

Statement G

20:10:13:72. Statement G -- Rate of return. Statement G shall show the percentage rate of return claimed, with a brief statement of its basis. The statement shall show the cost of debt capital, preferred stock capital, and the return on the stockholder's equity resulting from the overall rate of return claimed, based upon the utility's capitalization. In addition, items required in §§ 20:10:13:73 to 20:10:13:79, inclusive, shall be submitted as part of statement G. If 50 percent or more of the common stock of the public utility is not held by the public but is owned by another corporation, the information required by §§ 20:10:13:73 to 20:10:13:75, inclusive, shall also be submitted to the extent applicable for the debt, preferred stock, and common stock of the parent company.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: [SDCL 49-34A-4](#).

Law Implemented: [SDCL 49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

20:10:13:73. Statement G -- Debt capital. Statement G shall also show the weighted average cost of debt capital based upon the following data for each class and series of long term debt outstanding according to the most recently available balance sheet:

- (1) Title;
- (2) Date of issuance and date of maturity;
- (3) Interest rate;
- (4) Principal amount of the issue;
- (5) Net proceeds;
- (6) Net proceeds per unit;
- (7) Amount currently outstanding;
- (8) Cost of money and yield to maturity based on the interest rate and net proceeds per unit outstanding determined by reference to any generally accepted table of bond yields;
- (9) If the issue is owned by an affiliate, the name and relationship of owner and a copy of the latest prospectus issued by the public utility, any superimposed holding company, or subsidiary companies;
- (10) A copy of the bond indenture provisions related to minimum interest coverage requirements for existing and new issues.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: [SDCL 49-34A-4](#).

Law Implemented: [SDCL 49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

20:10:13:74. Statement G -- Preferred stock capital. Statement G shall also show the weighted average cost of preferred stock capital based upon the following data for each class and series of preferred stock outstanding according to the most recently available balance sheet:

- (1) Title;
- (2) Date of issuance;
- (3) If callable, call price;
- (4) If convertible, terms of conversion;
- (5) Dividend rate;
- (6) Par value or stated amount of issue;
- (7) Price to public per share;
- (8) Underwriters' discount or commission:
 - (a) Amount;
 - (b) Percent of gross proceeds;
- (9) Issuance expenses:
 - (a) Amount;
 - (b) Percent of gross proceeds;
- (10) Net proceeds;
- (11) Net proceeds per unit;
- (12) Cost of money, that is, the dividend rate divided by net proceeds per unit or share;
- (13) Amount outstanding;
- (14) Whether issue was offered to stockholders through subscription rights or to the public;
- (15) If issue is owned by an affiliate, then provide the name and relationship of owner.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL [49-34A-4](#).

Law Implemented:SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
COST OF CAPITAL - PRO FORMA
FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026

COST OF SERVICE STUDY

Statement G

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(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Per Book Test Period				
2	Long-Term Debt (13-mo average ending September 30, 2025)	\$ 545,334,615	46.82%	5.48%	2.57%
3	Common Equity (13-mo average ending September 30, 2025)	619,326,905	53.18%	10.50%	5.58%
4	Rate of Return	\$ 1,164,661,520	100.00%		8.15%
5					
6					
7	Pro Forma Period				
8	Long-Term Debt (13-mo average ending September 30, 2026)	596,834,615	46.79%	5.50%	2.57%
9	Common Equity (13-mo average ending September 30, 2026)	678,807,386	53.21%	10.50%	5.59%
10	Rate of Return	\$ 1,275,642,001	100.00%		8.16%
11					
12					
13	Common Equity at End of Test Year	619,326,905			
14	Adjustment to Equity	59,480,481			
15	Adjusted Equity	678,807,386			
16	Total	\$ 1,275,642,001			

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
COST OF DEBT - TOTAL COMPANY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025 AND PRO FORMA YEAR ENDED SEPTEMBER 30, 2026

