

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF BLACK HILLS)
POWER, INC. d/b/a BLACK HILLS ENERGY)
FOR APPROVAL OF ITS 2024 ECONOMIC) **Docket EL25- ____**
DEVELOPMENT REPORT AND ITS 2025)
ECONOMIC DEVELOPMENT PLAN)**

**2024 ECONOMIC DEVELOPMENT REPORT AND
2025 ECONOMIC DEVELOPMENT PLAN**

Black Hills Power, Inc. d/b/a Black Hills Energy (“Black Hills Power” or the “Company”), files its 2024 Economic Development Report and 2025 Economic Development Plan in compliance with the settlement stipulation approved in Docket EL14-026. Black Hills Power respectfully requests an order from the South Dakota Public Utilities Commission (the “Commission”) approving its 2024 Economic Development Report and its 2025 Economic Development Plan.

Background

Economic development by our western South Dakota communities has always been a multi-faceted approach of business recruitment and retention, coupled with an emphasis on workforce development and quality of life. The success our communities have seen in this approach reflects the work of many small organizations with limited resources, who come together for the growth and betterment of the region. Black Hills Power is proud to be a committed partner in those efforts through the contribution of financial resources and leadership support. As in previous years, no funds were used for lobbying activities in 2024 or will be in 2025.

In Docket No. EL14-026, the Commission established the following economic development cost recovery reporting requirements for Black Hills Power.

The Parties agree that economic development expenses up to \$100,000 shall be equally shared by shareholders (\$50,000) and customers (\$50,000). The economic development expenses shall include, but not be limited to, all South Dakota labor, expenses, and monetary contributions. This program will begin on October 1, 2014, and shall continue thereafter until revised by the Commission. Black Hills Power will submit, on an annual basis, no later than March 1st of each year beginning in 2015, for Commission approval a filing which describes the cost, design, and benefit of Black Hills Power's economic development programs. Program costs will be reported on a calendar year basis. Any portion of the annual customer contribution that remains unspent at the end of a program year shall be carried over into the next program year for Commission approval of expenditures or refund. No carry over shall occur for amounts spent annually in excess of \$100,000. This agreement does not preclude Black Hills Power from spending more on economic development nor does it restrict Black Hills Power from asking for modification of these economic development terms in its next general rate filing.

2024 Economic Development Report

Exhibit 1 outlines the 2024 budget approved in Docket No. EL24-006 compared to the actual expenses incurred in 2024. The approved budget totaled \$153,650 with an actual expenditure of \$156,622 for economic development activities throughout the year. Economic development memberships actual expenses for 2024 were \$2,750 below the 2024 approved budget and community sponsorships and grants were \$9,450 above the 2024 approved budget. The main drivers for this budget variance are a minimal reduction in general memberships and an increase Grant Program partnerships that supported the localized work of economic development organizations. Labor and related expenses saw a reduction of \$3,728 due to less than expected travel expenses.

Black Hills Power economic development investment spans communities throughout our territory in western South Dakota serving more than 73,000 customers in both incorporated and unincorporated areas. By working closely with local business leaders, developers, elected officials, and economic development professionals, Black Hills Power focuses its support to meet the individual needs of each community and growth opportunity. At the heart of our economic development support program is leadership investment and the relationships we build with economic development organizations. We have employees who serve on boards of Elevate Rapid City, Sturgis, Spearfish, Hot Springs, Custer, Hill City, and Belle Fourche economic development organizations. Black Hills Power also has leadership representation on the Boards of the Rushmore Region Economic Development Alliance and Dakota Resources, these regional and statewide organizations put focused emphasis on capacity building and economic development in rural communities.

The financial support we can give through the Black Hills Power structured Economic Development Grant program is a tool that compliments the strong partnership we have with our communities. The grant program is used to support the unique events and initiatives that help drive growth year-round.

A. Membership Support of Local Economic Development Related Organizations

Black Hills Power is an active member in eleven economic development related organizations for a total membership investment of \$13,900 in 2024. These organizations have come to depend on Black Hills Power for membership support, volunteer engagement, and sponsorships. Each organization has a mission which focuses on meeting the growth needs of the community or industry area. Key focus areas for 2024 mirrored previous years with an emphasis on housing initiatives.

Table 1- Black Hills Power Economic Development Related Memberships

Organization	Membership Amount
Belle Fourche Economic Development Corp	\$ 1,000
Black Hills & Badlands Tourism Association	\$ 650
Custer Economic Development Corp	\$ 1,000
Deadwood/Lead Economic Development	\$ 1,000
Elevate Rapid City	<i>5-Year membership – paid with Corporate Funds</i>
Heart of the Hills Economic Development	\$ 750
South Dakota Economic Development Prof Assoc	\$ 2,500
Southern Hills Economic Development Corp	\$ 1,000
Spearfish Economic Development Corp	\$ 2,000
Sturgis Economic Development Corp	\$ 1,500
South Dakota Mineral Industries Association	\$ 2,500
Total	\$ 13,900

B. Economic Development Grants and Community Sponsorships

The Black Hills Power Economic Development Grant Program allows the utility to partner with communities and organizations to support growth and development initiatives of the Black Hills region. As seen in Exhibit 3, Black Hills Power publishes guidelines each year to offer clarification on how the organization supports economic development activity throughout our South Dakota territory. These guidelines are distributed to our regional economic development offices and community partners engaging in qualifying programming.

