Employee shall be entitled to the following:

(i) The Company shall pay Employee all Accrued Compensation, payable in accordance with the applicable policies, plans and practices of the Company, and a Pro Rata Bonus, payable within sixty (60) days following the Termination Date.

(ii) The Company shall pay Employee, in lieu of any further compensation for periods subsequent to the Termination Date, a lump sum severance payment, in cash, in an amount equal to two times (2x) the Employee's Severance Compensation. The lump sum severance payment described in this paragraph shall be paid within sixty (60) days after the Termination Date.

(iii) As a condition of receiving payments and benefits provided in this subsection 9(b) other than Accrued Compensation, Employee shall execute and deliver to Company or Successor Employer the Waiver and Release Agreement ("**Release**") in substantially the same form as attached hereto as Exhibit A. The severance payments and benefits shall not be paid or provided unless the Employee has executed and delivered the Release within the timeframe specified by the Company consistent with applicable laws, and the Release has become irrevocable as provided therein. Prior to the Effective Date, the Company may revise the Release to conform to applicable law, so long as the Release does not increase the obligations of Employee thereunder.

(iv) An Employee shall have the same rights as any other similarly situated terminated employee under the Black Hills Corporation Employee Health Care Plan, Group Insurance Plan for the Employees of Black Hills Corporation, and/or Black Hills Corporation Employee Flexible Benefits Plan (the "Plans"). In addition, if Employee,

prior to the Termination Date, was enrolled in the medical, dental, vision, employee assistance program ("EAP") and/or executive physical program ("EPP") benefits (the "Benefits") provided under the Plans (or successors thereto), the Company or the Successor Employer, or any affiliate of the Successor Employer as determined under the rules of Code Sections 414(b) and (c), shall at its expense continue on behalf of Employee and Employee's dependents, if dependents were enrolled prior to the Termination Date, for a period of eighteen (18) months following the Termination Date, the benefits no less favorable than the benefit levels and coverage provided to and enrolled by the Employee prior to the Termination Date. Employee shall pay the employee portion of applicable premiums required to be paid by similarly-situated active employees (or retired employees in the case that the Employee is retired) of the Company. At its election, the Company may provide Employee and Employee's dependents with taxable cash in the amount of the value of equivalent benefits outside the Welfare Benefits plans. The Company's obligation with respect to the foregoing benefit shall be discontinued in the event that Employee becomes eligible for health, dental or vision benefits of a subsequent employer. For purposes of this provision, Employee shall have a duty to inform Company as to the terms and conditions of any subsequent employment and the corresponding benefits the Employee is eligible for in connection with such employment. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to Employee under this Agreement shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Employee) during one year may not

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affect amounts reimbursable or provided in any subsequent year.

(v) If Employee was eligible for the Retiree Healthcare Plan immediately prior to a Change in Control, then as of Employee's Termination Date, the Employee's benefit under the Retiree Healthcare Plan shall be determined as if (i) Employee had completed an additional two (2) Years of Plan Participation (as defined in the Retiree Healthcare Plan), and (ii) Employee were two (2) years older for determining eligibility for plan benefits. Furthermore, if the Employee is not eligible for benefits after the age and participation adjustment, then the Retirement Medical Savings Account (after adjustment for two years of participation) will be considered vested, and upon attainment of age 55 the Employee shall be deemed eligible for Retiree Healthcare Plan benefits, with the vested Retirement Medical Savings Account available to offset premiums. At its election, the Company may provide Employee and Employee's dependents with equivalent benefits outside the Retiree Healthcare Plan.

(vi) If Employee was a participant in the Restoration Plan and the Pension Plan immediately prior to a Change in Control, then as of Employee's Termination Date, Employee's Restoration Plan benefit shall be determined as if (i) Employee completed two (2) additional years of Credited Service under the Pension Plan, and (ii) the Employee received Annual Compensation during each additional year of Credited Service. For purposes of this subsection 9(b)(vi), if the Employee is not entitled to any future benefit accruals in the Restoration Plan as of the Effective Date the Employee shall not receive any additional Credited Service or Annual Compensation when determining their Restoration benefit.

Furthermore, the Employee shall be made 100% vested for purposes of the Restoration Plan, if the Employee is a participant in such plan (for purposes of this subsection) and is not already fully vested.

(vii) If Employee was a participant in the Nonqualified Deferred Compensation Plan immediately prior to a Change in Control, then as of Employee's Termination Date, Employee's Non-Elective Account in the Nonqualified Deferred Compensation Plan shall become immediately vested and be determined as if (i) Employee had completed two (2) additional Plan Years of participation and earned the related Supplemental Matching Contributions, Supplemental Retirement Contributions, and Supplemental Target Contributions (all as defined in the Nonqualified Deferred Compensation Plan); no investment earnings shall be attributed for this additional period, and (ii) Employee received Annual Compensation during each additional Plan Year of participation.

For purposes of this subsection 9(b)(vii), the additional contributions under the Nonqualified Deferred Compensation Plan (Supplemental Matching Contributions, Supplemental Retirement Contributions, and Supplemental Target Contributions) shall be determined without regard to any offsets from the Retirement Savings

Plan. (This has the same effect as if the Supplemental Matching Contributions and Supplemental Retirement Contributions were determined on total pay rather than only on pay over IRS pay limits.)

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(viii) Notwithstanding any provision herein to the contrary, if the Employee is a “specified employee” (as defined for purposes of Code Section 409A), no payment of any amount under this Section 9 that constitutes deferred compensation subject to Code Section 409A shall be made before the date which is six (6) months after the date of the Employee’s Termination Date, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to additional taxes thereunder. To the extent that the Agreement provides for such nonqualified deferred compensation, it is intended to be compliant with Code Section 409A, and shall be interpreted and administered accordingly.

10. NO MITIGATION OBLIGATION.

Employee shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, and except as provided in Section 9(b)(iv), such payments shall not be reduced whether or not Employee obtains other employment.

11. TAX EFFECT.

No additional payments shall be made to the Employee to account for any excise taxes, income taxes, interest or penalties the employee may incur due to receipt of any Severance Compensation or other payment, benefit, or distribution of any type by the Company pursuant to this Agreement.

Notwithstanding anything in this Agreement or any written or unwritten policy of the Company to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, any other agreement between the Company and the Employee or otherwise (a “**Payment**” or “**Payments**”), would constitute a parachute payment (“**Parachute Payment**”) within the meaning of Section 280G of the Code and would, but for this Section 11, be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the “**Excise Tax**”), then prior to making the Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Employee of the Payments after payment of the Excise Tax to (ii) the Net Benefit to the Employee if the Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Payments be reduced to the minimum extent necessary to ensure that no portion of the Payments is subject to the Excise Tax. “**Net Benefit**” shall mean the present value of the Payments net of all federal, state, local, foreign income, employment and excise taxes. The Payments shall be reduced in a manner that maximizes the Employee’s economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Any determination required under this Section 11, including whether any payments or benefits are parachute payments, shall be made by an independent third party expert retained by the Company. The Employee shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 11. The Company’s determination shall be final and binding on the Employee. The parties acknowledge that the Employee is solely responsible for the payment of any Excise Tax that is assessed based upon a payment made pursuant to this Agreement or any other payment made by the Company pursuant to any other plan or obligation.

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As a result of the uncertainty in the application of Sections 280G and 4999 of the Code at the time of the initial determination by the independent third party expert, however, it is possible that amounts will have been paid or distributed to or for the benefit of Employee which should not have been so paid or distributed (an “Overpayment”) or that additional amounts which shall not have been paid or distributed to or for the benefit of Employee should have been so paid or distributed (an “Underpayment”), in each case, consistent with the calculation of the amount. If the independent third party expert, based either upon the assertion of a deficiency by the Internal Revenue Service against the Company or Employee which the independent third party expert believes has a high probability of success or controlling precedent or other substantial authority, determines that an Overpayment has been made, any such

Overpayment must be treated (if permitted by applicable law) for all purposes as a loan ab initio for which Employee must repay the Company together with interest at the applicable federal rate under Section 7872(f)(2) of the Code; provided, however, that no such loan may be deemed to have been made and no amount shall be payable by Employee to the Company if and to the extent that such deemed loan and payment would not either reduce the amount on which Employee is subject to tax under Section 4999 of the Code or generate a refund of such taxes. If the independent third party expert, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, the independent third party expert must promptly notify the Company of the amount of the Underpayment and such amount, together with interest at the applicable federal rate under Section 7872(f)(2) of the Code, must be paid to Employee.

12. OUTPLACEMENT SERVICES.

Following a Termination without Cause or resignation for Good Reason during the Protection Period, the Company shall, at its expense, permit the Employee to participate in outplacement assistance services, as determined by the Company, which are: (a) as to executive officers, at a level appropriate for senior management of a public company; and (b) not more than six (6) months in duration. Outplacement services shall be provided in kind; cash shall not be paid in lieu thereof, nor will cash compensation be increased if Employee declines or does not use outplacement services. All outplacement services shall be provided by the last day of the second calendar year beginning after the Employee's Termination Date.

13. SUCCESSORS AND ASSIGNS.

This Agreement shall be fully binding upon any Successor Employer or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to the business and/or assets of the Company, in the same manner and to the same extent that the Company would be obligated under this Agreement as if no succession had taken place. In the case of any transaction in which a successor or assign would not by the foregoing provision, or by operation of law, be bound by this Agreement, the Company shall require such successor or assign to expressly and unconditionally assume and agree to perform all the obligations of the Company and each Successor Employer under this Agreement, in the same manner and to the same extent that the Company and each Successor Employer would be required to perform it if no such succession or assignment had taken place. Any failure to obtain such assumption and continuation of this Agreement shall constitute a material breach hereof. Reference to the Company in this Agreement shall, following the Effective Date, include any Successor Employer.

Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, Employee's beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

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14. FEES AND EXPENSES.

The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) reasonably and in good faith incurred by the Employee as they become due as a result of the Employee seeking to obtain or enforce any right or benefit provided by this Agreement.

For purposes of this Section 14, the Employee will not be deemed to have incurred legal fees or expenses reasonably or in good faith if, following resolution of a dispute under this Agreement, Employee has failed to prevail on at least one material issue in dispute. The amount of expenses eligible for reimbursement hereunder during any given calendar year shall not affect the expenses eligible for reimbursement in any other calendar year. Employee shall submit verification of expenses to the Company within sixty (60) days from the date the expense was incurred, and the Company shall reimburse eligible expenses within thirty (30) days thereafter, but in any case no later than the last day of the calendar year following the calendar year in which the expense was incurred. The right to reimbursement of legal fees and expenses hereunder may not be exchanged for cash or any other benefit.

