

Black Hills Energy Overview

Steven Cowen, Governmental Affairs Manager
House Energy & Environment Committee
January 23, 2015





Today's discussion

- Black Hills at a glance
- Key Goals
 - Valued Service
 - Better Every Day
 - Great Workplace
 - Profitable Growth

Black Hills Corp Overview



Utilities

Electric Utilities

- Black Hills Power
- Cheyenne Light*
- Colorado Electric

Gas Utilities

- Colorado Gas
- Kansas Gas
- Nebraska Gas
- Iowa Gas

Non-Regulated Energy

Power Generation

- Black Hills Electric Generation

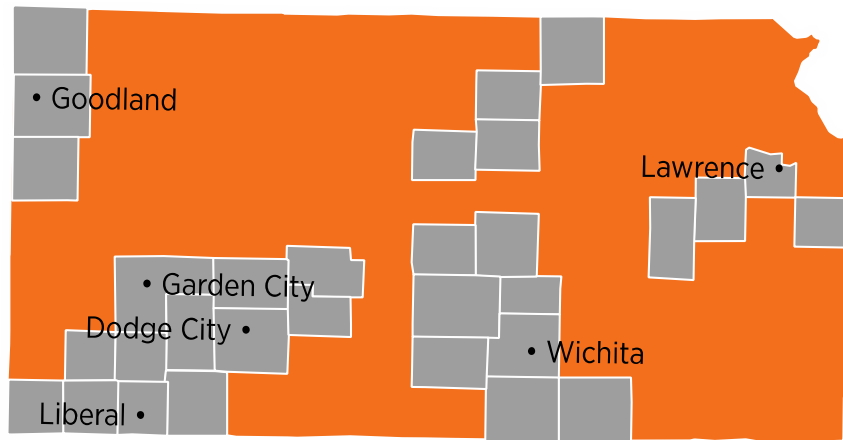
Coal Mining

- Wyodak Resources

Oil and Gas

- Black Hills Exploration and Production

Black Hills Energy – Kansas Gas



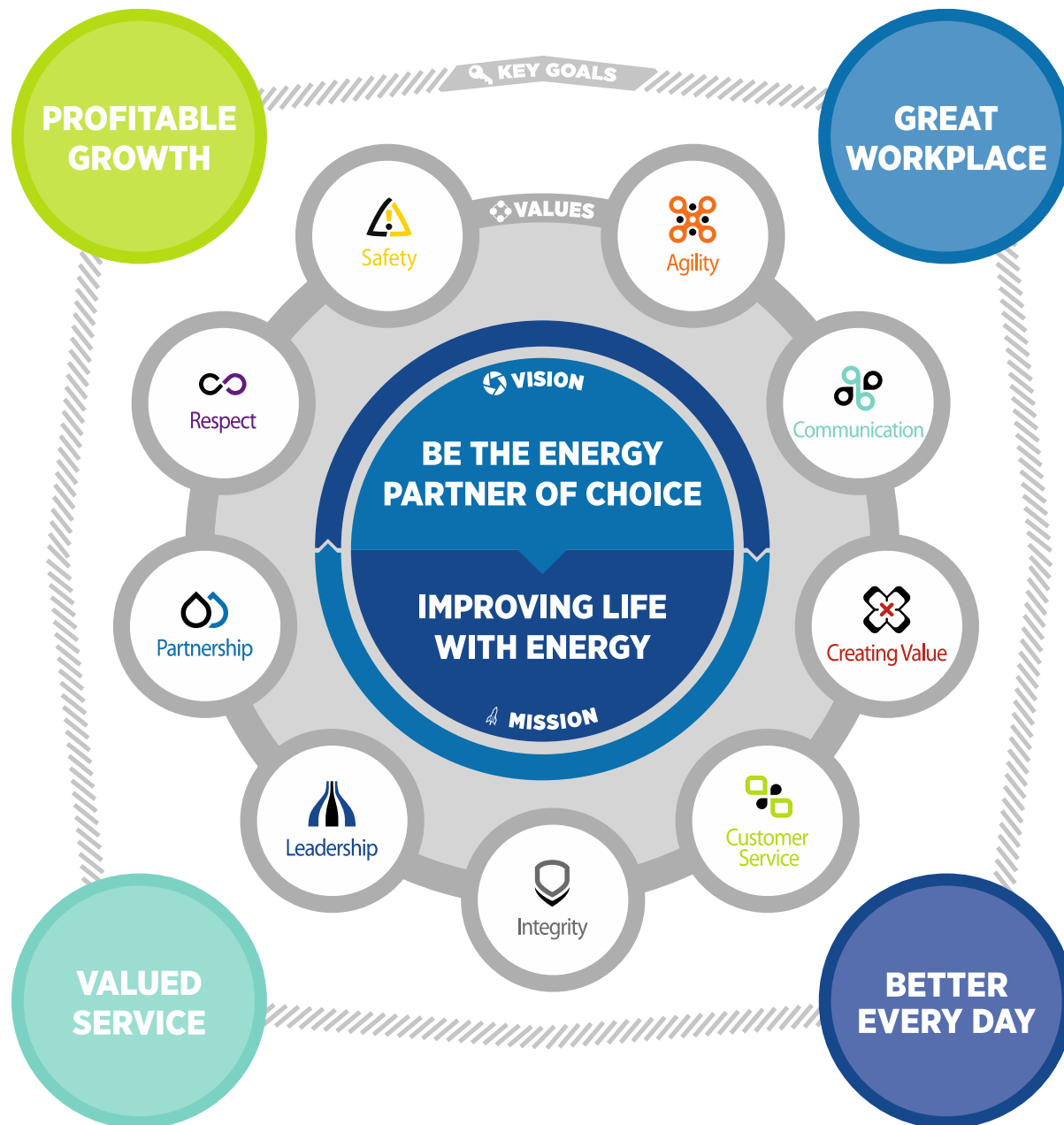
Fast Facts

- 112,000 customers
- More than 130 employees
- 4,333 total miles of natural gas transmission and distribution lines
- 64 communities served

Major Communities Served

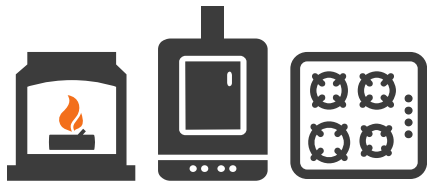
- | | |
|---------------|------------|
| • Dodge City | • Lawrence |
| • Garden City | • Liberal |
| • Goodland | • Wichita |
| • Hutchinson | |

Key Goals



For the customer

- Natural gas remains a strong value
 - o January \$0.72/therm



**Less
than**



- Responsive to customers
 - o Convenient options
 - » Level payment plan, online payment, QR codes
 - o Communications
 - » Like us on Facebook “*Black Hills Energy Kansas*”
- Service Guard
- Technical Services
- Energy efficiency

VALUED SERVICE

Deliver reliable, highly
valued products
and services

For the community

VALUED SERVICE

Deliver reliable, highly valued products and services

- o Black Hills Cares
- o Civic and Charitable contributions
- o Community volunteers
 - Over 100 organizations
- o Education
 - Kansas Corporation Commission's Energy Expo at the state fair.
