

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

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 For the quarterly period ended March 31, 2024  
 OR  
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-31303

Black Hills Corporation

Incorporated in South Dakota      IRS Identification Number 46-0458824

7001 Mount Rushmore Road  
 Rapid City, South Dakota 57702  
 Registrant's telephone number (605) 721-1700

Former name, former address, and former fiscal year if changed since last report  
 NONE

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

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

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

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large Accelerated Filer | <input checked="" type="checkbox"/> | Accelerated Filer         | <input type="checkbox"/> |
| Non-accelerated Filer   | <input type="checkbox"/>            | Smaller Reporting Company | <input type="checkbox"/> |
|                         |                                     | Emerging Growth Company   | <input type="checkbox"/> |

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. o

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

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

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

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

| Class                          | Outstanding at April 30, 2024 |
|--------------------------------|-------------------------------|
| Common stock, \$1.00 par value | 68,933,306 shares             |

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## GLOSSARY OF TERMS AND ABBREVIATIONS

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

|   |   |
|---|---|
| AFUDC   | Allowance for Funds Used During Construction  |
| AOCI  | Accumulated Other Comprehensive Income (Loss)   |
| APSC  | Arkansas Public Service Commission  |
| Arkansas Gas                                      | Black Hills Energy Arkansas, Inc., an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Arkansas (doing business as Black Hills Energy).  |
| ASU   | Accounting Standards Update as issued by the FASB   |
| ATM   | At-the-market equity offering program   |
| Availability                                      | The availability factor of a power plant is the percentage of the time that it is available to provide energy.  |
| BHC   | Black Hills Corporation; the Company  |
| Black Hills Colorado IPP                          | Black Hills Colorado IPP, LLC a 50.1% owned subsidiary of Black Hills Electric Generation   |
| Black Hills Electric Generation                   | Black Hills Electric Generation, LLC, a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings, providing wholesale electric capacity and energy primarily to our Electric Utilities.  |
| Black Hills Electric Parent Holdings              | Black Hills Electric Utility Holdings, LLC., a direct, wholly-owned subsidiary of Black Hills Corporation   |
| Black Hills Energy                                | The name used to conduct the business of our Utilities  |
| Black Hills Energy Renewable Resources (BHERR)    | Black Hills Energy Renewable Resources, LLC, a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings  |
| Black Hills Energy Services                       | Black Hills Energy Services Company, an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas commodity supply for the Choice Gas Programs (doing business as Black Hills Energy).   |
| Black Hills Non-regulated Holdings                | Black Hills Non-regulated Holdings, LLC, a direct, wholly-owned subsidiary of Black Hills Corporation   |
| Black Hills Utility Holdings                      | Black Hills Utility Holdings, Inc., a direct, wholly-owned subsidiary of Black Hills Corporation (doing business as Black Hills Energy)   |
| Black Hills Wyoming                               | Black Hills Wyoming, LLC, a direct, wholly-owned subsidiary of Black Hills Electric Generation  |
| Choice Gas Program                                | Regulator-approved programs in Wyoming and Nebraska that allow certain utility customers to select their natural gas commodity supplier, providing for the unbundling of the commodity service from the distribution delivery service.  |
| Chief Operating Decision Maker (CODM)             | Chief Executive Officer   |
| Clean Energy Plan                                 | 2030 Ready Plan that establishes a roadmap and preferred resource portfolio for Colorado Electric to cost-effectively achieve the State of Colorado's requirement calling upon electric utilities to reduce greenhouse gas emissions by a minimum of 80% from 2005 levels by 2030. The recommended resource portfolio proposes the addition of 400 MW of clean energy resources to Colorado Electric's system. Colorado legislation allows electric utilities to own up to 50% of the renewable generation assets added to comply with the Clean Energy Plan. |
| CO <sub>2</sub>                                   | Carbon dioxide  |
| Colorado Electric                                 | Black Hills Colorado Electric, LLC, a direct, wholly-owned subsidiary of Black Hills Electric Parent Holdings, providing electric services to customers in Colorado (doing business as Black Hills Energy).   |
| Colorado Gas                                      | Black Hills Colorado Gas, Inc., an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Colorado (doing business as Black Hills Energy).   |
| Common Use System                                 | The Common Use System is a jointly operated transmission system we participate in with Basin Electric Power Cooperative and Powder River Energy Corporation. The Common Use System provides transmission service over these utilities' combined 230-kilovolt (kV) and limited 69-kV transmission facilities within areas of southwestern South Dakota and northeastern Wyoming.   |
| Consolidated Indebtedness to Capitalization Ratio | Any indebtedness outstanding at such time, divided by capital at such time. Capital being consolidated net worth (excluding non-controlling interest) plus consolidated indebtedness (including letters of credit and certain guarantees issued) as defined within the current Revolving Credit Facility.   |
| CP Program  | Commercial Paper Program  |
| CPUC  | Colorado Public Utilities Commission  |

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|                            |  |
|----------------------------|--|
| Dth                        | Dekatherm. A unit of energy equal to 10 therms or one million British thermal units (MMBtu)  |
| EPA                        | Environmental Protection Agency  |
| FASB                       | Financial Accounting Standards Board   |
| Fitch                      | Fitch Ratings Inc.   |
| GAAP                       | Accounting principles generally accepted in the United States of America   |
| Heating Degree Day         | A heating degree day is equivalent to each degree that the average of the high and the low temperatures for a day is below 65 degrees. The colder the climate, the greater the number of heating degree days. Heating degree days are used in the utility industry to measure the relative coldness of weather and to compare relative temperatures between one geographic area and another. Normal degree days are based on the National Weather Service data for selected locations. |
| HomeServe                  | We offer HomeServe products to our natural gas residential customers interested in purchasing additional home repair service plans.  |
| Integrated Generation      | Non-regulated power generation and mining businesses (Black Hills Electric Generation and WRDC) that are vertically integrated within our Electric Utilities segment.  |
| Iowa Gas                   | Black Hills Iowa Gas Utility Company, LLC, a direct, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Iowa (doing business as Black Hills Energy).  |
| IPP                        | Independent Power Producer   |
| IRS                        | United States Internal Revenue Service   |
| IUB                        | 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).  |
| MMBtu                      | Million British thermal units  |
| Moody's                    | Moody's Investors Service, Inc.  |
| MW                         | Megawatts  |
| MWh                        | Megawatt-hours   |
| N/A                        | Not applicable   |
| Nebraska Gas               | Black Hills Nebraska Gas, LLC, an indirect, wholly-owned subsidiary of Black Hills Utility Holdings, providing natural gas services to customers in Nebraska (doing business as Black Hills Energy).   |
| Northern Iowa Windpower    | Northern Iowa Windpower, LLC, a 87.1 MW wind farm located near Joice, Iowa, previously owned by Black Hills Electric Generation. In March 2023, Black Hills Electric Generation completed the sale of Northern Iowa Windpower assets to a third-party.   |
| OCI                        | Other Comprehensive Income   |
| PPA                        | Power Purchase Agreement   |
| Ready Wyoming              | A 260-mile, multi-phase transmission expansion project in Wyoming. This transmission project is expected to serve the growing needs of customers by enhancing resiliency of Wyoming Electric's overall electric system and expanding access to power markets and renewable resources. The project is expected to help Wyoming Electric maintain top-quartile reliability and enable economic development in the Cheyenne, Wyoming region.  |
| 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 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.  |
| RNG                        | Renewable Natural Gas  |
| SEC                        | United States Securities and Exchange Commission   |
| Service Guard Comfort Plan | Appliance protection plan that provides home appliance repair services through on-going monthly service agreements to residential utility customers.   |
| S&P                        | S&P Global Ratings, a division of S&P Global Inc.  |
| South Dakota Electric      | Black Hills Power, Inc., a direct, wholly-owned subsidiary of Black Hills Corporation, providing electric service to customers in Montana, South Dakota and Wyoming (doing business as Black Hills Energy).  |

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

## FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q includes “forward-looking statements” as defined by the SEC. Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words “anticipates,” “estimates,” “expects,” “intends,” “plans,” “predicts” and similar expressions, and include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Item 1A of Part I of our 2023 Annual Report on Form 10-K, Part II, [Item 1A](#) of this Quarterly Report on Form 10-Q and other reports that we file with the SEC from time to time, and the following:

- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings on periodic applications to recover costs for capital additions, plant retirements and decommissioning, fuel, transmission, purchased power, and other operating costs and the timing in which new rates would go into effect;
- Our ability to complete our capital program in a cost-effective and timely manner;
- Our ability to execute on our strategy;
- Our ability to successfully execute our financing plans;
- The effects of changing interest rates;
- Our ability to achieve our greenhouse gas emissions intensity reduction goals;
- Board of Directors’ approval of any future quarterly dividends;
- The impact of future governmental regulation;
- Our ability to overcome the impacts of supply chain disruptions on availability and cost of materials;
- The effects of inflation and volatile energy prices; and
- Other factors discussed from time to time in our filings with the SEC.

