

Direct Testimony
Marne M. Jones

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-_____

**Direct Testimony of Marne M. Jones
on Behalf of Black Hills Corporation
in Support of the Joint Application**

October 27, 2025

TABLE OF CONTENTS

I.	WITNESS INFORMATION.....	1
II.	BLACK HILLS’ BACKGROUND	4
III.	POST-MERGER OPERATIONS IN SOUTH DAKOTA.....	12
IV.	THE OPERATIONAL BENEFITS OF SCALE IN THE UTILITY INDUSTRY	15
V.	THE MERGER MEETS APPLICABLE APPROVAL STANDARDS	17
VI.	OTHER STATE APPROVALS AND TIMING	18
VII.	CONCLUSION.....	19

EXHIBITS

Exhibit MMJ-1	Black Hills Pre-Merger Organizational Chart
Exhibit MMJ-2	Post-Merger Organizational Chart
Exhibit MMJ-3	Map of South Dakota Communities Served by Black Hills Power
Exhibit MMJ-4	Map of Black Hills Power Operations Offices in South Dakota

I. WITNESS INFORMATION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Marne M. Jones and my business address is 7001 Mt. Rushmore Rd., Rapid City, South Dakota, 57702.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am Senior Vice President and Chief Utility Officer of Black Hills Corporation (“Black Hills”).

Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE, QUALIFICATIONS, AND EDUCATIONAL BACKGROUND.

A. I have over 23 years of experience within the Black Hills enterprise, holding leadership roles across accounting, finance, treasury, regulatory, and operations. Over the course of my career, I supported major acquisitions such as Black Hills’ acquisition of Cheyenne Light, Fuel and Power Company (“Cheyenne Light”), Aquila, Inc. (“Aquila”), and SourceGas Holdings, LLC (“SourceGas”). In those transactions, I supported various facets of the acquisition activity including due diligence, integration, and regulatory approvals processes. My leadership expanded into operations in 2021, where I led the electric utility segment and later assumed additional responsibility for Black Hills’ natural gas utilities, generation, mining, business development, strategic growth, customer experience, and regulatory function. Prior to my role as Senior Vice President and Chief Utility Officer, I served as Senior Vice President Utilities, Vice President Electric Utilities, Vice President Regulatory and Finance, and Vice President Regulatory. I hold a Bachelor of Science degree in Finance from the University of Wyoming.

1 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS SENIOR VICE PRESIDENT**
2 **AND CHIEF UTILITY OFFICER OF BLACK HILLS.**

3 A. As Senior Vice President and Chief Utility Officer and a member of the senior leadership
4 team, I am responsible for the strategic oversight and operational leadership of Black Hills’
5 electric and natural gas utility businesses. My role encompasses ensuring that our utility
6 operating companies provide safe, reliable, and cost-effective service for our customers
7 across multiple jurisdictions. I lead enterprise-wide initiatives that integrate electric and
8 gas functions, optimize capital deployment, and support regulatory compliance and
9 stakeholder engagement. I also sponsor major infrastructure projects and strategic planning
10 efforts, including integrated resource planning, wildfire mitigation, and data center growth.
11 My focus is on delivering long-term value to customers and shareholders through
12 operational excellence, regulatory transparency, and forward-looking strategy.

13 **Q. WILL YOUR JOB TITLE AND RESPONSIBILITIES CHANGE FOLLOWING**
14 **THE MERGER THAT IS THE SUBJECT OF THIS JOINT APPLICATION?**

15 A. My title will change to Chief Operating Officer (“COO”), but my job responsibilities will
16 be similar to my responsibilities today. In my new role as COO, I will still be responsible
17 for overseeing day-to-day utility operations and ensuring that our regulated utilities
18 continue to provide safe, reliable, and cost-effective service. I will also continue focusing
19 on the delivery of long-term value to customers and shareholders through operational
20 excellence, regulatory transparency, and forward-looking strategy. I will support the
21 merged company’s integration efforts from an operations and operations support
22 perspective.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE SOUTH DAKOTA PUBLIC**
2 **UTILITIES COMMISSION (“COMMISSION”)?**

3 A. No, I have not.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 A. The purpose of my testimony is to provide the Commission background on Black Hills and
6 on Black Hills Power Inc.’s (“Black Hills Power”) utility operations. Finally, I affirm how,
7 from my view as future COO, approval of this merger is in the public interest. While the
8 merger will not result in a change in control for Black Hills Power, we provide testimony
9 about Black Hills Power to support why the change in control will not result in significant
10 adverse impacts to NorthWestern’s South Dakota customers. If anything, the merger will
11 benefit South Dakota customers.

