

Black Hills Nebraska Gas, LLC

d/b/a Black Hills Energy

NG – 101.1 Quarterly Status Update

Presented to the Nebraska Public Service Commission

October 13, 2026

Agenda

- Gas Supply Market Outlook Winter 2026-27 - Kent Kopetzky
- Cybersecurity Update - John Jorgensen/Doug Law
- Annual Price Option (“APO”) Status – Shelly Reichert
- Choice Gas Wyoming – Doug Law

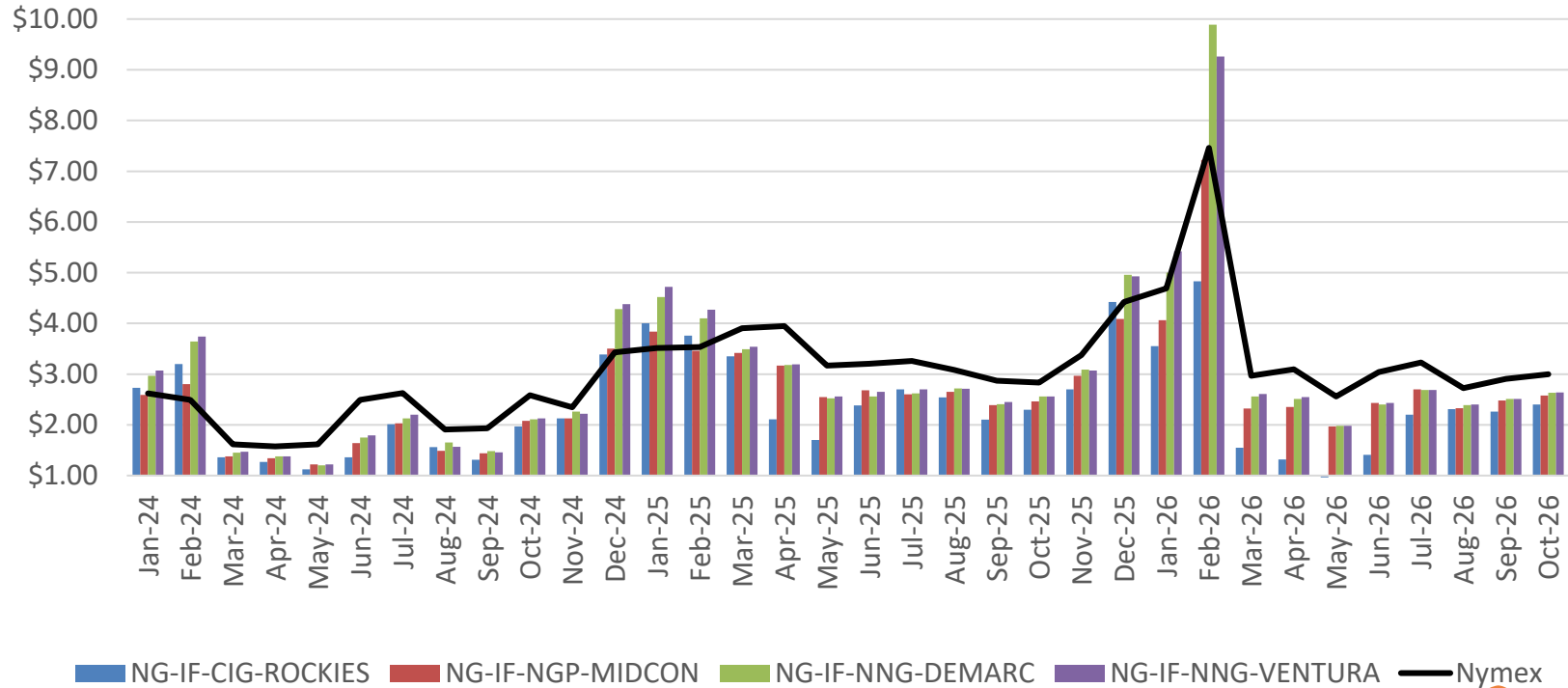
