

Exhibit 3 – BHP’s Narrative of Outreach and Community Events Conducted during PY2016

Education Outreach & Community Events

Black Hills Power, Inc. d/b/a Black Hills Energy developed, managed and implemented an educational outreach strategy during the period from Sept. 1, 2016, to August 31, 2017 (PY2016), which became the "grassroots" approach of the overall Energy Efficiency Solutions (EES) plan. This program included easy-to-implement ways to improve the energy efficiency of a home or business.

An integrated advertising campaign was developed and implemented for the Energy Efficiency Solutions program. The campaign included tactics to cross-market the EES program and the individual components of the residential program – lighting, heat pumps, water heaters, home audits, and recycling. A campaign strategy to reach commercial and industrial (C&I) has also been developed. The C&I outreach was designed to educate our trade allies to stock and promote qualifying equipment and promote the use of energy efficient equipment to our customers. Specifically, the outreach was targeted towards equipment suppliers, electricians, heating and cooling technicians, engineers and architects.

SCHOOL-BASED EDUCATION

Overview: The Living Wise school-based energy efficiency program was presented to fifth-grade students at area elementary schools. Teachers were provided a curriculum kit to guide the program, and each student was given a kit to take home that contained easy-to-use energy efficiency supplies that they could use in their home, with permission and assistance from their parents. The kit contained a high-efficiency showerhead, kitchen faucet aerator, night light, compact fluorescent lamp (CFL), furnace filter alarm, digital thermostat, toilet leak detector tablets, water flow rate test bag, natural resources fact chart, tape measure and a student/parent program evaluation form. The program's goal is to offer energy efficiency education to fifth-grade students in the school districts within BHP’s service territory.

Reach: The Living Wise program reached 1202 fifth-grade students at elementary schools in Newell (25), Piedmont (84), Sturgis (161), Edgemont (16), Hot Springs (68), Custer (58), Hill City (43), Rapid City Area (673) and Christian Schools (74) during the 2016-2017 school year.

ELECTRO-TECHNOLOGY EXPO

Overview: Black Hills Power organized and led the 17th annual Electro-Technology Expo, which was held on Thursday, January 19, 2017 in Rapid City. The Expo is designed to inform professionals in the building industry, key commercial & industrial customers and trade allies about energy efficiency programs and technologies, new electric and building technologies, and energy efficiency measures and standards for residential and commercial businesses.

Twenty-three class sessions were held during the 2017 Expo. The Expo offers code and non-code hours for electricians through the state electrical commissions in South Dakota and Wyoming, and Continuing Education Credits for attendees through the City of Rapid City Mechanical Board. BHP's booth was staffed by the Energy Efficiency team along with Energy Services personnel.

Energy efficiency related presentations included instruction on home energy audits and weatherization, heat pump water heaters, home automation, motors and variable-speed drives,

heat pump troubleshooting and repair, LED lighting systems, home weatherization, insulation, utility energy efficiency programs, sustainability and outdoor area lighting. The local chapter of ASHRAE brought in a national distinguished speaker to present information on the Basics of Air Distribution. The keynote speaker was Steve Kiesner, Senior Director of National Customer Markets, Edison Electric Institute.

Reach: Over 300 attendees and 24 vendors took part in the 2017 Expo.

COMMUNITY RETAIL HOME SHOWS

Overview: Home show participation allows BHP to remain visible at a personal level during community home shows that attract thousands of consumers. Promotion focused on the EES program, primarily the residential lighting program, heat pump water heaters and high-efficiency heat pump systems. Other products outside of the EES program that saw limited promotion were demand controllers and Generlink (portable generator hookup and safety switch).

BHP personnel working at the company's show booth assisted customers with energy-related questions and promoted energy efficiency programs along with promoting the energy efficiency portfolio. BHP featured the Energy Efficiency Solutions during the 2017 spring home show season consistent with the overall promotional theme for the EES program.

BHP's booth was staffed by Energy Services, Construction Services and Customer Service personnel.

