

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

**IN THE MATTER OF THE JOINT)
APPLICATION OF NORTHWESTERN) GE25-_____
ENERGY PUBLIC SERVICE CORPORATION,)
BLACK HILLS CORPORATION, AND)
NORTHWESTERN ENERGY GROUP, INC.)
FOR APPROVAL OF MERGER)**

JOINT APPLICATION

Pursuant to Sections 49-34A-35 and 49-34A-36 of the South Dakota Codified Laws (“SDCL”), Black Hills Corporation (“Black Hills”) and NorthWestern Energy Group, Inc. (“NorthWestern Group” and collectively, the “Merger Parties”), and NorthWestern Energy Public Service Corporation d/b/a NorthWestern Energy (“NorthWestern”) (together with Merger Parties, the “Joint Applicants”) respectfully request that the South Dakota Public Utilities Commission (“Commission”) approve the merger transaction (the “Merger”) among the Merger Parties and River Merger Sub, Inc.

The Merger reflects a merger of equals and through it, NorthWestern Group will become a direct subsidiary of Black Hills, and NorthWestern will remain a direct subsidiary of NorthWestern Group. As a result, the direct holding company structure for NorthWestern, which was approved by the Commission in Docket GE22-002, will not change, though Black Hills will become the indirect parent company of NorthWestern.

The Joint Applicants submit the information below in support of the Joint Application. As explained herein and in the direct testimony of five witnesses, the Merger will not result in any significant adverse impacts to NorthWestern’s South Dakota customers and is in the public interest. Therefore, the Joint Applicants respectfully request the Commission approve the Merger.

I. JOINT APPLICANTS AND AFFILIATES

NorthWestern. NorthWestern is a South Dakota corporation and a direct subsidiary of NorthWestern Group, doing business in the State of South Dakota as a public utility providing both natural gas and electric service to customers. *See* SDCL § 49-34A-1(12). NorthWestern delivers electric service to approximately 65,300 South Dakota customers, and natural gas service to approximately 50,500 customers. NorthWestern’s South Dakota systems are comprised of roughly 1,350 miles of electric transmission lines, 2,400 miles of electric distribution lines, 55 miles of natural gas transmission pipeline, and 1,800 miles of natural gas distribution pipelines. NorthWestern also delivers natural gas service to approximately 43,300 customers.

NorthWestern Group. NorthWestern Group is a Delaware corporation, which is a publicly traded holding company with utility subsidiaries serving over 800,000 customers in three states (Montana, South Dakota, and Nebraska) and Yellowstone National Park. NorthWestern Group was created in 2023 after the Commission’s approval of a corporate reorganization in Docket GE22-002, with South Dakota customers receiving service under NorthWestern starting January 1, 2024. NorthWestern’s current service territories are shown in Figure 1 below:

Figure 1: NorthWestern Group Service Territories

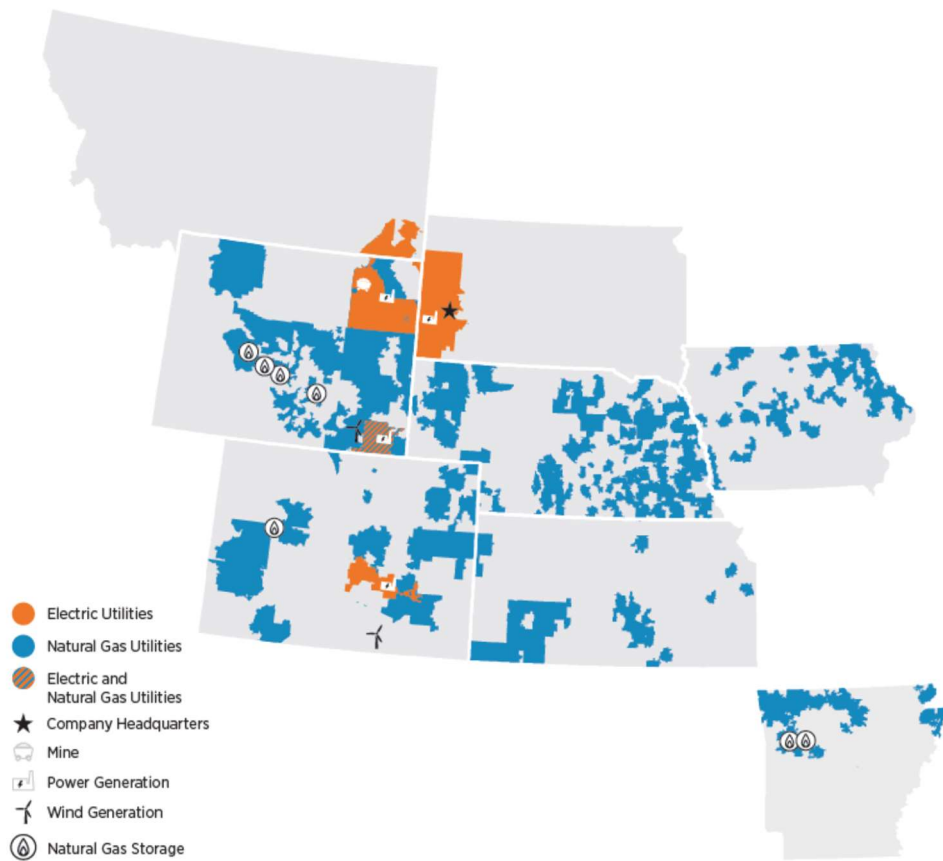


Black Hills. Black Hills is a South Dakota corporation, which is a publicly traded holding company with utility subsidiaries serving over 1.35 million customers in eight states: Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota, and Wyoming. Black Hills has a long history of delivering energy to customers, which dates back to its predecessor's founding in 1883. Black Hills' subsidiary, Black Hills Power, Inc. d/b/a Black Hills Energy ("Black Hills Power") is a South Dakota corporation doing business as a public utility in South Dakota, Montana, and Wyoming. Black Hills Power supplies electricity to approximately 78,000 customers, including more than 75,000 customers in South Dakota. The Merger will not alter the ownership of Black Hills Power, and the utility will continue to provide reliable service to its South Dakota customers consistent with its established practices.¹

Black Hills' other electric utility subsidiaries serve approximately 147,000 additional customers in Colorado and Wyoming. Black Hills' natural gas utility subsidiaries serve approximately 1.13 million customers in six states (Arkansas, Colorado, Iowa, Kansas, Nebraska, and Wyoming). The current service territories of Black Hills are shown in Figure 2 below:

¹ 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, as shown in Exhibits MMJ-1 and MMJ-2 to the testimony of Marne M. Jones. Black Hills Power recognizes the continued jurisdiction by the Commission of Black Hills Power's rates, tariffs, and conditions of service in other jurisdictional matters.

Figure 2: Black Hills Service Territories



II. JURISDICTION

The Commission’s jurisdiction to grant the relief requested herein is derived from SDCL §§ 49-34A-35 and 49-34A-36.

SDCL § 49-34A-35 provides:

No public utility, without first being authorized to do so by the commission, may:

- (1) Sell, lease, or otherwise dispose of its property or business constituting an operating unit or system in this state to another person;
- (2) Sell, lease, or otherwise dispose of its operating property or plant used to provide gas or electric service to its customers in this state to another person;
- (3) Purchase the property or business constituting an operating unit or system in this state of another public utility; or

(4) Merge or consolidate with another public utility operating in this state.

However, if the sale, lease, merger, consolidation, or other disposition of the property or business of one public utility to another person, as provided in subdivisions (1) to (4), inclusive, does not involve a sale, lease, merger, consolidation, or disposition wherein the fair market value exceeds ten million dollars, the sale, lease, merger, consolidation, or disposition is not subject to the restrictions of this section.

No person may acquire or gain control either directly or indirectly of any public utility doing business in this state that has a fair market value exceeding ten million dollars without the commission's prior authorization. As used in this section, the term, control, means the right to direct or cause the direction of the management and policies of the public utility, whether through the ownership of voting securities, by contract, or otherwise.

SDCL § 49-34A-36 provides:

Upon the filing of an application for the approval of the commission to an action described in § 49-34A-35, the commission shall investigate the application, with or without public hearing, and in case of a public hearing, upon such notice as the commission may require. The commission shall act on the application within one hundred eighty days and shall approve the proposed action unless the commission finds that there is a likelihood of significant adverse impacts to customers in this state.

The Merger, as summarized in this Joint Application and supporting testimony, is in the public interest and will not result in significant adverse impacts to NorthWestern customers in South Dakota. *See In the Matter of the Application of MDU Resources Group, Inc. for Authorization for Reorganization of Company Structure*, GE18-001, Order Approving Merger Reorganization (Feb. 28, 2018).

III. SUMMARY OF THE JOINT APPLICATION

In addition to the Joint Application, the Joint Applicants are providing written testimony from five witnesses providing factual support for the Merger, including how the Merger will not result in any significant adverse impacts to South Dakota customers. A summary of the witnesses' testimonies is provided in the table below.