Quarterly Update – Gas Supply

Winter 2026-2027 Market Outlook

Kent Kopetzky

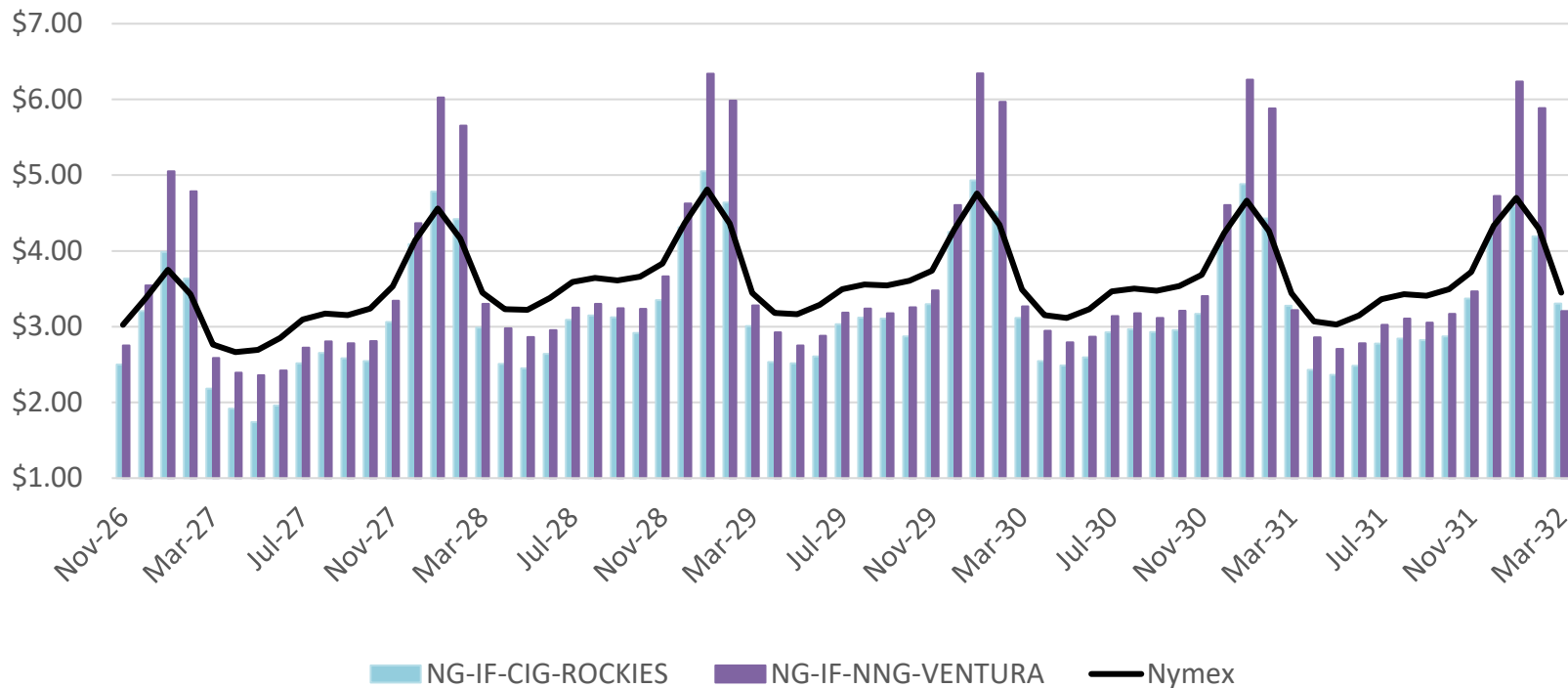


Historical Natural Gas Pricing



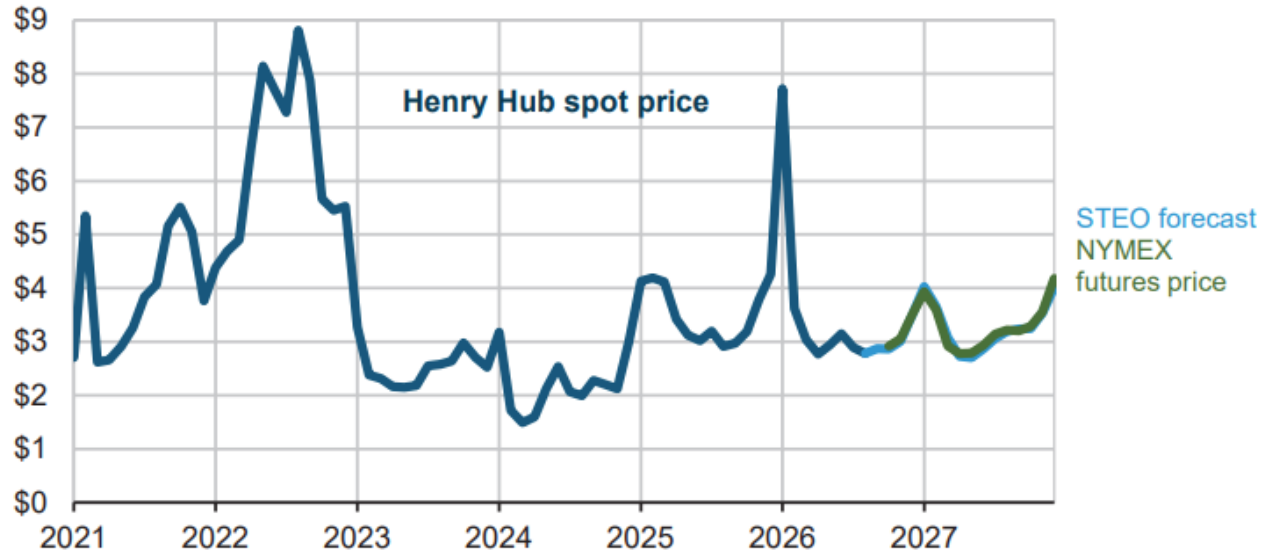
Future Natural Gas Pricing

indicative of market settlements on 9/30/2026



Henry Hub Historical and NYMEX Forecast

Henry Hub natural gas price and NYMEX futures price
dollars per million British thermal units