COST OF SERVICE STUDY
Statement G
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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Line No.	Title	Issue	Maturity	Amount Issued	Price per Unit	Net Proceeds Amount	Coupon/Interest Rate	Yield to Maturity	Financing Costs	(Gain)/Loss on Reacquired Debt	Cost of Money	Principal Balance Assigned to BHP	Annual Cost
1	As of September 30, 2025												
2	BHC Long-Term Debt												
3	BHC \$300M Notes Due 2026	1/13/2016	1/15/2026	\$ 300,000,000	0.9970	\$ 299,091,000	3.95%	3.99%	0.10%	0.00%	4.08%	\$ 16,426,769	\$ 670,212
4	BHC \$400M Notes Due 2027	8/19/2016	1/15/2027	400,000,000	0.9995	399,796,000	3.15%	3.16%	0.79%	0.20%	4.15%	21,902,359	908,948
5	BHC \$350M Notes Due 2028	3/7/2023	3/15/2028	350,000,000	0.9968	348,869,500	5.95%	6.02%	0.20%	0.00%	6.22%	19,164,564	1,192,036
6	BHC \$400M Notes Due 2029	10/3/2019	10/15/2029	400,000,000	0.9966	398,624,000	3.05%	3.09%	0.09%	0.00%	3.18%	21,902,359	696,495
7	BHC \$400M Notes Due 2030	6/17/2020	6/15/2030	400,000,000	0.9966	398,632,000	2.50%	2.54%	0.09%	0.00%	2.63%	21,902,359	576,032
8	BHC \$400M Notes Due 2033	8/17/2018	5/1/2033	400,000,000	0.9954	398,172,000	4.35%	4.39%	0.08%	0.04%	4.51%	21,902,359	987,796
9	BHC \$450M Notes Due 2034	9/15/2023	5/15/2034	450,000,000	0.9923	446,512,500	6.15%	6.25%	0.09%	0.00%	6.34%	24,640,154	1,562,186
10	BHC \$450M Notes Due 2035	5/16/2024	1/15/2035	450,000,000	0.9979	449,041,500	6.00%	6.03%	0.09%	0.00%	6.12%	24,640,154	1,507,977
11	BHC \$300M Notes Due 2046	8/19/2016	9/15/2046	300,000,000	0.9946	298,365,000	4.20%	4.23%	0.04%	0.10%	4.37%	16,426,769	717,850
12	BHC \$300M Notes Due 2049	10/3/2019	10/15/2049	300,000,000	0.9981	299,415,000	3.88%	3.89%	0.04%	0.06%	3.98%	16,426,769	653,785
13	Subtotal BHC Long-Term Debt			\$ 3,750,000,000								\$ 205,334,615	\$ 9,473,318
14													
15	BHP Long-Term Debt												
16	First Mortgage Bonds due 2044	10/1/2014	10/20/2044	85,000,000	1.0000	85,000,000	4.43%	4.43%	0.03%	n/a	4.46%	85,000,000	3,791,000
17	First Mortgage Bonds due 2032	8/13/2002	8/15/2032	75,000,000	1.0000	75,000,000	7.23%	7.23%	0.13%	n/a	7.36%	75,000,000	5,520,000
18	First Mortgage Bonds due 2039	10/27/2009	11/1/2039	180,000,000	1.0000	180,000,000	6.13%	6.12%	0.04%	n/a	6.17%	180,000,000	11,106,000
19	BHP Long-Term Debt			\$ 340,000,000								\$ 340,000,000	\$ 20,417,000
20													
21													
22	Total Long-Term Debt at BHP			\$ 4,090,000,000								\$ 545,334,615	\$ 29,890,318
23													
24	Average Cost of Debt												5.48%
25													
26													
27	As of September 30, 2026 - Note (2)												
28	Average Cost of Debt												5.50%
29													
30	Note (1) 13-month average Assigned Debt from BHC to BHP												
31	Note (2) The Pro Forma weighted average cost of debt is discussed in the direct testimony of Mr. Thomas D. Stevens.												

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
COMMON STOCK
FOR THE TEST PERIOD ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Statement G
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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Line No.	Description Note (1)	Number of Shares Issued	Gross Proceeds at Offering Price	Under-writer's Discount	Proceeds to BHP	Issuance Expense	Net Proceeds	Offering Price Per Share	Net Proceeds Per Share	Book value Per Share	Closing Mkt Price Per Latest Trading Date Prior to Date of Issuance	Earnings/Share at Date of Issuance	Dividend Rate at Date of Issuance	Public or Subscribed Issue

1 None

2

3 Note (1) Black Hills Power did not issue any common stock in the past 5 years.