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

**PART I. FINANCIAL INFORMATION**
**ITEM 1. FINANCIAL STATEMENTS**

**BLACK HILLS CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**

| (unaudited)  | Three Months Ended<br>March 31,         |          |
|--|---|----------|
|  | 2024                                    | 2023     |
|  | (in millions, except per share amounts) |          |
| Revenue  | \$ 726.4                                | \$ 921.2 |
| Operating expenses:                                  |   |          |
| Fuel, purchased power and cost of natural gas sold   | 316.6                                   | 526.3    |
| Operations and maintenance                           | 133.6                                   | 141.0    |
| Depreciation and amortization                        | 65.9                                    | 61.6     |
| Taxes - property and production                      | 17.0                                    | 17.4     |
| Total operating expenses                             | 533.1                                   | 746.3    |
| Operating income                                     | 193.3                                   | 174.9    |
| Other income (expense):                              |   |          |
| Interest expense incurred net of amounts capitalized | (46.0)                                  | (44.1)   |
| Interest income                                      | 2.0                                     | 0.6      |
| Other income (expense), net                          | (0.8)                                   | 0.7      |
| Total other income (expense)                         | (44.8)                                  | (42.8)   |
| Income before income taxes                           | 148.5                                   | 132.1    |
| Income tax (expense)                                 | (16.9)                                  | (14.7)   |
| Net income   | 131.6                                   | 117.4    |
| Net income attributable to non-controlling interest  | (3.7)                                   | (3.3)    |
| Net income available for common stock                | \$ 127.9                                | \$ 114.1 |
| Earnings per share of common stock:                  |   |          |
| Earnings per share, Basic                            | \$ 1.88                                 | \$ 1.73  |
| Earnings per share, Diluted                          | \$ 1.87                                 | \$ 1.73  |
| Weighted average common shares outstanding:          |   |          |
| Basic  | 68.2                                    | 66.0     |
| Diluted  | 68.3                                    | 66.1     |

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

**BLACK HILLS CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

| (unaudited)  | Three Months Ended<br>March 31, |                 |
|--|---------------------------------|-----------------|
|  | 2024                            | 2023            |
|  | (in millions)                   |                 |
| Net income   | \$ 131.6                        | \$ 117.4        |
| Other comprehensive income (loss), net of tax;   |                                 |                 |
| Derivative instruments designated as cash flow hedges:   |                                 |                 |
| Reclassification of net realized (gains) losses on settled/amortized interest rate swaps (net of tax of \$(0.1) and \$(0.2), respectively) | 0.6                             | 0.6             |
| Net unrealized gains (losses) on commodity derivatives (net of tax of \$0.0 and \$0.3, respectively)                                       | (0.1)                           | (0.9)           |
| Reclassification of net realized (gains) losses on settled commodity derivatives (net of tax of \$(0.6) and \$(0.5), respectively)         | 2.0                             | 1.5             |
| Other comprehensive income, net of tax   | 2.5                             | 1.2             |
| Comprehensive income   | 134.1                           | 118.6           |
| Less: comprehensive income attributable to non-controlling interest  | (3.7)                           | (3.3)           |
| Comprehensive income available for common stock  | <u>\$ 130.4</u>                 | <u>\$ 115.3</u> |

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

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



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**BLACK HILLS CORPORATION  
CONSOLIDATED BALANCE SHEETS**

(unaudited)

|  | March 31, 2024    | As of<br>(in millions) | December 31, 2023 |
|--|-------------------|------------------------|-------------------|
| <b>ASSETS</b>                            |                   |                        |                   |
| Current assets:                          |                   |                        |                   |
| Cash and cash equivalents                | \$ 123.0          | \$                     | 86.6              |
| Restricted cash and equivalents          | 6.7               |                        | 6.4               |
| Accounts receivable, net                 | 334.4             |                        | 350.3             |
| Materials, supplies and fuel             | 130.6             |                        | 160.9             |
| Income tax receivable, net               | 18.2              |                        | 18.5              |
| Regulatory assets, current               | 147.3             |                        | 175.7             |
| Other current assets                     | 37.4              |                        | 28.2              |
| Total current assets                     | 797.6             |                        | 826.6             |
| Property, plant and equipment            | 9,068.4           |                        | 8,917.2           |
| Less: accumulated depreciation           | (1,845.3)         |                        | (1,797.9)         |
| Total property, plant and equipment, net | 7,223.1           |                        | 7,119.3           |
| Other assets:                            |                   |                        |                   |
| Goodwill                                 | 1,299.5           |                        | 1,299.5           |
| Intangible assets, net                   | 8.4               |                        | 8.4               |
| Regulatory assets, non-current           | 283.8             |                        | 304.4             |
| Other assets, non-current                | 64.3              |                        | 62.2              |
| Total other assets, non-current          | 1,656.0           |                        | 1,674.5           |
| <b>TOTAL ASSETS</b>                      | <b>\$ 9,676.7</b> | <b>\$</b>              | <b>9,620.4</b>    |

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

**BLACK HILLS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(Continued)

(unaudited)

|  | March 31, 2024 | As of<br>(in millions) | December 31, 2023 |
|--|----------------|------------------------|-------------------|
| <b>LIABILITIES AND EQUITY</b>  |                |                        |                   |
| Current liabilities:   |                |                        |                   |
| Accounts payable   | \$ 132.6       | \$                     | 186.4             |
| Accrued liabilities  | 263.9          |                        | 293.3             |
| Derivative liabilities, current  | 2.0            |                        | 6.5               |
| Regulatory liabilities, current  | 89.9           |                        | 98.9              |
| Notes payable  | -              |                        | -                 |
| Current maturities of long-term debt   | 600.0          |                        | 600.0             |
| Total current liabilities  | 1,088.4        |                        | 1,185.1           |
| Long-term debt, net of current maturities  | 3,802.8        |                        | 3,801.2           |
| Deferred credits and other liabilities:  |                |                        |                   |
| Deferred income tax liabilities, net   | 576.1          |                        | 548.0             |
| Regulatory liabilities, non-current  | 463.5          |                        | 467.7             |
| Benefit plan liabilities   | 124.1          |                        | 123.9             |
| Other deferred credits and other liabilities   | 199.3          |                        | 188.7             |
| Total deferred credits and other liabilities   | 1,363.0        |                        | 1,328.3           |
| Commitments, contingencies and guarantees (Note 3)   |                |                        |                   |
| Equity:  |                |                        |                   |
| Stockholder's equity -   |                |                        |                   |
| Common stock \$1 par value; 100,000,000 shares authorized; issued 68,969,578 and 68,265,042 shares, respectively | 69.0           |                        | 68.3              |
| Additional paid-in capital   | 2,040.2        |                        | 2,007.7           |
| Retained earnings  | 1,241.7        |                        | 1,158.2           |
| Treasury stock, at cost - 82,343 and 68,073 shares, respectively   | (4.7)          |                        | (4.1)             |
| Accumulated other comprehensive income (loss)  | (12.3)         |                        | (14.8)            |
| Total stockholders' equity   | 3,333.9        |                        | 3,215.3           |
| Non-controlling interest   | 88.6           |                        | 90.5              |
| Total equity   | 3,422.5        |                        | 3,305.8           |
| TOTAL LIABILITIES AND TOTAL EQUITY   | \$ 9,676.7     | \$                     | 9,620.4           |