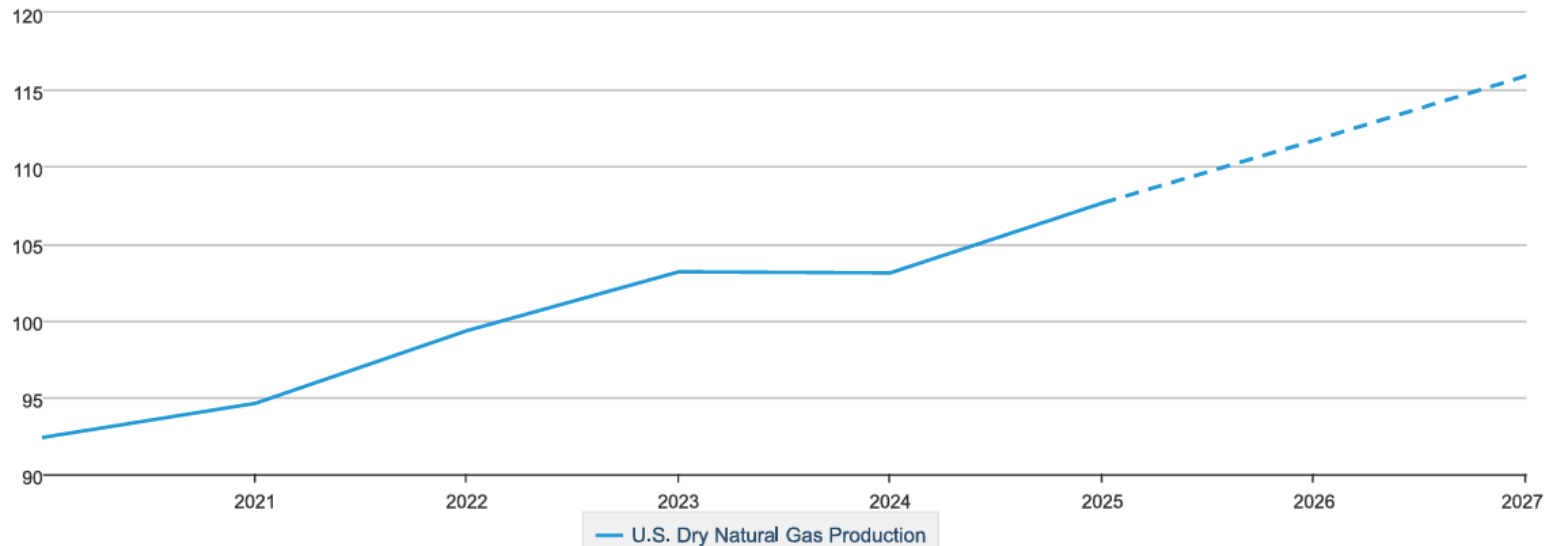
Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2026, Bloomberg L.P., and LSEG Data

Note: Futures curve is the average settlement price for five trading days ending September 3, 2026.

Domestic Production

U.S. Dry Natural Gas Production

billion cubic feet per day



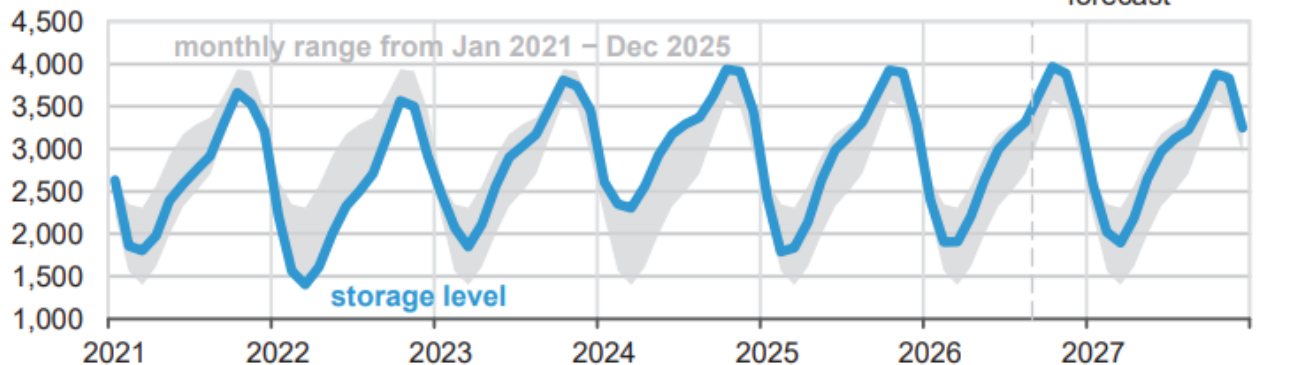
Data source: U.S. Energy Information Administration

