

BLACK HILLS POWER, INC. d/b/a BLACK HILLS ENERGY
EL26-004
SDPUC STAFF FIRST SET OF DATA REQUESTS

REQUEST DATE: 05/04/26

RESPONSE DATE: 05/20/26

REQUESTING PARTY: South Dakota Public Service Commission Staff

Staff Request No. 1.1:

Refer to Exhibit A. Explain the increase in economic development membership costs to the South Dakota Chamber and Economic Development Council. What were the additional funds used for?

Response to Staff Request No. 1.1:

The apparent increase in economic development membership costs associated with the South Dakota Chamber and Economic Development Council is not due to an increase in membership fees or expanded funding, but rather a change in internal budgeting practices.

Historically, Black Hills Power's membership with the South Dakota Chamber and Economic Development Council was funded through a separate internal budget and not reflected within Black Hills Power's economic development cost category. Beginning in 2025, Black Hills Power realigned this expense into its economic development budget to better align all economic development related activities and improve transparency and accountability in reporting.

The membership itself continues to support the Chamber's established activities, including coordinate and strengthen collaboration among local chambers across the State of South Dakota, promoting a stable and business friendly statewide economic development, and providing education and resources on policy, economic trends, and issues impacting South Dakota businesses.

This budgeting realignment ensures that all economic development support activities are reflected in a single, cohesive budget, providing a more accurate representation of Black Hills Power's overall economic development efforts.

Respondent:

Lynn Kendall

Attachments:

None

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Staff Request No. 1.2:

Refer to Exhibit A, Community Sponsorships:

- a. Explain the change in the 2025 Budget of \$10,000 for Destination Rapid City – Main Street Square to the 2025 actuals of \$0.
- b. Table 2 in the Application provides two line items for the GOED Conference (one for the 2025 conference and one for the 2026 conference). It appears one of these \$2,500 amounts is included in the “Black Hills Energy ED Grant Program” line of \$33,250 on Exhibit A. Explain why both the 2025 and 2026 amounts are included in the 2025 plan, and the 2026 plan on Exhibit B also includes another \$2,500 for the GOED conference.

Response to Staff Request No. 1.2:

- a. Destination Rapid City underwent a transition as they combined with another local organization, Visit Rapid City, and restructured their support model. Black Hills Power continues to support the great work taking place to maintain the vitalization of the downtown area. However, the organization has shifted to a sponsorship model that falls out of the scope of our economic development program. We account for those sponsorship costs in a separate budget.
- b. Due to the timing of the GEOD conference sponsorship, billing and payment transactions can be recorded in the year prior for the following year's conference. The 2025 Governor's Conference on Economic Development was invoiced in November 2024 and paid January 9, 2026. The 2026 Governor's Conference on Economic Development was invoiced September 2025 and paid November 24, 2025. We list the sponsorship in the 2026 plan submitted in the filing to reflect

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our participation. When we file our 2026 report, we will show a zero balance and indicate that the payment was made in the previous year.

Respondent:

Lynn Kendall

Attachments:

None

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Staff Request No. 1.3:

Refer to the application, page 3. The Company states that grant requests were down this year. Explain the circumstances that led to grant requests being lower than normal this year. Does BHE expect grant requests to return to normal levels in 2026? Explain.

Response to Staff Request No. 1.3:

As noted in the application, several local economic development organizations prioritized housing development initiatives such as Governor's housing programs and NeighborWorks type efforts, as well as other large-scale community investment projects. These efforts often required funding sources and financing structures different from the types of initiatives supported through Black Hills Power's economic development grant program, which contributed to fewer submitted applications.

In addition, Black Hills Power executed one site-selector outreach initiative rather than the two originally planned for 2025. This was primarily due to calendar constraints and competing event schedules which reduced the number of touchpoints with national site consultants and site selection networks. Site-selection outreach efforts are a coordinated effort with the Governor's Office of Economic Development and are an important pipeline driver for community partners seeking grant support for business attraction activities.

Accordingly, Black Hills Power views the 2025 decrease in grant requests as situational and temporary and expects grant request levels to normalize in 2026.

Respondent:

Lynn Kendall

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Attachments:

None

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Staff Request No. 1.4:

Refer to the application, page 3. Provide additional information regarding the anticipated increased participation in regional and national economic development organization conferences, such as investor-level events, workforce development forums, and site-selector training sessions.

Response to Staff Request No. 1.4:

The anticipated increase in participation in regional and national economic development conferences reflects a deliberate and targeted effort by Black Hills Power to strengthen the effectiveness of its economic development program and improve long-term outcomes for the communities it serves.

These conferences provide critical access to corporate decision-makers, site selection consultants, and peer economic development professionals, which cannot be replicated through local engagement alone. Participation enables both the Company and its local economic development partners to directly compete for business attraction opportunities by increasing visibility, strengthening relationships, and aligning community capabilities with site selection criteria.

Black Hills Power may support local partners in attending a range of high-value events, including nationally recognized conferences such as the International Economic Development Council (IEDC) Annual Conference and the SelectUSA Investment Summit, as well as targeted site-selector engagement opportunities such as the Site Selectors Guild Conference and Area Development Consultants Forum. These events are widely regarded as leading forums for direct interaction with corporate and consultant decision-makers responsible for site location and investment decisions.

In addition, regional and in-state conferences—including the MidAmerica Economic Development Council Annual Conference, the EDA Denver Region Conference, and initiatives

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such as Fuel the Growth—provide cost-effective opportunities to build professional capacity, share best practices, and reinforce coordination among state and local stakeholders.

Importantly, these activities are closely coordinated with the South Dakota Governor’s Office of Economic Development and are intended to support a broader, statewide business recruitment strategy. Conference participation serves as an upstream investment in the project pipeline, increasing the likelihood that South Dakota communities are considered in competitive site selection processes and ultimately generating opportunities that may lead to local investment and grant-supported projects.

The increased participation therefore reflects a strategic emphasis on proactive engagement and pipeline development, ensuring that local economic development organizations are well-positioned, well-informed, and competitive in attracting business investment.

Respondent:

Lynn Kendall

Attachments:

None

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Staff Request No. 1.5:

Refer to Exhibit B. Explain the Site Location Partnership costs of \$6,000 proposed under Business Retention, Recruitment & Marketing.

Response to Staff Request No. 1.5:

The proposed \$6,000 Site Location Partnership cost reflects the annual subscription fee for a site selection and property marketing platform utilized by local economic development organizations across the West River region.

This tool enables participating communities to maintain a centralized, standardized inventory of available sites and buildings, which is integrated into both local economic development websites and broader regional platforms, including the Rushmore Region website. The platform enhances visibility of available properties and ensures that site information is presented in a format consistent with site selector expectations, including key data elements such as infrastructure availability, transportation access, and workforce characteristics.

The subscription is also utilized at the state level by the South Dakota Governor's Office of Economic Development (GOED), creating alignment and consistency between local, regional, and statewide marketing efforts. This coordinated approach improves the competitiveness of South Dakota communities by ensuring that site information is readily accessible and comparable for corporate decision-makers and site selection consultants.

Through its economic development grant program, Black Hills Power supports the annual subscription cost to reduce the financial burden on local economic development organizations and to ensure continued participation in a tool that is widely used and expected within the site selection industry.

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Black Hills Power works closely with local partners to periodically evaluate the effectiveness and continued value of the platform, confirming that it remains a viable and beneficial resource for business recruitment and marketing efforts.

Respondent:

Lynn Kendall

Attachments:

None

CERTIFICATE OF SERVICE

I certify on this 20th day of May, 2026, the foregoing document was filed in the docket
and served on the following:

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