Reach: BHP participated in five community shows in South Dakota. BHP staff working the home shows provided feedback on attendance and rated* booth traffic as follows:

- Oct. 4-7, 2016 - South Dakota Municipal League annual conference, Rapid City: Very Good
- March 4, 2017 - Custer Spring Home & Garden Show, Custer: Good
- March 4-5, 2017 - Optimist Home Show, Spearfish: Moderate
- March 24-26, 2017 - Black Hills Home Builders Association Spring Home Show, Rapid City: Very good
- April 1, 2017 - Spring Fling Home & Garden Show, Hot Springs: Good

* Ratings - "Poor, Moderate, Good, & Very Good" - based on qualitative feedback from employees working the booth

COMMUNITY EVENTS/EDUCATION

Black Hills Power uses community events and training opportunities to promote energy efficient equipment and practices to residential customers, key C&I/small business customers and trade allies. The community events include weatherization events, trade ally workshops, key C&I/small business training, community home shows and energy efficiency events organized and run by BHP. BHP included cross-marketing information on energy efficiency programs and short presentations about BHP's Energy Efficiency Solutions program at each training program, workshop or event. The education outreach targeted specific customers and stakeholders through scheduled programs and community-wide events.

- September 30, 2016 – Sustainability Conference, Dahl Fine Arts Building, Rapid City, 150 attendees
- October 14, 2016 – Rush Hockey Sponsor, Rapid City, 1,000 attendees

- March 7, 2017 – Women in Science, STEM program, Rapid City, 400 attendees
- May 10, 2017 – Mammoth Site Rebate Check Presentation, Hot Springs, 15 attendees
- May 10, 2017 – Hot Springs School District Rebate Check Presentation, Hot Springs, 10 attendees
- May 10, 2017 – Springs Senior Center Rebate Check Presentation, Hot Springs, 7 attendees
- May 18, 2017 – Horizon Point EE Tour, Rapid City, 15 attendees
- May 23, 2017 – City of Spearfish Rebate Check Presentation, Spearfish, 15 attendees
- May 23, 2017 – Lead High School Rebate Check Presentation, Lead, 10 attendees
- July 20, 2017 – SD RET Outreach Workshop, School of Mines, Rapid City, 35 attendees
- August 10, 2017 – Ramkota Rebate Check Presentation, Rapid City, 10 attendees
- August 10, 2017 – Rapid City Sustainability Camp Program, Rapid City, 10 attendees

C&I ENERGY EFFICIENCY WORKSHOP

Overview: Energy Services hosted a Power Quality Workshop for key commercial and industrial customers, electrical and general building contractors, engineers and electricians on Thursday, May 18, 2017. The all-day course discussed power system problems and solutions, which included topics such as: induction motor threats, electrical threats, power system threats, high/low voltage and unbalance, overloads, and failure of the control switchgear. Kip Larson, Director of Product Technology for Littelfuse was the course instructor for the 2017 BHP Power Quality Workshop. BHP also presented an overview of its Energy Efficiency Solutions program to attendees during the lunch hour.

Reach: A total of 75 key C&I customers and trade allies attended this workshop.

WEATHERIZATION PROGRAM

Overview: BHP normally targets the homes of elderly, disabled and low income customers during its Weatherization Program that takes place within communities in Black Hills Power's service territory. BHP partnered with Knights of Columbus and Modern Woodsmen who selected homes and performed weatherization work completed in the Rapid City area.

Reach: A total of 6 homes in South Dakota were weatherized in October and November, 2016 in Rapid City.

Marketing Outreach

An advertising campaign was awarded to Flynn Wright. Flynn Wright has developed energy efficiency promotions for other service areas under BHC Corp. In selecting Flynn Wright, we were able to control costs and adopt marketing materials that were developed for other BHC Corp territories. In PY2016, two TV/radio ads were run promoting Residential LED lighting and BHP's Online Audit. The strategy also included the development of social media. This highly visible effort played a significant part in promoting energy efficiency.

The Residential New Customer Handbook promotes BHP Energy Efficiency Solutions program.

