

Black Hills Power, Inc. d/b/a Black Hills Energy

INTERIM RATE REFUND PLAN

Black Hills Power, Inc. d/b/a Black Hills Energy ("Black Hills Power") submits the following plan for refunding the portion of the interim rate surcharge collected in excess of the revenue increase authorized by the Settlement Stipulation ("Stipulation") entered into by Black Hills Power, the South Dakota Public Utilities Commission Staff ("Staff"), and the South Dakota Large Customer Group ("SDLCG") (collectively, the "Settling Parties").

The interim rate period subject to refund extends from August 18, 2026, when interim rates became effective, through November 30, 2026.

On July 17, 2026, Black Hills Power filed its Notice of Intent to Implement Interim Rates with the South Dakota Public Utilities Commission ("Commission") pursuant to SDCL 49-34A-17. On August 18, 2026, Black Hills Power implemented an interim annualized rate increase of \$50,553,697 for service rendered on and after that date.

At the Commission November 4, 2026, meeting, the Commission approved the Stipulation under which the Settling Parties agreed to an increase in South Dakota jurisdictional electric revenues of \$27,353,773, resulting in total retail-related at base revenues of \$155,907,711 for the adjusted test period.

Black Hills Power will distribute the required refunds as follows:

Black Hills Power utilizes a refund software program that calculates the refund due to each customer by billing component. Final rates will be implemented effective December 1, 2026. After the approved final rates have been implemented in the billing system, Black Hills Power will calculate and issue refunds, including 7% annual interest, beginning no later than February 1, 2027. Refunds will also include any applicable sales taxes. For existing customers, refunds will be provided as a one-time bill credit posted to the customer's account during their billing cycle.

Customers who are no longer receiving service from Black Hills Power will receive a check if the refund amount is \$3.00 or greater. Any residual unrefunded amounts will be credited to customers through the next Black Hills Power South Dakota Energy Cost Adjustment.