

WILDFIRE RISK AND MITIGATION COSTS

While the Company has a history of responsibly managing its assets in a way that reduces the risk of wildfires, including through ongoing asset health and reliability investment programming and our regular vegetation management activities, our dedicated wildfire risk mitigation program is developing into a comprehensive Wildfire Mitigation Plan with planned investments for the future. The investments and costs presented in this Infrastructure Rider reflect the Company's current plans and the best information available at the time of filing. The Company's planned 2026 and 2027 investments fall into four categories as described in more detail below. The Company expects to file a comprehensive Wildfire Mitigation Plan with the South Dakota Public Utilities Commission by the end of this year. Upon finalization of the Wildfire Mitigation Plan, adjustments to the scope, timing, and costs of activities presented in the Infrastructure Rider may be necessary. The Company will discuss any material cost variances in future Infrastructure Rider proceedings, as appropriate, to align with the filed Wildfire Mitigation Plan.

We first presented the wildfire risk mitigation portfolio and associated planned expenditures for 2026 in our last Infrastructure Rider proceeding.¹ As we continue to refine our plans and activities, the scope and related costs have changed since our last rider filing, and we have added additional activities for 2027 to our rider request. The investments presented in this Petition reflect the Company's current expectations regarding 2026 activities and planned 2027 investments.

The decrease in wildfire mitigation investment year over year is primarily driven by targeting programs that align with the risk and consequence model specific to our South Dakota service territory, while providing overall benefits to the distribution system. While last year's larger projects were associated with Enhanced Powerline Safety Settings Program (EPSS)/safety-setting deployments and overhead pole assessments, this year's new projects focus largely on the small conductor replacement program, overhead pole assessments, pole loading and clearance assessments, non-traditional fault detection, customer support, and notification upgrades. These investments support the Company's broader Wildfire Mitigation Plan and advance the operational mitigation and system-resilience initiatives in the following categories:

¹ See *In the Matter of the Petition of Northern States Power Company for Approval of a 2026 Infrastructure Rider and Tracker*, Docket No. EL25-033, Attachment 13, Wildfire Risk Mitigation Program.

- Situational Awareness
- System Resilience
- Operational Mitigations
- Customer Support

A. Situational Awareness

The wildfire forecasting and software project costs decrease slightly in the coming year. Weather stations, fire modeling software, AI-enabled cameras, and meteorological tools are already being established and therefore do not require the same level of incremental capital growth as the physical system-hardening projects.

1. Artificial Intelligence (AI) Cameras

The following line items were included in last year's filing in the AI cameras category of work:

D.0000201.004-ITC-Wildfire AI SW 20
D.0000177.209-WF AI Cameras NSPM-MN
D.0000177.210-WF AI Cameras NSPM-ND
D.0000177.211-WF AI Cameras NSPM-SD

The Company installed four AI cameras in 2026 in its South Dakota service territory as described in our Petition last year, and the locations of these cameras were provided to the Commission for informational purposes.² There are no additional AI camera installations planned at this time for the remainder of 2026 or for 2027. The Company installed all planned cameras, and the variance year-over-year is primarily due to the realized costs of the installs, which is driven by capitalized labor. The underestimation of internal labor is the driver for the increase. The AI cameras are important situational awareness tools, building the Company's ability to model, predict and react to physical or environmental hazards. This improvement will accelerate accurate decision making in the field by supporting earlier detection and confirmation of potential fire activity.

² *In the Matter of the Petition of Northern States Power Company for Approval of a 2026 Infrastructure Rider and Tracker*, Docket No. EL25-033, Attachment A in the Company's June 12, 2026 Compliance filing.