 - Scholarships
- o City Franchise Fees



- Since 2006 our team has installed or replaced:
 - o 226 miles of pipe
 - o 13,000 service lines



- Pursuing Accelerated Pipeline Replacement Programs
- Averaged approx. \$1.5MM of continuous improvement value per year in 2013 and 2014, reflecting Black Hills' focus on aggressively managing costs and expenses.
- Exceeded industry standards for Quality of Service, established by the KCC.

Natural Gas Service Standards

Performance Indicator	Rolling 12-Month	Standard*
Emergency Response Rate, ERR (% responded to within 60 minutes)	97.45%	92%
Average Response Time to Emergency Reports (minutes)	24.39	
Service Orders Completed on Time (% of all orders)	99.28%	95%



GREAT WORKPLACE

Promote a workplace
that inspires individual
growth and pride in
what we do

Safety

- Return home safely

Succession planning

- Strategic workforce planning –
Harvard Business Review

Employee Engagement

- Speak up! Survey
- Customer focus, quality, opportunity
and development

Recognition

- *Energ!ze*, Chairman's Award, Annual
Incentive Plan, Benefits

Development opportunities

- Leading People Program, Aspire,
Tuition assistance



Darren Green in
Lawrence, Ks

Engaging our communities to promote growth

- Growing with our communities
 - Economic development efforts
- Developing new markets
 - CNG fueling stations
- Strategic acquisitions
 - Added 8 new municipalities since 2009
 - Anadarko pipeline (SW Kansas)
- Growing our current system
 - Propane conversions

PROFITABLE GROWTH

Achieve consistent
growth that
creates value



Steven A. Cowen
Manager, Governmental Affairs – Kansas
Black Hills Energy
601 N. Iowa St.
Lawrence, KS 66044
O: 785-832-3938
C: 913-744-7221
steven.cowen@blackhillscorp.com

www.blackhillsenergy.com