Outlined in the table below are the economic development opportunities supported through the 2024 Black Hills Power Economic Development Grant Program. The grant program supports economic development functions through event sponsorship, research and program collaborations, and investments in professional and organizational development of local economic development leaders.

Through the economic development grant program, Black Hills Power led a site selection audit for Black Hills communities in 2024. All of our regional communities were offered the opportunity to receive an in-depth audit by Quest Site Solutions of their promotional and outreach efforts for available industry and business parks. Of the nine communities in the Rushmore Regional Alliance, five chose to participate in the Quest audit and received constructive and valuable advice to better promote available properties to site selectors and industry markets across the country. These economic development organizations will be able to implement changes to better attract compatible businesses willing to grow or expand in our area.

Table 2 - Black Hills Power 2024 Economic Development Grant Support

Organization	Purpose and Impact	Amount
Belle Fourche Development Corporation	Sponsor Annual Meeting on January 11, 2024	\$ 1,200
Black Hills Economic Development	Third annual "Fuel the Growth" ED workshop, fall 2024, held at BHSU-Rapid City, will teach basic economic development principles.	\$ 3,000
Black Hills Special Services Coop	Community Education of the Black Hills booklets - Fall 2024/Winter 2025	\$ 2,500
Black Hills State University	Gold level support of SDCEO annual training and business development assistance to aspiring entrepreneurs	\$ 5,000
Custer Area Economic Development Corp	Travel expenses for Dakota Resources B.O.L.D (Building Organizations for Local Development) capacity-building program. Funds to cover two trainers traveling to Custer for in-person Board development sessions	\$ 2,500
Dakota Resources	Dakota Resources Housing gathering held in Deadwood, SD Nov 13-14	\$ 5,000
Deadwood Chamber of Commerce & Visitors	Deadwood City Wide Job Fair - April 25	\$ 500
Deadwood Economic Development Corp	Annual meeting in Dec 2024	\$ 2,500

Enterprise Institute	SDSMT Oct 16th. Connects high school and college students, entrepreneurs, mentors, and investors in the development of start-up companies	\$ 1,000
Heart of the Hills Economic Development	Annual meeting & social - Apr 10	\$ 1,000
Main Street Square Inc	Fund to promote downtown events and businesses year-round.	\$ 10,000
Quest Site Solutions, LLC	Contract for site selection audit for Black Hills communities	\$ 27,500
Elevate Rapid City	Workforce Summit - July 11	\$ 3,000
South Dakota Ellsworth Development Authority	Annual sponsorship of military support events and initiatives through Black Hills Military Advisory Coalition	\$ 10,000
Southern Hills Economic Development Corp	Sponsor Annual Meeting scheduled on January 18, 2024.	\$ 1,000
Spearfish Economic Development	Sponsor Annual Meeting scheduled on January 18, 2024.	\$ 1,000
State Of South Dakota	Energize Conference held in Hot Springs - May 22-23, 2024. Organized by SDSU Extension, and a planning team in Hot Springs, conference to improve rural communities.	\$ 2,000
South Dakota School Of Mines	CEO Business Plan Competition - Dec 7	\$ 4,000
State Of South Dakota	2024 Governor's Office of Economic Development Conference expenses/provide the Community of the Year award	\$ 2,500
Sturgis Economic Development	Sponsor Annual Meeting scheduled on March 26, 2024	\$ 2,500
Sturgis Economic Development	Semi-Annual Meeting/Investor Appreciation Social - Oct 29	\$ 1,250
South Dakota Chamber of Commerce	2024 Governor's Office of Economic Development Conference expenses	\$ 5,000
	Total	\$ 93,950

2025 Economic Development Plan

Exhibit 2 outlines the proposed 2025 Economic Development Plan. Like last year, we are proposing a 2025 Economic Development budget of \$152,650, as represented in Exhibit 2.

Continuing our consistent support of memberships and event sponsorship, coupled with capacity building and local initiatives, we believe 2025 will also hold opportunities for collaborative marketing efforts to site selectors and potential industry partners.

Company Contacts

Black Hills Power will be represented in this proceeding by the following persons.

Correspondence regarding this proceeding should be directed to the following:

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Exhibits

The following exhibits are presented in support of this Economic Development Report and Plan:

- Exhibit 1 2024 Economic Development Report
- Exhibit 2 2025 Economic Development Plan
- Exhibit 3 Economic Development Grant Program

Conclusion

Black Hills Power is proud to support the work of the economic development professionals, chambers of commerce, local governments, and developers in the Black Hills region and across the state. Their work can be seen in the continued business growth, the increased wages, and the quality of life we enjoy in the state.

Black Hills Power respectfully requests the Commission issue an order approving the 2024 Economic Development Report along with the 2025 Economic Development Plan.

STATE OF SOUTH DAKOTA)
) SS:
 COUNTY OF PENNINGTON)

I, Jason S. Keil, being duly sworn, do hereby depose and say that I am Manager – Regulatory for Black Hills Power, Inc. d/b/a Black Hills Energy, that I have read such Application, and that the facts set forth therein are true and correct to the best of my knowledge, information and belief.

Jason S. Keil
 Jason S. Keil
 Manager - Regulatory

Subscribed and sworn to before me this 26th day of February 2025.



Becky Purington
 Notary Public

My commission expires June 22, 2029

My Commission Expires: _____