15. NOTICE.

For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the last known address of Employee or in the case of the Company, to the principal executive office to the attention of the Board of the Company. All notices and communications shall be deemed to have been received on

the date of delivery thereof if personally delivered, or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

16. NONEXCLUSIVITY OF RIGHTS.

Except as expressly provided herein, nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its Subsidiaries or Affiliates and for which Employee may qualify, nor shall anything herein limit or reduce such rights as Employee may have under any other agreements with the Company or any of its Subsidiaries or Affiliates; provided however that in the event that Employee becomes eligible for any cash severance benefits under a Company severance program, plan or policy as a result of a termination during the Protection Period, then the Severance Compensation payable to Employee under this Agreement shall be reduced by any such cash severance benefits. Amounts which are vested benefits or which Employee is otherwise entitled to receive under any plan or program of the Company or any of its Subsidiaries or Affiliates shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement; provided, however, and notwithstanding anything contained in this Agreement, in the event that Employee is not a participant in or eligible to participate in any Welfare Benefits or the Pension Plan, then nothing contained in this Agreement shall be deemed to provide for or suggest the right in Employee to be a participant in or be eligible to participate in the Welfare Benefits or the Pension Plan.

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17. MISCELLANEOUS.

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

18. GOVERNING LAW.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of South Dakota.

19. SEVERABILITY.

The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

20. NO GUARANTEED EMPLOYMENT.

Employee and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Employee and the Company, the employment of Employee by the Company is "at will" and may be terminated by either Employee or the Company at any time, subject to the rights and obligations under this Agreement. Moreover, if prior to the Effective Date, Employee's employment with the Company terminates for any reason, Employee shall have no further rights under this Agreement.

21. SUBSIDIARY DEEMED TO BE COMPANY FOR PORTIONS OF AGREEMENT.

In the event that subsequent to the date of this Agreement the Employee becomes an employee of a Subsidiary or Affiliate of the Company, or in the event that any Employee is an employee of a Subsidiary or Affiliate of the Company, the references to "Company" in this Agreement shall be deemed to be a reference to the subsidiary or Affiliate which may employ the Employee to the full extent necessary or appropriate to preserve the intent of this Agreement; provided, however, nothing herein shall mean or suggest that any benefits are applicable hereunder upon a change in control of a Subsidiary or Affiliate rather than the Company.

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22. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

Dated this 15th day of November, 2022.

BLACK HILLS CORPORATION

By:

Linden R. Evans

President and Chief Executive Officer

EMPLOYEE

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EXHIBIT A

WAIVER AND RELEASE AGREEMENT

This **Waiver and Release Agreement** (the "**Waiver and Release**") is entered into by and among Black Hills Corporation ("**Company**") and _____ ("**Employee**") this ____ day of _____, 202_.

- 1. General Waiver and Release.** For and in consideration of the agreement of Company to provide Employee the severance benefits described in that certain Change in Control Agreement, dated as of _____, 202_, between Employee and the Company (the "**Agreement**"), Employee, with the intention of binding himself and all of Employee's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company, Successor Employer, their parents, affiliates, subsidiaries, predecessors, divisions, and successors, and all of their respective past and present officers, directors, stockholders, employees, agents, insurers, employee benefit plans and fiduciaries of such plans, assigns and attorneys (hereinafter collectively referred to as "**Released Parties**") from any and all claims, charges, actions, causes of action, sums of money due, suites, debts, covenants, contracts, agreements, rights, damages, promises, demands or liabilities (hereinafter collectively referred to as "**Claims**") whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected, which Employee, individually or as a member of any class, now has, owns or holds or has at any time heretofore ever had, owned or held against the Released Parties, including but not limited to all Claims which arise out of or are in any way connected with Employee's employment with the Company or any of the Released Parties or the termination of any such employment relationship, including, but not by way of limitation, Claims pursuant to federal, state or local statute, regulation, ordinance or common-law for (i) employment discrimination; (ii) wrongful discharge; (iii) breach of contract; (iv) tort actions of any type, including those for intentional or negligent infliction of emotional harm; and (v) unpaid benefits, wages, compensation, commissions, bonuses or incentive payments of any type, except as follows:
- a. Those obligations of the Company and its Affiliates to pay benefits upon termination of employment as set forth in the Agreement, pursuant to which this Waiver and Release is being executed and delivered;
 - b. Claims, if any, for Employee's vested benefits under the retirement plans, savings plans, investment plans and employee welfare benefit plans, if any, of the Released Parties (within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), as amended; provided, however, that nothing herein is intended to or shall be construed to require the Released Parties to institute or continue in effect any particular plan or benefit sponsored by the Released Parties and the Company and all other Released Parties hereby reserve the right to amend or terminate any such plan or benefit at any time; and
 - c. Any rights to indemnification or advancement of expenses to which Employee may otherwise be entitled pursuant to the Articles of Incorporation or Bylaws of any of the Released Parties, or by contract or applicable law, as a result of Employee service as an officer or director of any of the Released Parties.

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Employee further understands and agrees that, subject to the exceptions in subparagraphs a., b. and c. above, Employee is knowingly relinquishing, waiving and forever releasing any and all remedies arising out of the aforesaid employment relationship or the termination thereof, including, without limitation, claims for back pay, front pay, liquidated damages, compensatory damages, general damages, special damages, punitive damage, exemplary damages, costs, expenses and attorneys' fees.

2. Waiver and Release of ADEA Claims. Without limiting the generality of the foregoing, and also for and in consideration of the Company's agreement to provide Employee severance payments and benefits as described in the Agreement, Employee specifically acknowledges and agrees that Employee does hereby knowingly and voluntarily release the Company and all other Released Parties from any and all claims arising under the Age Discrimination in Employment Act, 29 U.S.C. Section 621, et seq. ("**ADEA**"), which Employee ever had or now has from the beginning of time up to the date this

Waiver and Release is executed, including, but not by way of limitation, those ADEA Claims which are in any way connected with any employment relationship or the termination of any employment relationship which existed between the Company or any other Released Parties and Employee. Employee further acknowledges and agrees that the Company is hereby advising Employee to consult with an attorney prior to executing this Waiver and Release and that Employee has been given at least twenty-one (21) days to consider this Waiver and Release prior to its execution. Employee agrees that in the event that Employee executes this Waiver and Release prior to the expiration of the twenty-one (21) day period, Employee shall waive the balance of said period and Employee has decided that Employee does not need any additional time to decide whether to sign this Waiver and Release. Employee also understands that Employee may revoke this Waiver and Release at any time within seven (7) days following its execution and that, if Employee revokes this waiver and Release within such seven (7) day period, it shall not be effective or enforceable and Employee will not receive the above-described consideration or any payments provided for in the Agreement.

3. Denial of Liability. Employee acknowledges and agrees that neither the payment of severance payments or benefits under the Agreement nor this Waiver and Release is to be construed in any way as an admission of any liability whatsoever by Company or any of the other Released Parties, by whom liability is expressly denied.

4. No Entitlement to Further Relief. Employee acknowledges and agrees that Employee has not, with respect to any transaction or state of facts existing prior to the date of execution of this Waiver and Release, filed any complaints, charges or lawsuits against any of the Released Parties with any governmental agency or any court or tribunal. Employee further acknowledges and agrees that, with the exception of money provided to Employee by a governmental agency as an award for providing information as a whistleblower, Employee hereby waives any right to accept any relief or recovery, including costs and attorneys' fees, that may arise from any charge or complaint before any federal, state or local court or administrative agency against the Released Parties.

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5. Company Property and Confidential Information. Employee agrees that Employee will not retain or destroy, and will immediately return to the Company, any and all property of the Company in Employee's possession or subject to Employee's control, including, but not limited to, keys, credit and identification cards, personal items or equipment, customer files and information, all other files and documents relating to the Company and its business, together with all written or recorded materials, documents, computer disks, plans, records or notes or other papers belonging to the Company. Employee further agrees not to make, distribute or retain copies of any such information or property. Employee agrees to delete any digital copies of Company information that Employee may have on personal devices or storage media, after first providing a copy to the Company.

The Employee shall hold in a fiduciary capacity for the benefit of the Company all material proprietary information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge. Employee agrees after termination of the Employee's employment with the Company, the Employee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. Notwithstanding any other language in this Waiver and Release to the contrary, Employee understands that Employee may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if such disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or for pursuing an anti-retaliation lawsuit; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and Employee does not disclose the trade secret except pursuant to a court order.

6. Non-Competition. Employee agrees that for a period of one (1) year following the Termination Date, Employee shall not, without the written express consent of the Company, directly or indirectly, alone or as a partner, owner, officer, director, employee, or consultant of any other firm, business or entity, engage in any activity in competition with the Company; provided, however, that the foregoing shall not be construed to preclude the Employee from making any investments in any securities to the extent such securities are traded on a national exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

7. Non-Solicitation. Employee agrees that for a period of two (2) years following the Termination Date, Employee shall not, directly or indirectly, whether for Employee's own benefit or on behalf of another: (i) hire or offer to hire any

of the Company's officers, employees or agents; (ii) persuade, or attempt to persuade, any officer, employee or agent of the Company to discontinue any relationship with the Company; or (iii) solicit or divert or attempt to divert any customer or supplier of the Company then doing business in the Company's service territory.

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8. Non-Disparagement. Employee agrees that for a period of two (2) years following the Termination Date, Employee shall not, directly or indirectly, disparage, criticize, or otherwise make derogatory statements regarding the Company or any aspect of management policies, operations, practices, or personnel of the Company. Notwithstanding the foregoing, nothing contained herein will be deemed to restrict the Employee from providing information to any governmental or regulatory agency (or in any way limit the content of such information) to the extent the Employee is required to provide such information pursuant to applicable law or regulation; nor will the foregoing restrict the Employee from enforcing Employee's rights under this Waiver and Release.

9. Permitted Activities. Notwithstanding any other provision hereof, nothing contained in this Waiver and Release is intended to prevent Employee from filing a charge with the United States Equal Employment Opportunity Commission or any other governmental agency, providing information to a governmental agency, participating in an investigation conducted by a governmental agency, or responding to a subpoena or other court order; provided, however, that if Employee receives a subpoena or other court order relating to Employee's employment with the Company or requesting Company information, before responding to the subpoena Employee will notify the Company of the subpoena and provide the Company a reasonable opportunity to respond and seek protection before disclosing any Company information.

10. Supersedes All Other Non-Competition, Non-Solicitation and Non- Disparagement Agreements. Employee agrees, that in the event of a Termination Date under the Agreement, the foregoing Section 6. Non-Competition, Section 7. Non- Solicitation and Section 8. Non-Disparagement supersedes any other non-competition, non-solicitation or non-disparagement agreements or provisions that may have been in place prior to the Termination Date.

11. Confidentiality Agreement. Employee acknowledges that the terms of this Waiver and Release must be kept confidential. Accordingly, Employee agrees not to disclose or publish to any person or entity, except as required by law or as necessary to prepare tax returns, the terms and conditions or sums being paid in connection with this Waiver and Release.

12. Cooperation. Employee agrees to cooperate with the Company and its attorneys in connection with all lawsuits, claims, investigations, or similar proceedings, including the provision of testimony as may reasonably be required, arising out of or in any way related to Employee's employment by the Company or any of its Subsidiaries.