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

**BLACK HILLS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited)

|   | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | 2024                         | 2023      |
|   | (in millions)                |           |
| Operating activities:   |                              |           |
| Net income  | \$ 131.6                     | \$ 117.4  |
| Adjustments to reconcile net income to net cash provided by operating activities: |                              |           |
| Depreciation and amortization   | 65.9                         | 61.6      |
| Deferred financing cost amortization  | 2.7                          | 2.4       |
| Stock compensation  | 2.4                          | 1.8       |
| Deferred income taxes   | 16.7                         | 14.9      |
| Employee benefit plans  | 3.0                          | 3.0       |
| Other adjustments, net  | (0.3)                        | (2.9)     |
| Changes in certain operating assets and liabilities:                              |                              |           |
| Materials, supplies and fuel  | 30.4                         | 76.1      |
| Accounts receivable and other current assets                                      | (11.3)                       | 28.7      |
| Accounts payable and other current liabilities                                    | (59.6)                       | (127.2)   |
| Regulatory assets   | 54.8                         | 154.7     |
| Other operating activities, net   | (2.9)                        | (1.8)     |
| Net cash provided by operating activities   | 233.4                        | 328.7     |
| Investing activities:   |                              |           |
| Property, plant and equipment additions   | (176.2)                      | (119.1)   |
| Other investing activities  | (0.7)                        | 17.6      |
| Net cash (used in) investing activities   | (176.9)                      | (101.5)   |
| Financing activities:   |                              |           |
| Dividends paid on common stock  | (44.4)                       | (41.4)    |
| Common stock issued   | 31.2                         | 27.4      |
| Net borrowings (payments) of Revolving Credit Facility and CP Program             | -                            | (535.6)   |
| Long-term debt - issuance   | -                            | 350.0     |
| Distributions to non-controlling interests  | (5.6)                        | (4.5)     |
| Other financing activities  | (1.0)                        | (5.0)     |
| Net cash (used in) financing activities   | (19.8)                       | (209.1)   |
| Net change in cash, restricted cash and cash equivalents                          | 36.7                         | 18.1      |
| Cash, restricted cash and cash equivalents beginning of period                    | 93.0                         | 27.0      |
| Cash, restricted cash and cash equivalents end of period                          | \$ 129.7                     | \$ 45.1   |
| Supplemental cash flow information:   |                              |           |
| Cash (paid) refunded during the period:   |                              |           |
| Interest (net of amounts capitalized)   | \$ (33.6)                    | \$ (27.6) |
| Non-cash investing and financing activities:                                      |                              |           |
| Accrued property, plant and equipment purchases at March 31,                      | 37.7                         | 42.1      |

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

**BLACK HILLS CORPORATION**  
**CONSOLIDATED STATEMENTS OF EQUITY**

| (unaudited)                                  | Common Stock |         | Treasury Stock |          | Additional<br>Paid in<br>Capital | Retained<br>Earnings | AOCI      | Non-<br>controlling<br>Interest | Total      |
|--|--------------|---------|----------------|----------|----------------------------------|----------------------|-----------|---------------------------------|------------|
| (in millions except share amounts)           | Shares       | Value   | Shares         | Value    |                                  |                      |           |                                 |            |
| <b>December 31, 2023</b>                     | 68,265,042   | \$ 68.3 | 68,073         | \$ (4.1) | \$ 2,007.7                       | \$ 1,158.2           | \$ (14.8) | \$ 90.5                         | \$ 3,305.8 |
| Net income                                   | -            | -       | -              | -        | -                                | 127.9                | -         | 3.7                             | 131.6      |
| Other comprehensive income, net of tax       | -            | -       | -              | -        | -                                | -                    | 2.5       | -                               | 2.5        |
| Dividends on common stock (\$0.65 per share) | -            | -       | -              | -        | -                                | (44.4)               | -         | -                               | (44.4)     |
| Share-based compensation                     | 104,181      | 0.1     | 14,270         | (0.6)    | 1.9                              | -                    | -         | -                               | 1.4        |
| Issuance of common stock                     | 600,355      | 0.6     | -              | -        | 30.9                             | -                    | -         | -                               | 31.5       |
| Issuance costs                               | -            | -       | -              | -        | (0.3)                            | -                    | -         | -                               | (0.3)      |
| Distributions to non-controlling interest    | -            | -       | -              | -        | -                                | -                    | -         | (5.6)                           | (5.6)      |
| <b>March 31, 2024</b>                        | 68,969,578   | \$ 69.0 | 82,343         | \$ (4.7) | \$ 2,040.2                       | \$ 1,241.7           | \$ (12.3) | \$ 88.6                         | \$ 3,422.5 |

| (unaudited)                                   | Common Stock |         | Treasury Stock |          | Additional<br>Paid in<br>Capital | Retained<br>Earnings | AOCI      | Non-<br>controlling<br>Interest | Total      |
|---|--------------|---------|----------------|----------|----------------------------------|----------------------|-----------|---------------------------------|------------|
| (in millions except share amounts)            | Shares       | Value   | Shares         | Value    |                                  |                      |           |                                 |            |
| <b>December 31, 2022</b>                      | 66,140,396   | \$ 66.1 | 36,726         | \$ (2.4) | \$ 1,882.7                       | \$ 1,064.1           | \$ (15.6) | \$ 95.0                         | \$ 3,089.9 |
| Net income                                    | -            | -       | -              | -        | -                                | 114.1                | -         | 3.3                             | 117.4      |
| Other comprehensive income, net of tax        | -            | -       | -              | -        | -                                | -                    | 1.2       | -                               | 1.2        |
| Dividends on common stock (\$0.625 per share) | -            | -       | -              | -        | -                                | (41.4)               | -         | -                               | (41.4)     |
| Share-based compensation                      | 84,735       | 0.1     | 4,388          | (0.3)    | 1.9                              | -                    | -         | -                               | 1.7        |
| Issuance of common stock                      | 445,578      | 0.5     | -              | -        | 27.2                             | -                    | -         | -                               | 27.7       |
| Issuance costs                                | -            | -       | -              | -        | (0.3)                            | -                    | -         | -                               | (0.3)      |
| Distributions to non-controlling interest     | -            | -       | -              | -        | -                                | -                    | -         | (4.5)                           | (4.5)      |
| <b>March 31, 2023</b>                         | 66,670,709   | \$ 66.7 | 41,114         | \$ (2.7) | \$ 1,911.5                       | \$ 1,136.8           | \$ (14.4) | \$ 93.8                         | \$ 3,191.7 |

**BLACK HILLS CORPORATION**

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

**(1) Management's Statement**

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

**Use of Estimates and Basis of Presentation**

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

**Recently Issued Accounting Standards**

Improvements to Reportable Segment Disclosures, ASU 2023-07

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

Improvements to Income Tax Disclosures, ASU 2023-09

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which expands public entities' annual disclosures by requiring disclosure of tax rate reconciliation amounts and percentages for specific categories, income taxes paid disaggregated by federal and state taxes, and income tax expense disaggregated by federal and state taxes jurisdiction. The ASU 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 (in millions):

