

BLACK HILLS POWER, INC.  
d/b/a BLACK HILLS ENERGY  
EL25-012

REQUEST DATE : 08/27/25

RESPONSE DATE : 09/10/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

---

**SDPUC Request No. 6.1:**

Given BHE's participation in WEIM,

- (a) Why did it choose to be a phase two participant in Markets+?
- (b) Confirm this does not come with any sort of obligation for BHE.
- (c) What is the upfront cost and ongoing cost of this Markets+ participation?

**Response to SDPUC Request No. 6.1:**

- (a) Black Hills Power has chosen to participate in phase two of Markets+ through executing a Stakeholder Agreement. This agreement allows Black Hills Power to retain its committee seats and voting rights without any obligation, now or into the future, to join Markets+, or to fund the development and/or operations of Markets+.
- (b) See part (a) above.
- (c) Total up-front cost under the agreement is \$5,000. There is no on-going cost obligation.

**Responder:** Eric Egge

**Attachments:** None

BLACK HILLS POWER, INC.  
d/b/a BLACK HILLS ENERGY  
EL25-012

REQUEST DATE : 08/27/25

RESPONSE DATE : 09/10/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

---

**SDPUC Request No. 6.2:**

According to BHE's response to Data Request 2-1, it is only requesting to collect O&M implementation costs through the Energy Cost Adjustment. Does BHE anticipate requesting cost recovery of capital implementation costs in a future rate case? If so, would BHE agree to deferring the O&M implementation costs, so they can be included in the analysis regarding capital implementation costs?

**Response to SDPUC Request No. 6.2:**

Black Hills Power will agree to place the WEIM O&M and implementation costs into a Regulatory Asset with disposition determined in its next rate review.

**Responder:** Denton McGregor and Jason Keil

**Attachments:** None

BLACK HILLS POWER, INC.  
d/b/a BLACK HILLS ENERGY  
EL25-012

REQUEST DATE : 08/27/25

RESPONSE DATE : 09/10/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

---

**SDPUC Request No. 6.3:**

According to BHE's response to Data Request 5-10, it plans to include O&M balancing authority costs in the Transmission Cost Adjustment filing on May 10, 2026. Does BHE anticipate requesting cost recovery of capital balancing authority costs in a future rate case? If so, would BHE agree to deferring the O&M balancing authority costs, so they can be included in the analysis regarding capital balancing authority costs?

**Response to SDPUC Request No. 6.3:**

Black Hills Power is currently coding balancing authority O&M related charges to the appropriate FERC account based on the Code of Federal Regulations Uniform System of Accounts. The balancing authority charges applicable to FERC account 561 that are recovered under the Common Use System Joint Open Access Transmission Tariff (JOATT) will be allocated to all Tariff customers through Schedule 1 of the ancillary services, some of which will be charged to Black Hills Power customers through the Transmission Cost Adjustment filing that will be filed on May 10, 2026.

Balancing Authority Transmission capital assets will be recovered through the Common Use System Joint Open Access Transmission Tariff FERC Formula Rate while software capital costs related to WEIM will be recovered through state rate reviews.

Black Hills Power will agree to place the WEIM O&M and implementation costs into a Regulatory Asset with disposition determined in its next rate review. However, to avoid Black Hills Power customers from assuming all the balancing authority O&M costs, it is appropriate to continue charging to the correct FERC account and recover balancing authority O&M charges through the Common Use System JOATT.

**Responders:** Denton McGregor and Jason Keil

**Attachments:** None

BLACK HILLS POWER, INC.  
d/b/a BLACK HILLS ENERGY  
EL25-012

REQUEST DATE : 08/27/25

RESPONSE DATE : 09/10/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

---

**SDPUC Request No. 6.4:**

How does the recently announced, proposed merger with NorthWestern Energy Group impact BHE's decision to stand up its own balancing authority and join WEIM instead of joining the SPP expansion? Provide updates to any past data request responses that have changed given the proposed merger.

**Response to SDPUC Request No. 6.4:**

The announcement of the proposed merger does not have any impact on Black Hills Power's decision to stand up its own balancing authority or its decision to join WEIM.

Black Hills Power's answers to prior data requests have not changed due to the announcement of the proposed merger.

**Responder:** Eric Egge

**Attachments:** None

**CERTIFICATE OF SERVICE**

I certify the foregoing document was filed through the South Dakota Public Utilities Commission website this 10th day of September, 2025 and served on the following:

Patricia Van Gerpen  
Amanda Reiss  
Jeannie Fuerst  
Patrick Steffensen  
South Dakota Public Utilities Commission  
500 E. Capitol Ave.  
Pierre, SD 57501  
Patty.vangerpen@state.sd.us  
Amanda.reiss@state.sd.us  
Jennie.fuerst@state.sd.us  
Patrick.steffensen@state.sd.us

  
\_\_\_\_\_  
Jerrad Hammer