EIA September 2026 Short Term Energy Outlook

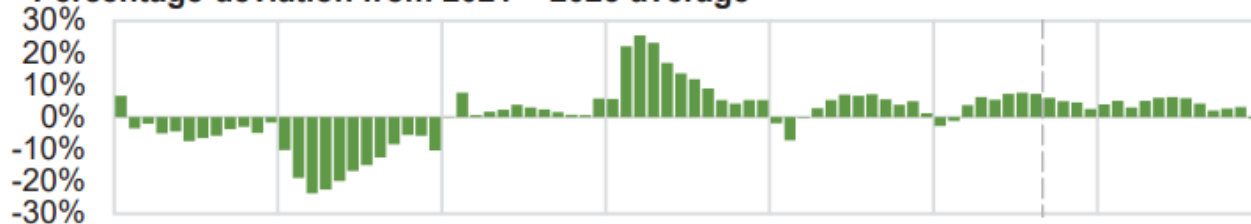
U.S. Working Gas Storage Inventory Forecast

U.S. working natural gas in storage

billion cubic feet

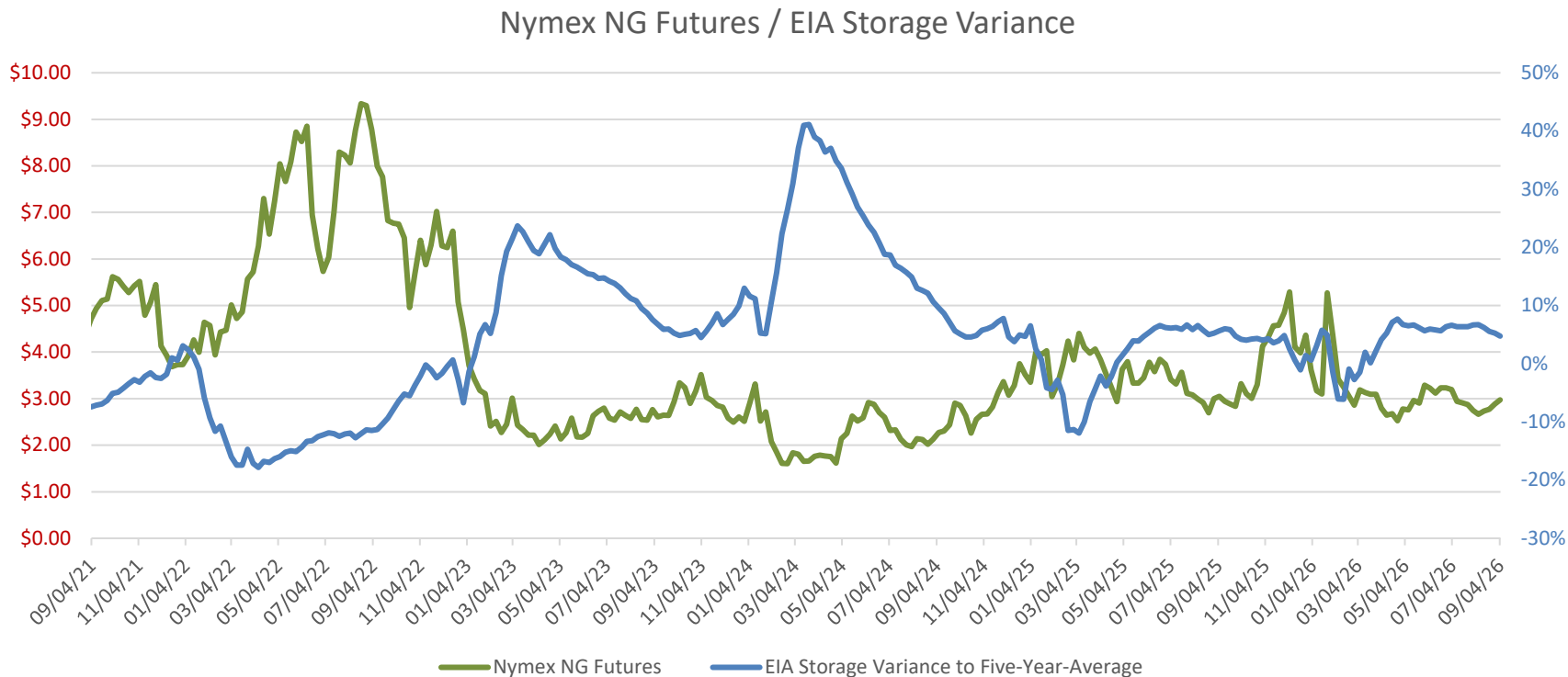


Percentage deviation from 2021 – 2025 average