|  | As of<br>March 31, 2024 | As of<br>December 31, 2023 |
|--|-------------------------|----------------------------|
| <b>Regulatory assets</b>                               |                         |                            |
| Winter Storm Uri                                       | \$ 144.9                | \$ 199.6                   |
| Deferred energy and fuel cost adjustments              | 57.5                    | 55.1                       |
| Deferred gas cost adjustments                          | 8.1                     | 4.1                        |
| Gas price derivatives                                  | -                       | 5.1                        |
| Deferred taxes on AFUDC                                | 7.4                     | 7.1                        |
| Employee benefit plans and related deferred taxes      | 88.2                    | 89.3                       |
| Environmental  | 5.9                     | 2.9                        |
| Loss on reacquired debt                                | 17.0                    | 17.4                       |
| Deferred taxes on flow through accounting              | 80.5                    | 74.7                       |
| Decommissioning costs                                  | 2.4                     | 2.4                        |
| Other regulatory assets                                | 19.2                    | 22.4                       |
| <b>Total regulatory assets</b>                         | <b>431.1</b>            | <b>480.1</b>               |
| Less current regulatory assets                         | (147.3)                 | (175.7)                    |
| <b>Regulatory assets, non-current</b>                  | <b>\$ 283.8</b>         | <b>\$ 304.4</b>            |
| <b>Regulatory liabilities</b>                          |                         |                            |
| Deferred energy and gas costs                          | \$ 85.7                 | \$ 88.9                    |
| Employee benefit plan costs and related deferred taxes | 35.7                    | 36.2                       |
| Cost of removal  | 182.2                   | 181.9                      |
| Excess deferred income taxes                           | 243.2                   | 247.1                      |
| Other regulatory liabilities                           | 6.6                     | 12.5                       |
| <b>Total regulatory liabilities</b>                    | <b>553.4</b>            | <b>566.6</b>               |
| Less current regulatory liabilities                    | (89.9)                  | (98.9)                     |
| <b>Regulatory liabilities, non-current</b>             | <b>\$ 463.5</b>         | <b>\$ 467.7</b>            |

**Regulatory Activity**

Arkansas Gas

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

Colorado Gas

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

Iowa Gas

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

Wyoming Gas

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

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### (3) Commitments, Contingencies and Guarantees

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

### (4) Revenue

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

| Three Months Ended March 31, 2024       | Electric Utilities | Gas Utilities | Inter-segment<br>Eliminations | Total    |
|---|--------------------|---------------|-------------------------------|----------|
| <u>Customer types:</u>                  | (in millions)      |               |                               |          |
| Retail                                  | \$ 188.3           | \$ 437.4      | \$ -                          | \$ 625.7 |
| Transportation                          | -                  | 51.7          | (0.1)                         | 51.6     |
| Wholesale                               | 8.5                | -             | -                             | 8.5      |
| Market - off-system sales               | 6.6                | -             | -                             | 6.6      |
| Transmission/Other                      | 18.0               | 11.2          | (4.4)                         | 24.8     |
| Revenue from contracts with customers   | \$ 221.4           | \$ 500.3      | \$ (4.5)                      | \$ 717.2 |
| Other revenues                          | 0.8                | 8.4           | -                             | 9.2      |
| Total revenues                          | \$ 222.2           | \$ 508.7      | \$ (4.5)                      | \$ 726.4 |
| <u>Timing of revenue recognition:</u>   |                    |               |                               |          |
| Services transferred at a point in time | \$ 8.7             | \$ -          | \$ -                          | \$ 8.7   |
| Services transferred over time          | 212.7              | 500.3         | (4.5)                         | 708.5    |
| Revenue from contracts with customers   | \$ 221.4           | \$ 500.3      | \$ (4.5)                      | \$ 717.2 |

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

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**(5) Financing**

**Short-term Debt**

Revolving Credit Facility and CP Program

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

|                                  | March 31, 2024 |       | December 31, 2023 |       |
|----------------------------------|----------------|-------|-------------------|-------|
| Amount outstanding               | \$             | -     | \$                | -     |
| Letters of credit <sup>(a)</sup> | \$             | 3.7   | \$                | 3.7   |
| Available capacity               | \$             | 746.3 | \$                | 746.3 |
| Weighted average interest rates  |                | N/A   |                   | N/A   |

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

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

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

**Financial Covenants**

Revolving Credit Facility

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

Wyoming Electric

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

**Equity**

At-the-Market Equity Offering Program

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

|  | Three Months Ended March 31, |       |      |       |
|--|------------------------------|-------|------|-------|
|  | 2024                         |       | 2023 |       |
| <u>August 4, 2020 ATM Program</u>                                      |                              |       |      |       |
| Proceeds, (net of issuance costs of \$0.0 and \$(0.3), respectively)   | \$                           | -     | \$   | 27.4  |
| Number of shares issued  |                              | -     |      | 0.4   |
|  |                              |       |      |       |
| <u>June 16, 2023 ATM Program</u>                                       |                              |       |      |       |
| Proceeds, (net of issuance costs of \$(0.3) and \$0.0, respectively)   | \$                           | 31.2  | \$   | -     |
| Number of shares issued  |                              | 0.6   |      | -     |
|  |                              |       |      |       |
| <u>Total activity under both ATM Programs</u>                          |                              |       |      |       |
| Proceeds, (net of issuance costs of \$(0.3) and \$(0.3), respectively) | \$                           | 31.2  | \$   | 27.4  |
| Number of shares issued  |                              | 0.6   |      | 0.4   |
| Average price per share  | \$                           | 52.51 | \$   | 62.21 |

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



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

|  | Three Months Ended March 31, |          |
|--|------------------------------|----------|
|  | 2024                         | 2023     |
| Net income available for common stock                      | \$ 127.9                     | \$ 114.1 |
| Weighted average shares - basic                            | 68.2                         | 66.0     |
| Dilutive effect of equity compensation                     | 0.1                          | 0.1      |
| Weighted average shares - diluted                          | 68.3                         | 66.1     |
| Net income available for common stock, per share - Diluted | \$ 1.87                      | \$ 1.73  |

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

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

**(7) Risk Management and Derivatives****Market and Credit Risk Disclosures**

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

Market Risk

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

- Commodity price risk associated with our retail natural gas and wholesale electric power marketing activities and our fuel procurement for several of our gas-fired generation assets, which include market fluctuations due to unpredictable factors such as weather, geopolitical events, pandemics, 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.

Credit Risk

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

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

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

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### Derivatives and Hedging Activity

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

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

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

To support our Choice Gas Program customers, we buy, sell and deliver natural gas at competitive prices by managing commodity price risk. As a result of these activities, this area of our business is exposed to risks associated with changes in the market price of natural gas. We manage our exposure to such risks using over-the-counter and exchange traded options and swaps with counterparties in anticipation of forecasted purchases and sales during time frames ranging from April 2024 through December 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 electric and natural gas derivative commodity instruments held at our Utilities are composed of both long and short positions. We had the following net long and (short) positions as of:

|  | March 31, 2024               |   | December 31, 2023            |   |
|--|------------------------------|---|------------------------------|---|
|  | Notional Amounts<br>(MMBtus) | Maximum Term<br>(months) <sup>(a)</sup> | Notional Amounts<br>(MMBtus) | Maximum Term<br>(months) <sup>(a)</sup> |
| Natural gas futures purchased                          | -                            | N/A                                     | 650,000                      | 3                                       |
| Natural gas options purchased, net                     | -                            | N/A                                     | 2,850,000                    | 3                                       |
| Natural gas basis swaps purchased                      | -                            | N/A                                     | 1,050,000                    | 3                                       |
| Natural gas over-the-counter swaps, net <sup>(b)</sup> | 2,600,000                    | 20                                      | 3,890,000                    | 21                                      |
| Natural gas physical contracts, net <sup>(c)</sup>     | (444,110)                    | 7                                       | 12,582,415                   | 10                                      |

(a)Term reflects the maximum forward period hedged.