13. Acknowledgement. Employee acknowledges that Employee has carefully read and fully understands the terms of this Waiver and Release and the Agreement and that this Waiver and Release is executed by Employee voluntarily and is not based upon any representations or statements of any kind made by the Company or any of the other Released Parties. Employee further acknowledges that Employee has had a full and reasonable opportunity to consider this waiver Release and that Employee has not been pressured or in any way coerced into executing this Waiver and Release.

14. Choice of Laws. This Waiver and Release and the rights and obligation so the parties hereto shall be governed and construed in accordance with the laws of the State of South Dakota.

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15. Severability. With the exception of the waiver and releases contained in Sections 1 and 2 hereof, if any provision of this Waiver and Release is unenforceable or is held to be unenforceable, such provision shall be fully severable, and this Waiver and Release and its terms shall be construed and enforced as if such unenforceable provision had never comprised a part hereof, the remaining provisions hereof shall remain in full force and effect, and the court construing the provisions shall add as a part hereof a provision as similar in terms and effect to such unenforceable provision as may be enforceable, in lieu of the unenforceable provision. In the event that both of the releases contained in Sections 1 and 2 are unenforceable or are held to be unenforceable, the parties understand and agree that the remaining provisions of this Waiver and Release shall be rendered null and void and that neither party shall have any further obligation under any provision of this Waiver and Release.

16. Defined Terms. Capitalized terms that are not defined in this Waiver and Release shall have the meanings set forth in the Agreement.

17. Entire Agreement. This document contains all terms of the Waiver and Release and supersedes and invalidates any previous agreements or contracts regarding the same subject matter; provided, however, the terms of the

Agreement that survive the Termination Date shall remain in effect. No representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

Please read this document carefully, as it includes a release of claims.

IN WITNESS WHEREOF, the undersigned acknowledges that Employee has read this Waiver and Release Agreement and sets Employee's hand and seal this ____ day of _____, 2022__.

EMPLOYEE

BLACK HILLS CORPORATION

By:

Title:

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Exhibit 10.28

Black Hills Corporation
Short-Term Incentive Plan
Award Agreement
(Effective for Plan Years Beginning on or after January 1, 2023 January 1, 2024)

You have been selected to be a Participant in the Black Hills Corporation Short-Term Incentive Plan (the "STIP"). The STIP is granted under the cash-based awards provisions of the Black Hills Corporation Amended and Restated 2015 Omnibus Incentive Plan (the "Plan"). This Agreement and the Plan together govern your rights to the Award and set forth all of the conditions and limitations affecting such rights. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Agreement.

Overview of Your Award

Participant: Name: _____

Target STIP Award: X (XX) percent of Eligible Earnings

Performance Period: January 1, 2023 January 1, 2024 to December 31, 2023 December 31, 2024

Performance Measure:

Category	Weight		2024 Metrics
Financial	70%		EPS
Safety Index	7.5%	2.5%	Timeliness of Incident Reporting
		2.5%	Average Safety Events/Employee
		2.5%	Days Away, Restricted, or Transferred (DART)
System Safety & Reliability	7.5%	3.75%	Hits per Thousand (HPT)
		3.75%	System Average Interruption Duration Index (SAIDI)
Customer Experience Index	7.5%	3.75%	Customer Satisfaction
		3.75%	Customer Effort

Diversity Index	7.5%	% Prof/Tech Positions with 2 or more Diverse Candidates

Article 1. Effective Date and Purpose of Plan

The Performance Period commences on **January 1, 2023** **January 1, 2024** and ends on **December 31, 2023** **December 31, 2024**.

Article 2. Definitions

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Unless the context otherwise specifically requires, the following words as used herein shall have the following meanings:

Eligible Earnings means the Participant's regular compensation such as base salary and lump sum in lieu of merit increase. Eligible Earnings exclude, but are not limited to, non-cash compensation, payments-in-kind, incentive compensation, bonus payments, allowances, and deferred compensation.

Board means the Board of Directors of the Company.

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Committee means the Compensation Committee of the Board.

Company means Black Hills Corporation, a South Dakota corporation with principal offices in the state of South Dakota.

Employee means any person who is in the regular full-time employment of the Company or a Subsidiary, as determined by the personnel rules and practices of the Company or a Subsidiary. The term does not include persons who are retained by the Company or a Subsidiary solely as consultants.

Incentive Award means the incentive compensation to be awarded to a Participant as determined under Article 5.

Participants means those eligible Employees to whom an Incentive Award is granted.

Performance Period means the period of time selected by the Committee over which the attainment of one or more performance goals will be measured.

Plan means the 2015 Amended and Restated Omnibus Incentive Plan.

Plan Year means the 12 months beginning on January 1 and ending on the following December 31.

Retirement or **Retires** means a Separation from Service by a Participant on or after (i) attaining the age of 55 with at least 5 years of service, or (ii) attaining the age of 65.

Separation of Service (as defined in Treasury Regulation Section 1.409A-1(h)) during the Performance Period other than (i) due to Retirement, disability or death, or (ii) following a change in control shall require forfeiture of this entire award, with no payment to the Participant.

Subsidiary shall mean any business organization in which Company, directly or indirectly, owns a majority of its voting power or voting equity securities or equity interest.

Article 3. Eligibility and Participants

Employees eligible to participate under this Agreement will be designated by the Committee.

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Article 4. Administration of the Plan

This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended, modified, suspended or terminated from time to time by the Committee, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, in its sole discretion, all of which shall be binding upon the Participant.

Any inconsistency between the Agreement and the Plan shall be resolved in favor of the Plan.

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Article 5. Target Incentive Award and Performance Measures

Participant was assigned a target Incentive Award determined as a percent of a Participant's Eligible Earnings. Participant shall have the opportunity to earn various percentages of the target Incentive Award. The percentage of the target Incentive Award to be earned by the Participant shall be determined by the application of objective performance measurements determined by the Committee, such as earnings per share. The application of the Participant's target Incentive Award to actual performance results creates the actual award for each Participant ("Incentive Award").

If Participant is promoted, transferred or demoted has a change during the Plan Year that impacts their target Incentive Award, determination of the target Incentive Award and performance measures are based on the target Incentive Award and performance measures in place for the Employee as of September 30 or their termination date for eligible Participants as described in Article 6.

Article 6. Termination Provisions

Except as provided below in this Article 6 and in Article 7, a Participant shall be eligible for payment of the Incentive Award, as determined in Article 5, only if the Participant's employment with the Company or a Subsidiary continues through the **date last working day of payment.** the Performance Period.

If Participant Retires, suffers a disability, or dies during the Performance Period, the Participant (or the Participant's estate) shall be entitled to that proportion of the Incentive Award as such Participant is entitled to under Article 5 for such Performance Period. The form and timing of the payment of such Performance Shares shall be as set forth in Article 9.

Article 7. Change in Control

Notwithstanding anything herein to the contrary, in the event of a Change in Control, the Participant shall be entitled to that proportionate target Incentive Award as such Participant is entitled to under Article 5 for such Performance Period (as of the effective date of the Change in Control).

Article 8. Forfeiture and Repayment.

- (a) In the event the Participant incurs a separation from service for a reason other than those described in Article 6 herein during the Performance Period this entire award will be forfeited.

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- (b) Without limiting the generality of Article 8(a), the Committee reserves the right to cancel the Incentive Award awarded hereunder, whether or not earned, and require the Participant to repay all income or gains previously realized in respect of such Incentive Award, in the event of the occurrence of any of the following events:

- (i) termination of Participant's employment for Cause;
- (ii) within one year following any termination of Participant's employment, the Committee determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for termination of employment for Cause;

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- (iii) at any time during the Participant's employment or the twelve-month period immediately following any termination of employment, Participant:
- (x) publicly disparages the Company, any of its Affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its Affiliates or such individuals; or
- (y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct (defined to include any code of ethics or code of conduct now or hereafter adopted by the Company or any of its Affiliates,

including to the extent applicable the Code of Business Conduct, as amended or supplemented from time to time, and the Company's or subsidiary Risk Management Policies, as amended, supplemented or replaced from time to time); or

- (iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its Affiliate including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract business expectancy.
- (c) If the Committee determines that the Participant's conduct, activities or circumstances constitute events described in Article 8(b), in addition to any other remedies the Company has available to it, the Committee may in its sole discretion:
 - (i) cancel any Incentive Award, whether or not issued; and/or
 - (ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Incentive Award.

There shall be no forfeiture or repayment under Article 8(b) following a Change in Control.

- (d) The Committee, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Article 8(b) and whether

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and to what extent the Incentive Award shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Article 8(c). The Committee shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Incentive Award pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Committee in good faith.

- (e) Participant agrees that the provisions of this Article 8 are entered into in consideration of, and as a material inducement to the agreements herein as well as an inducement for the Company to enter into this Agreement, and that, but for

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Participant's agreement to the provisions of this Article 8, the Company would not have entered into this Agreement.

The Incentive Award is also subject to the provisions on forfeiture events and clawbacks set forth in Article 21 of the Plan.

Article 9. Payment of Incentive Award

The Incentive Award shall be paid to the Participant in the form of cash after required tax withholding and applicable deductions are withheld.

Article 10. Assignability

No right to receive payments under this Agreement shall be subject to voluntary or involuntary alienation, assignment or transfer.

Article 11. Right to Incentive Award

The Committee determines the amount of the Incentive Award for the senior executive officers, and management determines the amount of the award for other participants, which determination is determinations are to be made in January of each Plan Year based on the application of the target incentives and performance measures to the preceding year and no Participant shall be considered to have earned any portion of any Incentive Award until determination by the Committee. Notwithstanding anything contained herein, no Participant shall have any right to receive any Incentive Award unless he/she is an Employee of the Company on through the date the Incentive Award is issued, which shall be no later than March 15 last working day of each Plan Year. In the event of a Change in Control, a Participant's Incentive Award shall be determined as of the date of the Change in Control and shall be paid 30 days after the day of the Change in Control.

Article 12. Miscellaneous

- (a) The selection of any employee for participation in the Plan shall not give such Participant any right to be retained in the employ of the Company. The right and power of the Company to dismiss or discharge any Participant at-will, is specifically reserved. Such Participant or any person claiming under or through the Participant shall not have any right or interest in the Plan or any Award thereunder, unless and until all terms, conditions, and provisions of the Plan that affect such Participant have been complied with as specified herein.

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- (b) With the approval of the Board, the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement without the Participant's written consent, except as required by law.
- (c) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (d) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota.

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- (e) Waiver and Modification. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the Company.

- (f) Severability. In the event any provision of this Agreement shall be held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

Article 13. No Tax Qualified or ERISA Plan

This is not intended to be a tax qualified Plan nor a Plan for the purposes of ERISA.

Black Hills Corporation Participant

Jennifer C. Landis – Senior Amy K. Koenig
Vice President – Governance, Corporate Secretary
Chief Human Resources Officer and Deputy General Counsel

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Exhibit 10.29

Black Hills Corporation Long-Term Incentive Plan Performance Unit Award Agreement Performance Period - January 1, 2023 2024 – December 31, 2025 December 31, 2026

You have been selected to be a Participant in the Black Hills Corporation Long-Term Incentive Plan (the "LTIP"). This LTIP award is granted under the performance units and performance shares provisions of the Amended and Restated 2015 Omnibus Incentive Plan (the "Plan"). This Agreement and the Plan together govern your rights to the Award and set forth all of the conditions and limitations affecting such rights. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Agreement.