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2026

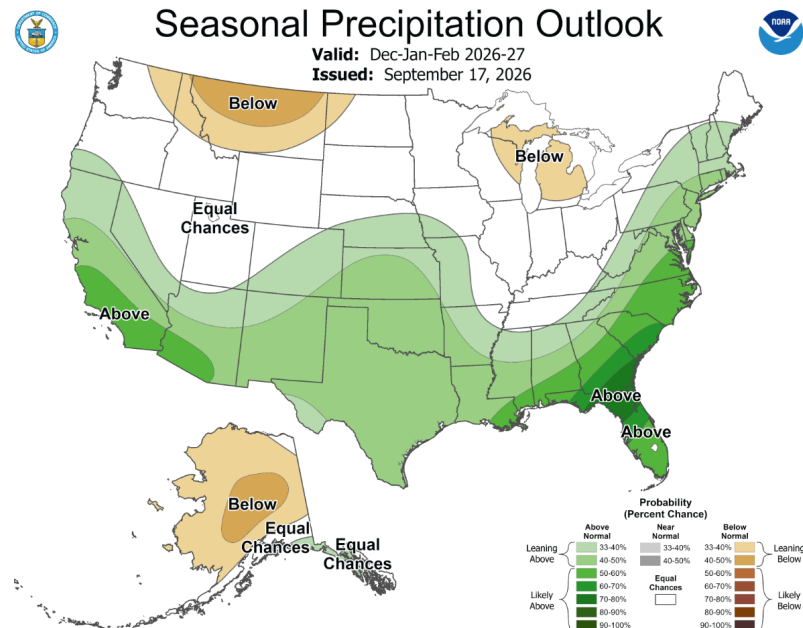
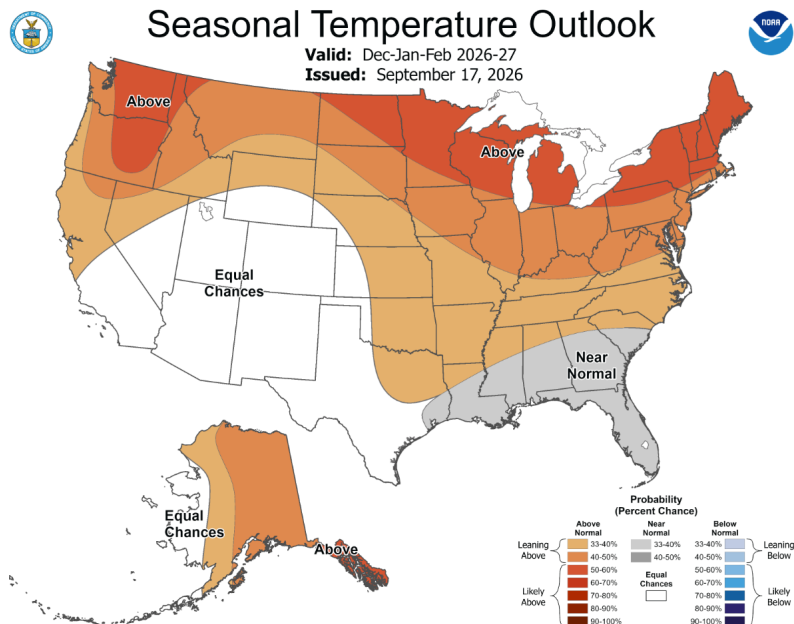
Storage - Price Relationship



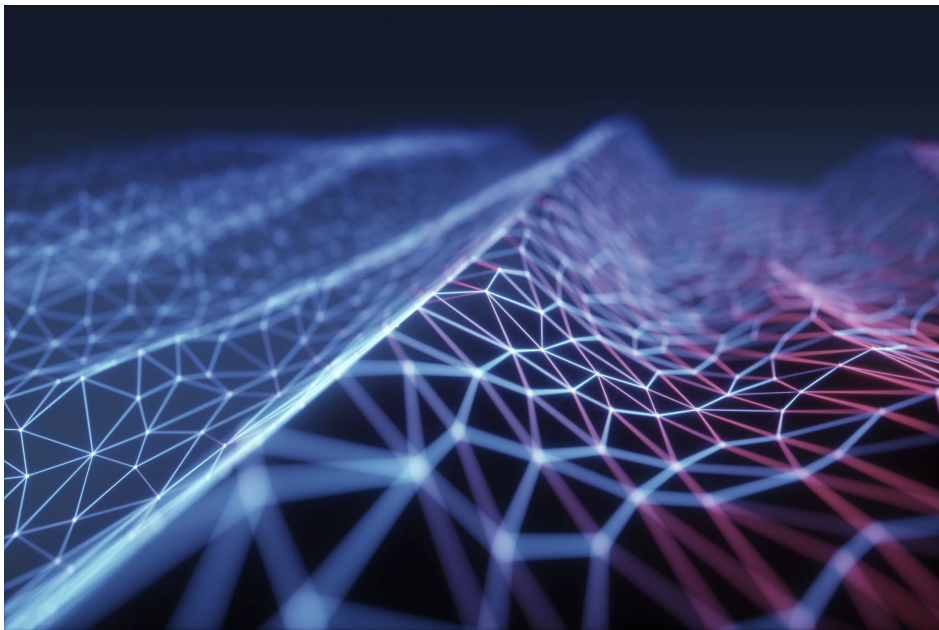
Winter 2026-2027 Outlook: Super El Nino?