12 **Q. DO YOU AGREE WITH MR. BIRD’S DESCRIPTION OF THE SHARED KEY**
13 **LONG-TERM VALUES RELATED TO THIS MERGER?**

14 A. Yes, I do. At Black Hills, we have long been committed to delivering energy that is safe,
15 reliable, and cost-effective — ensuring that every investment we make is prudent and
16 supports long-term value for our customers. As we move forward together with
17 NorthWestern Group,¹ we will remain equally focused on keeping energy affordability
18 core to our decisions for the families and businesses we serve. Cost-effectiveness is how
19 we operate; affordability is how our customers experience the value of our operations.

¹ NorthWestern Energy Public Service Corporation (“NorthWestern”) is NorthWestern Group’s utility operating company in South Dakota and Nebraska.

II. BLACK HILLS' BACKGROUND

Q. FOR THE COMMISSION'S BENEFIT, PLEASE PROVIDE AN OVERVIEW OF BLACK HILLS AND ITS SUBSIDIARIES AND OPERATING COMPANIES, INCLUDING BLACK HILLS POWER.

A. Black Hills has its origins in the Black Hills Electric Light Company of Deadwood, which was founded in 1883 to bring electricity to the mining communities located in the Black Hills region of South Dakota. From there, the company steadily grew into a multi-state energy provider with a reputation for safe, reliable, and cost-effective service. Today, Black Hills is headquartered in Rapid City, South Dakota, with local leadership and operational presence in the states we serve. Overall, our regulated public utility subsidiaries provide electric and natural gas utility service to approximately 1.35 million customers across eight states, including Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota, and Wyoming. Black Hills is a diversified energy company and was formed as a "holding company" in 2003 under the Public Utility Holding Company Act. It maintains that structure today. Our focus is to deliver safe, reliable, and cost-effective energy while maintaining strong community ties. Our strategic priorities are:

Figure MMJ-1: Black Hills Strategic Priorities



1 **Q. PLEASE EXPLAIN WHAT THESE STRATEGIC PRIORITIES MEAN IN**
2 **PRACTICE.**

3 A. These four strategic priorities form the foundation of how we operate, with core areas of
4 focus on customers, employees, and communities.

5 • **People and Culture:** means strengthening the employee experience, building
6 organizational capabilities, and developing talent and leadership to increase
7 employee engagement.

8 • **Operational Excellence:** means relentlessly delivering on our commitment to
9 serve our customers and communities.

10 • **Transformation:** means reducing complexities to improve the employee
11 experience.

12 • **Growth:** means achieving our financial plans and executing growth opportunities
13 to benefit our customers, communities, and shareholders.

14 Together, these priorities guide how we balance the needs of customers, employees, and
15 the communities we serve.

16 **Q. PLEASE PROVIDE AN OVERVIEW OF BLACK HILLS' REGULATED AND**
17 **NON-REGULATED OPERATIONS.**

18 A. Black Hills' subsidiaries primarily consist of regulated utility operating companies that
19 provide electric and natural gas distribution service to retail customers. As vertically
20 integrated utilities, our regulated utility operating companies own and operate electric
21 distribution, transmission, and generation assets and natural gas distribution, transmission,
22 and storage assets. Finally, Black Hills owns non-regulated assets that include, but are not
23 limited to, power generation, whose output is almost entirely contracted to regulated

1 electric utility operating companies under Federal Energy Regulatory Commission-
2 approved contracts, and the Wyodak coal mine in Wyoming. Ninety-nine percent of our
3 assets are either owned by, or contracted to, our regulated utilities. Exhibit MMJ-1 provides
4 a pre-merger organizational chart of the Black Hills enterprise, and Exhibit MMJ-2
5 provides a post-merger organizational chart of the combined entities.