Overview of Your Award

Participant: Name: _____

Target Number of
Performance Units: _____

Performance Period: January 1, 2023 January 1, 2024 to December 31, 2025 December 31, 2026

Performance Measures: See Appendix A

Article 1. Performance Period

The Performance Period commences on **January 1, 2023** **January 1, 2024** and ends on **December 31, 2025** **December 31, 2026**.

Article 2. Award of Performance Units

Subject to the terms and conditions of this Agreement, the Company grants to the Participant a Performance Unit Award consisting of the Target Number of Performance Units set forth above, with the actual number of Performance Units earned depending on the degree to which the Company satisfies the Performance Goals specified in Appendix A to this Agreement during the Performance Period. Each Performance Unit that vests in accordance with Article 3 represents the right to receive one Share. The Performance Units granted under this Agreement (the “Units”) will be credited to an account in the Participant's name maintained by the Company. This account shall be unfunded and maintained for bookkeeping purposes only, with each Unit representing an unfunded and unsecured promise by the Company to issue to the Participant one Share in settlement of a vested Unit.

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Article 3. Scheduled Vesting of Performance Units

For purposes of this Agreement, “Vesting Date” means any date, including the Scheduled Vesting Date (defined below), on which Units vest as provided in this Article 3 or in Article 4 or 5. For these purposes, the “Scheduled Vesting Date” means the date the Committee certifies the degree to which the applicable Performance Goals for the Performance Period have been satisfied, provided that such certification shall occur no later than February 1 of the calendar year immediately following the calendar year during which the Performance Period ended. The Units will vest on the Scheduled Vesting Date (i) if the Participant has not experienced a Separation from Service on or before the Scheduled Vesting Date, and (ii) only to the extent that the Units have been earned as provided below.

Article 4. Termination Provisions

If the Participant Retires, has a Separation of Service due to Disability, or dies during the Performance Period, then a portion of the Units subject to this Award will vest as of the Scheduled Vesting Date. That portion shall be equal to the number of Units as such Participant is entitled to under Article 3 for such Performance Period multiplied by a fraction, the numerator of which is the number of full months of participation during the Performance Period and the denominator is 36.

“Retirement” or “Retires” means a Separation from Service by a Participant on or after (i) attaining the age of 55 with at least 5 years of service, or (ii) attaining the age of 65.

Separation from Service during the Performance Period other than (i) due to Retirement, Disability, or death, or (ii) following a Change in Control shall require forfeiture of this entire award, with no payment to the Participant.

Article 5. Change in Control

The provisions of Article 17 of the Plan shall govern in the event of a Change in Control.

Article 6. Earned Units

The number of Units that the Participant will be deemed to have earned (the “Earned Units”) and that are eligible for vesting as of the Scheduled Vesting Date will be determined by the extent to which the Company has satisfied the Performance Goals for the Performance Period as set forth in Appendix A to this Agreement. The portion of the Units subject to this Award that will be deemed Earned Units as of the Scheduled Vesting Date will be determined in accordance with the formula specified in Appendix A, and in no event will the number of Units that are deemed Earned Units exceed 200% of the Target Number of Performance Units. Any Units subject to this Agreement that are not earned and do not vest as of the Scheduled Vesting Date will be forfeited.

Article 7. Settlement of Units

After any Units vest pursuant to Article 3, 4 or 5, the Company will promptly, but in no event later than the next dividend payment date, cause to be issued and delivered to the Participant (or to the Participant’s estate in the event of the Participant’s death) one Share in payment and settlement of each vested Unit. Delivery of the Shares shall be effected by the delivery of a stock certificate evidencing the Shares, by an appropriate entry in the stock register maintained by the Company’s transfer agent

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with a notice of issuance provided to the Participant, or by the electronic delivery of the Shares to a brokerage account designated by the Participant, and shall be subject to the tax withholding provisions

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of Article 10 and compliance with all applicable legal requirements, including compliance with the requirements of applicable federal and state securities laws, and shall be in complete satisfaction and settlement of such vested Units. Upon settlement of the Units, the Participant will obtain, with respect to the Shares received in such settlement, full voting and other rights as a shareholder of the Company. If the Committee determines, in its sole discretion, that a Participant at any time has willfully engaged in any activity that the Committee determines was or is harmful to the Company, any unpaid or unsettled Unit will be forfeited by such Participant.

Article 8. Forfeiture and Repayment.

- (a) In the event the Participant incurs a Separation from Service for a reason other than those described in Article 4 herein during the Performance Period this entire award will be forfeited, except as otherwise provided in the Plan.
- (b) Without limiting the generality of Article 8(a), the Company reserves the right to cancel all Units awarded hereunder, whether or not vested, and require the Participant to forfeit any Shares issued in settlement of the Units and repay all income or gains previously realized upon sale of any such Shares in the event of the occurrence of any of the following events:
 - (i) termination of Participant's employment for Cause;
 - (ii) within one year following any termination of Participant's employment, the Committee determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a termination of employment for Cause;
 - (iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant:
 - (x) publicly disparages the Company, any of its Affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its affiliates or such individuals; or
 - (y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct (defined to include any code of ethics or code of conduct now or hereafter adopted by the Company or any of its Affiliates, including to the extent applicable the Code of Business Conduct, as amended or supplemented from time to time, and the Company's or subsidiary Risk Management Policies, as amended, supplemented or replaced from time to time); or

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- (iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its Affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract or business expectancy.

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- (c) If the Committee determines that the Participant's conduct, activities or circumstances constitute events described in Article 8(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:
 - (i) cancel any Units awarded hereby, whether or not issued;
 - (ii) require the Participant to repay any Shares issued upon settlement of the Units; and/or

- (iii) require the Participant to repay an amount equal to all income or gain realized in respect of all Shares issued upon settlement of the Units.

There shall be no forfeiture or repayment under Article 8(b) following a Change in Control.

- (d) The Committee, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Article 8(b) and whether and to what extent the Units awarded hereby shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Article 8(c). The Committee shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Units pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Committee in good faith.
- (e) Participant agrees that the provisions of this Article 8 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant's agreement to the provisions of this Article 8, the Company would not have entered into this Agreement.

The Incentive Award is also subject to the provisions on forfeiture events and clawbacks set forth in Article 21 of the Plan.

Article 9. Dividends

If, during the Performance Period, a cash dividend is declared and paid by the Company with respect to its Shares, the Participant will be credited as of the applicable dividend payment date with an additional number of Units (the "Dividend Units") equal to (i) the total cash dividend the Participant would have received if the Target Number of Performance Units credited to the Participant under this Agreement as of the related dividend payment record date (including any previously credited Dividend Units) had been actual Shares, divided by (ii) the Fair Market Value of a Share as of the applicable dividend payment date (with the quotient rounded down to the nearest whole number). If, after the Performance Period but before the Scheduled Vesting Date, a cash dividend is declared and paid by the Company with respect to its Shares, the Participant will be

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credited as of the applicable dividend payment date a number of Dividend Units equal to (i) the total cash dividend the Participant would have received if the Earned Units under this Agreement as of the related dividend payment record date (including any previously credited Dividend Units) had been actual Shares, divided by (ii) the Fair Market Value of a Share as of the applicable dividend payment

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date (with the quotient rounded down to the nearest whole number). Once credited to the Participant's account, Dividend Units will be considered Units for all purposes of this Agreement.

Article 10. Tax Withholding

Neither the Company nor any of its Affiliates shall be liable or responsible in any way for the tax consequences relating to the award of Units, their vesting and the settlement of vested Units in Shares. The Participant agrees to determine and be responsible for any and all tax consequences to the Participant relating to the award, vesting and settlement of Units hereunder. If the Company is obligated to withhold an amount on account of any tax imposed as a result of the grant, vesting or settlement of the Units, the provisions of Section 19.2 of the Plan regarding the satisfaction of tax withholding obligations shall apply (including any required payments by the Participant).

Article 11. Transferability

The Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative. The terms hereof shall be binding on the executors, administrators, heirs and successors of the Participant.

Article 12. Administration

This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended, modified, suspended or terminated from time to time by the Committee, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, in its sole discretion, all of which shall be binding upon the Participant.

Any inconsistency between the Agreement and the Plan shall be resolved in favor of the Plan.

Article 13. Miscellaneous

- (a) The selection of any employee for participation in the Plan shall not give such Participant any right to be retained in the employ of the Company. The right and power of the Company to dismiss or discharge any Participant at-will, is specifically reserved. Such Participant or any person claiming under or through the Participant shall not have any right or interest in the Plan or any Award thereunder, unless and until all terms, conditions, and provisions of the Plan that affect such Participant have been complied with as specified herein.

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- (b) With the approval of the Board, the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement without the Participant's written consent, except as required by law.

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- (c) Participant shall not have voting rights with respect to the Units. Participant shall obtain voting rights with respect to any Shares issued upon settlement of the Units.
- (d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (e) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota.
- (f) Any awards received by Participant are subject to the provisions of the Stock Ownership Guidelines approved by the Board of Directors.
- (g) Waiver and Modification. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the Company.
- (h) Severability. In the event any provision of this Agreement shall be held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

Black Hills Corporation Participant

Jennifer C. Landis – Senior Amy K. Koenig, Vice President – Governance,
Chief Human Resources Officer Corporate Secretary and Deputy General Counsel

Appendix A

Earned Units and Performance Measures

The determination of the number of Units that will be earned and vested as of the Scheduled Vesting Date specified above will be determined as follows:

Performance Measure (each as defined below)	Weighting	Performance Goal		Award Multiplier	Weighting	Performance Goal		Award Multiplier
Relative TSR	60%	Maximum	90 th Percentile	200%	70%	Maximum	90 th Percentile	200%
		Target	50 th Percentile	100%		Target	50 th Percentile	100%
		Threshold	25 th Percentile	25%		Threshold	25 th Percentile	25%
Average EPS as Adjusted	20%	Maximum	\$____	200%	10%	Maximum	\$4.516	200%
		Target	\$____	100%		Target	\$4.105	100%
		Threshold	\$____	25%		Threshold	\$3.695	25%
Average Cost to Serve	20%	Maximum	____%	200%	10%	Maximum	39.1%	200%
		Target	____%	100%		Target	43.4%	100%
		Threshold	____%	25%		Threshold	47.7%	25%
Natural Gas Emissions Reduction by 2035	10%					Maximum	38 miles per average year	200%
						Target	29 miles per average year	100%
						Threshold	22 miles per average year	25%

Based on the actual level of achievement of each Performance Measure, the applicable Award Multiplier will be calculated from the table above by determining where the Company's actual performance falls relative to the Performance Goals specified in the applicable column of the table, and then selecting the corresponding Award Multiplier associated with each Performance Measure. If the actual amount of any of these Performance Measures is between two Performance Goal amounts shown in the applicable column of the table, the corresponding Award Multiplier will be determined by linear interpolation between the two relevant Award Multipliers shown in the table. If the actual amount of any of the Performance Measures for the Performance Period is less than the corresponding Threshold Performance Goal specified in the table, the corresponding Award Multiplier is zero, and if it is greater than the corresponding Maximum Performance Goal specified in the table, the corresponding Award Multiplier will be equal to the percentage specified for the Maximum Performance Goal.

