

**BLACK HILLS POWER, INC. d/b/a BLACK HILLS ENERGY**  
**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT**  
**FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026**

**COST OF SERVICE STUDY**  
**Schedule H-10**

(a)	(b)	(c)	(d)	(e)
Line No.	Description	Per Book Test Period	Adjustment Note (1)	Adjusted Amount
1	<b>Retiree Medical Expenses (926)</b>			
2	Retiree Healthcare Net Periodic Expense and Administrative Costs	\$ 449,474	\$ (39,277)	\$ 410,197
3	Retiree Healthcare Plan Costs (Amortization of Regulated Assets)	13,537	-	13,537
4	<b>Subtotal Retiree Medical Expenses (926)</b>	<b>\$ 463,011</b>	<b>\$ (39,277)</b>	<b>\$ 423,734</b>
5				
6	<b>Pension Expenses (926)</b>			
7	Pension Plan Net Periodic Expense and Administrative Costs	500,779	(35,817)	464,962
8	Pension Plan Costs (Amortization of Regulated Assets)	74,119	-	74,119
9	<b>Subtotal Pension Expenses (926)</b>	<b>\$ 574,898</b>	<b>\$ (35,817)</b>	<b>\$ 539,081</b>
10				
11	<b>Total</b>	<b>\$ 1,037,908</b>	<b>\$ (75,093)</b>	<b>\$ 962,815</b>

12

13 Note (1) Adjustment amounts are the difference between the test year per books expenses for Pension and Retiree

14 Healthcare and the recommended expenses going forward as discussed in the Direct Testimony of Mr. Thomas D. Stevens.

**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT  
FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026  
A. Pension Plan and Retiree Healthcare Plan (Benefit)/Expense Summary**

Description (a)	Direct (Benefit) / Expense	Allocated (Benefit) / Expense	Total (Benefit) / Expense	Direct (Benefit) / Expense	Allocated (Benefit) / Expense	Total (Benefit) / Expense	Direct (Benefit) / Expense	Allocated (Benefit) / Expense	Total (Benefit) / Expense
	(b)	(c)	(d) = (b) + (c)	(e)	(f)	(g) = (e) + (f)	(h) = (b) + (e)	(i) = (c) + (f)	(j) = (d) + (g)
	Year Ended 9/30/2025			Adjustment			Pro Forma - Year Ended 9/30/2026		
1 Retiree Healthcare Net Periodic (Benefit)/Expense	\$ 235,531	\$ 213,943	\$ 449,474	\$ (29,570)	\$ (9,707)	\$ (39,277)	\$ 205,961	\$ 204,236	\$ 410,197
2 Retiree Healthcare Administrative Costs	\$ 7,141	\$ 6,396	\$ 13,537	\$ -	\$ -	\$ -	\$ 7,141	\$ 6,396	\$ 13,537
3 <b>Retiree Healthcare Plan (Benefit)/Expense</b>	<b>\$ 242,672</b>	<b>\$ 220,339</b>	<b>\$ 463,011</b>	<b>\$ (29,570)</b>	<b>\$ (9,707)</b>	<b>\$ (39,277)</b>	<b>\$ 213,102</b>	<b>\$ 210,632</b>	<b>\$ 423,734</b>
4									
5 Pension Net Periodic (Benefit)/Expense	\$ 383,655	\$ 117,123	\$ 500,779	\$ (11,927)	\$ (23,889)	\$ (35,817)	\$ 371,728	\$ 93,234	\$ 464,962
6 Pension Administrative Costs	\$ 53,738	\$ 20,381	\$ 74,119	\$ -	\$ -	\$ -	\$ 53,738	\$ 20,381	\$ 74,119
7 <b>Pension Plan (Benefit)/Expense</b>	<b>\$ 437,393</b>	<b>\$ 137,504</b>	<b>\$ 574,898</b>	<b>\$ (11,927)</b>	<b>\$ (23,889)</b>	<b>\$ (35,817)</b>	<b>\$ 425,466</b>	<b>\$ 113,615</b>	<b>\$ 539,081</b>
8									
9 <b>Total (Benefit)/Expense</b>	<b>\$ 680,065</b>	<b>\$ 357,843</b>	<b>\$ 1,037,908</b>	<b>\$ (41,497)</b>	<b>\$ (33,596)</b>	<b>\$ (75,093)</b>	<b>\$ 638,568</b>	<b>\$ 324,247</b>	<b>\$ 962,815</b>