6 **Q. CAN YOU ELABORATE ON BLACK HILLS' UTILITY OPERATING**
7 **COMPANIES AND THEIR SERVICE TERRITORIES?**

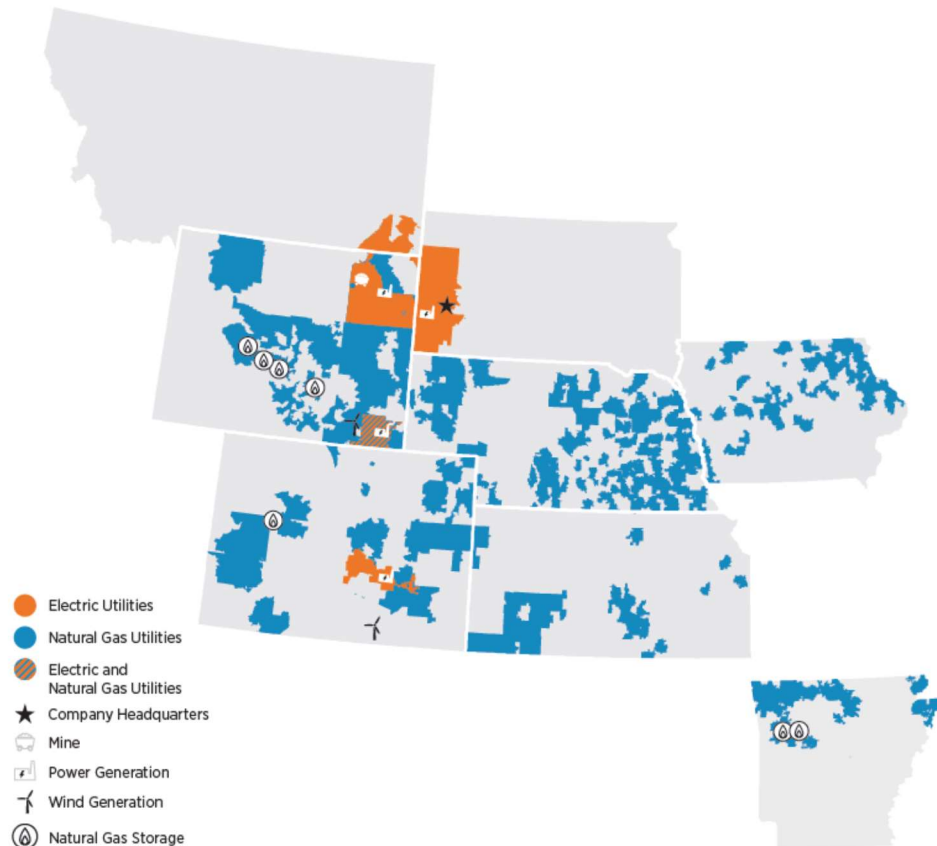
8 A. As reflected in Exhibit MMJ-1, Black Hills' electric operating companies include:

- 9 • Black Hills Power, which provides service in western South Dakota, a segment of
10 northeast Wyoming, and in southeast Montana;
- 11 • Cheyenne Light, Fuel and Power Company, which provides service in and around
12 the Cheyenne, Wyoming area; and,
- 13 • Black Hills Colorado Electric, LLC, which serves customers in south-central
14 Colorado.

15 Black Hills' natural gas distribution utilities provide service in portions of
16 Arkansas, Colorado, Iowa, Kansas, Nebraska, and Wyoming. Together, the Black Hills
17 electric utility and natural gas utility operating companies serve customers across a diverse
18 geographic footprint, including over 800 communities, which are predominantly located in
19 rural areas. Our electric utilities own approximately 1,394 megawatts of generation and
20 9,196 miles of distribution and transmission lines. Our natural gas utilities own and operate
21 4,648 miles of intrastate gas transmission pipelines and 44,524 miles of natural gas
22 distribution mains and service lines. In addition, our gas utilities collectively own six
23

1 natural gas storage sites and have 516 miles of gathering lines. A map depicting Black
2 Hills' utility service territories is provided in Figure MMJ-2 below.

Figure MMJ-2: Black Hills Service Territory



3
4 **Q. PLEASE PROVIDE AN OVERVIEW OF BLACK HILLS POWER'S**
5 **OPERATIONS IN SOUTH DAKOTA.**

6 A. Black Hills Power represents the foundation of our regulated utility operations. Black Hills
7 Power serves approximately 78,000 electric customers in 34 communities in South Dakota,
8 Wyoming, and Montana. A map showing the communities served by Black Hills Power is
9 provided as Exhibit MMJ-3. Black Hills Power employs approximately 205 employees
10 with operation service centers located in the communities shown in Exhibit MMJ-4. Black

Hills Power operates and maintains approximately 2,627 miles of electric distribution and approximately 1,234 miles of electric transmission lines.²

