

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

<b>IN THE MATTER OF THE JOINT APPLICATION</b>	)	
<b>OF NORTHWESTERN</b>	)	
<b>ENERGY PUBLIC SERVICE CORPORATION,</b>	)	<b>SETTLEMENT STIPULATION</b>
<b>BLACK HILLS CORPORATION, AND</b>	)	
<b>NORTHWESTERN ENERGY GROUP INC. FOR</b>	)	<b>GE25-001</b>
<b>APPROVAL OF A MERGER</b>	)	

It is hereby stipulated and agreed by and between NorthWestern Energy Public Service Corporation d/b/a NorthWestern Energy (“NorthWestern”), Black Hills Corporation (“Black Hills”), NorthWestern Energy Group Inc. (“NorthWestern Group” and collectively with NorthWestern and Black Hills, as “Joint Applicants”), and the South Dakota Laborers Local 620, the Great Plains Laborer’s District Council, and the Laborers International Union of North America (together, “LIUNA,” and with Joint Applicants, as “Settling Parties”), that the following Settlement Stipulation (“Stipulation”) should be adopted without modification by the South Dakota Public Utilities Commission (“Commission”) in the above-captioned matter.

**I. INTRODUCTION**

On October 27, 2025, Joint Applicants filed a Joint Application seeking approval of a merger transaction, which is more fully described in that Joint Application. The Joint Applicants explained that the merger transaction involved a merger of equals, and that through the transaction, NorthWestern Group would become a direct subsidiary of Black Hills, which will be renamed Bright Horizon Energy Corporation (“Bright Horizon”). Joint Applicants further explained that NorthWestern would remain a direct subsidiary of NorthWestern Group, and as such, the direct holding company structure for NorthWestern, which was approved by the Commission in Docket GE22-002, would not change, though Black Hills would become the indirect parent company of

NorthWestern.<sup>1</sup>

Joint Applicants and LIUNA have engaged in settlement negotiations and have arrived at a negotiated settlement which allows for mutually acceptable resolution. If the Stipulation is approved by the Commission, all disputed issues between Joint Applicants and LIUNA will be resolved and the Settling Parties would request the Commission grant the Joint Application and approve the merger.

## II. AGREEMENTS

This Stipulation has been prepared and executed by the Settling Parties for the sole purpose of resolving the issues between them in Docket No. GE25-001. For settlement purposes, the Settling Parties have reached a fair, equitable, and comprehensive resolution of their respective issues. The Settling Parties agree to support and defend this Stipulation and further jointly and separately request that the Commission approve the merger identified in the Joint Application filed in this proceeding by Joint Applicants consistent with the terms of this Stipulation.

The Settling Parties acknowledge that they may have differing views and reasons to support and justify the Stipulation, but each party deems the result to be just and reasonable. In light of such differences, the Settling Parties agree that the resolution of any single issue, whether explicit or implied by the Stipulation, should not be viewed as precedent setting for this or future proceedings involving Joint Applicants or any other South Dakota regulated public utility under the Commission's jurisdiction.

In consideration of the mutual promises hereinafter set forth, the Settling Parties agree as follows:

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<sup>1</sup> Black Hills Power, Inc. ("Black Hills Power") is not a Joint Applicant in this matter because the merger will not change the ownership or control of Black Hills Power. Notwithstanding this fact, if the merger is approved, the Commission will retain regulatory oversight over Black Hills Power's rates, tariffs, and conditions of service in other jurisdictional matters.

A. Joint Applicants agree that NorthWestern and Black Hills Power will continue their prudent contracting practices that include, to the extent known, maintaining union contractors that are signatories to LIUNA collective bargaining agreements on their respective bid lists and invitations to bid issued post-merger close for electric and natural gas infrastructure projects<sup>2</sup> in South Dakota. The Joint Applicants agree that employment of union members will not disqualify contractors from bidding on or being awarded contracts for work on NorthWestern's or Black Hills Power's electric and natural gas infrastructure projects in South Dakota post-merger close as covered by this provision.

B. Joint Applicants further commit to Black Hills Power and NorthWestern continuing prudent investment in safety and growth projects and in capital investment, albeit subject to applicable state and federal law and regulations and Commission rules.

C. To the extent that NorthWestern and Black Hills Power contract for outside services, and to the extent permitted by South Dakota law or regulation, Joint Applicants further commit to the following as part of NorthWestern's and Black Hills Power's third-party contract bid evaluation process post-merger close:

1. **Operator Qualification and Training.** Contractors selected by NorthWestern and Black Hills Power in South Dakota that are awarded a service agreement to perform natural gas pipeline projects shall maintain an operator qualification program consistent with applicable federal pipeline and state safety regulations and/or NorthWestern's and Black Hills Power's existing Operator Qualification requirements. NorthWestern and Black Hills Power will require the contracted vendor, as part of a contract award for natural gas pipeline projects, to inform and certify to NorthWestern

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<sup>2</sup> For purposes of this subpart (A), "electric and natural gas infrastructure" means natural gas transmission and distribution facilities, generating facilities, but excludes electric transmission and distribution facilities

and/or Black Hills Power as to the qualifications of the contractor's personnel dispatched to perform covered work.