**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT  
FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026**

**B. Retiree Healthcare Plan (Benefit)/Expense Summary**

Description (a)	Resources <sup>(1)</sup> (b)	Direct (Benefit) / Expense (c)	Allocated (Benefit) / Expense (d)	Total (Benefit) / Expense (e) = (c) + (d)
<b>1 Retiree Healthcare Plan (Benefit)/Expense - Year Ended 9/30/2025</b>				
2 Net Periodic (Benefit)/Expense <sup>(2)</sup>	1719, 1723	\$ 235,531	\$ 213,943	\$ 449,474
3 Administrative Costs <sup>(3)</sup>	1719, 1723	\$ 7,141	\$ 6,396	\$ 13,537
<b>4 Retiree Healthcare Plan (Benefit)/Expense</b>		<b>\$ 242,672</b>	<b>\$ 220,339</b>	<b>\$ 463,011</b>
<b>6 Projected Retiree Healthcare Plan (Benefit)/Expense - Year Ending 9/30/2026</b>				
7 Net Periodic (Benefit)/Expense <sup>(2)</sup>	1710, 1722	\$ 205,961	\$ 204,236	\$ 410,197
8 Administrative Costs <sup>(3)</sup>	1710, 1722	\$ 7,141	\$ 6,396	\$ 13,537
<b>9 Projected Pension Plan (Benefit)/Expense</b>		<b>\$ 213,102</b>	<b>\$ 210,632</b>	<b>\$ 423,734</b>

5

11 Notes

12 Rounding may occur and cause slight differences

13 (1) Resource codes are used to differentiate between types of expenses. Definitions for the codes used above:

14 1719 - Retiree healthcare service costs, a component of retiree healthcare net periodic expense

15 1723 - Retiree healthcare nonservice costs, a component of retiree healthcare net periodic expense

16 (2) See 'D. Retiree Healthcare Net Periodic (Income)/Cost' for detailed net periodic expense information.

17 (3) Year Ending 9/30/2026 projected administrative costs are Year Ending 9/30/25 actual administrative costs.

**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT  
FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026  
C. Pension Plan (Benefit)/Expense Summary**

Description (a)	Resources <sup>(1)</sup> (b)	Direct (Benefit) / Expense (c)	Allocated (Benefit) / Expense (d)	Total (Benefit) / Expense (e) = (c) + (d)
<b>1 Pension Plan (Benefit)/Expense - Year Ended 9/30/2025</b>				
2 Net Periodic (Benefit)/Expense <sup>(2)</sup>	1710, 1722	\$ 383,655	\$ 117,123	\$ 500,779
3 Administrative Costs <sup>(3)</sup>	1710, 1722	\$ 53,738	\$ 20,381	\$ 74,119
<b>4 Pension Plan (Benefit)/Expense</b>		<b>\$ 437,393</b>	<b>\$ 137,504</b>	<b>\$ 574,898</b>
<b>6 Projected Pension Plan (Benefit)/Expense - Year Ending 9/30/2026</b>				
7 Net Periodic (Benefit)/Expense <sup>(2)</sup>	1710, 1722	\$ 371,728	\$ 93,234	\$ 464,962
8 Administrative Costs <sup>(3)</sup>	1710, 1722	\$ 53,738	\$ 20,381	\$ 74,119
<b>9 Projected Pension Plan (Benefit)/Expense</b>		<b>\$ 425,466</b>	<b>\$ 113,615</b>	<b>\$ 539,081</b>

11 Notes

12 Rounding may occur and cause slight differences

13 (1) Resource codes are used to differentiate between types of expenses. Definitions for the codes used above:

14 1710 - Pension service costs, a component of pension net periodic expense

15 1722 - Pension nonservice costs, a component of pension net periodic expense

16 (2) See 'E. Pension Net Periodic (Income)/Cost' for detailed net periodic expense information.