Notwithstanding the foregoing, (i) if absolute TSR is negative during the Performance Period, the total number of Earned Units for the achievement of the Relative TSR Performance Goal will not exceed Target and (ii) if Relative TSR is below Threshold, but absolute TSR is above 35%, the Relative TSR Performance Measure will be deemed to be satisfied at Threshold.

The number of Performance Units earned during the Performance Period that will vest as of the Vesting Date will be calculated using the following formula:

[Relative TSR Weighting x (Target Number of Performance Units + Dividend Units credited during the Performance Period and before the Scheduled Vesting Date)] x Relative TSR Award Multiplier

+

[Average EPS as Adjusted Weighting x (Target Number of Performance Units + Dividend Units credited during the Performance Period and before the Scheduled Vesting Date)] x Average EPS as Adjusted Award Multiplier

+

[Average Cost to Serve Weighting x (Target Number of Performance Units + Dividend Units credited during the Performance Period and before the Scheduled Vesting Date)] x Average Cost to Serve Award Multiplier

where:

- The “Relative TSR Weighting,” “Average EPS as Adjusted Weighting,” “Average EPS as Adjusted Weighting” and the applicable “Award Multiplier” are derived from the table above,
- “Target Number of Performance Units” is the number set forth at the beginning of this Agreement; and
- Dividend Units is defined in Section 8 of the Agreement.

Relative TSR Calculation

For this purpose, Total Shareholder Return (TSR) shall be determined as follows (rounded to nearest basis point):

Total Shareholder
Return

=

Change in Stock Price + Dividends Paid
Beginning Stock Price

Beginning Stock Price shall mean the average closing price (rounded to nearest cent \$xx.xx) on the applicable stock exchange of one share of Common Stock for the ten (10) trading days preceding the grant date; Ending Stock Price shall mean the average closing price (rounded to nearest cent \$xx.xx) on the applicable stock exchange of one share of stock for the last ten (10) trading days of the Performance Period; Change in Stock Price shall mean the difference between the Beginning Stock Price and the Ending Stock Price; and Dividends Paid shall mean the total of all dividends (unrounded) on one (1) share of stock with Dividend Payable Dates during the Performance Period. Following the TSR determination, the Company’s Percentile Rank shall be determined as follows:

Percentile Rank shall be determined by listing from highest TSR to lowest TSR each company in the Peer Index (excluding the Company) as described on Appendix B. The top company would have a one hundred percentile (100%) rank and the bottom company would have a zero percentile (0.0%) rank. Each company in between would be one hundred divided by n minus one ($100/(n-1)$) (rounded to nearest basis point - x.xx%) above the company below it, where “n” is the total number of companies in the Peer Index. The Company percentile rank would then be interpolated based on the Company TSR, resulting in the Company’s Relative TSR.

If the Company’s or any Peer Index company’s stock splits (or if there are other similar subdivisions, consolidations or changes in such company’s stock or capitalization), such company’s

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TSR performance will be proportionately adjusted for the stock split or other change so as not to give an advantage or disadvantage to such company by comparison to the other Peer Index companies.

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Average EPS as Adjusted Calculation

Average EPS as Adjusted is defined as diluted earnings per share calculated in accordance with GAAP, adjusted for material, non-recurring events that are approved by the Company’s Audit Committee (such as impairment charges, one-time tax events, external acquisition costs, changes to accounting rules, etc.). No adjustment shall be made to normalize the impact of extreme weather.

Average Cost to Serve Calculation

Average Cost to Serve is defined as non-fuel operations and maintenance (O&M) expense divided by gross margin calculated in accordance with GAAP, adjusted for material, non-recurring events that are approved by the Company’s Audit Committee (such as impairment charges, one-time tax events, changes to accounting rules, etc.). No adjustment shall be made to normalize the impact of extreme weather.

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**Companies Included in EEI Index
as of December 31, 2021, the Performance Peer Group for Relative TSR Performance Purposes, Excluding Black Hills Corporation**

The peer group Performance Peer Group for Relative TSR performance purposes consists consist of all companies comprising approved by the EEI Index. Throughout Compensation Committee of Black Hills Corporation on January 25, 2024. In the event a member of the Performance Peer Group is impacted by M&A activity during the performance period, companies may the member shall be added or dropped removed from the index due to mergers or other activities. At the end Performance Peer Group upon announcement of the performance period, new companies that are added to transaction. If the index are included Performance Peer Group drops below 12 members, the Compensation Committee of Black Hills Corporation may in its sole discretion modify the rankings as if they had been in the ranking from the beginning, provided there is sufficient trading history to include them in the final calculation. When a company is dropped from the index, everything related to the company is excluded as if it were never in the index. Performance Peer Group.

Companies included in the EEI Index Performance Peer Group for Relative TSR performance purposes at the beginning of the Performance Period, excluding Black Hills Corporation, are listed below:

ALLETE, Inc.	ALE	IdaCorp, IDA Inc.
Alliant Energy Corporation	LNT	MDU MDU Resource s Group, Inc.
Ameren Corporation	AEE	MGE MGE Energy, E Inc.
American Electric Power Company, Inc. Atmos Energy Corporation	AEP ATO	NextEra NEE Energy, Inc.
Avangrid, Inc.	AGR	NiSource NI Inc.
Avista Corporation	AVA	NorthWe NW stern E Corporati on
CenterPoint Energy, Inc.	CNP	OGE OGE Energy Corp.
CMS Energy Corporation	CMS	Otter Tail OTT Corporati R on

Consolidated Edison, Inc.	ED	PG&E Corporati on	PCG
Dominion Energy, Inc.	D	Pinnacle West Capital Corporati on	PN W
DTE Energy Company	DTE	PNM Resource s, Inc.	PNM
Duke Energy Corporation	DUK	Portland General Electric Company	POR
Edison International	EIX	PPL Corporati on	PPL
Entergy Corporation	ETR	Public Service Enterpris e Group Inc.	PEG
Evergy, Inc.	EVERG	Sempra Energy	SRE
Eversource Energy	ES	The Southern Company	SO
Exelon Corporation	EXC	Unitil Corporati on	UTL
FirstEnergy Corp.	FE	WEC Energy Group, Inc.	WE C
Hawaiian Electric Industries, Inc.	HE	Xcel	
IDACORP, Inc.	IDA		
MGE Energy, Inc.	XEL MG		
New Jersey Resources Corporation	EE		
NiSource Inc.	NJR		
Northwest Natural Holding Company	NI		
NorthWestern Energy Group, Inc.	NWN		
OGE Energy Corp.	NWE		
ONE Gas, Inc.	OGE		
Pinnacle West Capital Corporation	OGS		
	PNW		

Portland General Electric Company
PNM Resources, Inc.
Spire, Inc.

POR
PNM
SR

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 0000950170-24-015090img168765276_0.jpg		BLACK HILLS CORPORATION COMPANY POLICY	
Affected Business Unit(s): All		Originating Department(s): Governance	
		Effective Date: 12-07-2011	
Policy No.: Corp-Governance-01		Revision Date: 08-17-2023	
Insider Trading Policy			

Exhibit 10.30

1.PURPOSE

Black Hills Corporation

Long-Term Incentive Plan

Restricted Stock Award Agreement

(Effective for Awards granted onThe purchase or after January 24, 2023 sale of securities while possessing material nonpublic ("insider")

You information or the selective disclosure of such information to others who may trade is prohibited by Federal and state laws. As an essential part of your work, you may have been selected access to be a Participant in the material nonpublic information about Black Hills Corporation Long-Term Incentive Plan (the "LTIP"). This LTIP award is granted under or its subsidiaries (collectively, the restricted stock and restricted stock units provisions of "Company") or about the Amended and Restated 2015 Omnibus Incentive Plan (the "Plan"). This Agreement and Company's business (including information about other companies with which the Plan together govern your rights to the Award and set forth all of the conditions and limitations affecting such rights. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Agreement.

Overview of Your Award

Participant: Name: _____

Number of Shares of _____

Restricted Stock: Shares: _____(Company does or may do business).

Date The Company has adopted this Policy to avoid even the appearance of **Grant:** improper conduct on the part of any Company employee. The Company has earned a reputation for conducting business with integrity and ethical conduct. This Policy is designed to further the reputation of the Company and each employee for integrity and good corporate citizenship.

_____ **2.SCOPE**

This Policy applies to all directors, officers and employees of the Company.

3.POLICY

No director, officer or employee who has material nonpublic information relating to the Company nor any related or other person living in that person’s household may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, that information.

Date This Policy applies to all transactions in the Company’s securities, including purchases and sales, as well as gifts of **Lapse** the Company’s securities, provided that this Policy shall not apply to bona fide gifts of **Restrictions:** the Company’s securities to persons subject to all the restrictions of this Policy (such as family members living in the person’s household) or others, unless the individual making the gift knows or is reckless in not knowing that the recipient intends to sell the securities

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while the donor is in possession of material, non-public information about the Company.

This Policy also applies to the securities of any other company with respect to information relating to that company obtained in the course of employment with Black Hills Corporation or any of its subsidiaries. A director, officer or employee who learns of material, nonpublic information about a company with whom the Company does or may do business (including customers, suppliers or potential acquisition or strategic partners), as well as any competitor of the Company, should not trade in that company’s securities until the information becomes public.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. The securities laws do not recognize such mitigating circumstances and even the appearance of an improper transaction must be avoided to preserve the Company’s reputation for adhering to the highest standards of conduct.

4. DEFINITION OF MATERIAL NONPUBLIC INFORMATION

4.1“Material” Information

Any information that a reasonable investor would consider important in a decision to buy, hold or sell securities. Either positive or negative information may be material. In short, any information which could reasonably be expected to affect trading in the Company's stock or other securities is considered material.

Common examples of information that will frequently be regarded as material are:

- 4.1.1 Financial performance, earnings information and quarterly results;
- 4.1.2 Guidance on earnings estimates;
- 4.1.3 Mergers and acquisitions or the sale of significant assets;
- 4.1.4 Significant accounting matters, including the impairment or changes in asset values;
- 4.1.5 New products, contracts with suppliers, or developments regarding major customers or suppliers (e.g., the acquisition or loss of a contract);

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- 4.1.6 Changes in auditors or a determination that the Company's financial statements can no longer be relied upon;
- 4.1.7 Events regarding the Company's securities (e.g., defaults on senior securities, change in debt ratings, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of securityholders, public or private sales of additional securities or information related to any additional funding);
- 4.1.8 Significant changes in senior management or the board of directors;
- 4.1.9 Significant changes in operations;
- 4.1.10 Significant litigation or government investigations;
- 4.1.11 Bankruptcies, receiverships or financial liquidity problems; and
- 4.1.12 Regulatory approvals or changes in regulations and any analysis of how they affect the Company.