Witness and Current Title	Summary of Testimony
Brian Bird , President and CEO of NorthWestern and NorthWestern Group	Presents an overview of the merger and requested approvals showing value to be created for customers. Explains why NorthWestern Group and Black Hills are natural partners and that the transaction satisfies the Commission’s standard. Summarizes the regulatory process and timeline anticipated for merger approval and closing.
Marne Jones , Senior Vice President and Chief Utility Officer, Black Hills	Introduces Black Hills and Black Hills Power, its South Dakota operating company subsidiary, and their approach to serving customers. Supports why the merger is in the public interest and has no significant adverse impact. Affirms Black Hills’ commitment to South Dakota and driving customer value.
Crystal Lail , CFO, NorthWestern and NorthWestern Group	Explains the financial terms of the Merger Agreement and their impact on financial health. Discusses the transaction and other accounting treatments, cost allocation approach, and expected updates.
Kimberly Nooney , Senior Vice President and CFO, Black Hills	Supports the process and objectives for integrating the two companies from the perspective of the Chief Integration Officer.
Thomas D. Stevens , Vice President, Treasurer, Black Hills	Provides an overview of Black Hills’ financial structure and financing philosophy. Discusses the financial benefits of the Merger for Black Hills and the combined companies post-Merger.

IV. SUMMARY OF THE MERGER

On August 18, 2025, Black Hills, NorthWestern Group, and a newly created subsidiary of Black Hills, River Merger Sub Inc. (“MergeCo”), entered into the Agreement and Plan of Merger (“Merger Agreement”), which contains the terms of the Merger transaction. A copy of the Merger Agreement is attached as Exhibit BBB-1 to the Direct Testimony of Brian B. Bird. Under the Merger Agreement, NorthWestern Group will merge into MergeCo and become a wholly-owned subsidiary of Black Hills. Upon completion of the Merger, NorthWestern Group will continue to be the direct parent of NorthWestern, with Black Hills becoming the indirect parent of

NorthWestern. Black Hills will be renamed and will be the publicly traded holding company going forward. The Merger will also result in a restructuring of the Board and executive team of the renamed parent holding company.

Exhibit MMJ-2 attached to the Direct Testimony of Marne M. Jones shows the corporate structure after the Merger. As illustrated, the Merger Parties' South Dakota utility subsidiaries—Black Hills Power and NorthWestern—will remain unchanged in structure and operation. Black Hills Power will remain a direct subsidiary of Black Hills; NorthWestern will remain a direct subsidiary of NorthWestern Group.

The Merger is a stock-for-stock transaction, which does not require any refinancing of existing indebtedness or any increase in debt for either company. Combining these enterprises will strengthen their ability to modernize, maintain critical infrastructure, and weather financial and geopolitical risks. It will also provide opportunity to consolidate expenses by creating a single leadership team, while providing greater access to cost-effective capital to support future investments.

The Merger brings together two well-established utility companies serving customers in complementary service territories, including some of the same states, such as South Dakota, Montana, and Nebraska. Both companies share a focus on delivering customers safe, reliable, and cost-effective utility services. The Joint Applicants expect the Merger will provide the following key long-term values:

- **Customer Value** – deliver safe, reliable, and affordable energy solutions that address today's challenges and anticipate tomorrow's needs.
- **Scale & Stability Value** – enhance financial strength and our ability to access cost-effective capital.
- **Community & Local Value** – preserve a strong voice and meaningful presence for employees, customers, and communities.

NorthWestern customers in South Dakota will experience no changes to their service as a result of the Merger, as NorthWestern will continue to operate through its existing corporate entity and will provide the same services and charge the same rates approved by the Commission. NorthWestern will continue to operate under the NorthWestern brand for the foreseeable future.

The Joint Applicants expect NorthWestern's South Dakota utility operations to continue unaffected. In the long term, all the operating utilities of the newly merged company are expected to benefit from the increased size, scale, and resources of the larger organization. Customers will also benefit from the financial and operational support of a larger parent with a more geographically diverse and broader customer base.

The Merger is tax-free and, again, involves only stock - no cash or debt. NorthWestern Group shareholders will receive 0.98 shares of Black Hills stock for each share of NorthWestern Group stock they own at the closing. After the Merger, the respective shareholders will own stock as follows:

- Black Hills' pre-Merger shareholders will own approximately 56% of the combined company, and,
- NorthWestern Group's pre-Merger shareholders will own approximately 44% of the combined company.