Q. WHAT IS BLACK HILLS’ PHILOSOPHY ON ITS UTILITY OPERATING COMPANIES MAINTAINING A LOCAL PRESENCE?

A. Given our extensive geographical footprint and our commitment to customers, we have designed our operational structure to maintain a strong local presence and include local leadership. Generally speaking, we maintain state-based vice presidents, general managers, and locally-based regulatory and operational support. Our emphasis on local operational presence is designed to allow the operational employees in each state to directly support the needs of the customers they serve. We encourage our employees to get involved in the communities where they live and work. While we certainly leverage scale at the holding company level and the benefits that scale brings to our regulated subsidiaries’ customers, we are committed to maintaining local decision-making, engagement, and operational presence in the communities we serve.

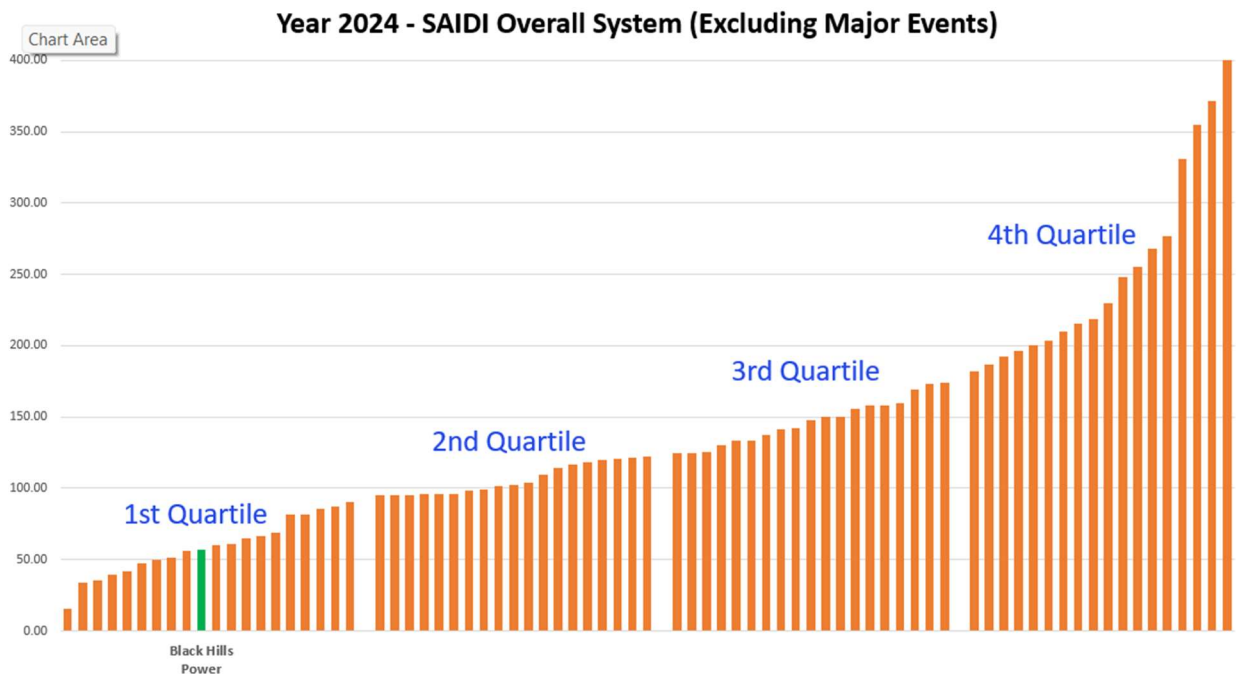
Q. WHAT IS BLACK HILLS’ OPERATIONAL PHILOSOPHY?

A. Our philosophy is designed to support our key strategic priority of Operational Excellence. Operational Excellence means relentlessly delivering on our commitment to customers and our communities. In light of this strategic priority, safety, reliability, and cost-effectiveness are core to our success, and we must pursue continuous improvement in our operations. For example, we track System Average Interruption Duration Index (“SAIDI”), which measures average outage duration; safety incident rates; and outage response times, all of which consistently reflect strong performance. As the data in Figure MMJ-3 below shows,

²The transmission lines miles shown above include 230kV and 69kV.

our Black Hills Power subsidiary maintains industry-leading reliability metrics, which is a testament to our ability to deliver on this strategic priority.