- BHP EES has consistently been promoted on the BHP website located on the "home" page.
 - Home energy audits
 - High-efficiency HVAC rebates
 - Residential lighting discount sales

- Refrigerator recycling incentives
- BHP website, www.BHESaveMoney.com, promotes the EES rebate programs.
- The new BHP website also has links to the BHP EES rebate programs on www.BHESaveMoney.com.
- BHP's website also promotes the home energy usage dashboard, so customers can track their usage.
- Two-sided billboard (owned by BHP) located near the BHP Service Center in Rapid City promotes the BHP EES program.
- BHP EES brochures are available to customers at all Black Hills Power walk-in locations.
- BHP EES free-standing banners and wall posters are displayed at all BHP walk-in locations.
- BHP EES programs are promoted through Facebook to nearly 3,500 BHP customers.
- BHP continued to give away free CFLs to promote Energy Efficiency. The bulbs have a customized cover wrap with EE information (shortcut link to BHP's online energy audit and information on ENERGY STAR program). Energy savings information from use of CFLs is also provided.
- BHP developed a portable table-top display with a watt meter energy display. Three light sources – incandescent, CFL and LED are demonstrated. This display was used extensively at community and civic group meetings to promote energy efficient lighting.

EESP - Future Promotional Activities under Consideration

Black Hills Power is confident that its proposed suite of programs will find widespread acceptance among our customers. The primary focus for any future promotional activities will be to determine and find new ways of engaging customers and building program participation.

RESIDENTIAL PROGRAMS

- Ensure that all key service territory heating, ventilation and air conditioning (HVAC) retrofit and replacement firms/companies have been identified:
 - Set up on-site training with BHP's sales team.
 - As part of the training effort, make identified firms aware of what systems qualify for a rebate so they can stock that specific equipment.
 - Supply firms with usage data so customers can see the energy usage comparisons when making their buying decision.
- Identify the major geothermal firms/companies that specialize in new construction and those that focus primarily on retrofits and train both accordingly.

CUSTOM PROGRAMS

Custom programs usually have the highest benefit-cost ratio when compared to the other

programs in the typical plan portfolio. The potential measures outlined in the custom programs are:

- Geothermal Heat Pumps (GHP) - Identify the key commercial heat pump installation companies within BHP's service territory and offer training on the programs focused on explaining how BHP's rebates serve to offset the initial cost of a new GHP system.
- High Efficiency Refrigeration Equipment - Identify the top refrigeration installation companies and offer training to their sales/engineering personnel on the rebate qualifications.
- Process-related equipment for Industrial customers - Ramp up BHP's efforts to promote its programs to this group, including determining the education efforts that would be most effective in reaching this specialized customer group.
- Energy Management & Control Systems - Once the qualifying energy management & control systems have been determined, identify the distributors for those qualifying systems and offer training to their sales teams.

PRESCRIPTIVE PROGRAMS

- Identify and then contact the major lighting installation companies, distributors and manufacturers and provide education on BHP's rebate programs. Offsetting the retrofit dollars with rebate dollars should decrease the payback calculation thereby facilitating increased interest in BHP's lighting programs.
- Initiate direct mailings to process companies, including large agricultural- focused firms, to promote the motor replacement & upgrade program. Coordinate BHP's outreach efforts with those being undertaken by motor manufacturers, including the possible use of co- branded advertising pieces.

GENERAL TECHNIQUES TO BUILD PARTICIPATION

- BHP provided "lunch and learn" sessions with various target audiences.
- Initiate cold calls with key companies not engaged in programs.
- Invite key participating trade allies (as well as non-participants) to vendor roundtables to discuss what processes and practices have been helpful/could be improved within a specific program.
- Refine and enhance front-line employee training across the company.
- Employees that are well-positioned to be effective advocates for the programs include customer service associates, energy services personnel, operations crews and local management.
- Complete energy efficiency presentations to BHC Corp employees on incentives available to customers. The goal would be to encourage BHC Corp employees to promote energy efficiency in the community.