

Rebuttal Testimony  
Crystal D. Lail

Before the South Dakota Public Utilities Commission  
State of South Dakota

In the Matter of the Joint Application of NorthWestern Energy Public Service Corporation,  
Black Hills Corporation, and NorthWestern Energy Group, Inc. for Approval of Merger

Docket No. GE25-001

**Rebuttal Testimony of Crystal D. Lail  
on Behalf of NorthWestern Energy Public Service Corporation  
and NorthWestern Energy Group, Inc.  
in Support of the Joint Application**

June 5, 2026

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**I. WITNESS INFORMATION**

1 **Q. PLEASE IDENTIFY YOURSELF, YOUR JOB TITLE, AND ON WHOSE**  
2 **BEHALF YOU ARE TESTIFYING.**

3 A. My name is Crystal D. Lail and I am the Chief Financial Officer (“CFO”) of  
4 NorthWestern Energy Group, Inc. (“NorthWestern Group”), NorthWestern Energy  
5 Public Service Corporation (“NorthWestern”, the South Dakota and Nebraska utilities)  
6 and NorthWestern Corporation (the Montana utility.)

7 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS DOCKET?**

8 A. Yes, I am the same Crystal D. Lail who filed direct testimony in this docket.

9 **Q. HAS THERE BEEN ANY CHANGE TO YOUR EMPLOYMENT OR**  
10 **QUALIFICATIONS SINCE DIRECT TESTIMONY WAS SUBMITTED IN**  
11 **THIS DOCKET?**

12 A. No.

**II. PURPOSE OF TESTIMONY**

13 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

14 A. My rebuttal testimony addresses the Settlement Stipulation reached between the Joint  
15 Applicants<sup>1</sup> and the South Dakota Public Utilities Commission (“Commission”) Staff.  
16 Specifically, I explain why this settlement is reasonable, does not adversely impact  
17 customers, is in the public interest and therefore should be approved by the  
18 Commission in full and without modification.

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<sup>1</sup> Joint Applicants are NorthWestern, NorthWestern Group, and Black Hills Corporation.

1 **Q. ARE ANY OTHER JOINT APPLICANTS' WITNESSES SUBMITTING**  
2 **REBUTTAL TESTIMONY?**

3 A. Yes. Ms. Marne Jones is similarly filing testimony supporting the Settlement  
4 Stipulation with Staff. In addition, Mr. Bleau J. LaFave and Mr. Michael A. Pogany  
5 are submitting rebuttal testimony addressing the concerns raised by Intervenors, South  
6 Dakota Laborers Local 620, The Great Plains Laborers' District Council, and the  
7 Laborers' International Union of North America.

**III. STIPULATION AND SETTLEMENT WITH COMMISSION STAFF**

8 **Q. PLEASE SUMMARIZE THE SETTLEMENT STIPULATION WITH STAFF.**

9 A. On April 29, 2026, Joint Applicants and Staff filed a Joint Motion for Approval of  
10 Settlement Stipulation. The Settlement Stipulation resulted after several productive  
11 conversations with Staff about the merger. As a product of negotiated settlement, Joint  
12 Applicants and Staff agreed to memorialize conditions offered in Joint Applicants  
13 direct case as well as include additional provisions regarding ring fencing, cost  
14 allocation, South Dakota presence, future capital investment and merger integration  
15 reporting, rate moratoriums, and a most favored nations recovery on merger costs. Ryan  
16 Pfaff, on behalf of Staff, filed testimony on May 15, 2026 supporting the Settlement  
17 Stipulation.

18 **Q. ARE THE SETTLEMENT STIPULATION PROVISIONS REASONABLE?**

19 A. Yes. The Settlement Stipulation provisions resulted from a voluntary, negotiated  
20 settlement process that represents a reasonable resolution of Staff's concerns. It  
21 includes clear, enforceable, and measurable commitments to South Dakota customers.

1 **Q. WHY SHOULD THE COMMISSION APPROVE THE SETTLEMENT**  
2 **STIPULATION?**

3 A. I understand that the Commission is required by statute to approve the merger unless it  
4 finds a likelihood of significant adverse impact from the merger to South Dakota  
5 customers. Joint Applicants presented substantial evidence in their direct case that there  
6 will be no adverse impact to South Dakota customers because of the merger. This  
7 evidence included commitments to not seek recovery of transaction costs or  
8 goodwill/acquisition premium related to the merger from South Dakota customers.  
9 Joint Applicants further explained that their public utilities will continue to be regulated  
10 by this Commission with the ongoing obligation to provide safe and reliable service to  
11 South Dakota customers.

12 The Settlement Stipulation then built on that foundation by memorializing  
13 additional customer protections and transparency through binding provisions on  
14 additional cost recovery restrictions for merger costs, ring-fencing, cost allocation  
15 transparency, and post-close reporting. It is also reasonable because Joint Applicants  
16 have agreed to a limited base rate moratorium. Taken together, the Settlement  
17 Stipulation reflects a balanced, good-faith compromise resolution that does not result  
18 in adverse impacts to South Dakota customers but instead strengthens transparency and  
19 customer protections and preserves the Commission's full ratemaking and oversight  
20 authority. For all of these reasons, the Commission should approve the Settlement  
21 Stipulation without modification.

#### **IV. CONCLUSION**

1 **Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.**

2 A. The Settlement Stipulation between Joint Applicants and Staff represents a balanced  
3 and reasonable compromise resolution of issues and concerns raised by Staff in this  
4 proceeding. In addition, the Settlement Stipulation amplifies the conclusion of no  
5 adverse impact to South Dakota customers, and many formalize commitments made by  
6 Joint Applicants in their direct case. Accordingly, I recommend that the Commission  
7 approve the Settlement Stipulation in its entirety and without modification, grant the  
8 Joint Application consistent therewith, and approve the merger.

9 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

10 A. Yes.

**VERIFICATION**

This Rebuttal Testimony of Crystal D. Lail is true and accurate to the best of my knowledge, information, and belief.

/s/ Crystal D. Lail  
Crystal D. Lail