Figure MMJ- 3: 2024 SAIDI Overall System



Q. CAN YOU PROVIDE ADDITIONAL EXAMPLES OF HOW BLACK HILLS POWER STRIVES TO ACHIEVE OPERATIONAL EXCELLENCE?

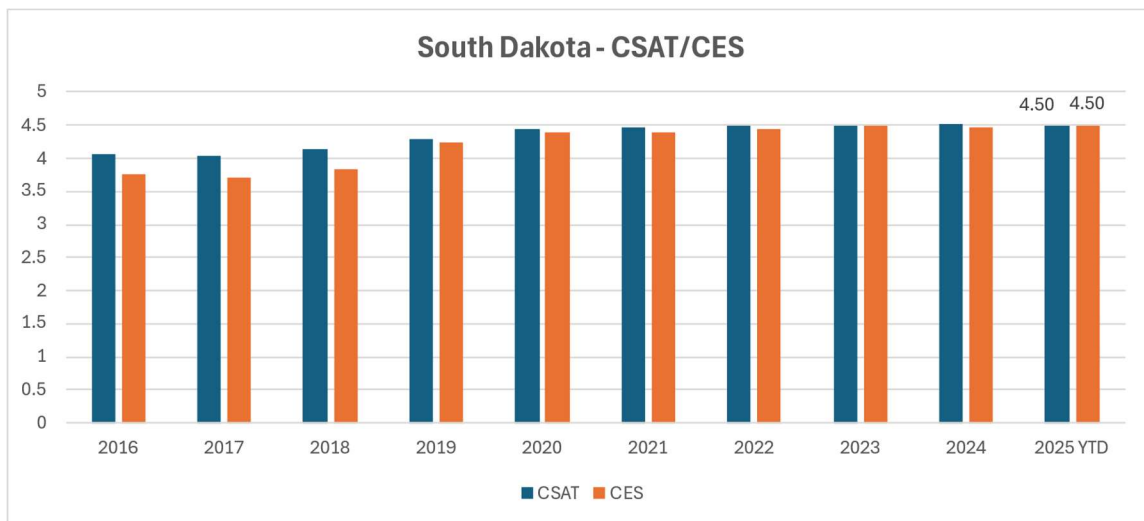
A. Black Hills Power promotes a strong culture of safety, both in terms of employee safety and community safety. In addition to our employee training programs, we follow a programmatic approach to managing our assets and facilities. This includes a mix of asset management programs that include routine inspections and maintenance, in addition to a variety of integrity programs that are focused around improving system reliability and resiliency.

Q. DOES BLACK HILLS CONDUCT CUSTOMER SERVICE SURVEYS?

A. Yes. Black Hills surveys the customers of our electric and natural gas utilities to obtain feedback on customer satisfaction. Two relevant customer service metrics are the Customer

Satisfaction Score (“CSAT”), which measures overall satisfaction with a specific interaction or product (*e.g.*, “Based on your overall experience with us, how satisfied are you with Black Hills Energy³?”), and the Customer Effort Score (“CES”), which measures how easy an experience was for the customer (*e.g.*, “Thinking about your last interaction, how easy was it to work with Black Hills Energy?”). Both surveys gather feedback from customers who have had a recent personal interaction (with the contact center or a field technician) and from customers that have not had this type of interaction in the last six months. CSAT measures overall customer satisfaction with Black Hills Power, whereas CES surveys focus on how easy it was to work with Black Hills Power. The metrics provide complementary insights into the customer experience. Black Hills Power’s South Dakota CSAT and CES scores from 2016 to 2025 (YTD) are shown on a consolidated basis below:

Figure MMJ-4: Black Hills Power South Dakota CSAT and CES Scores



Since 2016, Black Hills Power has demonstrated a consistent upward trend in both CSAT and CES scores. For 2025 year-to-date, Black Hills Power South Dakota’s CSAT

³ For purpose of the discussion below, Black Hills Energy refers to Black Hills Power d/b/a Black Hills Energy.

1 and CES score are both 4.50, on a five-point scale, with five being the best possible score.
2 These scores reflect a deep organizational commitment to listening to customers and acting
3 on their feedback. We care about our customers and the communities we serve, and we are
4 always working to forge new relationships and effective partnerships that can be leveraged
5 to the benefit of our existing and future customers.