2. *Subscription-Based Information Services*

The following line items were included in last year's filing in the Subscription-Based Information Services category of work:

D.0000142.004-BUD ITC-Wildfire dete
D.0000099.007-ITC-Work Studio 9.5 V
D.0000108.005-ITC-Wildfire Risk FS
D.0000108.013-ITC-WF Firesight FPI
D.0002516.035-ITC-AOM ADMS Fire Mit

The Company indicated in its last infrastructure Rider filing that it would be using a variety of subscription-based information services in 2026 and 2027. Since then, the Company has implemented five wildfire risk mitigation modules that enable the Company to proactively assess wildfire risk, support operational and physical mitigation strategies, improve emergency preparedness, and strengthen customer, community, and system safety. In the past year, this work included enabling daily wildfire risk forecasting and analytics across the service territories, providing real-time wildfire detection, monitoring, and situational awareness capabilities, implementing on-demand wildfire modeling and simulation to support operational planning and emergency response, delivering risk-based asset, customer, and community impact assessments, improved prioritization of wildfire mitigation activities through advanced predictive analytics, and established a centralized platform for wildfire risk management and decision support.

3. *Weather Stations*

The following line items were included in last year's filing in the Weather Stations category of work:

D.0000177.217-WF Weather Stations N
D.0000177.218-WF Weather Stations N
D.0000177.219-WF Weather Stations N

The Company deployed seven weather stations in its South Dakota service territory in 2026. These weather stations were installed on utility poles and feeders based on their risk area and impact on population and assets. The year-over-year cost decrease in this category is primarily due to more efficient installation than expected and installing the stations on existing assets. The deployment strategy for these weather stations is being prioritized based on the Company's assessment of high wildfire risk and historical

weather data. This is driven largely by areas with historically high wind speeds, as determined by the meteorological team. In 2027, the Company plans to install 10 weather stations in the South Dakota service territory.

B. System Resilience

The Company also makes physical investments to directly reduce the risk of wildfire ignition to bolster system resilience, including small conductor replacement, open wire replacement, non-expulsion upgrades, overhead pole assessment, and pole loading and clearance assessment. There are eight new System Resilience projects included this year that are discussed in more detail in their sub-category below.

1. Small Conductor Replacement Program

The following line items were included in last year's filing in the Small Conductor Replacement Program category of work:

D.0000177.093-DO-SD-WFRM Small Wire
D.0000177.095-DO-SD-WFRM Covered Co

Last year, the Company indicated that between 2026 and 2029, it planned 35 miles of small conductor replacement involving distribution feeders. The new planned target for this program is 10 miles of small conductor replacement in 2026 and two miles in 2027. The reduction in scope of the conductor replacement program is driven by new wildfire modeling indicating less overall risk in South Dakota and therefore investments were reassessed to align with this modeling. The variance is also a result of a timing and scheduling issue. These projects have begun construction and will be completed in Q4 of 2026.

In the coming year, the small conductor replacement program will focus on feeders with the highest wildfire risk and will be deployed where the work can also provide operational benefits, such as improved reliability and reduced impacts from operational mitigation measures. New activities added to the rider this year are described below.

DO-SD-WFRM Small Wire Rebuild Discrete

The project replaces smaller distribution conductors with larger, more durable conductors as part of the Company's wildfire risk mitigation program. Associated system components may also be repaired or replaced as necessary to accommodate the larger conductor. The improvements increase the physical durability of the

distribution system and reduce the likelihood of conductor failures, system faults, and potential wildfire ignition events.

DO-SD-WFRM Covered Conductor Discrete

This project installs covered conductor on portions of the distribution system as part of the Company's wildfire risk mitigation program. A covered conductor is less susceptible than a bare conductor to ignition events associated with vegetation contact, making it an effective mitigation in areas where vegetation-related wildfire risk warrants its use.

Hugo Relay Upgrade – WF

This project supports enhanced protection capabilities intended to identify and isolate electrical faults more quickly and reduce the potential for fault-related wildfire ignition. High loading prevented planned outages for relay replacements on two Hugo feeders, and other relays required additional wiring to enable Supervisory Control and Data Acquisition (SCADA) capability. While this project is located in MN, the Company operates the generation and transmission assets of Northern States Power Company – Minnesota (NSPM) as one system. The NSPM portion is allocated to its respective state jurisdictions (South Dakota, North Dakota, and Minnesota) based on the allocation methodology generally accepted in our rate case proceedings.

HSN Relay Upgrade – WF

This project supports enhanced system protection by improving the ability of protective devices to respond to electrical faults, thereby supporting system resilience and reducing wildfire ignition risk associated with fault conditions. Enhanced protection settings make relays more sensitive to faults, allow them to react faster, and can disable automatic reclosing following a fault, which reduces the risk that an electrical fault will contribute to wildfire ignition.