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

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

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

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Derivatives by Balance Sheet Classification

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

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

Derivatives Designated as Hedge Instruments

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

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

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

Derivatives Not Designated as Hedge Instruments

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

| Derivatives Not Designated as Hedging<br>Instruments | Location of Gain/(Loss) on Derivatives<br>Recognized in Income | Three Months Ended March 31,  |                 |
|--|--|---|-----------------|
|  |  | 2024  | 2023            |
|  |  | Amount of Gain/(Loss) on Derivatives Recognized in<br>Income<br>(in millions) |                 |
| Commodity derivatives                                | Fuel, purchased power and cost of natural gas<br>sold          | \$ 0.6  | \$ (3.1)        |
|  |  | <u>\$ 0.6</u>   | <u>\$ (3.1)</u> |

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

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### (8) Fair Value Measurements

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

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

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

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

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

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

#### Recurring Fair Value Measurements

##### *Derivatives*

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

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

| As of March 31, 2024                  |               |         |         |   |        |
|---------------------------------------|---------------|---------|---------|---|--------|
|                                       | Level 1       | Level 2 | Level 3 | Cash Collateral and Counterparty Netting <sup>(a)</sup> | Total  |
|                                       | (in millions) |         |         |   |        |
| Assets:                               |               |         |         |   |        |
| Commodity derivatives - Gas Utilities | \$ -          | \$ -    | \$ -    | \$ -  | \$ -   |
| Total                                 | \$ -          | \$ -    | \$ -    | \$ -  | \$ -   |
| Liabilities:                          |               |         |         |   |        |
| Commodity derivatives - Gas Utilities | \$ -          | \$ 2.1  | \$ -    | \$ -  | \$ 2.1 |
| Total                                 | \$ -          | \$ 2.1  | \$ -    | \$ -  | \$ 2.1 |

(a) As of March 31, 2024, we had no commodity derivative assets or liabilities, or related gross collateral amounts, that were subject to master netting agreements.

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

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

*Pension and Postretirement Plan Assets*

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

Other Fair Value Measures

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

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

|   | March 31, 2024  |            | December 31, 2023 |            |
|---|-----------------|------------|-------------------|------------|
|   | Carrying Amount | Fair Value | Carrying Amount   | Fair Value |
| Long-term debt, including current maturities <sup>(a)</sup> | \$ 4,402.8      | \$ 4,155.6 | \$ 4,401.2        | \$ 4,215.6 |

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

## (9) 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 millions):

|  | Location on the Consolidated Statements of Income  | Amount Reclassified from AOCI     |                 |
|--|--|-----------------------------------|-----------------|
|  |  | Three Months Ended March 31, 2024 | 2023            |
| Gains and (losses) on cash flow hedges:                                    |  |                                   |                 |
| Interest rate swaps  | Interest expense                                   | \$ (0.7)                          | \$ (0.7)        |
| Commodity contracts  | Fuel, purchased power and cost of natural gas sold | (2.6)                             | (2.0)           |
|  |  | \$ (3.3)                          | \$ (2.7)        |
| Income tax   | Income tax expense                                 | 0.7                               | 0.6             |
| Total reclassification adjustments related to cash flow hedges, net of tax |  | \$ (2.6)                          | \$ (2.1)        |
| Total reclassifications  |  | <u>\$ (2.6)</u>                   | <u>\$ (2.1)</u> |

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

|                                   | Derivatives Designated as Cash Flow Hedges |                       |                        | Total         |
|-----------------------------------|--|-----------------------|------------------------|---------------|
|                                   | Interest Rate Swaps                        | Commodity Derivatives | Employee Benefit Plans |               |
| As of December 31, 2023           | \$ (6.1)                                   | \$ (2.5)              | \$ (6.2)               | (14.8)        |
| Other comprehensive income (loss) |  |                       |                        |               |
| before reclassifications          | -  | (0.1)                 | -                      | (0.1)         |
| Amounts reclassified from AOCI    | 0.6  | 2.0                   | -                      | 2.6           |
| As of March 31, 2024              | <u>\$ (5.5)</u>                            | <u>\$ (0.6)</u>       | <u>\$ (6.2)</u>        | <u>(12.3)</u> |

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

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**(10)Employee Benefit Plans**

Components of Net Periodic Expense

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

| Three Months Ended March 31,            | Defined Benefit Pension Plan |        | Supplemental Non-qualified Defined Benefit Plans |        | Non-pension Defined Benefit Postretirement Healthcare Plan |        |
|---|------------------------------|--------|--|--------|--|--------|
|   | 2024                         | 2023   | 2024   | 2023   | 2024   | 2023   |
| Service cost                            | \$ 0.6                       | \$ 0.6 | \$ 1.0   | \$ 0.9 | \$ 0.4   | \$ 0.4 |
| Interest cost                           | 4.1                          | 4.4    | 0.3  | 0.4    | 0.6  | 0.6    |
| Expected return on plan assets          | (4.5)                        | (4.7)  | -  | -      | (0.1)  | (0.1)  |
| Net amortization of prior service costs | -                            | -      | -  | -      | 0.1  | -      |
| Recognized net actuarial loss (gain)    | 0.5                          | 0.5    | -  | -      | -  | -      |
| Net periodic expense (benefit)          | \$ 0.7                       | \$ 0.8 | \$ 1.3   | \$ 1.3 | \$ 1.0   | \$ 0.9 |

Plan Contributions

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

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

**(11)Income Taxes**

**IRS Revenue Procedure 2023-15**

On April 14, 2023, the IRS released Revenue Procedure 2023-15 "Amounts paid to improve tangible property." The Revenue Procedure provides a safe harbor method of accounting that taxpayers may use to determine whether costs to repair, maintain, replace, or improve natural gas transmission and distribution property must be capitalized. The revenue procedure may be adopted in tax years ending after May 1, 2023. We are currently assessing the Revenue Procedure to determine its impact on our tax repairs deduction.

**Income Tax Benefit (Expense) and Effective Tax Rates**

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

Income tax (expense) for the three months ended March 31, 2024 was \$16.9 million compared to \$14.7 million reported for the same period in 2023. For the three months ended March 31, 2024, the effective tax rate was 11.4% which was comparable to 11.1% for the same period in 2023.

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### (12)Business Segment Information

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

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

Segment information was as follows (in millions):

|                                     | Electric Utilities |       | Gas Utilities |       | Corporate and Other |       | Total    |
|-------------------------------------|--------------------|-------|---------------|-------|---------------------|-------|----------|
| Three Months Ended March 31, 2024   |                    |       |               |       |                     |       |          |
| External revenues                   | \$                 | 219.3 | \$            | 507.1 | \$                  | -     | \$ 726.4 |
| Inter-segment revenues              |                    | 2.9   |               | 1.6   |                     | (4.5) | -        |
| Operating income                    |                    | 64.6  |               | 130.8 |                     | (2.1) | 193.3    |
| Capital expenditures <sup>(a)</sup> |                    | 86.9  |               | 85.0  |                     | 2.4   | 174.3    |
| Three Months Ended March 31, 2023   |                    |       |               |       |                     |       |          |
| External revenues                   | \$                 | 215.9 | \$            | 705.3 | \$                  | -     | \$ 921.2 |
| Inter-segment revenues              |                    | 2.8   |               | 1.6   |                     | (4.4) | -        |
| Operating income                    |                    | 61.1  |               | 114.6 |                     | (0.8) | 174.9    |
| Capital expenditures <sup>(a)</sup> |                    | 47.8  |               | 54.8  |                     | 1.1   | 103.7    |

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

### (13)Selected Balance Sheet Information

#### Accounts Receivable and Allowance for Credit Losses

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

|                                   | March 31, 2024 |       | December 31, 2023 |       |
|-----------------------------------|----------------|-------|-------------------|-------|
| Billed Accounts Receivable        | \$             | 216.1 | \$                | 198.5 |
| Unbilled Revenue                  |                | 122.2 |                   | 154.0 |
| Less: Allowance for Credit Losses |                | (3.9) |                   | (2.2) |
| Account Receivable, net           | \$             | 334.4 | \$                | 350.3 |

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

|      | Balance at Beginning of Year |     | Additions Charged to Costs and Expenses |     | Recoveries and Other Additions |     | Write-offs and Other Deductions |       | Balance at March 31, |
|------|------------------------------|-----|---|-----|--------------------------------|-----|---------------------------------|-------|----------------------|
| 2024 | \$                           | 2.2 | \$                                      | 2.0 | \$                             | 1.1 | \$                              | (1.4) | \$ 3.9               |
| 2023 | \$                           | 3.0 | \$                                      | 3.7 | \$                             | 0.6 | \$                              | (1.9) | \$ 5.4               |

#### Materials, Supplies and Fuel

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

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



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Accrued Liabilities

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

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

**(14)Subsequent Events**

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

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

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

### Executive Summary

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

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

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

### Recent Developments

#### Environmental Matters - Power Plant Greenhouse Gas Regulations

In April 2024, the EPA published final rules addressing control of CO<sub>2</sub> emissions from the power sector. The rules regulate new natural gas generating units and emission guidelines for existing coal and certain natural gas generation. The rules create subcategories of coal units based on planned retirement date and subcategories of natural gas combustion turbines and combined cycle units based on utilization. The CO<sub>2</sub> control requirements vary by subcategory. We are currently evaluating the impact of these rules and believe that most costs incurred as a result of the new rules will be recoverable through our regulatory mechanisms.