- National Weather Service Climate Prediction Center noted that there is a >90% chance of a very strong (Super) El Nino this fall and winter
- Super El Nino = sea surface temperatures in eastern Pacific Ocean +2.0 degrees C above normal
- 75% chance October – December 2026 will experience the strongest El Nino ever recorded dating back to 1950
- Three previous instances of Super El Nino in recent history – 1982-83; 1997-98; 2015-16
- Lincoln snowfall (% of normal) during previous Super El Nino events:
 - 1982-83 – 146%
 - 1997-98 – 172%
 - 2015-16 – 79%

NOAA Seasonal Weather Outlook Winter 2026 - 2027



Topics That Have Our Attention



- DATA CENTER LOADS
 - Potential impacts to supply and pipeline capacity (recent binding NNG Market open season received bids totaling 1.325 Bcf; six bids > 100,000 Dth)
- LNG EXPORT CAPACITY
 - Exports projected to increase by 15% from 2025 to 2026 (+2.3 Bcf/day); ~7% increase (+1.2 Bcf/day) expected in 2027

Summary

- Natural gas prices stable
 - Summer 2026 Mid-continent price (actual + forward) about \$.24 lower than previous summer ~ 9%
 - Winter 2026-2027 Mid-continent forward price about \$1.21 lower than previous winter ~ 24%
- U.S. natural gas storage inventory currently above 5-year-average; inventory expected to be around 3.97 Tcf by the end the 2026 injection season -- approximately 1% above last year and 5% above the five-year-average
- U.S. dry natural gas production hovering near record levels
 - 2026 average ~ 109 Bcf/day; + 4 Bcf/day over 2025
 - 2027 forecast ~ 114 Bcf/day
 - increased production meeting higher LNG export demand
- About 15-20% of U.S. natural gas production is associated with oil production

Cybersecurity and Critical Infrastructure Security Update

John Jorgensen/Doug Law



Evolving Critical Infrastructure Risk

Industry-wide observations highlight evolving risks to utilities:

- Cyber and physical threats
- Nation-state and criminal activity
- Geopolitical and supply-chain risk
- Third-party and remote-access risk
- Increasingly coordinated cyber-physical scenarios

Black Hills Energy addresses these risks through layered safeguards, monitoring, information sharing, preparedness exercises, and continual improvement.

Industry threat observations; not a description of a specific BHE incident or vulnerability.

Industry Standard Frameworks

Black Hills Energy (BHE) maintains a risk-based, defense-in-depth security program designed to protect critical business and operational services.

- Aligned with the NIST Cybersecurity Framework 2.0
- Informed by the CIS Critical Security Controls
- Uses layered administrative, technical, physical, and operational safeguards
- Integrates cybersecurity risk with operational resilience and regulatory obligations
- Continues to mature through investment, exercises, monitoring, assessments and remediation.

Security Partnerships

➤ Threat Detection and Intelligence Sharing

- **DOE / E-ISAC Cybersecurity Risk Information Sharing Program:** Energy-sector threat information sharing and awareness of cyber risks.
- **CISA CyberSentry:** Federal partnerships support monitoring and coordinated response support.
- **NSA/Cybersecurity Collaboration Center:** Supports voluntary collaboration and threat-information sharing between government and industry.

➤ Industry and Government Partners

- American Gas Association
- Edison Electric Institute
- Electricity Information Sharing and Analysis Center (E-ISAC)
- Federal cybersecurity, law enforcement, and defense partners: DHS (CISA and TSA), FBI, DoD (NORTHCOM and NSA)

Pipeline Cybersecurity Program

- Continued implementation of applicable TSA cybersecurity requirements
- Completed required 2026 cybersecurity assessment activities
- Supported scheduled regulatory and critical-infrastructure reviews
- Updated governance and review processes as requirements evolved
- Continuing validation, remediation, preparedness, and program improvement

Security Program Progress

- 2026 progress
 - Advanced protection and monitoring for operational technologies
 - Expanded visibility of technology assets and security risk
 - Strengthened architecture and security review processes
 - Continued investment in physical and cyber resilience
- Continuing priorities
 - Risk-based vulnerability reduction
 - Detection and monitoring capabilities
 - Incident response and recovery exercises
 - Security testing and remediation
 - Asset governance and risk prioritization

Responsible AI and Utility Risk

Managing evolving utility risks also means examining how we use new technology.

AI is one example. Black Hills Energy applies it where it can improve service, safety, efficiency, and decision support.

