



Linden R. Evans  
President and CEO  
linn.evans@blackhillscorp.com

7001 Mt. Rushmore Road  
Rapid City, SD 57702  
P:605-721-2020

**Proposal Form 1 – City of Waukee Gas System RFB  
Transmittal Letter**

---

July 24, 2024

PFM Financial Advisors LLC  
c/o Ben Kapenstein  
100 Market Street  
Harrisburg, PA 17101

Re: Waukee Gas System Request for Bids

Dear Waukee:

Black Hills/Iowa Gas Utility Company, LLC D/B/A Black Hills Energy (the “Proposer”) hereby submits the attached Proposal in response to the City of Waukee’ Gas System Request for Bids (the “RFB”) issued by the City of Waukee (“**Waukee**”) on July 1, 2024, as amended.

The undersigned Proposer hereby unconditionally and irrevocably offers to enter into the Asset Purchase Agreement (the “**APA**”) for identified gas facilities owned and operated by Waukee. Capitalized terms not otherwise defined in this Proposal have the meanings set forth in the APA.

The Proposer, by its undersigned duly-authorized representative, hereby covenants, certifies, represents, and warrants, as follows in connection with this Proposal:

1. ***RFB and Addendum Acknowledgement.*** The Proposer acknowledges receipt of the RFB and the following addenda to the RFB:

<u>Addendum No.</u>	<u>Date</u>
1. 24.06.27 Waukee Asset Purchase Agreement	07/01/2024
2. 24.06.27 Assignment of Easement	07/01/2024
3. 24.06.27 Natural Gas Waukee Franchise Ordinance	07/01/2024

2. ***Due Authorization.*** The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. ***Completeness; Warranty as to Proposal Information.*** The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal. All information and statements contained in the Proposal are current, correct, and complete, and are made with full knowledge that will rely on such information and statements in determining which Proposals are responsive and responsible, and in ultimately selecting the Proposal deemed most advantageous to Waukee and executing the respective APA.
4. ***Identity of Buyer.*** The Buyer will be the Proposer, provided that the Proposer may, prior to the execution of the APA pursuant to paragraph 8 below, create a subsidiary to be the Buyer (the “Subsidiary”), in which event the Subsidiary shall carry out all of the obligations of the Buyer under the APA from and after such execution.
5. ***Final Agreements.*** The Proposer agrees to enter into the APA in each case in the form identified as “Binding Proposal, Execution Copy” as posted in the Virtual Data Room for this Transaction (except for filling in indicated blanks and completion of Schedules as provided therein).
6. ***Purchase Price/Consideration.*** The amount of the Purchase Price/Consideration that Proposer will pay (inclusive of the escrow funds as described in the APA) will be the total set forth in Proposal Form 6.
7. ***Proposal Effective Period.*** This Proposal and offer shall remain in effect and irrevocable until 5:00 p.m. Central Daylight Savings Time on December 31, 2024, unless extended to 5:00 p.m. Central Daylight Savings Time on June 30, 2025, by Waukee or unless further extended by mutual consent of both Waukee and the Proposer (the “Termination Time”). In the event that the Proposal submission date is delayed, the Termination Time will be extended for the same such period. If Waukee does not give written notice to the Proposer that Waukee is prepared to enter into the APA on or prior to the Termination Time, this offer, and the terms of this Proposal shall terminate at the Termination Time.
8. ***Agreement Execution.*** If at any time prior to the Termination Time, Waukee gives written notice to the Proposer, at the address specified below, that they are prepared to enter into the APA with the Proposer, the Proposer will, within two Business Days of its receipt of such notice, execute and deliver the APA to Waukee.
9. ***Debarment.*** Neither the Proposer, the Operator, nor any other member of Proposer’s project team is currently suspended or debarred from doing business with any governmental entity.
10. ***Contract Disclosures.*** Except as disclosed in Proposal Form 5, neither Proposer nor any member of Proposer’s team has entered into any arrangement with any person or entity involving a finder’s fee, fee splitting, firm affiliation, or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest.
11. ***No Litigation.*** There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the ability of the Proposer to perform its obligations under the APA contemplated hereby, or which, in any

way, would have a materially adverse effect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any APA or instrument entered into by the Proposer in connection with the Transaction contemplated hereby.