The above list is only illustrative; many other types of information may be considered "material," depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis.

4.2“Nonpublic” Information

Any information which has not been disclosed generally to the marketplace. Information about the Company that is not yet in general circulation should be considered nonpublic. Similarly, information received about another company in circumstances indicating that it is not yet in general circulation should be considered nonpublic. All information that you learn about the Company or its business plans in connection with your employment is potentially “insider” information until publicly disclosed or made available to the public by the Company. You should treat all such information as confidential and proprietary to the Company. You may not disclose it to others, such as family, relatives, business or social acquaintances, who do not need to know it for legitimate business reasons. **Shares** If this nonpublic information is also “material”, you are required by law and the Company policy to refrain from trading in Company securities and from passing the information on to others who may trade.

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Date 5.MATERIAL NONPUBLIC INFORMATION

5.1Prohibited Transactions

When you know of material, nonpublic information about the Company, you, your spouse and members of your immediate family living in your household are prohibited from the following activities:

5.1.1 Trading in Black Hills Corporation securities (including trading in puts and calls for Black Hills Corporation's securities);

5.1.2 Having others trade for you in Black Hills Corporation securities;
and

5.1.3 Disclosing the information to anyone else who might then trade.

Neither you nor anyone acting on your behalf nor anyone who learns the information from you (including your spouse and family members) can trade. This prohibition continues whenever and for as long as you know material, nonpublic information.

These prohibitions also apply to the securities of any other company with respect to information relating to that company obtained in the course of employment with Black Hills Corporation or any of its subsidiaries.

5.2Transactions by Family Members

The very same restrictions apply to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in the Company's securities are directed by you or are subject to your influence or control. Directors, officers and employees are expected to be responsible for the compliance of their immediate family and personal

household and therefore should make them aware of the need to confer with them before they trade in Black Hills Corporation securities.

5.3Twenty-Twenty Hindsight

Remember, if securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction an employee should carefully consider how regulators and others might view such transaction in hindsight.

5.4Tipping Information to Others

Whether the information is proprietary information about the Company or information that could have an impact on Black Hills Corporation or

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another company's stock price, directors, officers and employees of the Company must not pass the information on to others.

5.5When Information is Public

It would be improper for a director, officer or employee to enter a trade immediately after the Company has made a public announcement of material information, including earnings releases. Because the Company's shareholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule you should not engage in any transaction in the Company's securities until at least 48 hours after the date the information has been released to the public.

5.6Section 10b5-1 Trading Program

Notwithstanding the prohibition against insider trading, Rule 10b5-1 of the Securities Exchange Act of 1934 and this Policy permit directors, officers and employees to trade in Black Hills Corporation securities while aware of material, nonpublic information, so long as the trades occur pursuant to a binding contract, instruction or written trading program that was put into place at a time when the trader was not aware of material, nonpublic information that otherwise complies with the requirements of Rule 10b5-1. Transactions made pursuant to a plan meeting the requirements of Rule 10b5-1 need not be pre-cleared as set forth above, so long as the following requirements have been met:

5.6.1 The form of the Rule 10b5-1 trading plan that you propose to execute must:

- 5.6.1.1 Be delivered to, and approved by the General Counsel or Corporate Secretary prior to adoption or amendment of the trading plan;
- 5.6.1.2 Include an affirmation that you are not aware of material nonpublic information about the Company or its securities;

- 5.6.1.3.** Include an affirmation that you are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 of the Exchange Act; and
- 5.6.1.4.** Includes a “cooling off” period for (i) Section 16 officers and directors that extends to the later of 90 days after adoption or modification of the trading plan or two business days after filing the Form 10-K or Form 10-Q covering the fiscal

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quarter in which the trading plan was adopted, up to a maximum of 120 days; and (ii) other employees, other than the Company, that extends 30 days after adoption or modification of the trading plan.

5.6.2 If applicable to you, you must comply with the requirements of Rule 144 under the Securities Act of 1933, and make or cause to be made all necessary filings, including Rule 144 filings, filings pursuant to Section 13 and Section 16 of the Securities Exchange Act of 1934, and any other filings necessary pursuant to the Securities Act and/or the Exchange Act; and

5.6.3 You must establish the Rule 10b5-1 trading program at a time when you are not in possession of material, non-public information about the Company.

You must consult with your own legal counsel and other financial advisors in connection with your decision to enter into a Rule 10b5-1 trading program, and determine, based upon their advice, whether the plan you propose to execute meets the criteria set forth in Rule 10b5-1.

6. TRANSACTIONS UNDER COMPANY PLANS

6.1 Trading in the Company 401(k) Plan

This Policy applies to certain transactions involving Company stock in an employee's 401(k) Plan account. For example, the Policy applies to:

6.1.1 Elections to make intra-plan transfers into or out of the Company stock fund; and

6.1.2 Elections to increase or decrease the percentage allocation of new investments in the 401(k) Plan to the Company stock fund.

The Policy does not apply, however, to repetitive investments in the Company stock fund which occur every pay period pursuant to a payroll deduction in a like amount each pay period.

6.2 Stock Option Exercises and Stock Unit Vesting

This Policy does not apply to the exercise of an employee stock option or the vesting of stock units (restricted stock units or performance stock units) or the forfeiture of shares to the Company to satisfy any exercise price and/or tax withholding obligation.

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Article 1. Employment by The Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of a stock option, or any market sale of stock received upon exercise of a stock option or vesting of a stock unit for the Company.

The Restricted Stock is awarded on purpose of generating the condition that cash needed to pay the Participant remain in the employ exercise price of an option or required tax withholding.

6.3Dividend Reinvestment Plan

This Policy does not apply to purchases of Black Hills Corporation securities under the Company's Dividend Reinvestment and its Affiliates (the "Company") Direct Stock Purchase Plan resulting from your reinvestment of dividends paid on Black Hills Corporation securities or the Date systematic monthly purchases of Grant through (and including) Black Hills Corporation securities under the Dates optional cash investment feature of Lapse of Restrictions. The Award of this Restricted Stock, however, shall not impose upon the Company any obligations to retain the Participant in its employ for any given period or upon any specific terms of employment. plan.

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Article 2. Certificate Legend.

Shares This Policy does apply, however, to voluntary purchases of Restricted Stock granted Black Hills Corporation securities resulting from your election to participate in the plan or your increase in the level of participation in the plan. The Policy also applies to your sale of any securities of Black Hills Corporation purchased pursuant to the Plan shall be held by plan.

7. ADDITIONAL PROHIBITED TRANSACTIONS

The Company considers it improper and inappropriate for any director, officer or other employee of the Company to engage in book entry form and shall be designated to have the following legend:

"The saleshort-term or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer set forth speculative

transactions in the Black Hills Corporation Amended securities. It is therefore Company policy that directors, officers and Restated 2015 Omnibus Incentive Plan and other employees may not engage in a Restricted Stock Award Agreement. A copy any of the Plan and such Restricted Stock Agreement may be obtained from the Secretary following transactions:

7.1Short-Term Trading

An employee's short-term trading of Black Hills Corporation.”

Article 3. Removal Corporation securities may be distracting to the employee and may unduly focus the employee on the Company's short-term stock market performance instead of Restrictions.

Except as otherwise provided the Company's long-term business objectives. For these reasons, any director, officer or other employee of the Company who purchases Black Hills Corporation securities in the Plan, each open market may not sell any Black Hills Corporation securities of the Shares same class during the six months following the purchase.

7.2Short Sales

Short sales of Restricted Stock granted under this Agreement shall become freely transferable by Black Hills Corporation securities evidence an expectation on the Participant on each part of the “Dates of Lapse of Restrictions” set forth on Paragraph 3 herein.

Once seller that the Shares are released from the restrictions, the Participant shall be entitled to receive certificates representing the Shares of stock which have been vested, without the restrictive legend required by Paragraph 5 of this Agreement. Notwithstanding the terms of this Agreement, no stock shall be issued by the Corporation while its stock transfer books are closed.

Article 4. Voting Rights securities will decline in value, and Dividends.

During the Period of Restriction, the Participant may exercise full voting rights and is entitled to receive all dividends and other distributions paid with respect therefore signal to the Shares market that the seller has no confidence in Black Hills Corporation or its short-term prospects. In addition, short sales may

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reduce the seller's incentive to improve Black Hills Corporation performance. For these reasons, short sales of Restricted Stock while theyBlack Hills Corporation securities are held. If any such dividends or distributions are paid in Shares, the Shares shall be subject to the same restrictions on transferability as the Shares of Restricted Stock with respect to which they were paid.

Article 5. Termination of Employment By Reasons of Death or Disability, and Vesting in Connection with a Change in Control.

prohibited by this Policy. In the event the Participant's employment is terminated by reason of Death or Disability, prior to the Dates of Lapse of Restrictions, all Shares of Restricted Stock then outstanding shall immediately vest one hundred percent (100%), and as soon as is administratively practicable, the common stock representing the Shares of Restricted Stock without any restrictions or legend thereon, shall be delivered to the Participant's beneficiary or estate. The provisions of Article

17 addition, Section 16(c) of the Plan shall govern Securities Exchange Act of 1934 prohibits Section 16 officers and directors from engaging in short sales.

7.3Publicly Traded Options

A transaction in options is, in effect, a bet on the event short-term movement of Black Hills Corporation stock and therefore creates the appearance that the director, officer or employee is trading based on inside information. Transactions in options also may focus the director, officer or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transaction in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy.

7.4Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars, equity swaps, forward sale contracts and exchange funds, allow a Change director, officer, or employee to lock in Control.

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Article 6. Beneficiary Designation.

The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case much of the value of his or her death prior stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the director, officer or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as the Company's other shareholders. Therefore, hedging transactions are prohibited by this Policy.

7.5Margin Accounts and Pledges

Securities held in margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Black Hills Corporation securities, directors, officers and employees are prohibited from holding Black Hills Corporation securities in a margin account or pledging Black Hills Corporation securities as collateral for a loan.

8. POST-TERMINATION
TRANSACTIONS

This Policy continues to apply to your transactions in Black Hills Corporation securities even after you have terminated employment. If you are in possession

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of material nonpublic information when your employment terminates, you may not trade in Black Hills Corporation securities until that information has become public or is no longer material.

9.BLACKOUT PERIODS

9.1Quarterly Blackout Periods

The Company prohibits directors, officers and all employees who have received equity under the Company's equity compensation program, from buying or selling Black Hills Corporation securities during a period of time beginning 10 business days before the last day of each fiscal quarter, until 48 hours following the release of quarterly earnings.