#### Business Segment Recent Developments

##### Electric Utilities

- On April 17, 2024, Colorado Electric filed its 120-Day report with the CPUC, recommending 400 MW of renewable energy resources to advance its Clean Energy Plan. Colorado Electric is proposing a preferred portfolio of resources that will add a 200 MW utility-scale solar build-transfer project, 150 MW of wind energy through a power purchase agreement, and a 50 MW battery storage build-transfer project. The energy resources are expected to be in service between 2026 and 2027 and achieve greenhouse gas emission reductions of an estimated 89% by 2030 off a 2005 base. The final composition of resources and timing is subject to review and approval by the CPUC, which is expected in the third quarter of 2024.

- On January 11, 2024 Wyoming Electric set a new all-time and winter peak load of 314 MW, surpassing the previous winter peak of 301 MW set on December 26, 2023 and all-time peak of 312 MW set on July 24, 2023.

##### Gas Utilities

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

- 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.

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**Results of Operations**

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

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

**Consolidated Summary and Overview**

|   | 2024 | Three Months Ended March 31,<br>2023    |          | 2024 vs 2023 Variance |
|---|------|---|----------|-----------------------|
|   |      | (in millions, except per share amounts) |          |                       |
| Operating income (loss):                            |      |   |          |                       |
| Electric Utilities                                  | \$   | 64.6                                    | \$ 61.1  | \$ 3.5                |
| Gas Utilities                                       |      | 130.8                                   | 114.6    | 16.2                  |
| Corporate and Other <sup>(a)</sup>                  |      | (2.1)                                   | (0.8)    | (1.3)                 |
| Operating income                                    |      | 193.3                                   | 174.9    | 18.4                  |
| Interest expense, net                               |      | (44.0)                                  | (43.5)   | (0.5)                 |
| Other income (expense), net                         |      | (0.8)                                   | 0.7      | (1.5)                 |
| Income tax (expense)                                |      | (16.9)                                  | (14.7)   | (2.2)                 |
| Net income  |      | 131.6                                   | 117.4    | 14.2                  |
| Net income attributable to non-controlling interest |      | (3.7)                                   | (3.3)    | (0.4)                 |
| Net income available for common stock               | \$   | 127.9                                   | \$ 114.1 | \$ 13.8               |
| Total earnings per share of common stock, Diluted   | \$   | 1.87                                    | \$ 1.73  | \$ 0.14               |

(a)Includes inter-segment eliminations.

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

The variance to the prior year included the following:

- Electric Utilities' operating income increased \$3.5 million primarily due to new rates and rider recovery driven by the Wyoming Electric rate review and lower operating expenses partially offset by a prior year one-time gain on the sale of Northern Iowa Windpower;
- Gas Utilities' operating income increased \$16.2 million primarily due to new rates and rider recovery driven by the Colorado Gas and Wyoming Gas rate reviews, favorable mark-to-market adjustments on wholesale commodity contracts and lower operating expenses partially offset by unfavorable weather;
- Income tax expense increased \$2.2 million primarily driven by higher pre-tax income.

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## Segment Operating Results

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

### Non-GAAP Financial Measures

The following discussion includes financial information prepared in accordance with GAAP, as well as another 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.

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.

### Electric Utilities

Operating results for the Electric Utilities were as follows:

|  | Three Months Ended March 31, |                       | 2024 vs 2023 |
|--|------------------------------|-----------------------|--------------|
|  | 2024                         | 2023<br>(in millions) | Variance     |
| Revenue:                               |                              |                       |              |
| Electric - regulated                   | \$ 210.8                     | \$ 206.7              | \$ 4.1       |
| Other - non-regulated                  | 11.4                         | 12.0                  | (0.6)        |
| Total revenue                          | 222.2                        | 218.7                 | 3.5          |
| Cost of fuel and purchased power:      |                              |                       |              |
| Electric - regulated                   | 54.3                         | 54.7                  | (0.4)        |
| Other - non-regulated                  | 0.5                          | 0.7                   | (0.2)        |
| Total cost of fuel and purchased power | 54.8                         | 55.4                  | (0.6)        |
| Electric Utility margin (non-GAAP)     | 167.4                        | 163.3                 | 4.1          |
| Operations and maintenance             | 57.5                         | 57.4                  | 0.1          |
| Depreciation and amortization          | 35.3                         | 35.1                  | 0.2          |
| Taxes - property and production        | 10.0                         | 9.7                   | 0.3          |
|  | 102.8                        | 102.2                 | 0.6          |
| Operating income                       | \$ 64.6                      | \$ 61.1               | \$ 3.5       |

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

Electric Utility margin increased as a result of the following:

|                                | (in millions) |
|--------------------------------|---------------|
| New rates and rider recovery   | \$ 8.8        |
| Off-system excess energy sales | (2.3)         |
| Weather                        | (1.2)         |
| Other                          | (1.2)         |
|                                | \$ 4.1        |

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

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

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

### *Operating Statistics*

|  | Revenue (in millions)        |          | Quantities Sold (GWh)        |         |
|--|------------------------------|----------|------------------------------|---------|
|  | Three Months Ended March 31, |          | Three Months Ended March 31, |         |
|  | 2024                         | 2023     | 2024                         | 2023    |
| Residential  | \$ 62.5                      | \$ 59.8  | 388.8                        | 393.9   |
| Commercial   | 66.7                         | 62.1     | 511.8                        | 510.8   |
| Industrial   | 44.1                         | 38.9     | 553.6                        | 455.9   |
| Municipal  | 4.3                          | 4.3      | 34.2                         | 35.8    |
| Subtotal Retail Revenue - Electric                   | 177.6                        | 165.1    | 1,488.4                      | 1,396.4 |
| Contract Wholesale                                   | 5.4                          | 5.4      | 148.0                        | 144.7   |
| Off-system/Power Marketing Wholesale <sup>(a)</sup>  | 3.4                          | 16.1     | 115.6                        | 256.9   |
| Other <sup>(b)</sup>                                 | 24.4                         | 20.1     | -                            | -       |
| Total Regulated                                      | 210.8                        | 206.7    | 1,752.0                      | 1,798.0 |
| Non-Regulated <sup>(c)</sup>                         | 11.4                         | 12.0     | 28.0                         | 54.4    |
| Total Revenue and Quantities Sold                    | \$ 222.2                     | \$ 218.7 | 1,780.0                      | 1,852.4 |
| Other Uses, Losses or Generation, net <sup>(d)</sup> |                              |          | 101.8                        | 138.3   |
| Total Energy   |                              |          | 1,881.8                      | 1,990.7 |

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

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

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

(d)Includes company uses and line losses.

|                                   | Revenue (in millions)        |          | Quantities Sold (GWh)        |         |
|-----------------------------------|------------------------------|----------|------------------------------|---------|
|                                   | Three Months Ended March 31, |          | Three Months Ended March 31, |         |
|                                   | 2024                         | 2023     | 2024                         | 2023    |
| Colorado Electric                 | \$ 69.7                      | \$ 73.8  | 555.7                        | 604.5   |
| South Dakota Electric             | 80.6                         | 86.6     | 621.1                        | 708.8   |
| Wyoming Electric                  | 60.8                         | 46.7     | 575.2                        | 484.7   |
| Integrated Generation             | 11.1                         | 11.6     | 28.0                         | 54.4    |
| Total Revenue and Quantities Sold | \$ 222.2                     | \$ 218.7 | 1,780.0                      | 1,852.4 |

| Quantities Generated and Purchased by Fuel Type (GWh) | Three Months Ended March 31, |         |
|---|------------------------------|---------|
|   | 2024                         | 2023    |
| Generated:  |                              |         |
| Coal  | 680.7                        | 675.0   |
| Natural Gas and Oil                                   | 523.4                        | 501.1   |
| Wind <sup>(a)</sup>                                   | 174.0                        | 230.7   |
| Total Generated                                       | 1,378.1                      | 1,406.8 |
| Purchased:  |                              |         |
| Coal, Natural Gas, Oil and Other Market Purchases     | 288.9                        | 489.8   |
| Wind and Solar <sup>(b)</sup>                         | 214.8                        | 94.1    |
| Total Purchased                                       | 503.7                        | 583.9   |
| Total Generated and Purchased                         | 1,881.8                      | 1,990.7 |

