

Black Hills Colorado Electric, LLC
Analysis of Securitization Bonds - Storm Uri Costs

1	Initial Recovery Amount	23,188,089	
2	Tenor (YRS)	7	
3	Current WACC	7.43%	
4	Current ROE	9.370%	
5	Equity to Cap	52.39%	
6	State	CO	
7			
8			
9			
10			
11	<u>Securitization</u>		
12	Bond Weighted Avg Life (YRS)	3.5	Since Securitization bonds amortize over life of bond, pricing based off weighted average life
13	Estimated Interest Rate	0.751%	Pricing based off weighted average life instead of full tenor
14			
15	Carrying Costs to Issuance	298,882	Carrying Costs tab, based on LIBOR plus 75 basis points term loan pricing
16	Upfront Issuance Fees	4,447,762	COG Securitization Fees tab
17	Total Issuance Amount	27,934,733	= Initial Recovery Amount plus Carrying Costs to Issuance plus Upfront Issuance Fees
18	Annual Ongoing Costs	421,520	COG Securitization Fees tab, per year
19			
20	Est. Annual Revenue Requirement	4,525,496	
21	Total Cost of Securitization	8,490,384	= (Annual Revenue Requirement x Tenor) less Initial Recovery Amount
22	Total Interest Expense Paid on Bond	793,100	

Black Hills Corporation
Carrying Costs until Issuance of Securitization Bonds
Black Hills Colorado Gas and Colorado Electric

CO Electric Storm Uri Costs	23,188,089
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Line	Month	Days	LIBOR	Interest Rate	Interest Expense CO Electric
1	Feb-21	4	0.115%	0.865%	2,228.32
2	Mar-21	31	0.113%	0.863%	17,235.69
3	Apr-21	30	0.111%	0.861%	16,631.03
4	May-21	31	0.106%	0.856%	17,094.79
5	Jun-21	30	0.170%	0.920%	17,775.60
6	Jul-21	31	0.170%	0.920%	18,366.13
7	Aug-21	31	0.207%	0.957%	19,102.93
8	Sep-21	30	0.180%	0.930%	17,966.90
9	Oct-21	31	0.178%	0.928%	18,535.85
10	Nov-21	30	0.218%	0.968%	18,712.79
11	Dec-21	31	0.206%	0.956%	19,080.96
12	Jan-22	31	0.211%	0.961%	19,194.78
13	Feb-22	28	0.227%	0.977%	17,625.78
14	Mar-22	31	0.235%	0.985%	19,660.02
15	Apr-22	30	0.243%	0.993%	19,178.48
16	May-22	31	0.275%	1.025%	20,472.70
17	Jun-22	30	0.286%	1.036%	20,019.05
18					
19	Total Interest Carrying Cost to Issuance				298,881.81

LIBOR actuals based on \$800M term loan rate and LIBOR forward rates sourced from Bloomberg
Interest costs are not compounded

**Black Hills Colorado Electric, LLC
Securitization Bond Cash Flows**

Securitization Issuance Amount	\$27,934,733	
Upfront and Carrying Costs	\$4,746,644	
Recovery Amount	\$ 23,188,089	
Capital Account	\$ 139,674	Returned to Utility once debt is paid in full.
Net Intial Proceeds	\$ 23,048,415	
Coupon Rate	0.751%	
Term (yrs)	7	
Wtd Avg Life	3.5	
Ongoing Expense	\$ 421,520	

Year	% Remaining	Balance	Principal	Interest	Total Debt Service	Ongoing Expense	Est. Revenue Requirement
0	100%	\$ 27,934,733					
1	86%	\$ 24,033,235	\$ 3,901,498	\$ 202,479	\$ 4,103,976	\$ 421,520	\$ 4,525,496
2	72%	\$ 20,102,382	\$ 3,930,853	\$ 173,123	\$ 4,103,976	\$ 421,520	\$ 4,525,496
3	58%	\$ 16,141,953	\$ 3,960,429	\$ 143,547	\$ 4,103,976	\$ 421,520	\$ 4,525,496
4	44%	\$ 12,151,726	\$ 3,990,228	\$ 113,748	\$ 4,103,976	\$ 421,520	\$ 4,525,496
5	29%	\$ 8,131,475	\$ 4,020,251	\$ 83,726	\$ 4,103,976	\$ 421,520	\$ 4,525,496
6	15%	\$ 4,080,976	\$ 4,050,499	\$ 53,477	\$ 4,103,976	\$ 421,520	\$ 4,525,496
7	0%	\$ 0	\$ 4,080,976	\$ 23,000	\$ 4,103,976	\$ 421,520	\$ 4,525,496
8							
9							
10							
		Total	\$ 27,934,733	\$ 793,100	\$ 28,727,833	\$ 2,950,640	\$ 31,678,472

