BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF BLACK HILLS POWER, INC. d/b/a BLACK HILLS WNERGY FOR AUTHORITY TO INCREASE RATES FOR UTILITY SERVICE IN SOUTH DAKOTA	)))))	NOTICE OF INTENT TO IMPLEMENT INTERIM RATES EL26-003

Black Hills Power, Inc. d/b/a Black Hills Energy ("Black Hills Power" or "Company"), by and through its undersigned representative, hereby submits this Notice of Intent to Implement Interim Rates to the South Dakota Public Utilities Commission ("Commission") pursuant to SDCL § 49-34A-17.

Pursuant to SDCL § 49-34A-17, Black Hills Power intends to implement an interim rate increase of $50,553,697 or 25.4% for South Dakota residential retail electric customers for service provided on and after August 18, 2026 (the "Interim Rate Increase"). The impact of the Interim Rate increase on commercial and industrial customers will vary by rate class and will depend upon individual customer usage characteristics, including load factor and energy consumption patterns.

The Interim Rate Increase will remain in effect until final rates are established by Commission order and implemented in this proceeding. Consistent with SDCL § 49-34A-17, Black Hills Power will implement the Interim Rate Increase using the rate design proposed in its pending rate case, Docket No. EL26-003.

The following attachments are included with this Notice:

- Attachment 1 – Interim Rate Changes by Customer Class
- Attachment 2 – Average Monthly Bill Impacts
- Attachment 3 – Tariff Sheets Reflecting Interim Rates
- Attachment 4 - Black Hills Power Customer Notice

I. BACKGROUND

On February 19, 2026, Black Hills Power filed an Application for Authority to Increase Rates for Utility Service in South Dakota with the Commission in Docket No. EL26-003. Through that application, Black Hills Power's requested authority to increase annual retail electric revenues by approximately $50.6 million or 25.4%, based upon a test year ending September 30, 2025.

On March 13, 2026, pursuant to SDCL § 49-34A-14, the Commission entered an order suspending the proposed rates for a period of 180 days from the filing date of February 19, 2026. The statutory suspension period will expire on August 18, 2026.

South Dakota Codified Law provides a mechanism by which a public utility may implement interim rates if the Commission has not issued a final decision before the expiration of the suspension period. Specifically, SDCL § 49-34A-17 permits a public utility to implement its proposed practice, the proposed rate, or a rate lower than the proposed rate when:

1. The proposed rate or practice has not been suspended or is no longer subject to suspension;
2. The Commission has not issued a final decision; and
3. Thirty (30) days has passed from the date of filing.

Each of these statutory conditions has been satisfied. Black Hills Power's proposed rates were filed on February 19, 2026, and are scheduled to become effective following expiration of the 180-days suspension period on August 18, 2026. As of the filing of this Notice, the Commission has not issued a final decision in EL26-003, and more than thirty (30) days have passed since the filing of Black Hills Power's application.

Accordingly, Black Hills Power hereby provides notice of its intent to implement interim rates effective August 18, 2026.

II. DESCRIPTION OF INTERIM RATES

A. RATE DESIGN

SDCL § 49-34A-17 provides that a public utility implementing interim rates shall utilize either its existing rate design or the rate design proposed in its pending rate case filing. Black Hills Power intends to implement the Interim Rate Increase using the rate design proposed in its pending rate case filing, EL26-003.

The proposed rate design reflects the allocation of the revenue requirement among customer classes as presented in the Company's February 19, 2026, Application, and Supporting Testimony. The interim rates preserve the fundamental rate relationships and cost-allocation principles proposed by the Company in this proceeding

B. INTERIM RATE INCREASE

The Interim Rate Increase is designed to recover approximately $50.6 million in additional annual base-rate revenues, consistent with the revenue requirement proposed in EL26-003.

The interim rates affect customer classes differently based upon the proposed rate design and class revenue allocation. A summary of the interim rate impacts to average monthly bills by customer class is provided in Attachment 2.

For clarification, the Interim Rate Increase applies to Black Hills Power's base electric rates and does not alter charges recovered through separately authorized riders or adjustment clauses, including the Energy Cost Adjustment ("ECA") or other Commission-approved tariff mechanisms. Such riders will continue to be administered pursuant to their applicable tariffs and Commission orders.

III. REFUNDS

Black Hills Power acknowledges that the interim rates implemented pursuant to SDCL § 49-34A-17 are subject to refund. The Company will maintain records sufficient to identify and calculate the revenues collected under the Interim Rate Increase during the interim rate period.

In the event the Commission's final order authorizes an increase that is less than the Interim Rate Increase implemented by the Company, Black Hills Power will refund the difference, together with applicable interest, in accordance with SDCL §§ 49-34A-22 and 49-34A-23.

IV. CUSTOMER NOTICE

Black Hills Power will provide notice of the Interim Rate Increase to its customers. Specifically, Black Hills Power will:

- Post a Notice of Intent to Implement Interim Rate Increase at its Rapid City service center located at 409 Deadwood Avenue at least thirty (30) days prior to the effective date of the interim rate;
- Publish the notice on its website at: blackhillsenergy.com/reliable-sd; and
- Provide notice to affected customers through a message included in the customer's monthly billing statements beginning July 17, 2026.

Black Hills Power submits that these actions provide reasonable and sufficient notice to customers regarding the implementation of interim rates.

V. CONCLUSION

WHEREFORE, Black Hills Power respectfully submits this Notice of Intent to Implement Interim Rates pursuant to SDCL § 49-34A-17 and hereby provides notice that it intends to implement interim rates for bills on and after August 18, 2026, utilizing the rate design proposed in its application filed on February 17, 2026.

Dated this 17th day of July, 2026

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY

By: Jerrad Hammer
Jerrad Hammer
Director - Regulatory