12. ***Certain Representations.*** The Proposer represents and warrants that (1) Proposer has full power and authority to make this offer and submit this Proposal; (2) Proposer, or the Subsidiary, will have full power and authority to execute and deliver the APA pursuant to the terms hereof; (3) such actions do not and will not violate the terms of any of the Proposer's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any Applicable Law; (4) no further consent to this offer or Proposal or to the execution of the APA pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (5) this offer and Proposal constitute, and the APA, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Proposer, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally, and subject to general principles of equity (regardless of whether in law or in equity).
13. ***Material Changes.*** The Proposer has disclosed as an attachment to this Proposal all material changes from the information provided in the Proposer's RFQ Response.
14. ***Principal Contact.*** The principal contact person who will serve as the interface between the Governmental Party and the Proposer for all communications is:

NAME: KEVIN JAROSZ  
TITLE: VP IA/NE OPERATIONS  
ADDRESS: 1205 SW 37<sup>th</sup> St.  
GRIIMES, IA 50111  
PHONE: 402-858-3555  
FAX: \_\_\_\_\_  
EMAIL: KEVIN.JAROSZ@BLACKHILLSCORP.COM

**Submitted by:**

Name of Proposer: BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC  
Name of Designated Signatory LINDEN R. EVANS  
Signature   
Title: PRESIDENT & CEO

**Proposal Form 2- City of Waukee Gas System RFB  
Non-Collusion Affidavit**

---

STATE OF  
SOUTH  
DAKOTA )

COUNTY OF PENNINGTON )


I, LINDEN R. EVANS, a resident of RAPID CITY, in the State of South Dakota, of full age, being duly sworn according to law, on my oath depose and say that:

- (1) I am the PRESIDENT AND CEO of BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC, organized under the laws of the State of DELAWARE, the Proposer making the Proposal in response to the City of Waukee Gas System Request for Bids issued by the City of Waukee on July 1, 2024, as amended, and that I executed said Proposal with full authority to do so;
- (2) The pricing and other information set forth in this Proposal have been arrived at independently without collusion, fraud, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such pricing information with any other Proposer or anyone employed by or representing Waukee;
- (3) Unless otherwise required by law, the pricing information which has been quoted in this Proposal has not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer, directly or indirectly, to any other Proposer or to any competitor prior to execution of the APA; and
- (4) No attempt has been made or will be made by the Proposer to induce any other person or entity to submit or not to submit a Proposal for the purpose of restricting competition.

I, hereby affirm under the penalties of perjury that the foregoing statements are true.

BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC  
Name of Proposer

LINDEN R. EVANS  
Name of Designated Signatory

  
Signature

PRESIDENT & CEO  
Title

(Notary Public)

State of South Dakota)  
County of Pennington)

On this 19<sup>TH</sup> day of July, 2024, before me appeared LINDEN R. EVANS, who is PRESIDENT AND CEO of BLACK HILLS/IOWA GAS UTILITY COMPANY, a DELAWARE LLC, personally known to me to be the person described in and who executed this Non-Collusion Statement and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

  
\_\_\_\_\_  
Notary Public in and for the State of South Dakota



(seal)

  
\_\_\_\_\_  
(Name printed)

Residing at Rapid City, S.D.

Commission Number \_\_\_\_\_ **My commission expires June 22, 2020**

**Proposal Form 5 – City of Waukee Gas System RFB**  
**Contract and Lobbyist Disclosure**

---

Proposer hereby certifies that except as listed below, neither Proposer nor any member of Proposer’s team has entered into any arrangement with any person or entity involving a finder’s fee, fee splitting, firm affiliation or relationship with any broker-dealer, payments to consultants, lobbyists, or commissioned representatives or other contractual arrangements that could present a real or perceived conflict of interest. (If there are no such arrangements, please write NONE)

<i>Name of Person or Entity</i>	<i>Disclosure and Description of Arrangement</i>
NONE	N/A

BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC

\_\_\_\_\_  
 Name of Proposer

LINDEN R. EVANS

\_\_\_\_\_  
 Name of Designated Signatory

  
 \_\_\_\_\_  
 Signature

PRESIDENT & CEO

\_\_\_\_\_  
 Title

**Proposal Form 3 – City of Waukee Gas System RFB**

**Statement of Ownership – Proposer**

---

**Name of Proposer:** BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC D/B/A BLACK HILLS ENERGY

**Corporate Business Address:** 7001 MT. RUSHMORE ROAD, RAPID CITY, SD 57702

**Iowa Operations Address:** 1205 SW 37TH ST. GRIMES, IA 50111

**Legal Form of Proposer:** LIMITED LIABILITY COMPANY

**State of Incorporation or Organization:** DELAWARE

**If not organized in Iowa, is Proposer authorized to do business in Iowa?**  Yes  
 No

**List Names and Titles of All Principal Officers and Directors:**

LINDEN EVANS - PRESIDENT AND CEO  
KIMBERLY NOONEY – SVP AND CFO  
BRIAN IVERSON – SVP, GENERAL COUNSEL AND CHIEF COMPLIANCE OFFICER  
ERIK KELLER – SVP AND CIO  
MARNE JONES – SVP AND PRESIDENT UTILITIES

