

Black Hills Colorado Gas, Inc.
Analysis of Securitization Bonds - Storm Uri Costs

1	Initial Recovery Amount	73,120,829	
2	Tenor (YRS)	7	
3	Current WACC	6.762%	
4	Current ROE	9.200%	
5	Equity to Cap	50.150%	
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	942,488	Carrying Costs tab, based on LIBOR plus 75 basis points term loan pricing
16	Upfront Issuance Fees	4,653,974	COG Securitization Fees tab
17	Total Issuance Amount	78,717,291	= Initial Recovery Amount plus Carrying Costs to Issuance plus Upfront Issuance Fees
18	Annual Ongoing Costs	432,464	COG Securitization Fees tab, per year
19			
20	Est. Annual Revenue Requirement	11,997,059	
21	Total Cost of Securitization	10,858,584	= (Annual Revenue Requirement x Tenor) less Initial Recovery Amount
22	Total Interest Expense Paid on Bond	2,234,877	

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

CO Gas Storm Uri Costs	73,120,829

Line	Month	Days	LIBOR	Interest Rate	Interest Expense	
					CO Gas	
1	Feb-21	4	0.115%	0.865%	7,026.75	
2	Mar-21	31	0.113%	0.863%	54,350.67	
3	Apr-21	30	0.111%	0.861%	52,443.94	
4	May-21	31	0.106%	0.856%	53,906.36	
5	Jun-21	30	0.170%	0.920%	56,053.21	
6	Jul-21	31	0.170%	0.920%	57,915.35	
7	Aug-21	31	0.207%	0.957%	60,238.77	
8	Sep-21	30	0.180%	0.930%	56,656.46	
9	Oct-21	31	0.178%	0.928%	58,450.56	
10	Nov-21	30	0.218%	0.968%	59,008.51	
11	Dec-21	31	0.206%	0.956%	60,169.51	
12	Jan-22	31	0.211%	0.961%	60,528.41	
13	Feb-22	28	0.227%	0.977%	55,580.77	
14	Mar-22	31	0.235%	0.985%	61,995.49	
15	Apr-22	30	0.243%	0.993%	60,477.02	
16	May-22	31	0.275%	1.025%	64,558.18	
17	Jun-22	30	0.286%	1.036%	63,127.65	
18						
19	Total Interest Carrying Cost to Issuance				942,487.59	

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

Black Hills Colorado Gas, Inc.
Securitization Bond Cash Flows

Securitization Issuance Amount	\$78,717,291	
Upfront and Carrying Costs	\$5,596,462	
Recovery Amount	\$ 73,120,829	
Capital Account	\$ 393,586	Returned to Utility once debt is paid in full.
Net Intial Proceeds	\$ 72,727,243	

Coupon Rate	0.751%
Term (yrs)	7
Wtd Avg Life	

Ongoing Expense	\$ 432,464
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Year	% Remaining	Balance	Principal	Interest	Total Debt Service	Ongoing Expense	Est. Revenue Requirement
0	100%	\$ 78,717,291					
1	86%	\$ 67,723,260	\$ 10,994,031	\$ 570,564	\$ 11,564,595	\$ 432,464	\$ 11,997,059
2	72%	\$ 56,646,508	\$ 11,076,751	\$ 487,844	\$ 11,564,595	\$ 432,464	\$ 11,997,059
3	58%	\$ 45,486,414	\$ 11,160,094	\$ 404,501	\$ 11,564,595	\$ 432,464	\$ 11,997,059
4	44%	\$ 34,242,351	\$ 11,244,064	\$ 320,532	\$ 11,564,595	\$ 432,464	\$ 11,997,059
5	29%	\$ 22,913,686	\$ 11,328,665	\$ 235,930	\$ 11,564,595	\$ 432,464	\$ 11,997,059
6	15%	\$ 11,499,782	\$ 11,413,903	\$ 150,692	\$ 11,564,595	\$ 432,464	\$ 11,997,059
7	0%	\$ -	\$ 11,499,782	\$ 64,813	\$ 11,564,595	\$ 432,464	\$ 11,997,059
8							
9							
10							
		Total	\$ 78,717,291	\$ 2,234,877	\$ 80,952,168	\$ 3,027,245	\$ 83,979,413