6 **Q. HOW DOES BLACK HILLS PROVIDE SHARED SERVICES FOR ITS**
7 **ELECTRIC AND GAS UTILITIES?**

8 A. Black Hills has long employed a shared services model through Black Hills Service
9 Company, LLC (“BHSC”), and there are approximately 630 BHSC employees working in
10 South Dakota.⁴ As part of the shared services model, areas that can be centralized—such
11 as finance, human resources, information technology, supply chain, engineering, and
12 certain regulatory and legal services—are delivered through a corporate service company
13 and then allocated to Black Hills’ subsidiary companies.

14 Our shared services model is designed to provide cost-effective and efficient
15 support across our organization and leverage the efficiencies that come from scale. Under
16 this model, costs are directly assigned where possible. Costs that cannot be directly
17 assigned or distributed to a single business unit are indirectly allocated. The allocation of
18 these shared costs is governed by a Cost Allocation Manual (“CAM”) that is reviewed by
19 regulators through utility rate reviews. Our CAM is developed consistent with National
20 Association of Regulatory Utility Commissioner standards and is updated periodically to
21 reflect operational changes. Sharing resources in this way supports delivery of services
22 without duplication, thereby resulting in lower costs for customers.

⁴ BHSC is a direct subsidiary of Black Hills as shown on Exhibit MMJ-1.

III. POST-MERGER OPERATIONS IN SOUTH DAKOTA

1 **Q. PRIOR TO EXECUTING THE MERGER AGREEMENT, HOW DID BLACK**
2 **HILLS LEARN ABOUT NORTHWESTERN GROUP'S OPERATIONS?**

3 A. Prior to executing the merger agreement, we engaged in due diligence with NorthWestern
4 Group operations leaders to discuss aspects of their operations including system assets,
5 management structure, generation mix, regulatory filings, and operating performance
6 indicators. We also examined NorthWestern Group's reliability metrics and customer
7 service standards to ensure alignment with our own values and practices.

8 **Q. BASED ON YOUR OBSERVATIONS, HOW DO NORTHWESTERN GROUP AND**
9 **BLACK HILLS COMPARE FROM AN OPERATIONAL PERSPECTIVE?**

10 A. Both companies are committed to safe, reliable, and cost-effective service, and both place
11 a high emphasis on ensuring a culture of safety across everything we do. In addition, the
12 companies are aligned in our operational standards. While we will undoubtedly focus on
13 service quality, safety, and reliability as a merged entity, we are also focused on finding
14 new opportunities to raise the bar across the combined enterprise through benchmarking,
15 shared practices, and taking advantage of economies of scale.

16 **Q. FROM AN OPERATIONAL PERSPECTIVE, WHAT ARE SOME OF THE**
17 **POTENTIAL BENEFITS OF THE MERGER FOR SOUTH DAKOTA**
18 **CUSTOMERS?**

19 A. The merger will better position the combined company to meet future challenges. Black
20 Hills is continually looking for ways to control costs and increase operational efficiency,
21 and we anticipate that the expanded team will also provide opportunities to develop
22 specialized expertise and obtain outside services and products more cost-effectively than

1 either company is able to obtain on its own. Moreover, the merger will provide a clear path
2 to sharing best practices and training resources and an opportunity to leverage the best
3 practices of both companies. South Dakota customers (of both companies) will benefit
4 from access to an expanded set of experienced utility personnel for emergency responses.
5 In addition, as described by Ms. Lail, the increase in scale of the combined company will
6 bring greater negotiating power for necessary products and services, and we anticipate that
7 the larger scale will provide improved access to capital markets and better pricing when
8 leveraging those financial tools.

9 **Q. HOW DO BLACK HILLS POWER AND NORTHWESTERN COMPLEMENT**
10 **EACH OTHER IN SOUTH DAKOTA?**

11 A. Initially, it is important to understand that NorthWestern and Black Hills' operating
12 companies will remain separate subsidiaries and continue to serve their own customers up
13 to and through the merger for the foreseeable future. Specific to electric operations, they
14 are, however, complementary as each serves distinct parts of the state. Both have brand
15 recognition and are well-established, long-standing providers in South Dakota. As Mr.
16 Bird describes in more detail, NorthWestern provides electric service to 117 communities
17 and natural gas service to 81 communities in the eastern portion of South Dakota. By way
18 of comparison, Black Hills Power serves over 34 communities across western South
19 Dakota. As we move through the integration process, we will look for opportunities to align
20 practices and service across both footprints. These two well-known entities are a natural
21 fit. We anticipate and expect that each existing company will be better together.