**Significant Equity Owners of the Proposer:**

List the names, business addresses and percentage ownership interests of all Persons (individuals or entities) who own, directly or indirectly, 10% or more of the capital stock, units, partnership or membership interests, or other equity interests or securities of the Proposer (including options, warrants and other rights to acquire such equity interests) (the “Significant Equity Owners”). If none, please state “NONE.” If one or more such Significant Equity Owner(s) of Proposer is an entity, then list the names and addresses of all Significant Equity Owners of such entity; if none, please state “None.” This disclosure shall be continued until names and addresses of every Significant Equity Owner exceeding the ten percent ownership criteria of each entity listed has been identified. Additional pages may be attached.

<u>Name</u>	<u>Address</u>	<u>% Interest</u>
BLACK HILLS CORPORATION*	7001 MT RUSHMORE ROAD, RAPID CITY, SD 57702	100% OWNER BLACK HILLS UTILITY HOLDINGS, LLC MEMBERSHIP INTERESTS
BLACK HILLS UTILITY HOLDING COMPANY, LLC	7001 MT RUSHMORE ROAD, RAPID CITY, SD 57702	100% OWNER BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC MEMBERSHIP INTERESTS
*BLACK HILLS CORPORATION IS PUBLICALLY TRADED UNDER NEW YORK STOCK EXCHANGE TICKER SYMBOL BKH AND HAS NONE		

**Proposal Form 4- City of Waukee Gas System RFB**  
**Operator Information**

---

If the Proposer is not the Operator, the Proposer must clearly identify the entity or entities that will serve as the Operator under the APA. For the proposed Operator, please provide the following information.

**1. Name & Address of Proposed Operator:**

BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC D/B/A BLACK HILLS ENERGY

Corporate HQ Address: 7001 MT RUSHMORE ROAD, RAPID CITY, SD 57702

Iowa Operations Address: 1205 SW 37TH ST, GRIMES, IA 50111

**2. Operator's Primary Representative:**

KEVIN JAROSZ, VP NE/IA OPERATIONS

**3. Operator Experience (if not previously provided in response to the RFQ):**

Please reference information previously provided in response to the RFQ. Additionally Black Hills Energy submits the following additional information relevant to its corporate vision to “be the energy partner of choice” for the City of Waukee as owner and operator of the natural gas utility system going forward:

**a. Financial**

- In the recent period of 2020-2023 Waukee residents and businesses have made cumulative gas bill payments of [REDACTED] on average, annually, in excess of what residents would have paid if Black Hills Energy was their service provider during that same time period. See Appendix A.
- Black Hills Energy believes Waukee residents will benefit from economies of scale and system balancing reliability benefits by joining in Black Hills Energy's broader Iowa state-wide Purchased Gas Adjustment (“PGA”) zone supported by its larger gas supply contract portfolio managed by Black Hills Energy's gas supply and shipper services teams. Black Hills Energy estimates an average residential customer will save just over [REDACTED] on average per year post-close on the gas cost portion of the bill alone. In addition, Waukee's commercial customers can take advantage of Black Hills Energy's suite of commercial services.

**b. Acquisition & Deal Closure Experience**

- Black Hills Corporation and its subsidiaries have a long history of successful utility asset acquisitions and integrations. Black Hills prides itself in smoothly integrating new assets into existing efficient processes and operations for the benefit of our existing and new customers. Notably (i) the ~\$800 million acquisition of several Aquila properties serving 616,000 customers (including the natural gas system in Iowa) in 2008, (ii) the \$1.9 billion acquisition of SourceGas serving 429,000 customers in 2016 and (iii) over a dozen different municipal or privately owned acquisitions in various states over the years, including Consumer's Energy Cooperative in Iowa approved by the IUB in 2013.