17 (3) Year Ending 9/30/2026 projected administrative costs are Year Ending 9/30/25 actual administrative costs.

**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT  
FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026  
D. Retiree Healthcare Net (Income)/Periodic Cost**

	(a)	(b)	(c)	(d)	(e)	(f)
				= (b) * (9/12)	= (b) * (3/12)	= (d) + (e)
		<b>Black Hills Power</b>	<b>Black Hills Service Company</b>	<b>Black Hills Power Jan - Sep</b>	<b>Black Hills Power Oct - Dec</b>	<b>Black Hills Power Oct - Sep</b>
1 <b>2024 Net Periodic (Income)/Cost, Retiree Healthcare</b>						
2 Service Cost	\$	113,510	\$ 686,207		\$ 28,378	
3 Interest Cost		146,969	559,079		36,742	
4 Expected Return on Assets		0	0		0	
5 Amortization of Unrecognized:						
6 Prior Service Cost/(Credit)		(25,886)	69,325		(6,472)	
7 Actuarial (Gain)/Loss		0	0		0	
8 <b>Net Periodic Benefit (Income)/Cost</b>		234,593	1,314,611		\$ 58,648	
9						
10 <b>2025 Net Periodic (Income)/Cost, Retiree Healthcare</b>						
11 Service Cost	\$	104,175	\$ 631,058	\$ 78,131	\$ 26,044	
12 Interest Cost		136,656	581,546	102,492	34,164	
13 Expected Return on Assets		0	0	0	0	
14 Amortization of Unrecognized:						
15 Prior Service Cost/(Credit)		0	68,972	0	0	
16 Actuarial (Gain)/Loss		(4,988)	(2,386)	(3,741)	(1,247)	
17 <b>Net Periodic Benefit (Income)/Cost</b>		235,843	1,279,190	\$ 176,882	\$ 58,961	
18						
19 <b>October 2024 - September 2025 Net Periodic (Income)/Cost, Retiree Healthcare</b>				\$ 176,882	\$ 58,648	\$ 235,531
20						
21 <b>2026 Projected Periodic (Income)/Cost, Retiree Healthcare</b>						
22 Service Cost	\$	92,000	\$ 632,000	\$ 69,000		
23 Other Than Service Cost		104,000	593,000	78,000		
24 <b>Projected Net Periodic Benefit (Income)/Cost</b>	\$	196,000	\$ 1,225,000	\$ 147,000		
25						
26 <b>October 2025 - September 2026 Projected Net Periodic (Income)/Cost, Retiree Healthcare</b>				\$ 147,000	\$ 58,961	\$ 205,961
27						
28 <u>Note</u>						
29 Net Periodic (Income)/Cost is calculated and provided by Aon, the Actuary for the Plan.						

**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT  
FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026  
E. Pension Net Periodic (Income)/Cost**

