BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF BLACK HILLS POWER, INC. d/b/a BLACK HILLS ENERGY FOR APPROVAL OF ITS PHASE-IN RATE PLAN TARIFF REVISIONS	**EL-26-024** **NOTICE OF INTENT TO IMPLEMENT INTERIM RATES**

Black Hills Power, Inc. d/b/a Black Hills Energy ("Black Hills Power" or "Company"), by and through its undersigned counsel, 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 interim rates designed to recover costs associated with the Lange II Project through the Phase-In Plan Rate proposed in Docket No. EL26-024 (the "Interim Rates"). The Interim Rates are expected to increase annual South Dakota revenues by approximately $37.5 million for South Dakota residential, commercial and industrial electric customers for service provided on or after December 1, 2026 (the "Interim Rates"). The impact of the Interim Rates on residential, commercial and industrial customers will vary by rate class and will depend upon individual customer usage characteristics. A typical residential customer using approximately 600 kWh per month is expected to experience an increase of approximately $17.26 per month.

The Interim Rates 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 Rates using the rate design set forth in its initial filings in the present docket, Docket No. EL26-024, modified to reflect changes in the Company's rate structure

stemming from the Company's pending rate case before this Commission in Docket No. EL26-003.

The following attachments are included with this Notice:

- Attachment 1 – Interim Rate Changes by Customer Class
- Attachment 2 – Black Hills Power Customer Notice
- Attachment 3 – Legislative Tariffs
- Attachment 4 – Non-Legislative Tariffs

I. BACKGROUND

A. REQUEST TO AMEND PIPR TARIFF (Docket No. EL26-024)

On August 5, 2026, Black Hills Power filed an Application for Approval to Amend its Phase-In Plan Rate in South Dakota with the Commission in Docket No. EL26-024. Through that application, Black Hills Power has requested that the Commission approve the Company's recovery of the costs associated with the Lange II Project and approve changes to its Phase-In Plan Rate (PIPR) tariff, which was initially approved by the Commission in Docket No. EL12-062.

On August 21, 2026, Dakota Panel; Fischer Furniture, Inc.; Forest Products Distributors, Inc.; GCC Dacotah, Inc.; Monument Health Rapid City Hospital Inc.; Pete Lien & Sons, Inc.; the South Dakota Science and Technology Authority; Spearfish Forest Products Inc.; and Wharf Resources (USA), Inc. (collectively, the "South Dakota Large Customer Group") filed a Petition to Intervene, by and through its counsel. South Dakota Large Customer Group's Petition to Intervene was officially granted through the Commission's Order Granting Intervention dated September 10, 2026. Since the date of the Order Granting Intervention, there has been no activity on this Docket, nor has the Docket been addressed at a Commission meeting.

B. INITIAL PIPR APPROVAL (Docket No. EL12-062)

Black Hills Power filed its initial request for approval to implement a Phased-In Plan Rate (PIPR) tariff on December 17, 2012, which tariff was approved by this Commission. Similarly to the present docket, the PIPR tariff was filed to create a phased-in increase in the rates charged to South Dakota customers in order to help support the construction financing costs of the Cheyenne Prairie Generating Station. Prior to the Commission's ultimate approval of the PIPR tariff, the Commission Staff entered into a Stipulation Regarding Effective Date of Interim Phase in Rates with Black Hills Power agreeing to the implementation of interim rates. The Stipulation Regarding Effective Date of Interim Phase in Rates was approved by this Commission in its Order dated January 17, 2013 in Docket No. EL12-062.

C. IMPLEMENTATION OF INTERIM RATES

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. SDCL § 49-34A-17 permits a public utility to implement its proposed practice, 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 the statutory elements has been satisfied on this Docket. As of the date of this Notice, EL26-024 has not been suspended; the Commission has not issued a final decision; and more than thirty (30) days have passed since the filing of Black Hills Power's application.

Based upon SDCL § 49-34A-17 and the precedent created in EL12-062, allowing the implementation of interim rates in PIPR dockets, Black Hills Power hereby provides notice of its intent to implement interim rates effective December 1, 2026. Accordingly, Black Hills Power is

entitled under SDCL § 49-34A-17 to place into effect the Interim Rates upon providing notice to the Commission.

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. Consistent with SDCL § 49-34A-17, Black Hills Power will implement the Interim Rates using the rate design set forth in its initial filings in the present docket, Docket No. EL26-024, modified to reflect changes in the Company's rate structure stemming from the Company's pending rate case before this Commission in Docket No. EL26-003.

The proposed rate design reflects the allocation of the revenue requirement among customer classes as presented in the Company's August 5, 2026, Application and Supporting Testimony, modified to reflect changes in the allocation factors stemming from the Company's pending rate case before this Commission in Docket No. EL26-003. The interim rate preserves the fundamental rate relationships and cost-allocation principles proposed by the Company in this proceeding.

B. INTERIM RATES

The Interim Rates are designed to recover approximately $37.5 million in additional annual revenue, consistent with the revenue requirement proposed in EL26-024, modified to reflect changes in the Company's rate structure stemming from the Company's pending rate case before this Commission in Docket No. EL26-003.

- The interim rate affects customer classes differently based upon the proposed rate design and class revenue allocation. A summary of the interim rate impacts on average monthly bills by customer class is provided in Attachment 2 – Customer Notice.

For clarification, the Interim Rates apply only to the proposed PIPR recovery associated with the Lange II Project and do not alter any other charges recovered through base rates or 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 Rates during the interim rate period.

In the event the Commission's final order authorizes rates that result in revenues lower than those collected under the Interim Rates , 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 Rates 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;
- Provide notice to affected customers through a bill message beginning November 2, 2026; and

- Provide notice to affected customers through a bill insert or a direct mailing beginning December 1, 2026. The insert or direct mailing is attached as Attachment 2 – Customer Notice.

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 will implement interim rates effective December 1, 2026, utilizing the rate design proposed in its application filed on August 5, 2026, as modified to reflect changes in the Company's rate structure stemming from the Company's pending rate case before this Commission in Docket No. EL26-003 and subject to all applicable refund provisions under South Dakota law.

Dated this30th day of October 2026.

CUTLER LAW FIRM, LLP
Attorneys at Law



Ryan J. Taylor
140 N. Phillips Ave., 4th Floor
PO Box 1400
Sioux Falls, SD 57101-1400
Attorneys for Black Hills Power, Inc. d/b/a Black Hills Energy