**c. Customer Experience**

- Black Hills Energy will deploy its enhanced and modernized customer experience platform to Waukee residents centered around their energy needs and home maintenance. As examples, the following programs are anticipated to enhance current Waukee customers' experience: low-income assistance, autopay, digital wallet<sup>1</sup> payment options, paperless billing, budget billing, appliance care program offerings, energy efficiency programs, voluntary green energy programs and billing insights.

**d. Employee Engagement**

- Black Hills Energy is dedicated to creating an exceptional employee experience and strengthening a corporate culture where all individuals can thrive. Black Hills offers competitive employee pay and comprehensive benefits under various plans referred to as “Total Rewards”. A sample Total Rewards Statement is included as Appendix B. This sample statement illustrates the dollar value of our benefits package on top of an employee's base pay. As shown, each dollar of the sample employee's base pay can be multiplied by a factor of [REDACTED] to arrive at Total Rewards. Our other

---

<sup>1</sup> Digital wallet includes PayPal, Amazon Pay, Google Pay, Apple Pay and Venmo

workplace practices and programs are detailed within our Corporate Sustainability Report.<sup>2</sup> We are excited about the prospect of welcoming the talent and experience of the existing Waukee gas utility employees into the Black Hills Energy Iowa operations team.

**e. Employee Safety and Wellness**

- Safety is one of several company values. Safety is a top priority for all employees and deeply embedded in our company's culture. This corporate value requires persistent, daily attention in everything our employees do. Every meeting of three or more employees begins with a safety or wellness share, a practice that contributes to keeping safety in mind at work and at the employee's home. In 2023, Black Hills' Occupational Safety and Health Administration (OSHA) Total Incident Case Rate ("TICR") (i.e., incidents per 200,000 hours worked) was [REDACTED]. Compared to 2022, the Company also achieved a [REDACTED] reduction in lost workdays, and a [REDACTED] reduction in restricted work days. Black Hills Energy's Preventable Motor Vehicle Incident Rate ("PMVT") (i.e., vehicle accidents per 1,000,000 miles driven) was [REDACTED] in 2023, a top quartile achievement among American Gas Association utility peers. Black Hills Energy is also leading the way in the industry by encouraging employees to report injuries within one day, achieving reporting timeliness [REDACTED] above the utility average.

**f. Community Partnership and Culture**

- For a view into the corporate culture of Black Hills Energy in Iowa, please view this short video<sup>3</sup> of a CEO Summit Award recipient. The CEO Summit Award, the Company's top recognition program, honors employees who stand out within the Black Hills Energy family and in their communities. The award supports and reinforces Black Hills Energy's vision, mission, values and standards and promotes teamwork.

**4. Operator's References (if not previously provided in response to the RFQ):**

Please reference information previously provided in response to the RFQ. Additionally, Black Hills Energy submits the following references particular to its strong relationships with governmental authorities and agents in the communities it serves within Iowa.

- Mayor Matt Walsh, Council Bluffs, IA
- City of Dubuque City manager Mike Van Milligen
- City of Newton, City Admin Matt Muckler
- Dyersville City Manager Mick Mickels
- Manchester City Manager Tim Vick
- Dyersville Economic Development Jacque Ray
- Jones County Economic Development Derek Lumsden
- Grimes Economic Development Brain Buethe
- Greater Dubuque Development Corp
- Advance Southwest Iowa Corp

**5. Material Change:** Any change in condition (financial or otherwise), development, occurrence or circumstance that could be materially adverse to the Operator that has arisen after the date of the RFQ, and which would have been responsive to the RFQ if such change, development, occurrence or circumstance had arisen prior to the Proposer's response to the RFQ.

None

---

<sup>2</sup> [2023-sustainability-report.pdf \(blackhillsenergy.com\)](#)

<sup>3</sup> <https://vimeo.com/975799974/65b464d498?share=copy>

**Proposal Form 6 – City of Waukee Gas System RFB**  
**Business Proposal**

On this Proposal Form 6, please provide your Purchase Price/Consideration. The amount of the Purchase Price/Consideration that Proposer offers to pay pursuant to the APA is:

US\$ 17,500,000; seventeen million five hundred thousand United States Dollars.

*Proposers should ensure that the written and numerical Purchase Price/Consideration in this Proposal exactly match. Should this not be the case, the binding Purchase Price/Consideration will be assumed to be the lower of the two Purchase Price/Consideration numbers.*

Please provide nonbinding indicative rates that relate to the Purchase Price/Consideration above. For the purposes of transparency, and to aid in comparing bids, please feel free to add any clarifying remarks. Please note, completion of the indicative rate section below is required for your bid to be deemed as “compliant”.