1 **Q. HOW WOULD YOU DESCRIBE THE LONG-TERM STRATEGY FOR BLACK**
2 **HILLS POWER’S SOUTH DAKOTA CUSTOMERS POST-MERGER?**

3 A. Black Hills Power will continue to provide the same or better service that we do today for
4 South Dakota customers. And, as Mr. Bird explains, NorthWestern will continue to provide
5 the same or better service in its South Dakota territory. The long-term strategy for how the
6 combined company will serve South Dakota customers has not been determined, and,
7 notably, the lack of any electric transmission interconnection today⁵ is a key limiting factor
8 that will need to be evaluated and examined during the integration process described by
9 Ms. Nooney. The lack of electric interconnection will not, however, stop us from
10 performing collaborative reviews of our respective operational and customer service
11 practices and thereafter implementing the best practices in both footprints going forward.
12 For now, however, Black Hills Power and NorthWestern’s South Dakota customers will
13 continue to be served as they are today under their existing contracts and tariffs.

14 **Q. HOW WILL THE ROLE OF SHARED SERVICES BE EVALUATED AFTER THE**
15 **MERGER?**

16 A. Black Hills’ shared services approach is guided by two core principles: ensuring continuity
17 and stability for customers and employees and taking advantage of a scalable service model
18 to provide benefits to our customers. This allows for creation of long-term operational
19 efficiencies that ultimately benefit customers. These same principles generally guide
20 NorthWestern’s approach to shared services.

21 Through the integration process, we will evaluate the benefits that may accrue by
22 adjusting the delivery of shared services across the combined platform. This process will

⁵ Notably, NorthWestern is part of the Eastern Interconnection and Black Hills Power is part of the Western Interconnection, with Black Hills Power owning a portion of an AC/DC/AC Tie between the two grids.

1 involve a thorough review of current shared services approach of both companies,
2 comparing them to identify the most cost-effective, efficient, and customer-focused
3 approaches. Where efficiencies can be achieved without compromising service quality, we
4 will look to implement them in a way that is transparent and aligned with regulatory
5 expectations. Ms. Nooney discusses this as part of the “Evaluate” and “Optimize” phases
6 of integration planning and execution. In addition, Ms. Lail provides testimony relating to
7 the allocation of costs post-merger.

IV. THE OPERATIONAL BENEFITS OF SCALE IN THE UTILITY INDUSTRY

8 **Q. FROM YOUR VANTAGE POINT AS THE FUTURE COO OF THE MERGED**
9 **ENTITY, DO YOU SHARE MR. BIRD’S VIEW THAT SCALE IS OF KEY**
10 **IMPORTANCE GIVEN THE CURRENT LANDSCAPE FOR NATURAL GAS**
11 **AND ELECTRIC UTILITIES IN THE UNITED STATES?**

12 **A.** Yes. As Mr. Bird notes, the utility industry is undergoing a period of rapid transformation,
13 disruption, and volatility. Challenges such as physical threats to energy infrastructure,
14 cybersecurity incidents, wildfires, supply chain issues, and inflation are putting operational
15 pressures on utilities. This merger brings increased scale, which will help mitigate these
16 types of operational pressures.

17 **Q. FROM BLACK HILLS’ PERSPECTIVE AND YOUR VANTAGE POINT AS**
18 **FUTURE COO OF THE MERGED ENTITY, WHAT OPPORTUNITIES DO YOU**
19 **ANTICIPATE THE MERGER WILL PROVIDE IN TERMS OF LARGER**
20 **SCALE?**

21 **A.** I anticipate several operational opportunities from this merger. First, larger scale will better
22 position the combined company to navigate industry and market volatility. The utility

1 industry is capital intensive and, in today's volatile environment, access to cost-effective
2 financing is critical. As Ms. Lail describes in her testimony, larger utilities typically have
3 stronger access to capital markets and can often achieve better pricing when leveraging
4 those financing tools. By combining our scale, we will enhance our ability to access capital
5 and reinvest in our operations, ultimately benefitting our customers through more resilient
6 and cost-effective service.

7 Second, larger scale will enhance our ability to procure supplies and services more
8 efficiently, strengthen our ability to manage and mitigate risk, and better allow us to
9 develop and maintain in-house expertise that smaller utilities might need to outsource. For
10 example, wildfire exposure is receiving increasing attention across the utility industry. The
11 merger will enhance our combined ability to investigate and implement new technologies,
12 enhance our wildfire mitigation plans and preparedness, and improve the overall safety and
13 resiliency of our system.