Amortization Schedule

Not amortized monthly, but every 6 months

Payment \$2,051,988.06

	<u>Balance</u>	<u>Principal</u>	<u>Interest</u>	<u>New Balance</u>
1 \$	27,934,733	\$ 1,947,093	\$ 104,895	\$ 25,987,640
2 \$	25,987,640	\$ 1,954,404	\$ 97,584	\$ 24,033,235
3 \$	24,033,235	\$ 1,961,743	\$ 90,245	\$ 22,071,492
4 \$	22,071,492	\$ 1,969,110	\$ 82,878	\$ 20,102,382
5 \$	20,102,382	\$ 1,976,504	\$ 75,484	\$ 18,125,879
6 \$	18,125,879	\$ 1,983,925	\$ 68,063	\$ 16,141,953
7 \$	16,141,953	\$ 1,991,375	\$ 60,613	\$ 14,150,578
8 \$	14,150,578	\$ 1,998,853	\$ 53,135	\$ 12,151,726
9 \$	12,151,726	\$ 2,006,358	\$ 45,630	\$ 10,145,367
10 \$	10,145,367	\$ 2,013,892	\$ 38,096	\$ 8,131,475
11 \$	8,131,475	\$ 2,021,454	\$ 30,534	\$ 6,110,021
12 \$	6,110,021	\$ 2,029,045	\$ 22,943	\$ 4,080,976
13 \$	4,080,976	\$ 2,036,664	\$ 15,324	\$ 2,044,312
14 \$	2,044,312	\$ 2,044,312	\$ 7,676	\$ -
15 \$	-	\$ -	\$ -	\$ -
16 \$	-	\$ -	\$ -	\$ -
17 \$	-	\$ -	\$ -	\$ -
18 \$	-	\$ -	\$ -	\$ -
19 \$	-	\$ -	\$ -	\$ -
20 \$	-	\$ -	\$ -	\$ -

Black Hills Colorado Electric, LLC
Securitization Bond Issuance and Ongoing Fees

Upfront Issuance Expense

Securitization Bond:

Upfront Fees:

			Notes
Issuer's Counsel	flat	1,000,000	Flat fee, all new documentation
Underwriter's Counsel	flat	1,000,000	Flat fee, all new documentation
Trustee Counsel	flat	50,000	Flat fee, all new documentation
Structuring Fee	0.4000%	92,752	Straight 40 bps, tenor does not matter
Rating Agencies			
Moody's	0.0750%	255,000	Minimum fee of \$230,000, Includes \$25K complexity fee
S&P	0.0700%	200,000	Minimum fee of \$230,000
Fitch	0.0350%	200,000	Minimum fee of \$200,000, Includes \$25K complexity fee
Accounting Fees	flat	150,000	Estimate from Deloitte, on-balance sheet transaction, comfort on all numbers
Printer/Edgarizer	flat	15,000	
SEC Registration	0.0001298	3,010	Based on last debt issuance SEC fees
Trustee	flat	7,000	Based on current Trustee fees
Commission Costs	flat	600,000	Estimate and dependent on whether they hire consultants
Other		75,000	
Servicor Set-up Fee		500,000	
Company Advisory Fee		300,000	Includes company advisory fee of \$300K and servicor set-up fee of \$500K
Total Upfront Issuance Fees		4,447,762	

Ongoing Administrative Expense

Ongoing costs:

Rating Agencies			
Moody's	flat	46,000	Fixed rate by issuance
S&P	flat	20,000	Fixed rate by issuance
Fitch	flat	10,000	Fixed rate by issuance
Accounting/Auditor Fees		50,000	Based on estimate provided by Deloitte
Administration Costs		75,000	Fixed rate
Trustee Fees		7,000	Fixed rate
SEC Filing Fees/Legal		45,000	
Servicing Compensation	0.1000%	150,000	annually, of initial principal balance
Independent Manager		2,500	
Equity Costs	4.3100%	6,020	Interest rate earned on the Capital subaccount amount at Wtd Avg Cost of Debt
Other		10,000	
Total Annual Expense		421,520	
Capital SubAccount	0.5000%	139,674	