	(a)	(b)	(c)	(d)	(e)	(f)
				= (b) * (9/12)	= (b) * (3/12)	= (d) + (e)
		<b>Black Hills Power</b>	<b>Black Hills Service Company</b>	<b>Black Hills Power Jan - Sep</b>	<b>Black Hills Power Oct - Dec</b>	<b>Black Hills Power Oct - Sep</b>
<b>1 2024 Net Periodic (Income)/Cost, Pension</b>						
2 Service Cost		\$ 137,563	\$ 716,507		\$ 34,391	
3 Interest Cost		2,143,070	5,817,041		535,768	
4 Expected Return on Assets		(2,368,770)	(6,390,154)		(592,193)	
5 Amortization of Unrecognized:						
6 Prior Service Cost/(Credit)		(16,099)	(39,564)		(4,025)	
7 Actuarial (Gain)/Loss		<u>436,121</u>	<u>542,064</u>		<u>109,030</u>	
<b>8 Net Periodic Benefit (Income)/Cost</b>		<b>\$ 331,885</b>	<b>\$ 645,894</b>		<b>\$ 82,971</b>	
9						
<b>10 2025 Net Periodic (Income)/Cost, Pension</b>						
11 Service Cost		\$ 86,821	\$ 509,911	\$ 65,116	\$ 21,705	
12 Interest Cost		2,153,846	5,857,197	1,615,385	538,462	
13 Expected Return on Assets		(2,300,095)	(6,233,811)	(1,725,071)	(575,024)	
14 Amortization of Unrecognized:						
15 Prior Service Cost/(Credit)		(16,099)	(39,564)	(12,074)	(4,025)	
16 Actuarial (Gain)/Loss		<u>476,439</u>	<u>631,859</u>	<u>357,329</u>	<u>119,110</u>	
<b>17 Net Periodic Benefit (Income)/Cost</b>		<b>\$ 400,912</b>	<b>\$ 725,592</b>	<b>\$ 300,684</b>	<b>\$ 100,228</b>	
18						
<b>19 October 2024 - September 2025 Net Periodic (Income)/Cost, Pension</b>				<b>\$ 300,684</b>	<b>\$ 82,971</b>	<b>\$ 383,655</b>
20						
<b>21 2026 Projected Periodic (Income)/Cost, Pension</b>						
22 Service Cost		\$ 67,000	\$ 397,000	\$ 50,250		
23 Other Than Service Cost		<u>295,000</u>	<u>115,000</u>	<u>221,250</u>		
<b>24 Projected Net Periodic Benefit (Income)/Cost</b>		<b>\$ 362,000</b>	<b>\$ 512,000</b>	<b>\$ 271,500</b>		
25						
<b>26 October 2025 - September 2026 Projected Net Periodic (Income)/Cost, Pension</b>				<b>\$ 271,500</b>	<b>\$ 100,228</b>	<b>\$ 371,728</b>
27						
28 <u>Note</u>						
29 Net Periodic (Income)/Cost is calculated and provided by Aon, the Actuary for the Plan.						

**PENSION AND RETIREE HEALTHCARE EXPENSE ADJUSTMENT  
FOR THE ADJUSTED TEST YEAR ENDING SEPTEMBER 30, 2026  
F. Net Periodic (Income)/Cost Allocated to Black Hills Power**

	(a)	(b)	(c)	(f)	(g)	(h)	(j)
				= (d) x (e)	= (f) * (9/12)	= (f) * (3/12)	= (g) + (h)
		BHSC <sup>(1)</sup>	BHSC <sup>(1)</sup>	Amount	BHP <sup>(2)</sup>	BHP <sup>(2)</sup>	BHP <sup>(2)</sup>
Net Periodic (Income)/Cost	Cost	Allocation	Rate to	Allocated to	Jan - Sep	Oct - Dec	Oct - Sep
		BHP <sup>(2)</sup>	BHP <sup>(2)</sup>	BHP <sup>(2)</sup>			
1 <b>2024</b>							
2 Retiree Healthcare	1,314,611		16.96%	222,958	167,219	55,740	
3 Pension	645,894		16.96%	109,544	82,158	27,386	
4							
5 <b>2025</b>							
6 Retiree Healthcare	1,279,190		16.49%	210,938	158,204	52,735	
7 Pension	725,592		16.49%	119,650	89,738	29,913	
8							
9 <b>October 2024 - September 2025 Net Periodic (Income)/Cost, Retiree Healthcare</b>					<b>158,204</b>	<b>55,740</b>	<b>213,943</b>
10 <b>October 2024 - September 2025 Net Periodic (Income)/Cost, Pension</b>					<b>89,738</b>	<b>27,386</b>	<b>117,123</b>
11							
12 <b>2026 (Projected)</b>							
13 Retiree Healthcare <sup>(3)</sup>	1,225,000		16.49%	202,003	151,502	52,735	
14 Pension	512,000		16.49%	84,429	63,322	29,913	
15							
16 <b>Projected October 2025 - September 2026 Net Periodic (Income)/Cost, Retiree Healthcare</b>					<b>151,502</b>	<b>52,735</b>	<b>204,236</b>
17 <b>Projected October 2025 - September 2026 Net Periodic (Income)/Cost, Pension</b>					<b>63,322</b>	<b>29,913</b>	<b>93,234</b>
18							
19 <u>Notes</u>							
20 (1) BHSC = Black Hills Service Company							
21 (2) BHP = Black Hills Power							
22 (3) 2025 rates assumed for 2026							