

Rebuttal 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. GE25-001

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

June 5, 2026

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

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

5 **Q. ARE YOU THE SAME MARNE M. JONES WHO FILED DIRECT TESTIMONY**  
6 **IN SUPPORT OF THE JOINT APPLICATION IN DOCKET GE25-001?**

7 A. Yes, I am.

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

11 A. No.

12 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING.**

13 A. I am testifying on behalf of Black Hills Corporation (“Black Hills”) in support of the Joint  
14 Application.

15 **II. PURPOSE OF TESTIMONY**

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

17 A. The purpose of my testimony is to support the proposed Settlement Stipulation between  
18 Commission Staff (“Staff”) and the Joint Applicants filed in this docket on April 29, 2026  
19 (“Settlement”). The Joint Applicants agree with Staff witness, Mr. Ryan Pfaff, that the  
20 Settlement is reasonable and should be approved in full. Joint Applicants further  
21 recommend the Commission reject the proposed conditions proffered by South Dakota  
22 Laborers Local 620, the Great Plains Laborers’ District Council, and the Laborers’  
23 International Union of North America (together, “LIUNA”), specifically regarding third-

1 party workforce and labor contracting standards. While Black Hills agrees that it is  
2 important to ensure a stable local workforce that is capable of providing safe and reliable  
3 service, we disagree that additional commitments in this area are necessary. Finally, Joint  
4 Applicants recommend approval of the merger without further conditions beyond those  
5 agreed to in the Settlement.

6 **Q. PLEASE IDENTIFY THE OTHER BLACK HILLS' WITNESS SUBMITTING**  
7 **REBUTTAL TESTIMONY.**

8 A. Mr. Michael Pogony is also submitting rebuttal testimony on behalf of Black Hills. Mr.  
9 Pogony is the General Manager of Electric Operations for Black Hills Power and is familiar  
10 with Black Hills Power's third-party contracting practices. With that perspective, he  
11 explains that the commitments proposed by LIUNA are not appropriate conditions for  
12 third-party contracting practices and further supports that the conditions are not  
13 appropriate in this merger docket. As discussed in more detail by Mr. Pogony, Black Hills  
14 is committed to maintaining a highly skilled, qualified, and safe contractor workforce to  
15 reliably serve customers in South Dakota post-merger, and no additional conditions are  
16 needed to memorialize this commitment.

17 **Q. WHAT DO YOU RECOMMEND?**

18 A. I recommend the Commission approve the Settlement in full without modification. I  
19 additionally recommend approval of the merger without any further conditions beyond  
20 those agreed to in the Settlement.

21 **Q. WHAT IS SOUTH DAKOTA'S MERGER APPROVAL STANDARD?**

22 A. As set forth in the Application, SDCL § 49-34A-36 provides:

23           Upon the filing of an application for the approval of the commission to  
24           an action described in § 49-34A-35, the commission shall investigate

1 the application, with or without public hearing, and in case of a public  
2 hearing, upon such notice as the commission may require. The  
3 commission shall act on the application within one hundred eighty days  
4 and shall approve the proposed action unless the commission finds that  
5 there is a likelihood of significant adverse impacts to customers in this  
6 state.

7 Simplified, my understanding of South Dakota’s merger standard is “no likelihood  
8 of adverse impact to customers.”

9 **Q. DOES STAFF AGREE THAT THIS IS THE APPLICABLE APPROVAL**  
10 **STANDARD?**

11 A. Yes, Mr. Pfaff also refers to this statute and recognizes that the Commission “shall approve  
12 the proposed action unless [it] finds that there is a likelihood of significant adverse impacts  
13 to customers in this state.”

14 **Q. HAVE THE JOINT APPLICANTS MET THIS STANDARD?**

15 A. Yes. Joint Applicants have provided sufficient evidence to approve the merger based on  
16 their direct case and maintain the merger provides a stronger foundation for South Dakota  
17 customers moving forward, furthermore, they are pleased to have reached a negotiated  
18 compromise with Staff that addresses Staff’s concerns, provides additional transparency,  
19 and further demonstrates the reasonableness of the merger.