As we turn to AI, the focus remains on responsible use. Humans remain accountable for decisions and outcomes.

How Black Hills Energy Uses AI

Responsible AI

CAPABILITIES

We use a mix of internally developed and third-party AI capabilities

APPLICATION

We apply AI where it can improve service, safety, efficiency, and decision support.

ACCOUNTABILITY

People review AI outputs and verify findings before acting. They remain accountable for decisions and outcomes.

EXAMPLES

ENERGY PLANNING

Forecasting models

EMPLOYEE EFFICIENCY

Generative AI tools

AGENT QUALITY ASSURANCE

AI powered quality assurance platform

Responsible AI



Purpose & Risk Assessment

- Clear business purpose
- Benefits and risks evaluated
- Greater oversight for higher-risk uses



Security & Compliance

- Cybersecurity and privacy safeguards
- Data protection requirements
- Legal and regulatory review



Testing & Accountability

- Testing appropriate to the use and risk
- Human review and professional judgment
- People remain responsible for decisions



Ongoing Oversight

- Monitoring throughout the solution lifecycle
- Reassessment when significant changes occur
- Material risks and issues are escalated through established governance

Annual Price Option (“APO”) Status

Shelly Reichert



2026 Annual Price Option Update

Customer enrollment period:

8/10/26 – 10/5/26

Customer cap:

13,000

Email notifications sent to eligible customers:

- *Re-enroll in APO to keep paying the same price for natural gas. - 8/11/2026*
- *Pay the same price for natural gas all year. - 8/11/2026*
- *Reminder: Enroll now to pay the same price for natural gas all year. - 9/8/2026*
- *Reminder: Re-Enroll in APO - 9/8/2026*
- *Last call: You have until Oct. 5 to enroll - 10/1/2026*

Annual Price Option Price

Price:

- Upcoming 2026-2027 rate: \$0.68811
- Current 2025-2026 rate: \$0.74139

Enrollments Update

Choice Gas Wyoming

Doug Law



Overview

We are a **customer focused, growth-oriented utility company** with a tradition of exemplary service and a vision to be the energy partner of choice. Based in Rapid City, South Dakota, the company serves over **1.25 million electric and natural gas utility customers in more than 800 communities** in Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. The company generates wholesale electricity and produces natural gas, crude oil and coal. Employees partner to produce results that improve our customers' lives with energy.

Utilities

Gas

Arkansas
Colorado
Iowa
Kansas
Nebraska
Wyoming*

Electric

South Dakota
Colorado
Wyoming*

*Utility supplies electric and gas service to Cheyenne, Wyoming and vicinity and gas service to northeast and northwest Wyoming