WF Tools and Equipment

The WF Tools and Equipment project provides tools and equipment to support implementation of the Company's wildfire mitigation program as part of the Company's System Resiliency efforts.

2. Open Wire Replacement

The following line item was included in last year's filing in the Open Wire Replacement category of work:

D.0000177.084-DO-SD-WFRM Open Wire

Last year, the Company indicated that between 2026 and 2029, the Company was planning open wire replacement involving 35 miles of distribution feeders. The Company is now targeting open wire replacement involving seven miles of distribution feeders in conjunction with other ongoing work. The scope of this work has been reduced year over year based on updated wildfire modeling and the Company is now planning open wire replacement involving five miles for 2026 and two miles for 2027.

3. *Non-Expulsion Upgrades*

The following line item was included in last year's filing in the Non-Expulsion Upgrades category of work:

Last year, the Company indicated that between 2026 and 2029, the Company was planning non-expulsion upgrades in South Dakota involving 31 distribution feeders and the replacement of approximately 6,650 individual pieces of equipment. The Company now plans on reducing this work to approximately 500 individual pieces of equipment in both 2026 and 2027.

4. *Overhead Pole Assessment (OPA)*

The following line items were included in last year's filing in the Overhead Pole Assessment category of work:

A.0002393.003-WMP 0982 Priority Def
A.0002393.004-WMP 0832 Priority Def
A.0002393.005-WMP 0735 Priority Def
A.0002393.006-WMP 0732 Priority Def
A.0002393.007-WMP 0729 Priority Def
A.0002393.008-WMP 0520 Priority Def
D.0000177.092-DO-SD-WFRM Pole Repla

OPAs are assessments that are the primary method of performing above ground visual assessments for distribution assets. Tier 2 feeders are assessed every five years in this program. In 2026, 4,400 Overhead Pole Assessments have been performed. The assessments performed in 2026 completed the initial assessments for the program. Assessments will restart in 2031.

ITC-PAPR Automation SW 201523 MN

In 2026, the Company implemented an integrated pole asset management solution (SAP Pole Inspection Buildout (PAPR)) that automates inspection data processing, centralizes asset history, and improves visibility, planning, and remediation of non-compliant wood poles. The project also established a centralized system of record for pole inspection and asset data, automated contractor inspection data ingestion and processing, automated issuance of pole inspection vendor books of work, improved identification and remediation of non-compliant poles through integrated work management processes, increased operational visibility through reporting and results summaries, reduced manual effort and process risk through workflow automation and error handling capabilities and implemented data validation and data quality rules for vendor inspection results.

WMP 0868 Priority Defects 2026

The WMP 0868 Priority Defects 2026 project addresses targeted defects identified through the Company's transmission inspection program. The project performs corrective work on identified defects along the 0868 transmission line as part of the Company's wildfire mitigation efforts. The project is associated with a 115-kV transmission line in Minnesota.

WMP 0831 Priority Defects 2026

The WMP 0831 Priority Defects 2026 project addresses targeted defects identified through the Company's transmission inspection program. The project performs corrective work on identified defects along the 0831 transmission line as part of the Company's wildfire mitigation efforts. The project is associated with a 115-kV transmission line in Minnesota.

5. *Pole Loading and Clearance PL&C Assessments*

The following line item was included in last year's filing in the PL&C category of work:

D.0000177.088-DO-SD-WFRM PLC Assess

PLC LiDAR was collected for all South Dakota Tier 2 distribution assets in 2026, with modeling expected in 2026-2027. Future updates will be performed as needed based on system changes, planned construction, or other field conditions.

6. Artificial Intelligence

The following line items were included in last year's filing in the System Resiliency Artificial Intelligence category of work:

D.0000177.186- DO-NSPM Capital Optimization Model

Artificial intelligence activities supporting system resilience include the Circuit Centric Model (CCM) and Design Analytics project, which uses data to coordinate and prioritize distribution investments at the feeder level. The project integrates asset condition, reliability, wildfire risk, customer impact, vegetation, and planned-work data to assess circuit performance and identify high-value investment opportunities. These analytics support the bundling, sequencing, and preliminary cost-benefit evaluation of work across programs, reducing planning silos and repeat field activity. Overall, the project is intended to strengthen capital planning, design efficiency, system resilience, and coordinated mitigation delivery. The year-over-year variance increase is due to project costs being revised following preliminary discussions about objectives and scope. As the project matured, the actual costs were updated to reflect the final project cost.