14 **Q. FROM AN OPERATIONAL PERSPECTIVE, HAS BLACK HILLS**
15 **SUCCESSFULLY MANAGED PAST MERGERS OR ACQUISITIONS?**

16 **A.** Yes, we have successfully gained approval, closed, and integrated three major acquisitions.
17 In 2005, we acquired Cheyenne Light from Xcel Energy. In 2008, we closed on the Aquila
18 transaction in four states. And, in 2016, Black Hills acquired SourceGas, which operated
19 in four states. Collectively, these experiences demonstrate our ability to achieve growth
20 while keeping customers and communities at the center of our mission. Through all three
21 acquisitions, Black Hills successfully managed integration efforts in ways that maintained
22 continuity of local operations.

Moreover, these past utility-to-utility integration efforts demonstrate that building scale through the combination of regulated utilities can deliver operational efficiencies and improve processes. Ms. Nooney discusses our integration plans in more detail.

Q. FROM BLACK HILLS' PERSPECTIVE, WHY DOES THIS MERGER MAKE SENSE?

A. This merger makes sense for the same reasons stated by Mr. Bird and Ms. Lail in their direct testimonies. The merger brings increased scale and financial stability, geographic diversity, plus the merging entities have similar values, culture, and strategy. Both Black Hills and NorthWestern Group share a strong culture of safety, reliability, community involvement, and employee development and engagement. Our geographic footprints are complementary, and the scale created by the merger will enhance our ability to drive operational efficiencies and improve resiliency across our expanded footprint.

V. THE MERGER MEETS APPLICABLE APPROVAL STANDARDS

Q. WHAT IS YOUR UNDERSTANDING OF THE LEGAL FRAMEWORK FOR THE REVIEW AND APPROVAL OF UTILITY MERGERS IN SOUTH DAKOTA?

A. Given that the merger implicates a change of control for NorthWestern, I understand that the Commission evaluates the merger to ensure there is no likelihood of significant adverse impacts to NorthWestern's South Dakota customers.

Q. FROM BLACK HILLS' PERSPECTIVE, WILL THERE BE ANY SIGNIFICANT ADVERSE IMPACT TO NORTHWESTERN CUSTOMERS FROM THE MERGER?

A. No, because regulatory oversight, local presence, and service quality will remain unchanged. I would note, however, that our goal is to exceed this standard by executing

1 the merger in a manner that drives opportunity for long-term rate stability and value for
2 customers, as discussed by Mr. Bird in his direct testimony.

3 **Q. WILL COMMISSION OVERSIGHT CHANGE AS A RESULT OF THE MERGER?**

4 A. No. The Commission will continue to regulate NorthWestern and Black Hills Power as it
5 does today. Any potential integration of the assets, or tariffs, or rates from the existing
6 entities would only occur after the merger and those proposals would occur after
7 discussion, review, and approval of the Commission.

8 **Q. WHY IS THIS MERGER IN THE PUBLIC INTEREST FROM BLACK HILLS’**
9 **PERSPECTIVE?**

10 A. I echo Mr. Bird’s direct testimony in response to this question: we are two strong
11 companies that will be stronger and better together. By combining, we will enhance
12 customer value, strengthen financial stability, enhance resiliency, and continue our
13 community commitments. By bringing two strong utility operators together and leveraging
14 our combined expertise, we will be better situated to respond to common utility challenges
15 such as supply chain issues and growing customer demand.

VI. OTHER STATE APPROVALS AND TIMING

16 **Q. WHAT OTHER STATE REGULATORY FILINGS WILL BE REQUIRED AND**
17 **HOW LONG DO YOU ANTICIPATE APPROVALS IN EACH STATE WILL**
18 **TAKE?**

19 A. In addition to South Dakota, we are seeking approval from the Montana Public Service
20 Commission and the Nebraska Public Service Commission. We anticipate approvals will
21 take five to six months from filing today in Nebraska and 12-15 months in Montana, from
22 our August 19, 2025 announcement date.

1 **Q. WHAT IS THE EXPECTED TIMING OF THE CLOSE OF THE MERGER?**

2 A. Based upon rules and precedent in each state where we are seeking approval, we expect to
3 close the merger upon receipt of our final required approvals.

VII. CONCLUSION

4 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5 A. Yes, it does.

VERIFICATION

This Direct Testimony of Marne M. Jones is true and accurate to the best of my knowledge, information, and belief.

/s/ Marne M. Jones

Marne M. Jones