Amortization Schedule

Not amortized monthly, but every 6 months

Payment	\$5,782,297.73
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	Balance	Principal	Interest	New Balance
1 \$	78,717,291	\$ 5,486,714	\$ 295,583	\$ 73,230,577
2 \$	73,230,577	\$ 5,507,317	\$ 274,981	\$ 67,723,260
3 \$	67,723,260	\$ 5,527,997	\$ 254,301	\$ 62,195,263
4 \$	62,195,263	\$ 5,548,755	\$ 233,543	\$ 56,646,508
5 \$	56,646,508	\$ 5,569,590	\$ 212,708	\$ 51,076,918
6 \$	51,076,918	\$ 5,590,504	\$ 191,794	\$ 45,486,414
7 \$	45,486,414	\$ 5,611,496	\$ 170,801	\$ 39,874,918
8 \$	39,874,918	\$ 5,632,567	\$ 149,730	\$ 34,242,351
9 \$	34,242,351	\$ 5,653,718	\$ 128,580	\$ 28,588,633
10 \$	28,588,633	\$ 5,674,947	\$ 107,350	\$ 22,913,686
11 \$	22,913,686	\$ 5,696,257	\$ 86,041	\$ 17,217,429
12 \$	17,217,429	\$ 5,717,646	\$ 64,651	\$ 11,499,782
13 \$	11,499,782	\$ 5,739,116	\$ 43,182	\$ 5,760,666
14 \$	5,760,666	\$ 5,760,666	\$ 21,631	\$ (0)
15 \$	-	\$ -	\$ -	\$ -
16 \$	-	\$ -	\$ -	\$ -
17 \$	-	\$ -	\$ -	\$ -
18 \$	-	\$ -	\$ -	\$ -
19 \$	-	\$ -	\$ -	\$ -
20 \$	-	\$ -	\$ -	\$ -

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

Upfront Issuance Expense

Securitization Bond:

Upfront Fees:

Issuer's Counsel	flat	1,000,000
Underwriter's Counsel	flat	1,000,000
Trustee Counsel	flat	50,000
Structuring Fee	0.4000%	292,483
Rating Agencies		
Moody's	0.0750%	255,000
S&P	0.0700%	200,000
Fitch	0.0350%	200,000
Accounting Fees	flat	150,000
Printer/Edgarizer	flat	15,000
SEC Registration	0.0001298	9,491
Trustee	flat	7,000
Commission Costs	flat	600,000
Other		75,000
Servicor Set-up Fee		500,000
Company Advisory Fee		300,000
Total Upfront Issuance Fees		4,653,974

Notes

Flat fee, all new documentation
Flat fee, all new documentation
Flat fee, all new documentation
Straight 40 bps, tenor does not matter
Minimum fee of \$230,000, Includes \$25K complexity fee
Minimum fee of \$230,000
Minimum fee of \$200,000, Includes \$25K complexity fee
Estimate from Deloitte, on-balance sheet transaction, comfort on all numbers
Based on last debt issuance SEC fees
Based on current Trustee fees
Estimate and dependent on whether they hire consultants
Includes company advisory fee of \$300K abd servicor set-up fee of \$500K

Ongoing Administrative Expense

Ongoing costs:

Rating Agencies		
Moody's	flat	46,000
S&P	flat	20,000
Fitch	flat	10,000
Accounting/Auditor Fees		50,000
Administration Costs		75,000
Trustee Fees		7,000
SEC Filing Fees/Legal		45,000
Servicing Compensation	0.1000%	150,000
Independent Manager		2,500
Equity Costs	4.3100%	16,964
Other		10,000
Total Annual Expense		432,464

Fixed rate by issuance
Fixed rate by issuance
Fixed rate by issuance
Based on estimate provided by Deloitte
Fixed rate
Fixed rate
annually, of initial principal balance
Interest rate earned on the Capital subaccount amount at Wtd Avg Cost of Debt

Capital SubAccount	0.5000%	393,586
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0.50% of Issuance Amount