2. **Prudent Contracting.** NorthWestern and Black Hills Power will follow their respective existing practices of comprehensive bid evaluation, in which price is one factor among several, including safety record, workforce qualifications, training program participation, and demonstrated performance on comparable work. This commitment reflects NorthWestern's and Black Hills Power's current approaches and ensures they are maintained post-merger as procurement functions are integrated.

3. **Local Hire and Reporting.** NorthWestern and Black Hills Power will implement a local hiring contracting preference in their contract labor procurement processes for natural gas pipeline and new power generation projects constructed in South Dakota for proposals issued post-merger close, which recognizes and assigns a value or benefit to bidders that employ a higher percentage of South Dakota residents. NorthWestern and Black Hills Power will retain discretion about how to implement the preference, as part of an overall evaluation or selection criteria. The preference will not be imposed as a mandatory hiring requirement, minimum condition of contracting, or a quota. NorthWestern and Black Hills Power will request contractors to provide an annual report of the percentage of South Dakota residents employed on NorthWestern and Black Hills Power projects covered by this provision.

4. **Contractor Certification of Workforce Standards.** For South Dakota natural gas pipeline project contracts larger than \$1 million, NorthWestern and Black Hills Power shall require, as a condition of contract award, that contractors certify that their employees and subcontractors performing covered work are compensated at levels

consistent with applicable market conditions for comparable utility construction work in the community in which the work is being performed.

a. For purposes of this provision, “consistent with applicable market conditions” shall mean compensation levels that are consistent with at least one of the following:

- i. collectively bargained rates for similar work;
- ii. publicly available industry compensation data; or
- iii. compensation practices of contractors performing comparable utility construction work in the community.

5. **Workforce Training and Apprenticeship Standard.** In evaluating contractor bids for South Dakota natural gas pipeline projects, NorthWestern and Black Hills Power shall give positive consideration to bidders that utilize apprenticeship programs or demonstrate equivalent workforce training and development.

6. **Reasonable Reliance and Reporting.**

a. NorthWestern and Black Hills Power may rely in good faith on contractor annual reports and certifications required under sections 3 and 4, absent actual knowledge of material non-compliance and shall not be required to independently audit contractor records or otherwise assume responsibility for direct enforcement of contractor practices under Section 3 and 4 herein.

b. NorthWestern and Black Hills Power shall maintain the reporting and certification records received from contractors pursuant to sections 3 and 4. LIUNA representatives may request copies of the reports and certification records from NorthWestern and Black Hills Power, subject to applicable confidentiality conditions. In addition, LIUNA’s South Dakota representatives may annually

request a meeting with the merged entity to discuss the contractor reporting under sections 3 and 4.

7. **Future Relations.**

a. NorthWestern and Black Hills will designate one or more representative(s) from NorthWestern and Black Hills who, upon LIUNA's request, will meet at least annually with LIUNA representatives to discuss the benefits and advantages afforded them and Bright Horizon by employing LIUNA affiliated contractors for the construction of pipelines, natural gas infrastructure and power generation projects. Any such meetings shall occur either online, or at a location agreed to by Black Hills and NorthWestern, such as Rapid City or Sioux Falls; and,

b. NorthWestern and Black Hills will work with LIUNA, in an open and good faith manner, to develop and foster a long-term relationship with LIUNA that is mutually beneficial to NorthWestern and Black Hills Power, LIUNA members, the construction contracting community, construction workers, and the customers of the regulated utilities within Bright Horizon.

8. **Sunset.** The requirements set forth in sections 3, 4, 5, 6, and 7 shall terminate on December 31, 2030.

D. LIUNA agrees that the discovery requests served on Joint Applicants in this docket on June 12, 2026 are hereby withdrawn and Joint Applicants are not required to answer the same.

E. The Settling Parties agree, without objection, to the admission into the evidentiary record of their respective witnesses' pre-filed testimonies and exhibits to support the reasonableness of the Stipulation and shall refrain from cross-examining the witnesses of the other party.

F. The Settling Parties present this Stipulation as a reasonable settlement of their

contested issues in this docket. No Settling Parties' positions in this docket are accepted by the other Settling Parties by virtue of their entry into this Stipulation, nor does entry into this Stipulation indicate their acceptance, agreement, or concession as to the validity of any particular theory or legal principle embodied, or arguably embodied, in this Stipulation. No finding of fact or conclusion of law, other than those agreed to herein, shall be deemed to be implicit in this Stipulation.