9.2Event Specific Blackout Periods

From time to time, an event may occur that is material to the Dates of Lapse of Restrictions. Each Company and is known by only a few directors or employees. So long as the event remains material and nonpublic, directors, officers, and such designation shall revoke all prior designations other persons as are designated by the Participant, shall General Counsel or Corporate Secretary may not trade in Black Hills Corporation securities. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a person whose trades are subject to preclearance requests permission to trade in Black Hills Corporation securities during an event-specific blackout, the General Counsel or Corporate Secretary may inform the requestor of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. The failure of the General Counsel or Corporate Secretary to designate a person as being subject to an event-specific blackout will not relieve that person of the obligation not to trade while aware of material nonpublic information. In addition, Section 306(a) of the Sarbanes-Oxley Act of 2002 prohibits any director or Section 16 officer of the Company from, directly or indirectly, purchasing, selling or otherwise acquiring or transferring any equity security of the Company during a pension plan blackout period that prevents plan participants and beneficiaries from engaging in transactions involving issuer equity securities held in their plan accounts. These prohibitions apply only if the securities acquired or disposed of by the director or officer were acquired in connection with his or her service or employment as a director or officer. Officers and directors will be notified of an impending pension plan blackout period. Regulations promulgated

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pursuant to Section 306 (a) further define the type of securities subject to the prohibition, as well as exemptions from the trading prohibition.

10. PRE-CLEARANCE OF ALL TRADES BY DIRECTORS, OFFICERS AND KEY EMPLOYEES

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an employee engages in a **form prescribed** trade while unaware of a pending major development), the procedures set forth below must be followed by the Company's directors, officers, and other employees who may have access to material nonpublic information:

All transactions in Black Hills Corporation stock (acquisitions, dispositions, transfers, etc., including discretionary transactions in Company plans) by directors, officers and all employees who have received equity under the Company's equity compensation program must be pre-cleared by the Senior Vice President-General Counsel or the Corporate Secretary of the Company. Individuals who are not directors or officers but who are subject to the pre-clearance policy will be so notified. This requirement does not apply to gifts or stock option exercises, but would cover market sales of option stock, including cashless exercises.

11. RULE 144 AND SECTION 16 COMPLIANCE FOR DIRECTORS AND EXECUTIVE OFFICERS

Members of the Board of Directors of the Company, and those individuals specified by the Company as Section 16 officers for purposes of Rule 144 and Section 16 (and only these individuals) are also subject to additional Section 16 trading prohibitions (short-swing profit rules), as well as very stringent transaction reporting requirements under Rule 144 and Section 16. Those individuals should familiarize themselves with these rules and regulations. If you are subject to Rule 144 and Section 16 compliance, you may obtain information on these rules and regulations from the Vice President-Governance. Generally, directors and executive officers must file with the Securities and Exchange Commission a Form 144 no later than the end of any business day that an order for sale is placed or a sale of the Company securities occurs. A **Form 3, Form 4 or Form 5** is also required to be filed with the Securities and Exchange Commission by a director or executive officer of the Company for transactions involving the securities of the Company. In this regard, the Manager-Equity Compensation and Shareholder Services will assist in the preparation and filing of the necessary Form 4s by preparing the applicable form for signature by the individual director or Section 16 officer based upon information furnished by such individual and filing the executed forms with the Securities and Exchange Commission as

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promptly as possible (generally due within two business days of a transaction). Form 144s are expected to be **effective only when** prepared and filed by the **Participant** individual director of Section 16 officer's broker. Under the law, the individual director or Section 16 officer is obligated to file appropriate forms in **writing** a timely manner and to refrain from engaging in any unlawful transactions. The Company cannot and does not assume any legal responsibility in this regard, but the Manager-Equity Compensation and Shareholder Services will assist in accordance with the procedures outlined in this Section 11.

12.UNAUTHORIZED DISCLOSURE

Serious problems could arise for the Company **during** and you by any unauthorized disclosure of nonpublic information about the **Participant's lifetime. In** Company or its customers, whether or not for the **absence** purpose of **any such**

designation, benefits remaining unpaid at facilitating improper trading in Company securities. It is the Participant's death shall be paid Company's policy that you should not discuss nonpublic Company matters or developments relating to the Participant's estate. Company or its customers with anyone outside of the Company (including family members, relatives and friends), except as required in the performance of your regular employment duties. Similarly, you should not discuss Company affairs in public or quasi-public areas where your conversation may be overheard (e.g., airplanes, restaurants, restrooms, elevators, etc.). This prohibition also applies to inquiries about the Company which may be made by the press, investment analysts or others in the financial community, including shareholders. It is important that all such communications on behalf of the Company be made only through authorized individuals. Unless you are expressly authorized to respond to inquiries of this nature, you should decline comment and refer the inquirer to the Company's Director of Investor Relations.

13.CONSEQUENCES

The consequences of insider trading violations can be significant.

13.1Individuals

Individuals who trade on inside information (or tip information to others) face sanctions of (a) a civil penalty of up to three times the profit gained or loss avoided, (b) criminal fines of up to \$1.0 million (no matter how small the profit), and (c) a jail term.

Article 7. Forfeiture Moreover, a breach of Black Hills Corporation Policy regarding insider trading [or unauthorized disclosure] may be grounds for [disciplinary action, which may be up to and Repayment. include termination of employment]

(a)In the event the Participant's employment is terminated for reasons other than those described in Section 5 herein prior. Needless to the Dates of the Lapse of Restrictions, all outstanding unvested Restricted Stock granted hereunder shall immediately be forfeited by the Participant.

(b) Without limiting the generality of Section 7(a), the Company reserves the right to cancel all Restricted Stock awarded hereunder, whether or not vested, and require the Participant to repay all income or gains previously realized in respect of such Restricted Stock, in the event of the occurrence of say, any of the following events: above consequences, even an investigation by the Securities and Exchange Commission that does not

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result in prosecution, can tarnish one's reputation and irreparably damage a career.

(i) 13.2 termination of Participant's employment for Cause;

(ii) within one year following any termination of Participant's employment, the Committee determines that Participant engaged in conduct before the Participant's termination date that would have constituted t

basis for a termination of employment for Cause;

(iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant: **Company**

(x) publicly disparages the Company, A company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading faces sanctions of its Affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation (a) a civil penalty of the Company, any greater of its Affiliates \$1.0 million or such individuals; three times the profit gained or

(y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct (defined to include any code of ethics or code of conduct now or hereafter adopted by the Company or any of its Affiliates, including to the extent applicable the Code of Business Conduct, as amended or supplemented from time to time, and the Company's or subsidiary Risk Management Policies and Procedures, as amended, supplemented or replaced from time to time); or

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(iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its Affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interfere with contract or business expectancy.

(c) If the Committee determines that the Participant's conduct, activities or circumstances constitute events described in Section 7(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:

(i) cancel any Shares of Restricted Stock awarded hereby, whether or not vested; and/or

(ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Restricted Stock. The amount of repayment shall include, without limitation, amounts received in connection with the delivery or sale of Shares of such Restricted Stock or cash paid in respect of any Restricted Stock.

There shall be no forfeiture or repayment under Section 7(b) following a Change-in-Control.

(d) The Committee, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Section 7(b) and whether and to what extent the Shares of Restricted Stock awarded hereby shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Section 7(c). The Committee shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Shares of Restricted Stock pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Committee in good faith.

(e) Participant agrees that the provisions of this Section 7 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant's agreement to the provisions of this Section 7, the Company would not have entered into this Agreement.

The Incentive Award is also subject to the provisions on forfeiture events and clawbacks set forth in Article 21 of the Plan.

Article 8. Transferability.

This Restricted Stock is not transferable by the Participant, whether voluntarily or involuntarily, by operation of laws or otherwise, during the Restriction Period, except as provided in the Plan. If any assessment, pledge, transfer, or other disposition, voluntary or involuntary, of this Restricted Stock shall be made, or if any attachment, execution, garnishment, or claim shall be issued against or placed upon the Restricted Stock, then the Participant's right to the Restricted Stock shall immediately cease and terminate and the Participant shall promptly forfeit to the Company all Restricted Stock awarded under this Agreement.

Article 9. Tax Withholding.

Neither the Company nor any of its Affiliates shall be liable or responsible in any way for the tax consequences relating to the award of shares of Restricted Stock and its vesting. The Participant agrees to determine and be responsible for any and all tax consequences to the Participant relating to the award and vesting of Restricted Stock hereunder. If the Company is obligated to withhold an amount on account of any tax imposed loss avoided as a result of the vesting of shares of Restricted Stock, employee's violation, and (b) a criminal penalty.

14. COMPANY ASSISTANCE

If you have any questions about whether information received by you about the provisions of Section 19.2 of Company (or any corporation with whom we do business) is inside information, you should refrain from trading or disclosing such information until you first determine that such information is public, nonmaterial, or both. When in doubt, consult with the Plan regarding Company's Corporate Secretary or General Counsel. Remember however, the satisfaction of tax withholding obligations shall apply (including any required payments by ultimate responsibility for adhering to the Participant).

Article 10. Administration

This Agreement Policy and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended, modified, suspended or terminated from time to time by the Committee, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. avoiding improper transactions rests with you. It is expressly understood imperative that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, in its sole discretion, all of which shall be binding upon the Participant. you use your best judgment.

15. REVISION HISTORY

Revision #	Revision Date	Description	Revised By
New	12-07-2001	New Policy	Sr. Management
2	12-08-2017	Prohibit all pledging of company stock by employees	Sr. Management
3	11-09-2020	Transferred policy to new template and annual review	Sr. Management
4	08-17-2023	Updated examples of material information to align with other Company policies, revised references to key employees to say all employees who have received equity under the Company's equity compensation plan, removed executive and replaced with Section 16 when referring to impacted officers, and updated to conform to revised 10b5-1 plan SEC rules.	Sr. Management
(List every instance of the document being changed or reissued).			

Any inconsistency between the Agreement and the Plan shall be resolved in favor of the Plan.

Article 11. Requirements of Law.

The issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Article 12. Inability to Obtain Authorization.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained.

Article 13. Miscellaneous

- (a) The selection of any employee for participation in the Plan shall not give such Participant any right to be retained in the employ of the Company. The right and power of the Company to dismiss or discharge any Participant at-will, is specifically reserved. Such Participant or any person claiming under or through the Participant shall not have any right or interest in the Plan or any Award thereunder, unless and until all terms, conditions, and provisions of the Plan that affect such Participant have been complied with as specified herein.
- (b) With the approval of the Board, the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement without the Participant's written consent, except as required by law.