C. Operational Mitigations

The following line items were included in last year's filing in the Operational Mitigations category of work:

D.0000177.087-DO-SD-Fault Detection
D.0000177.083-DO-SD-WFRM Safety Setti
D.0000177.089-DO-SD-WFRM SCADA - Fi
D.0000177.091-DO-SD-WFRM Safety Set
D.0000177.129-DO-SD-WFRM Safety Set
D.0000177.120-DO-SD-WFRM SCADA - Di
D.0000177.224-DO-SD-WFRM OH Pole Assessment
D.0000177.225-DO-SD-WFRM Safety Settings
D.0000177.120-DO-SD-WFRM SCADA - Di
D.0000192.009-ITC-Wildfire AI ML De

Between 2026 and 2027, the Company is planning to implement EPSS, involving upgrades on 31 feeders. The most significant increase for 2027 occurs in the South Dakota Wildfire Risk Management Safety Settings project. This work involves relay

and recloser upgrades, communications upgrades, protection studies, and programming and deployment of wildfire-specific settings.

Reasons for the variance from the forecast for Operational Mitigations include fewer replacement reclosures were needed than anticipated, one feeder was removed from scope due to a future undergrounding project, and nine relay replacements were moved to start late 2026 and complete in 2027 due to material and crew availability.

D. Customer Support

The following line items were included in last year's filing in the Customer Support category of work:

D.0000194.032-BUD ITC-PSPS Customer
D.0000194.036-BUD ITC-Outage Map Up
D.0000194.032-BUD ITC-PSPS Customer
D.0000194.036-BUD ITC-Outage Map Up M

This year, we introduced four Customer Support projects that support our customers by providing additional detail, information, and notification capabilities. These new projects are described in more detail below.

ITC-Outage Map Enhancement SW 200180 MN

The WF Outage Map Enhancements project is a new project that addresses the lack of real-time outage visibility by enhancing the outage map to provide accurate, timely updates during outages and events, ensuring customers can make informed decisions during service disruptions. The Company is upgrading the existing outage map platform to a modern, scalable web-based application with enhanced mapping technology and improved user interface for better performance during high-demand periods. If the outage map fails during a major event, customers will lack critical information, leading to increased call volumes, reputational damage, and potential regulatory scrutiny due to inadequate communication. The enhanced outage map will deliver real-time outage and NSPM event data, support high traffic volumes during storms, and provide interactive features such as estimated restoration times to improve customer engagement. The project enhances Customer Support by building more resilient and informational public facing outage maps.

Phase 1 implemented a new outage map capable of sustaining over a million web hits during a significant wildfire event. Phase 1 also implemented new outage types.

Outage map now shows Public Safety Power Shutoff (PSPS), Planned, and Unplanned events.

Phase 2 will provide the public with expanded PSPS communications, improved visibility of community resource centers and critical facilities, accessibility improvements, and enhanced map visualizations that improve customer understanding of PSPS events and other wildfire-related information.

ITC-PSPS Outage Notification SW 200072 MN

The ITC-PSPS Outage Notification project enhances the Company's customer outage notification capabilities to support PSPS events. The project addresses system functionality necessary for customers affected by PSPS events to receive outage communications. These enhancements support the Company's wildfire mitigation Customer Support activities by improving communications with customers during PSPS events and periods of extreme wildfire risk.

BUD ITC-Meteor/Fire M

The Meteorology Compute Lab project supports the Company's wildfire mitigation program by incorporating the Nelson Fuels Model to model and predict areas with high wildfire potential. These capabilities support the Company's assessment of wildfire risk and complement its broader meteorological and situational awareness efforts used to monitor, forecast, and evaluate conditions associated with wildfire risk.

ITC-WF Exponent PTM SW 200123 MN

These software-related activities are intended to support communications with customers during wildfire events and periods of heightened wildfire risk, including potential PSPS events.