

Public Information Meeting

Black Hills Energy

Dubuque South Pipeline Project

July 31st, 2018



Introductions

Black Hills Energy		HDR Engineering, Inc.	
Jeff Staudenmaier	Manager, Operations	Andrew Johnson	Vice President
Wes Ashton	Director, Operations	Matt Carlson	Project Manager
Scott Reising	Sr. Gas Engineer	Mike Noonan	Right of Way Manager
Jeff Welty	Supervisor, Operations	Shelby Mayash	Field Services
Cassie Hiatt	Supervisor, Service	Danny Bissonnette	Field Services
Mark Ernst	Utility Business Development		
Laura Roussell	Sr. Community Affairs Manager		
Johanna Benson	Sr. Regulatory Analyst		
Adam Buhrman	Corporate Council		



Black Hills Energy - Overview

Black Hills Energy, the business name under which we operate our natural gas and electric utilities, serves 1.2 million customers in eight states: Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. Our utilities are subsidiaries of Black Hills Corp. (NYSE: BKH).

Iowa:

- 157,000 Gas Customers
- 132 Communities
- 2,791 Miles of Distribution Main
- 164 Miles of Transmission Main



Black Hills Energy - Overview

Black Hills Energy is dedicated to providing safe, reliable, affordable, environmentally sound natural gas service to our customers.

- Black Hills Energy's operations, natural gas lines and facilities meet the rigorous safety requirements of the U.S. Department of Transportation and Iowa Utilities Board. Compliance is assured by regular audits by these agencies.
- At Black Hills Energy, safety is a priority, and we are committed to striving toward Safety Excellence.
- Black Hills Energy is responsible for maintaining thousands of miles of underground natural gas pipelines for its Iowa customers.



VISION: Be the Energy Partner of Choice

We strive to be the energy partner of choice. Whether our customers are served by our regulated or non-regulated businesses, we want them to value our service and business relationship.

MISSION: Improving Life with Energy

Every day, we want to be improving life with energy. We produce, market and deliver the vital electricity, coal, oil and natural gas that our customers need. Through our efforts, products and services, we also share our personal energy to strengthen our communities and support growth and development.

Pipeline Safety and Compliance

We want to be the safest energy company in the country providing safe, reliable, affordable, and environmentally sound natural gas service.

- For us, safety isn't numbers. It's not statistics. It isn't dollar signs, and it's not about campaigns. Safety is people. It's written on the faces of the people we love and go home to every day. It's in our daughter's laugh. In our spouse's hands. It's in the hug from our best friend.
- We've set a goal to be the safest energy company in the country. But we didn't set that goal so we could check a box on a to-do list or show PowerPoint slides with charts featuring lots of down arrows. We did it so that everyone - including all of you - can go home safely. Every day.



Project Overview

- Black Hills Energy is proposing to construct an approximate 7-mile long natural gas pipeline in Dubuque County south of the City of Dubuque.
- The proposed pipeline will start at a Black Hills Energy Facility located southeast of the intersection of U.S. Highway 61 and U.S. Highway 151 and extend north and west toward the City of Dubuque and end at the existing Black Hills Energy Facility.
- The pipeline will be owned, operated, and maintained by Black Hills Energy providing new economic development opportunities and further increasing natural gas supply and reliability for Dubuque customers.



Benefits

This new pipeline will enhance reliability and will provide additional capacity and opportunity for future natural gas needs.

- Safe, reliable, environmentally sound natural gas service from a dependable company is imperative to attracting new businesses to your community.
- The pipeline will benefit new and existing residents as well as new or expanding businesses that will bring new jobs and grow the economy
- Economic development drives community growth, which includes increased job opportunities and a robust economy.

Easements - Permanent

Seeking easements for the installation of the pipeline

- 50 Foot Permanent Easement
 - Construct, operate, maintain infrastructure
 - Limits encroachment and damages due to buffer
 - Provides access, working space
 - Trim, cut, clear
 - Agreement exists until released
 - Compensation provided for easement and damages
 - Can plant over top, building and subsequent easements require written permission



Easements - Temporary

Seeking easements for the installation of the pipeline

- Temporary Construction Easement
 - Provides access, working space for specific project
 - Trim, cut, clear
 - Duration of the pipeline construction plus 60-days
 - Compensation provided for easement and damages

Damage & Land Restoration Compensation

- Restore to as-found conditions
- Ag land restoration
 - Compliance with rules identified in Chap 9 of Iowa Administrative Code
 - Topsoil, subsoil, drain tile, terraces, revegetation
 - Required to submit restoration plan to IUB
- Crop loss compensation



Timeline

- July 31, 2018: Public Information Meeting
- August, 2018: HDR Field Services will begin working with impacted property owners.
- September, 2018: Project website will be accessible.
- April, 2020: Construction schedule to begin.
- October, 2020: This pipeline is projected to be in service.

What to expect next...

HDR Engineering - Field Services will be handling easement negotiations and acquisitions, working directly with impacted landowners.

- Contact owners to schedule individual meeting
- Representative for BHE to negotiates easements

Easement Compensation based on average property value

- Based on opinion of licensed appraiser
- Voluntary Acquisition - \$500 bonus
- Permanent Easement – 50% Property Value
- Temporary Easement – 10% Property Value
- Full easement payment after regulatory approval, prior to construction



FAQ's

What should I do if my property will be impacted by the project?

Trade contact information with us. Let us know your preferred way and time to be reached and we will visit in the near future, on your individual questions and concerns.



FAQ's

How will this impact Black Hills Energy customers?

This will help improve reliability and supply for our customers in Dubuque as we have for 64 years. Furthermore, providing additional natural gas capacity will ensure that Dubuque can compete for economic development opportunities, retain current businesses and allow for future growth.



FAQ's

Will this impact rates?

There is no immediate impact on existing rates. The Iowa Utilities Board regulates our utility business, oversees any and all rate adjustments, and will determine in a future rate case which requested investments will be included in rates.



FAQ's

Why is a reliable natural gas supply important?

It's a critical energy source for businesses and residents alike. Energy is key input for business and a key source for resident's comfort and convenience.



FAQ's

How will this pipeline benefit my community?

Safe, reliable natural gas service from a dependable company is imperative to attracting new businesses to Dubuque. Economic development brings investments, tax revenue and stimulates job creation to allow the community to grow and maintain a high quality of life for residents.



Summary

- Black Hills Energy is proposing to construct an approximate 7-mile long natural gas pipeline in Dubuque County south of the City of Dubuque.
- This pipeline, proposed to enhance reliability and will provide additional capacity and opportunity for future natural gas needs, benefiting new and existing residents and also new or expanding businesses.
- Upon conclusion of this Public Information Meeting, HDR Field Services will begin working with impacted property owners to acquire easement rights.

Q&A Break Out