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- (c) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
 - (d) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota.
 - (e) Any awards received by Participant are subject to the provisions of the Stock Ownership Guidelines approved by the Board of Directors.
 - (f) Waiver and Modification. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the Company.
 - (g) Severability. In the event any provision of this Agreement shall be held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

Black Hills Corporation

Jennifer C. Landis – Senior Vice President –
Chief Human Resources Officer

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Exhibit 21

BLACK HILLS CORPORATION

SUBSIDIARIES
December 31, 2022 2023

	Subsidiary Name	State of Origin
1.	Black Hills Colorado Electric, LLC *	Delaware
2.	Black Hills Colorado Gas, Inc. *	Colorado
3.	Black Hills Colorado IPP, LLC *	South Dakota
4.	Black Hills Colorado Wind, LLC	Delaware
5.	Black Hills Electric Generation, LLC *	South Dakota
6.	Black Hills Electric Parent Holdings, LLC	South Dakota
7.	Black Hills Energy Arkansas, Inc. *	Arkansas
8.	Black Hills Energy Renewable Resources, LLC	South Dakota
9.	Black Hills Energy Services Company *	Colorado
10.	Black Hills Exploration and Production, Inc. *	Wyoming
11.	BHERR Holdings, LLC	South Dakota
12.	Black Hills Gas, Inc.	Delaware
12, 13.	Black Hills Gas, LLC	Delaware
13, 14.	Black Hills Gas Holdings, LLC	Delaware
14, 15.	Black Hills Gas Parent Holdings II, Inc.	Delaware
15, 16.	Black Hills Gas Resources, Inc. *	Colorado
16, 17.	Black Hills/Iowa Gas Utility Company, LLC *	Delaware
17, 18.	Black Hills/Kansas Gas Utility Company, LLC *	Kansas
18, 19.	Black Hills Nebraska Gas, LLC *	Delaware
19, 20.	Black Hills Non-regulated Holdings, LLC	South Dakota
20, 21.	Black Hills Plateau Production, LLC *	Delaware
21, 22.	Black Hills Power, Inc. *	South Dakota
22, 23.	Black Hills Service Company, LLC *	South Dakota
23, 24.	Black Hills Shoshone Pipeline, LLC *	Wyoming
24, 25.	Black Hills Utility Holdings, Inc. *	South Dakota
25, 26.	Black Hills Wyoming, LLC	Wyoming

26, 27.	Black Hills Wyoming Gas, LLC *	Wyoming
27, 28.	Cheyenne Light, Fuel and Power Company *	Wyoming
28, 29.	Mallon Oil Company, Sucursal Costa Rica	Costa Rica
29, 30.	N780BH, LLC	South Dakota
30.	Northern Iowa Windpower LLC	Delaware
31.	Rocky Mountain Natural Gas LLC *	Colorado
32.	Wyodak Resources Development Corp. *	Delaware

* doing business as **Black Hills Energy**

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-240320 and 333-240319 333-272739 on Form S-3 and Registration Statement Nos. 333-170451, 333-217679, 333-170448, 333-170452, and 333-203714 on Form S-8 of our reports dated February 14, 2023 February 14, 2024, relating to the consolidated financial statements of Black Hills Corporation and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Black Hills Corporation for the year ended December 31, 2022 December 31, 2023.

/s/ DELOITTE & TOUCHE LLP

Minneapolis, Minnesota

February 14, 2023 2024

Exhibit 31.1

CERTIFICATION

I, Linden R. Evans, certify that:

- I have reviewed this Annual Report on Form 10-K 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 15d-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 being 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 fourth 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: February 14, 2023 2024

/s/ Linden R. Evans

Linden R. Evans

President and Chief Executive Officer

CERTIFICATION

I, **Richard W. Kinzley**, **Kimberly F. Nooney**, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 15d-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 being 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 fourth 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: February 14, 2023 2024

/s/ Richard W. Kinzley Kimberly F. Nooney

Richard W. Kinzley 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 Annual Report of Black Hills Corporation (the "Company") on Form 10-K for the year ended December 31, 2022 December 31, 2023 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: February 14, 2023 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 Annual Report of Black Hills Corporation (the "Company") on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, **Richard W. Kinzley**, **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: February 14, **2023** **2024**

/s/ **Richard W. Kinzley** **Kimberly F. Nooney**

Richard W. Kinzley **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 twelve month period ended **December 31, 2022** **December 31, 2023**. 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 twelve months ended **December 31, 2022** **December 31, 2023** 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.

(a) The types of proceedings by class: (1) Contests of citations and orders – none; (2) contests of proposed penalties – none; (3) complaints for compensation – none; (4) complaints of discharge, discrimination or interference under Section 105 of the Mine Act – none; (5) applications for temporary relief – none; and (6) appeals of judges' decisions or orders to the FMSHRC – none.

 0000950170-24-015090img127515986_0.jpg		BLACK HILLS CORPORATION POLICY	
Affected Business Unit(s):		Originating Department(s): Governance	
All		Effective Date: December 1, 2023	
Policy No.: Corp-Governance-05		Revision Date:	
Title: Mandatory Compensation Recovery Policy (applicable to current and former Section 16 Officers)			

1.PURPOSE

The Board of Directors (the “Board”) of the Company has adopted this Mandatory Compensation Recovery Policy (this “Policy”) pursuant to Rule 10D-1 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), the Securities and Exchange Commission (“SEC”) regulations promulgated thereunder, and applicable New York Stock Exchange (“NYSE”) listing standards.

Subject to and in accordance with the terms of this Policy, upon a Recoupment Event, each Covered Executive shall be obligated to return to the Company, reasonably promptly, the amount of Erroneously Awarded Compensation that was received by such Covered Executive during the Lookback Period.

This Policy will be administered by the Compensation Committee of the Board (the “Committee”). Any determinations made by the Committee will be final and binding on all affected individuals.

2.SCOPE

This Policy shall be binding and enforceable against all Covered Executives (defined in Section 3.2 to be current and former Section 16 Officers) and their beneficiaries, heirs, executors, administrators, or other legal representatives.

3.DEFINITIONS

3.1.Accounting Restatement

“Accounting Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is (a) material to the previously issued financial statements (commonly referred to as a “Big R” restatement), or (b) would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a “little r” restatement).

3.2.Covered Executive

“Covered Executive” means each of the Company’s current and former Section 16 Officers.

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3.3. Erroneously Awarded Compensation

"Erroneously Awarded Compensation" means, with respect to each Covered Executive in connection with an Accounting Restatement, the excess of the amount of Incentive-Based Compensation received by the Covered Executive during the Lookback Period over the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE.

3.4. Financial Reporting Measures

"Financial Reporting Measures" are any measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

3.5. Incentive-Based Compensation

"Incentive-Based Compensation" is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

3.6. Lookback Period

"Lookback Period" means the three completed fiscal years immediately preceding the Required Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.

3.7. Recoupment Event

A "Recoupment Event" occurs when the Company is required to prepare an Accounting Restatement.

3.8. Required Restatement Date

"Required Restatement Date" means the earlier to occur of: (a) the date the Company's Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

3.9. Section 16 Officer

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"Section 16 Officer" is defined as an "officer" of the Company within the meaning of Rule 16a-1(f) of the Exchange Act.

3.10. Section 409A

"Section 409A" means Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder.

4. POLICY STATEMENT

4.1. Amount Subject to Recovery

The Incentive-Based Compensation that is subject to recovery under this Policy includes such compensation that is received by a Covered Executive (i) on or after October 2, 2023 (even if such Incentive-Based Compensation was approved, awarded or granted prior to this date), (ii) after the individual began service as a Covered Executive, (iii) if the individual served as a Section 16 Officer at any time during the performance period for such Incentive-Based Compensation, and (iv) while the Company has a class of securities listed on a national securities exchange or national securities association.

The amount of Incentive-Based Compensation subject to recovery from a Covered Executive upon a Recoupment Event is the Erroneously Awarded Compensation, which amount shall be determined by the Committee.

For purposes of this Policy, Incentive-Based Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

4.2. Recovery of Erroneously Awarded Compensation

Promptly following a Recoupment Event, the Committee will determine the amount of Erroneously Awarded Compensation for each Covered Executive, and the Company will provide each such Covered Executive with a written notice of such amount and a demand for repayment or return. Upon receipt of such notice, each affected Covered Executive shall promptly repay or return such Erroneously Awarded Compensation to the Company.

If such repayment or return is not made within a reasonable time, the Company shall recover Erroneously Awarded Compensation in a reasonable and prompt manner using any lawful method determined by the Committee; provided that recovery of any Erroneously Awarded Compensation must be made in compliance with Section 409A.

4.3. Limited Exceptions

Erroneously Awarded Compensation will be recovered in accordance with this Policy unless the Committee determines that recovery would be impracticable and one of the following conditions is met:

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided the Company has first made a reasonable effort to recover the Erroneously Awarded Compensation; or

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- the recovery would likely cause a U.S. tax-qualified retirement plan to fail to meet the requirements of Internal Revenue Code Sections 401(a)(13) and 411(a) and the regulations thereunder.

Reliance on any of the above exemptions will further comply with applicable listing standards, including without limitation, documenting the reason for the impracticability and providing required documentation to NYSE.

4.4.No Insurance or Indemnification

Neither the Company nor any of its affiliates or subsidiaries may indemnify any Covered Executive against the loss of any Erroneously Awarded Compensation (or related expenses incurred by the Covered Executive) pursuant to a recovery of Erroneously Awarded Compensation under this Policy, nor will the Company nor any of its affiliates or subsidiaries pay or reimburse a Covered Executive for any insurance premiums on any insurance policy obtained by the Covered Executive to protect against the forfeiture or recovery of any compensation pursuant to this Policy.

4.5.Interpretation

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be applied and interpreted in a manner that is consistent with the requirements of Rule 10D-1 and any applicable regulations, rules or standards adopted by SEC or the rules of any national securities exchange or national securities association on which the Company's securities are listed. In the event that this Policy does not meet the requirements of Rule 10D-1, the SEC regulations promulgated thereunder, or the rules of any national securities exchange or national securities association on which the Company's securities are listed, this Policy shall be deemed to be amended to meet such requirements.

4.6.Indemnification of Policy Administrators

Any members of the Committee who participate in the administration of this Policy shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent permitted under applicable law and Company governing documents and policies with respect to any such action, determination or interpretation. The foregoing shall not limit any other rights to indemnification of the members of the Committee under applicable law or Company governing documents and policies.

4.7.Amendment; Termination

The Board or the Committee may amend this Policy in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the SEC under Rule 10D-1 and the rules of any national securities exchange or national securities association on which the Company's securities are listed. The Board or the Committee may terminate this Policy at any time. Notwithstanding anything herein to the contrary, no amendment or termination of this Policy shall be effective if that amendment or termination would cause the

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Company to violate any federal securities laws, SEC rules or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

4.8. Other Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar provision in any employment agreement or other compensation plan or agreement and any other legal remedies available to the Company. This Policy is in addition to any other clawback or compensation recovery, recoupment or forfeiture policy in effect or that may be adopted by the Company from time to time, or any laws, rules or listing standards applicable to the Company, including without limitation, the Company's right to recoup compensation subject to Section 304 of the Sarbanes-Oxley Act of 2002. To the extent that application of this Policy would provide for recovery of Erroneously Awarded Compensation that the Company recovers pursuant to another policy or provision, the amount that is recovered will be credited to the required recovery under this Policy.

5. RELATED DOCUMENTS

Black Hills Corporation Supplemental Compensation Recovery Policy

6. REVISION HISTORY

Revision #	Revision Date	Description	Revised By
New		New Policy	
(List every instance of the document being changed or reissued).			

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