In the alternative, please confirm whether you are interested in pursuing a long-term management agreement to operate and maintain the Gas System in lieu of acquisition of the Utility. If yes, please explain in detail your proposal to manage and operate the Waukee Gas Utility, including fees and costs.

Yes       No

For each year, please list the indicative residential monthly bill in U.S. dollars, the rate calculations that equate to that indicative bill inclusive of all fees and charges broken out separately, for the next 10 years assuming 60 therms (represents February) and 11 therms (represents July):

Year	Indicative Monthly Bill 60 therms	Indicative Monthly Bill 11 therms	Detailed Rate Calculations, all applicable Fees & Charges
2025	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2026	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2027	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2028	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2029	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2030	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2031	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2032	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2033	\$ [REDACTED]	\$ [REDACTED]	See Attachment A
2034	\$ [REDACTED]	\$ [REDACTED]	See Attachment A

Description of rates outlined above: See Attachment A1 and A2 which are incorporated by reference herein.

BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC

Name of Proposer

LINDEN R. EVANS

Name of Designated Signatory

  
Signature

ATTACHMENT A1\_BLACK HILLS/IOWA GAS UTILITY CO, LLC PROPOSAL FORM 6

Year	Indicative Monthly Bill 60 Therms (Feb)	Indicative Monthly Bill 11 Therms (July)	Detailed Rate Calculations & All Applicable Fees & Charges									
			Delivery & Distribution: Costs to bring energy to your address		Energy Supply: Cost of Natural Gas	Other costs: Adjustments and Other Charges			Fees: Local and state taxes and fees	Total Charges for month	Billing Inputs	
	Customer Charge (a)	Base Rate (b)	Purchased Gas Adjustment (PGA)	Energy Efficiency Cost Rider (EECR) (c)	Rate Case Expense Rider (f)	County Sales Tax	Billable therms	Base Rate/Therm (Non-Gas Cost)	PGA Rate (d)		EECR Rate	County Sales Tax Rate (e)

	CALCULATION->	A	B=G*H	C=G*I	D=G*J	E	F=SUM A:E*K	=SUM A:F	G	H	I	J	K
2025 \$													
2026 \$													
2027 \$													
2028 \$													
2029 \$													
2030 \$													
2031 \$													
2032 \$													
2033 \$													
2034 \$													

Footnotes:

- (a) Estimated Basic Monthly Charge(s) for Rate Schedule GS-1 Tariff Sheet No. 98
- (b) Estimated Non-Gas Cost for Rate Schedule GS-1 Tariff Sheet No. 98
- (c) Estimated Energy Efficiency Cost Recovery Information Sheet No. 146
- (d) Estimated Purchase Gas Adjustments Uniform Clause Information Sheet No. 133
- (e) Estimated Local Option Sales Tax Rate Dallas County IA per <https://tax-mapper.iowa.gov/TaxMapper/SalesTaxRate>
- (f) Estimated Rate Case Expense Rider No. 6 Tariff Sheet No. 147.2

## **Black Hills/Iowa Gas Utility Co, LLC Proposal Form 6**

### **Attachment A2– Clarifications**

#### **The Indicative Monthly Residential or other Customer Bills shown on Bid Proposal Form 4, 6 or elsewhere in this Bid Proposal**

- Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills Energy” or the “Company”) is subject to the jurisdiction of the Iowa Utilities Commission (“IUC”) in the State of Iowa.
- The IUC oversee services and facilities, rates and charges, accounting, valuation of property, depreciation rates and various other matters. Rate decisions are influenced by many factors, including the cost of providing service, capital expenditures, the prudence of costs we incur, views concerning appropriate rates of return, general economic conditions, and the political environment. Black Hills Energy has a cost recovery mechanism that allows it to pass the prudently incurred cost of natural gas, fuel, and interstate transportation services to customers. This mechanism allows Black Hills Energy to collect or refund the difference between the cost of commodities and the actual cost of the commodities without filing a general rate review. The Indicative Monthly Residential or other Customer Bills shown on Bid Proposal Form 6 or elsewhere in this Bid Proposal of Black Hills Energy includes an estimate of future cost of natural gas, fuel, and interstate transportation services to customers. Gas commodity costs are a significant portion of customer bills and are driven by market forces and prices beyond the control of Black Hills Energy. The forecasted commodity cost estimates are based on current market forecasts and subject to change. Other IUC-approved rate mechanisms may increase rates not currently included within the rate analysis provided herein. Black Hills Energy files rate applications with the IUC periodically to recover the prudently incurred cost incurred by Black Hills Energy to provide natural gas service within the State of Iowa.
- The Indicative Monthly Residential or other Customer Bills shown on Bid Proposal Form 6 or elsewhere in this Bid Proposal of Black Hills Energy are (i) CONFIDENTIAL (ii) not a guarantee of future results (iii) subject to ultimate determination(s) by the IUC and (iv) based on numerous assumptions and current Black Hills Energy business planning, which is subject to change.
- The Indicative Monthly Residential or other Customer Bills shown on Bid Proposal Form 6 or elsewhere in this Bid Proposal of Black Hills Energy contains forward-looking statements and estimates. The rate comparisons and customer bill shown are clarified to be forward looking and estimates. Any forward-looking statements or estimates, other than statements of historical fact, are statements and estimates that include, without limitation, rate analysis and rate projections that are anticipated,” “estimated,” “expected,” “intended,” “planned,” “predicted” or similar expressions and include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements.

- The Indicative Monthly Residential or other Customer Bills shown on Bid Proposal Form 6 or elsewhere in this Bid Proposal of Black Hills Energy are forward-looking statements and estimates that involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including, without limitation, management's examination of historical rates, operating trends, data contained in the Company's records and other data available from third parties. Nonetheless, the Company's expectations, beliefs or projections may not be achieved or accomplished.
- Any forward-looking statement or estimate contained in this Proposal speaks only as of the date on which the statement is made and the Company undertakes no obligation to update any forward-looking statement or statements or estimates related to the Indicative Monthly Residential or other Customer Bills shown on Bid Proposal Form 6 or elsewhere in this Bid Proposal to reflect events or circumstances that occur after the date on which the statement or estimate is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, such as adverse macroeconomic conditions, global pandemics or severe weather events, and it is not possible for Black Hills Energy to predict all of the factors, nor can it assess the effect of each factor on the business of Black Hills Corporation or Black Hills Energy or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement and estimate provided in this Bid Proposal.
- All forward-looking statements or estimates, whether written or oral and whether made by or on behalf of Black Hills Energy, are expressly qualified by the risk factors and cautionary statements provided herein.

Appendix A – Black Hills/Iowa Gas Utility Co. LLC Proposal Form 4

TABLE 1

REVENUE PER MCF SOLD TO ULTIMATE CUSTOMER						
	2020	2021	2022	2023	Average	
Waukee	\$ 11.32	\$ 17.78	\$ 14.85	\$ 17.33	\$ 15.32	
Black Hills Energy	\$ 7.20	\$ 9.40	\$ 14.01	\$ 12.22	\$ 10.71	

Source: Annual Reports to the Iowa Utilities Board

TABLE 2

ANNUAL WAUKEE GAS PAYMENTS IN EXCESS OF PUBLIC UTILITY						
	2020	2021	2022	2023	Average	
Black Hills Energy	\$ 2,823,845	\$ 5,344,896	\$ 670,265	\$ 3,843,715	\$ 3,170,680	

Source: Annual Reports to the Iowa Utilities Board

TABLE 3\*

REVENUE PER MCF SOLD TO ULTIMATE CUSTOMER						
	2020	2021	2022*	2023*	Average	
Waukee	\$ 11.32	\$ 17.78	\$ 14.85	\$ 17.33	\$ 15.32	
Black Hills Energy	\$ 7.20	\$ 9.40	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	

Source: Annual Reports to the Iowa Utilities Board

\* Removed impact of post-2021 Winter Storm Uri recoveries from the Black Hills revenue per MCF figures

TABLE 4\*

ANNUAL WAUKEE GAS PAYMENTS IN EXCESS OF PUBLIC UTILITY						
	2020	2021	2022*	2023*	Average	
Black Hills Energy	\$ 2,823,845	\$ 5,344,896	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	

Source: Annual Reports to the Iowa Utilities Board

\* Removed impact of post-2021 Winter Storm Uri recoveries from the Black Hills revenue per MCF figures

APPENDIX B

APPENDIX B redacted in its entirety as Confidential Information pursuant to Iowa Code §§ 22.7(3) and (6).