G. The following actions shall not be taken by Settling Parties, except as otherwise allowed by law or this Stipulation: (a) seeking rehearing of a Commission Final Order that approves the Stipulation without condition or modification; (b) appealing a Commission Final Order approving the Stipulation without condition or modification; (c) seeking to set aside the Stipulation in whole or in part; (d) challenging this Stipulation's applicability to any of the Settling Parties once it has become effective; or (e) advancing any claim or right contrary to the express terms and conditions of the Stipulation.

H. This Stipulation shall not become effective and binding upon the Settling Parties and shall be of no force and effect unless and until accepted and approved by the Commission as to all of the terms and conditions contained herein without modification and NorthWestern Group and Black Hills close the transaction. If the Commission declines to approve this Stipulation as agreed to herein by the Settling Parties, or if the Commission adds or removes any terms or conditions not agreeable to the Settling Parties, either party shall, at its sole option, have the right to withdraw from this Stipulation with all of its rights reserved. The Stipulation and all its parts shall then be void, and the Settling Parties shall not be bound by any provision of it, and it shall have no force or effect whatsoever. In such event, the existence or terms of this Stipulation shall not be admissible in any proceeding before the Commission or any court for any purpose.

I. The Settling Parties hereby acknowledge that this Stipulation is the result of a

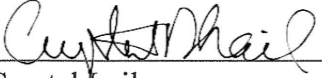
voluntary, negotiated settlement between them and agree that this Stipulation, including the compromises and settlements contained herein, is in the public interest.

J. This Stipulation may be executed electronically and in one or more counterparts and each counterpart shall have the same force and effect as an original document, fully executed by the parties. Any signature page of this Stipulation may be detached from any counterpart of this Stipulation without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Stipulation identical in form hereto but having attached to it one or more signature page(s).

[Remainder of this page left intentionally blank]

This Stipulation is entered into effective this 17<sup>th</sup> day of June, 2026.


**NORTHWESTERN ENERGY GROUP, INC.  
AND NORTHWESTERN ENERGY PUBLIC  
SERVICE CORPORATION**

BY:   
Crystal Lail  
Vice President and Chief Financial Officer  
3010 W. 69<sup>th</sup> Street  
Sioux Falls, SD 57108  
(605) 978-2970  
[crystal.lail@northwestern.com](mailto:crystal.lail@northwestern.com)

**BLACK HILLS CORPORATION**

BY: \_\_\_\_\_  
Marne Jones  
Senior Vice President and Chief Utility Officer  
7001 Mt. Rushmore Rd.  
Rapid City, SD 57702  
(605) 415-1465  
[marne.jones@blackhillscorp.com](mailto:marne.jones@blackhillscorp.com)

**SOUTH DAKOTA LABORERS LOCAL 620,  
THE GREAT PLAINS LABORER'S  
DISTRICT COUNCIL, AND THE  
LABORER'S INTERNATIONAL UNION OF  
NORTH AMERICA**

By:   
William Taylor  
Taylor Law Firm, P.C.  
4820 East 57<sup>th</sup> Street, Suite B  
Sioux Falls, SD 57108  
[Bill.taylor@taylorlawsd.com](mailto:Bill.taylor@taylorlawsd.com)

*Counsel for South Dakota Laborers Local 620,  
the Great Plains Laborer's District Council,  
and the Laborer's International Union of North  
America*

**NORTHWESTERN ENERGY GROUP, INC.  
AND NORTHWESTERN ENERGY PUBLIC  
SERVICE CORPORATION**

BY: \_\_\_\_\_

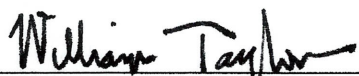
Crystal Lail  
Vice President and Chief Financial Officer  
3010 W. 69<sup>th</sup> Street  
Sioux Falls, SD 57108  
(605) 978-2970  
[crystal.lail@northwestern.com](mailto:crystal.lail@northwestern.com)

**BLACK HILLS CORPORATION**

BY: 

Marne Jones  
Senior Vice President and Chief Utility Officer  
7001 Mt. Rushmore Rd.  
Rapid City, SD 57702  
(605) 415-1465  
[marne.jones@blackhillscorp.com](mailto:marne.jones@blackhillscorp.com)

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THE GREAT PLAINS LABORER'S  
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LABORER'S INTERNATIONAL UNION OF  
NORTH AMERICA**

By:  \_\_\_\_\_

William Taylor  
Taylor Law Firm, P.C.  
4820 East 57<sup>th</sup> Street, Suite B  
Sioux Falls, SD 57108  
[Bill.taylor@taylorlawsd.com](mailto:Bill.taylor@taylorlawsd.com)

*Counsel for South Dakota Laborers Local 620,  
the Great Plains Laborer's District Council,  
and the Laborer's International Union of North  
America*