

**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 TO IMPLEMENT A ECONOMIC FLEXIBLE LOAD SERVICE TARIFF AND AMEND ITS ENERGY COST ADJUSTMENT TARIFF EFFECTIVE JUNE 1, 2025)	CONFIDENTIAL SETTLEMENT STIPULATION Docket No. EL25-019
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It is hereby stipulated and agreed by and among Black Hills Power, Inc., d/b/a Black Hills Energy (“Black Hills Power”) and the South Dakota Public Utilities Commission Staff (“Staff”) (jointly “Party” or “Parties”), that the following Settlement Stipulation (the “Stipulation”) may be adopted by the South Dakota Public Utilities Commission (the “Commission”) in the above captioned docket (the “Application”), the Parties do hereby offer this Stipulation, the Application, along with supporting materials filed April 28, 2025, and thereafter. The Parties offer no answer testimony or exhibits, conditioned upon the Commission accepting the following Stipulation without any material or modification.

I. INTRODUCTION

On April 28, 2025, Black Hills Power filed with the Commission the aforementioned Application through which Black Hills Power requested an Order from the Commission permitting Black Hills Power to implement a proposed Economic Flexible Load Service Tariff (“EFLS Tariff”) and amend its Energy Cost Adjustment (“ECA”) to allow for the revenues and costs associated with service under the proposed EFLS Tariff to be removed from the ECA and to pass along benefits to all other retail customers.

II. PURPOSE

This Stipulation has been prepared and executed by the Parties for the sole purpose of resolution of all issues in this docket. In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

- 1) Upon execution of the Stipulation, the Parties shall file this Stipulation with the Commission together with a joint motion requesting Commission issue an order approving this Stipulation in its entirety without condition or modification.
- 2) This Stipulation includes all terms of settlement and is submitted with the condition that in the event the Commission imposes any material changes in or conditions to this Stipulation which are unacceptable to either Party, this Stipulation may, at the option of either Party, be withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.
- 3) This Stipulation shall become binding upon execution by the Parties, provided however, that if this Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void, and privileged. This Stipulation is intended to relate only to the specific matter referred to herein; neither Party waives any claim or right which it may otherwise have with respect to any matter not expressly provided for herein; neither Party shall be deemed to have approved, accepted, agreed, or consented to any ratemaking principle, or any method of cost of service determination, or any method of cost allocation underlying the provisions of this Stipulation, or be advantaged or prejudiced or bound thereby in any other current or future rate proceeding before the Commission. Neither Party nor a representative thereof shall directly or indirectly refer to this Stipulation or that part of any order of the Commission relating to this Stipulation as

precedent in any other current or future rate proceeding or any other proceeding before the Commission.

- 4) It is understood that Commission Staff enters into this Stipulation for the benefit of all of Black Hills Power's South Dakota customers affected by this docket.

III. STIPULATION

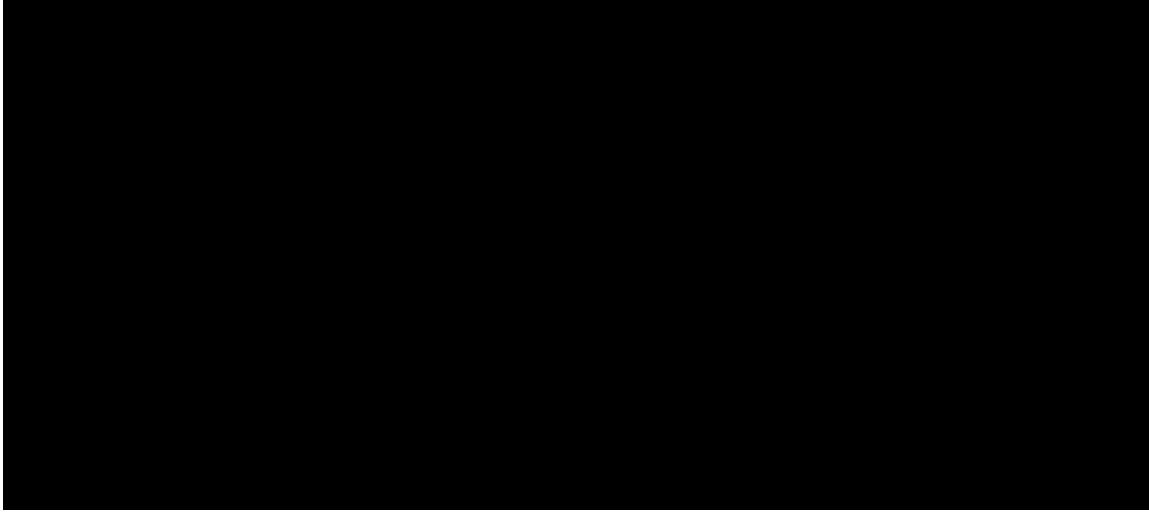
The Parties agree to settle and resolve this docket on the following terms and conditions:

1. The Parties agree that the name of the proposed tariff will be changed to "Blockchain Interruptible Service Tariff" and Black Hills Power will file a compliance tariff in this docket to reflect the name change along with other changes recommended by Staff to the Blockchain Interruptible Service Tariff and the Energy Cost Adjustment Tariff. Please see Attachment A to this Stipulation, labeled as Attachment A – Clean Settlement Version of Tariff, for all changes recommended by Staff and agreed to by Black Hills Power. Attachment A will be filed in the docket as the compliance tariff mentioned above. Please see Attachment B to this Stipulation, labeled Attachment B – Redline of Settlement Version of ECA Tariff, for all changes recommended by Staff and agreed to by Black Hills Power. Attachment B will be filed in the docket as the compliance tariff mentioned above. Please see **Confidential** Attachment C – Margin Calculation Sheet, that will be added as a worksheet to the TCA calculation model.
2. For existing and future retail customers, the Parties agree that Black Hills Power will file each BCIS Agreement entered into with the Commission for their approval.
3. The Parties agree that volumes, revenues and costs related to any BCIS Agreement will be removed from any earnings reports and/or any retail cost of service in any rate

proceeding before the Commission.

CONFIDENTIAL BEGINS

4.



CONFIDENTIAL ENDS

5. Customer benefit created from the calculation in element 4 above will be passed along to existing retail customers through the Transmission Cost Adjustment (“TCA”) as a reduction to Net Transmission Costs in Line 4 of the TCA calculation as stated in Attachment B to this Stipulation, labeled as Attachment B – Redline of Settlement Version of the ECA Tariff.
6. The Parties agree that Black Hills Power shall not seek and is precluded from recovering from its South Dakota customers any unpaid debt of any BCIS Tariff customer, any increased interest expense and/or equity costs that retail customers incur due to a downgrade, as a result of service to BCIS customer(s), that is greater than it would have incurred if the debt would have been issued by a Black Hills Corporation entity that held a “BBB-” equivalent “investment grade” rating from Standard & Poor’s at the time of issuance.

This Stipulation is entered into effective this 20th day of January, 2026.

BLACK HILLS POWER, INC.

By: Jerrad Hammer
Name: Jerrad Hammer
Its: Director of Regulatory

**SOUTH DAKOTA PUBLIC UTILITIES
COMMISSION STAFF**

By: Jennie L Fuerst
Name: Jennie L Fuerst
Its: Staff Attorney