20 **III. THE SETTLEMENT IS REASONABLE AND CONSISTENT WITH**  
21 **THE SOUTH DAKOTA MERGER APPROVAL STANDARD**

22 **Q. PLEASE PROVIDE A HIGH-LEVEL SUMMARY OF THE SETTLEMENT.**

23 A. Among other things, the Settlement memorializes commitments from Joint Applicants’  
24 direct case related to cost recovery, provides additional transparency through reporting  
25 commitments, and includes a number of other negotiated provisions that address concerns  
26 raised by Staff.

1 **Q. WHAT ARE SOME EXAMPLES OF PROVISIONS WHERE JOINT APPLICANTS**  
2 **MEMORIALIZED COMMITMENTS FROM THEIR DIRECT CASE?**

3 A. Some examples of these types of commitments include agreements not to seek recovery of  
4 merger-associated goodwill costs or transaction costs associated with the merger.

5 **Q. WHAT ARE SOME EXAMPLES OF PROVISIONS PROVIDING ADDITIONAL**  
6 **TRANSPARANCY TO THE COMMISSION?**

7 A. Joint Applicants have committed to file the finalized Cost Allocation Manual (“CAM”)  
8 changes that occur as a result of the merger, to provide capital expenditure reporting, and  
9 to provide an annual merger integration report through December 31, 2029. Joint  
10 Applicants also confirmed that the merger will not impact accounting or ratemaking  
11 treatment of accumulated deferred income taxes and confirmed certain accounting  
12 practices.

13 **Q. WHAT ADDITIONAL NEGOTIATED PROVISIONS ARE INCLUDED IN THE**  
14 **SETTLEMENT?**

15 A. The Settlement also includes enhanced ring-fencing protections, including dividend  
16 restrictions and credit rating notification requirements, a “most-favored-nations” clause  
17 regarding merger cost recovery relative to the Montana and Nebraska merger proceedings,  
18 commitments to maintain corporate presence in South Dakota, and a rate moratorium for  
19 both NorthWestern Energy Public Service Corporation and Black Hills Power.

20 **Q. WHY IS THE PROPOSED SETTLEMENT REASONABLE?**

21 A. The Settlement is reasonable because it is the result of good faith, give-and-take  
22 negotiations between the Joint Applicants and Staff. The agreement addresses concerns  
23 Staff identified and establishes customer protections that go above and beyond South

1 Dakota's merger approval standard. As the Joint Applicants have shown through their  
2 direct case, the merger will not impair the South Dakota utilities' ability to provide adequate  
3 service, and customers in South Dakota will experience no adverse impacts to their service  
4 as a result of the merger. In the long term, operating utilities of the combined company (to  
5 be renamed Bright Horizon Energy Corporation) will benefit from the increased size, scale,  
6 and resources of the larger organization. South Dakota customers will also benefit from  
7 the financial and operational support of a larger parent with a more geographically diverse  
8 and broader customer base. As discussed above, the Settlement builds on that foundation  
9 by reaffirming certain commitments from Joint Applicants' direct case (including  
10 memorializing certain customer protections) and setting forth binding provisions regarding  
11 cost recovery, cost allocation transparency, and post-close integration reporting. Moreover,  
12 should the Joint Applicants seek to recover transition costs in the future, the Settlement  
13 expressly requires they must demonstrate the reasonableness and prudence of such costs  
14 as part of future rate review proceedings.

15 **Q. DOES THE SETTLEMENT REPRESENT A COMPREHENSIVE RESOLUTION**  
16 **OF ISSUES WITH STAFF ?**

17 A. Yes. The Settlement mitigates areas of perceived risk that Staff identified through the  
18 process of discovery and negotiation in this proceeding. If the Commission approves the  
19 merger and Settlement, all disputed issues between Joint Applicants and Staff will be  
20 resolved.

#### 21 **IV. CONCLUSION**

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

23 A. Yes, it does.

**VERIFICATION**

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

*/s/ Marne M. Jones*

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Marne M. Jones