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

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

| Quantities Generated and Purchased (GWh) | Three Months Ended March 31, |         |
|--|------------------------------|---------|
|  | 2024                         | 2023    |
| <b>Generated:</b>                        |                              |         |
| Colorado Electric                        | 161.6                        | 160.2   |
| South Dakota Electric                    | 534.6                        | 564.0   |
| Wyoming Electric                         | 215.2                        | 230.6   |
| Integrated Generation                    | 466.7                        | 452.0   |
| Total Generated                          | 1,378.1                      | 1,406.8 |
| <b>Purchased:</b>                        |                              |         |
| Colorado Electric                        | 90.2                         | 197.6   |
| South Dakota Electric                    | 100.6                        | 157.0   |
| Wyoming Electric                         | 295.7                        | 209.8   |
| Integrated Generation                    | 17.2                         | 19.5    |
| Total Purchased                          | 503.7                        | 583.9   |
| Total Generated and Purchased            | 1,881.8                      | 1,990.7 |

| Degree Days                 | Three Months Ended March 31, |                      |        |                      |
|-----------------------------|------------------------------|----------------------|--------|----------------------|
|                             | 2024                         |                      | 2023   |                      |
|                             | Actual                       | Variance from Normal | Actual | Variance from Normal |
| <b>Heating Degree Days:</b> |                              |                      |        |                      |
| Colorado Electric           | 2,507                        | (6)%                 | 2,751  | 8%                   |
| South Dakota Electric       | 3,134                        | (9)%                 | 3,446  | 5%                   |
| Wyoming Electric            | 2,986                        | (5)%                 | 3,301  | 10%                  |
| Combined <sup>(a)</sup>     | 2,820                        | (7)%                 | 3,099  | 7%                   |

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

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

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

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**Gas Utilities**

Operating results for the Gas Utilities were as follows:

|                                 | 2024 | Three Months Ended March 31, |    | 2024 vs 2023 Variance |
|---------------------------------|------|------------------------------|----|-----------------------|
|                                 |      | 2023                         |    |                       |
|                                 |      | (in millions)                |    |                       |
| Revenue:                        |      |                              |    |                       |
| Natural gas - regulated         | \$   | 481.7                        | \$ | 674.8                 |
| Other - non-regulated           |      | 27.0                         |    | 32.1                  |
| Total revenue                   |      | 508.7                        |    | 706.9                 |
|                                 |      |                              |    | (193.1)               |
|                                 |      |                              |    | (5.1)                 |
|                                 |      |                              |    | (198.2)               |
| Cost of natural gas sold:       |      |                              |    |                       |
| Natural gas - regulated         |      | 259.9                        |    | 454.1                 |
| Other - non-regulated           |      | 2.0                          |    | 16.9                  |
| Total cost of natural gas sold  |      | 261.9                        |    | 471.0                 |
|                                 |      |                              |    | (194.2)               |
|                                 |      |                              |    | (14.9)                |
|                                 |      |                              |    | (209.1)               |
| Gas Utility margin (non-GAAP)   |      | 246.8                        |    | 235.9                 |
|                                 |      |                              |    | 10.9                  |
| Operations and maintenance      |      | 78.6                         |    | 87.1                  |
| Depreciation and amortization   |      | 30.4                         |    | 26.5                  |
| Taxes - property and production |      | 7.0                          |    | 7.7                   |
|                                 |      | 116.0                        |    | 121.3                 |
|                                 |      |                              |    | (5.3)                 |
| Operating income                | \$   | 130.8                        | \$ | 114.6                 |
|                                 |      |                              |    | \$ 16.2               |

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

Gas Utility margin increased as a result of the following:

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

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

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

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

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Operating Statistics

|                                       | Revenue<br>(in millions)     |          | Quantities Sold and Transported<br>(Dth in millions) |      |
|---------------------------------------|------------------------------|----------|--|------|
|                                       | Three Months Ended March 31, |          | Three Months Ended March 31,                         |      |
|                                       | 2024                         | 2023     | 2024   | 2023 |
| Residential                           | \$ 302.0                     | \$ 428.6 | 27.8   | 29.9 |
| Commercial                            | 119.8                        | 182.5    | 13.0   | 14.0 |
| Industrial                            | 5.1                          | 9.2      | 0.9  | 1.1  |
| Other                                 | 2.8                          | 1.4      | -  | -    |
| Total Distribution <sup>(a)</sup>     | 429.7                        | 621.7    | 41.7   | 45.0 |
| Transportation and Transmission       | 52.0                         | 53.1     | 46.7   | 47.2 |
| Total Regulated                       | 481.7                        | 674.8    | 88.4   | 92.2 |
| Non-regulated Services <sup>(b)</sup> | 27.0                         | 32.1     | -  | -    |
| Total Revenue and Quantities Sold     | \$ 508.7                     | \$ 706.9 | 88.4   | 92.2 |

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

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

|                                   | Revenue<br>(in millions)     |          | Quantities Sold and Transported<br>(Dth in millions) |      |
|-----------------------------------|------------------------------|----------|--|------|
|                                   | Three Months Ended March 31, |          | Three Months Ended March 31,                         |      |
|                                   | 2024                         | 2023     | 2024   | 2023 |
| Arkansas Gas                      | \$ 110.7                     | \$ 126.6 | 12.0   | 11.5 |
| Colorado Gas                      | 117.7                        | 144.9    | 12.9   | 14.1 |
| Iowa Gas                          | 61.8                         | 125.5    | 13.5   | 14.3 |
| Kansas Gas                        | 50.3                         | 72.2     | 9.7  | 11.2 |
| Nebraska Gas                      | 114.3                        | 164.9    | 27.1   | 27.1 |
| Wyoming Gas                       | 53.9                         | 72.8     | 13.2   | 14.0 |
| Total Revenue and Quantities Sold | \$ 508.7                     | \$ 706.9 | 88.4   | 92.2 |

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

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

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

Corporate and Other

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

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

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

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



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**Consolidated Interest Expense, Other Income and Income Tax Expense**

|                             | 2024 | Three Months Ended March 31, |    | 2024 vs 2023 Variance |
|-----------------------------|------|------------------------------|----|-----------------------|
|                             |      | 2023                         |    |                       |
|                             |      | (in millions)                |    |                       |
| Interest expense, net       | \$   | (44.0)                       | \$ | (43.5)                |
| Other income (expense), net |      | (0.8)                        |    | 0.7                   |
| Income tax (expense)        |      | (16.9)                       |    | (14.7)                |
|                             |      |                              |    | (2.2)                 |

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

Interest expense, net was comparable to the same period in the prior year.

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

Income tax (expense) increased primarily due to higher pre-tax income. The effective tax rate was comparable to the same period in the prior year. See [Note 11](#) of the Condensed Notes to Consolidated Financial Statements for further information on the effective tax rate.