Non-regulated Energy

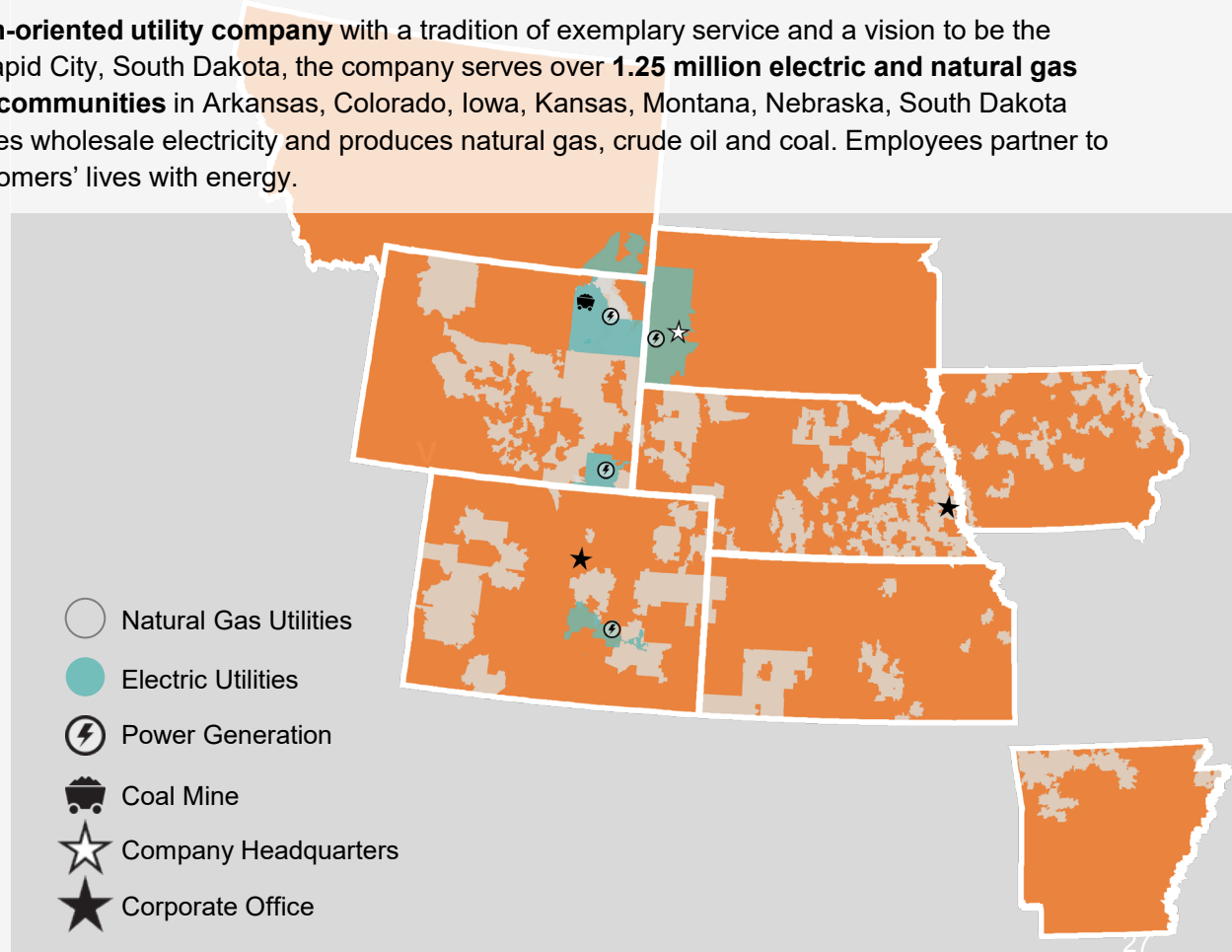
Power Generation

Black Hills Electric
Generation

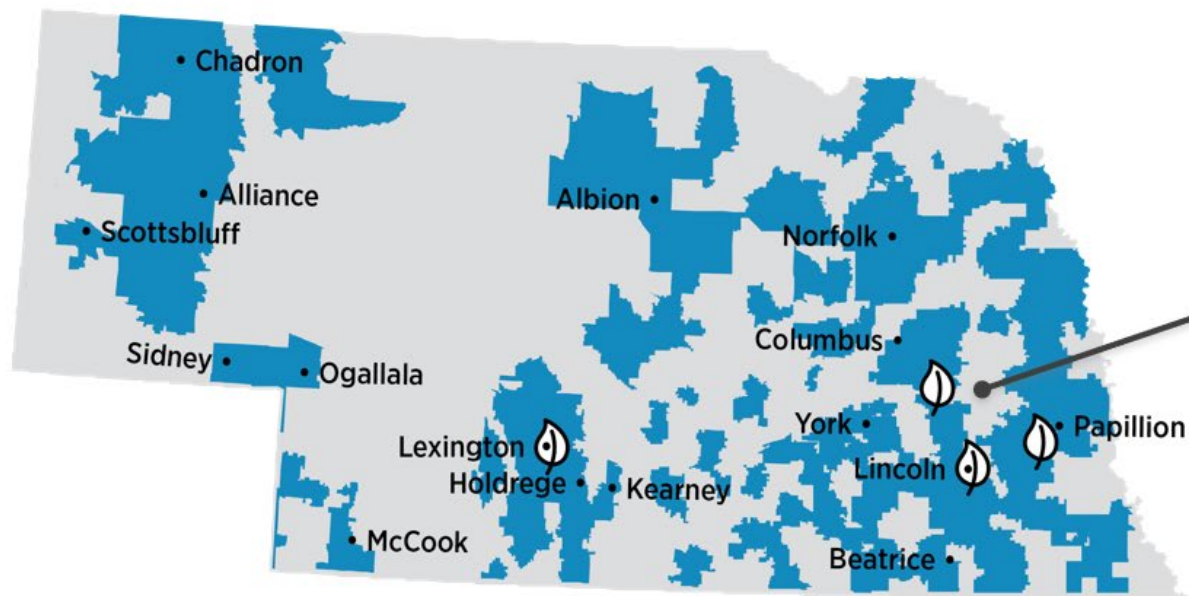
Coal Mining

Wyodak
Resources

-  Natural Gas Utilities
-  Electric Utilities
-  Power Generation
-  Coal Mine
-  Company Headquarters
-  Corporate Office



Black Hills Energy – Nebraska Gas



Nebraska
304,400 customers

● Natural Gas Utilities

VISION

Be the Energy Partner of Choice.

MISSION

Improving Life with Energy.

COMPANY VALUES



Agility

We embrace change and challenge ourselves to adapt quickly to opportunities.



Customer Service

We are committed to providing a superior customer experience every day.



Partnership

Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.



Communication

Consistent, open and timely communication keeps us focused on our strategy and goals.



Integrity

We hold ourselves to the highest standards based on a foundation of unquestionable ethics.



Respect

We respect each other. Our unique talents and diversity anchor a culture of success.



Creating Value

We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve...always.



Leadership

Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



Safety

We commit to live and work safely every day.



Questions?