**Liquidity and Capital Resources**

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

**CASH FLOW ACTIVITIES**

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

**Operating Activities:**

|  | 2024 | Three Months Ended March 31, |    | 2024 vs 2023 Variance |
|--|------|------------------------------|----|-----------------------|
|  |      | 2023                         |    |                       |
|  |      | (in millions)                |    |                       |
| Net income   | \$   | 131.6                        | \$ | 117.4                 |
| Non-cash adjustments to Net income                   | \$   | 90.4                         | \$ | 80.8                  |
| Total earnings                                       | \$   | 222.0                        | \$ | 198.2                 |
| Changes in certain operating assets and liabilities: |      |                              |    |                       |
| Accounts receivable and other current assets         |      | 19.1                         |    | 104.8                 |
| Accounts payable and accrued liabilities             |      | (59.6)                       |    | (127.2)               |
| Regulatory assets                                    |      | 54.8                         |    | 154.7                 |
|  | \$   | 14.3                         | \$ | 132.3                 |
| Other operating activities                           |      | (2.9)                        |    | (1.8)                 |
| Net cash provided by operating activities            | \$   | 233.4                        | \$ | 328.7                 |
|  |      |                              |    | (95.3)                |

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

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

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

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•Net inflows from changes in certain operating assets and liabilities were \$118.0 million lower, primarily attributable to:

oCash inflows decreased by \$85.7 million as a result of changes in accounts receivable and other current assets primarily driven by fluctuations in commodity prices and weather conditions;

oCash outflows decreased by \$67.6 million as a result of changes in accounts payable and accrued liabilities primarily driven by fluctuations in commodity prices, payment timing of natural gas and power purchases and changes in other working capital requirements; and

oCash inflows decreased by \$99.9 million as a result of changes in our regulatory assets and liabilities primarily due to lower recoveries of deferred gas and fuel cost adjustments driven by fluctuations in commodity prices.

•Cash outflows increased by \$1.1 million for other operating activities.

**Investing Activities:**

|   | Three Months Ended March 31, |               |              |
|---|------------------------------|---------------|--------------|
|   | 2024                         | 2023          | 2024 vs 2023 |
|   |                              | (in millions) | Variance     |
| Capital expenditures                    | \$ (176.2 )                  | \$ (119.1 )   | (57.1)       |
| Other investing activities              | (0.7 )                       | 17.6          | (18.3)       |
| Net cash (used in) investing activities | \$ (176.9 )                  | \$ (101.5 )   | (75.4)       |

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

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

•Cash outflows increased by \$57.1 million as a result of higher capital expenditures which were primarily driven by Wyoming Electric's *Ready Wyoming* electric transmission expansion project and Black Hills Energy Renewable Resources' acquisition of a RNG production facility at a landfill in Dubuque, Iowa; and

•Cash inflows decreased by \$18.3 million for other investing activities primarily due to prior year proceeds from the sale of Northern Iowa Windpower assets.

**Financing Activities:**

|   | Three Months Ended March 31, |               |              |
|---|------------------------------|---------------|--------------|
|   | 2024                         | 2023          | 2024 vs 2023 |
|   |                              | (in millions) | Variance     |
| Dividends paid on common stock                | \$ (44.4 )                   | \$ (41.4 )    | (3.0)        |
| Common stock issued                           | 31.2                         | 27.4          | 3.8          |
| Short-term and long-term debt borrowings, net | -                            | (185.6)       | 185.6        |
| Distributions to non-controlling interests    | (5.6)                        | (4.5)         | (1.1)        |
| Other financing activities                    | (1.0)                        | (5.0)         | 4.0          |
| Net cash (used in) financing activities       | \$ (19.8 )                   | \$ (209.1 )   | 189.3        |

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

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

•Cash outflows decreased \$185.6 million as a result of prior year net repayment activity under our Revolving Credit Facility and CP Program;

•Cash inflows increased \$3.8 million due to higher issuances of common stock;

•Cash outflows increased \$3.0 million due to increased dividends paid on common stock; and

•Cash outflows decreased by \$4.0 million for other financing activities.

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## CAPITAL RESOURCES

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

### Covenant Requirements

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

### Future Financing Plans

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

## CREDIT RATINGS

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

| Rating Agency        | Senior Unsecured Rating | Outlook  |
|----------------------|-------------------------|----------|
| S&P                  | BBB+                    | Stable   |
| Moody's              | Baa2                    | Stable   |
| Fitch <sup>(a)</sup> | BBB+                    | Negative |

(a) On January 26, 2024, Fitch reported BBB+ rating and revised to a Negative outlook.

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

| Rating Agency | Senior Secured Rating |
|---------------|-----------------------|
| S&P           | A                     |
| Fitch         | A                     |

## CAPITAL REQUIREMENTS

### Capital Expenditures

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

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

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

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

### Dividends

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

## Critical Accounting Estimates

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

## New Accounting Pronouncements

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

## EM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

## ITEM 4. CONTROLS AND PROCEDURES

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

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

## Changes in Internal Control over Financial Reporting

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

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

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

### ITEM 1A. RISK FACTORS

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

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

The following table contains monthly information about our acquisitions of equity securities for the three months ended March 31, 2024:

| Period                               | Total Number of Shares Purchased <sup>(a)</sup> | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs |
|--------------------------------------|---|------------------------------|--|--|
| January 1, 2024 - January 31, 2024   | 1   | \$ 53.43                     | -  | -  |
| February 1, 2024 - February 29, 2024 | 14,597  | 51.62                        | -  | -  |
| March 1, 2024 - March 31, 2024       | 1   | 51.44                        | -  | -  |
| Total                                | 14,599  | \$ 51.62                     | -  | -  |

(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.

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**EM 4. MINE SAFETY DISCLOSURES**

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

**ITEM 5. OTHER INFORMATION**

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

**ITEM 6. EXHIBITS**

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

| Exhibit Number | Description   |
|----------------|---|
| 31.1*          | <a href="#">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.</a> |
| 31.2*          | <a href="#">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.</a> |
| 32.1*          | <a href="#">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.</a>                                  |
| 32.2*          | <a href="#">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.</a>                                  |
| 95*            | <a href="#">Mine Safety and Health Administration Safety Data.</a>  |
| 101.INS*       | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document                                 |
| 101.SCH*       | Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document   |
| 104*           | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)  |

**SIGNATURES**

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

BLACK HILLS CORPORATION

/s/ Linden R. Evans

\_\_\_\_\_  
Linden R. Evans, President and  
Chief Executive Officer

/s/ Kimberly F. Nooney

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

Dated: May 9, 2024

## CERTIFICATION

I, Linden R. Evans, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Hills Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 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: May 9, 2024

/s/ Linden R. Evans  
Linden R. Evans  
President and Chief Executive Officer

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## CERTIFICATION

I, Kimberly F. Nooney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Hills Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 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: May 9, 2024

/s/ Kimberly F. Nooney  
Kimberly F. Nooney  
Senior Vice President and Chief Financial Officer

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

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

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

Date: May 9, 2024

/s/ Linden R. Evans  
Linden R. Evans  
President and Chief Executive Officer

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

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

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

Date: May 9, 2024

/s/ Kimberly F. Nooney  
Kimberly F. Nooney  
Senior Vice President and Chief Financial Officer

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

#### Mine Safety and Health Administration Safety Data

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

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

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

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

| Mine/ MSHA<br>Identification Number | Mine Act Section<br>104 S&S Citations<br>issued during three<br>months ended<br>March 31, 2024 | Mine Act<br>Section<br>104(b)<br>Orders (#) | Mine Act<br>Section 104(d)<br>Citations and<br>Orders (#) | Mine Act<br>Section 110(b)<br>(2) Violations (#) | Mine Act<br>Section 107(a)<br>Imminent<br>Danger Orders<br>(#) | Total Dollar Value of<br>Proposed MSHA<br>Assessments (a) | Total Number of<br>Mining Related<br>Fatalities (#) | Received Notice of<br>Potential to Have<br>Pattern Under<br>Section 104(e)<br>(yes/no) | Legal<br>Actions<br>Pending as<br>of Last Day<br>of Period (#)<br>(b) | Legal Actions<br>Initiated<br>During Period<br>(#) | Legal Actions<br>Resolved<br>During Period<br>(#) |
|-------------------------------------|--|---|---|--|--|---|---|--|---|--|---|
| Wyodak Coal Mine<br>- 4800083       | 0  | 0   | 0   | 0  | 0  | \$ 1,606  | 0   | No   | 0   | 0  | 0   |

(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.