The Merger is subject to shareholder approval of both companies.

Following the Merger, the combined company's board of directors will consist of:

- six directors from Black Hills' current board; and,
- five directors from NorthWestern Group's current board.

This represents a reduction of eight directors in the overall board size.

At present, the board and executive leadership teams of the combined company will include the following individuals with future board members and executive leadership to be appointed prior to close:

Name	Post-Merger Position	Current Role
Steven Mills	Board Chair	Black Hills Board Chair
Linda Sullivan	Board member and Governance Committee Chair	NorthWestern Group Board Chair
Brian Bird	President and CEO and Board member	NorthWestern and NorthWestern Group President and CEO and Board member
Marne Jones	Chief Operating Officer	Black Hills SVP and Chief Utility Officer
Crystal Lail	Chief Financial Officer	NorthWestern and NorthWestern Group Chief Financial Officer
Kimberly Nooney	Chief Integration Officer	Black Hills SVP and Chief Financial Officer

V. THE MERGER WILL NOT IMPACT ONGOING OPERATIONS AND REGULATORY OVERSIGHT

The Merger will only result in a change of control for NorthWestern Group, of which NorthWestern is a wholly-owned subsidiary. Accordingly, the Joint Applicants seek Commission approval to complete the Merger, which will result in an indirect change of control for NorthWestern.

Notably, the Merger will not result in any significant adverse impacts to NorthWestern’s South Dakota customers and is in the public interest. NorthWestern and Black Hills Power customers will not experience rate increases as a direct result of the Merger. The existing tariffs, including the rates, terms, and conditions, will not change. Joint Applicants will not seek recovery of Merger-related transaction costs from South Dakota customers.

After the Merger, NorthWestern and Black Hills Power will remain separate legal entities with the managerial, financial, and operational capacity to continue providing regulated utility

services.² While Black Hills Power is not an applicant to this proceeding, notably, both NorthWestern and Black Hills Power's South Dakota customers will:

- Continue to receive service from the same utility provider as before the Merger;
- Pay the same tariff rates;
- Be subject to the same terms, conditions, and tariffs; and,
- Experience no changes in regulatory protections or Commission oversight.

Any future rate changes or service modifications will occur through normal regulatory processes, including the required Commission review and customer notice.

NorthWestern (and Black Hills Power for that matter) will continue to have a strong operational presence in South Dakota. The Merger will be seamless to customers because it results in no direct change to the operating entities and local control will remain at the operating level in South Dakota. The Joint Applicants are committed to having a meaningful presence in our South Dakota communities. After the closing of the Merger, customers will continue to receive the same safe and reliable service they receive today, through the same utility system, by the same local employees, and at the same rates. Finally, the Commission will retain its current level of authority over the South Dakota utility operations. The Commission will continue to regulate any future rate changes as it does today.

VI. PROPOSED PROCEDURAL SCHEDULE

Joint Applicants request that the Commission act on this Joint Application as expeditiously as possible within the 180-day statutory timeline set forth in South Dakota statute. In addition to the instant filing, the Joint Applicants are seeking approval of the merger from the Montana Public

² It is notable that, today, Black Hills Power and NorthWestern are not interconnected. In addition, NorthWestern's service territory is in the Eastern Interconnection and Black Hills Power's is in the Western Interconnection.

Service Commission (“Montana Commission”) and the Nebraska Public Service Commission (“Nebraska Commission”). The Joint Applicants filed with the Montana Commission on October 20, 2025. The Joint Applicants are concurrently filing today, October 27, with the Nebraska Commission. Pursuant to SDCL § 49-34A-36, the Commission has a statutory deadline to act within 180 days of filing.

VII. CONTACT INFORMATION

The name and business address of the Joint Applicants making this filing are as follows:

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NorthWestern Group:

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Black Hills:

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The name, title, and contact information of the persons to whom notice and correspondence with regard to this Application shall be addressed are as follows:

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IV. CONCLUSION

The Merger is a straightforward, indirect transfer of control of NorthWestern. It does not involve complex financial or tax structures or require additional debt or new financing or refinancing conditions. Black Hills and NorthWestern Group's public utility operating company subsidiaries will continue to serve utility customers as they do today, and will remain subject to the same Commission regulation, but through a renamed parent with even greater financial strength and additional resources. Joint Applicants therefore respectfully request that the Commission approve: (1) the Merger; and (2) any other relief or approvals required by South Dakota law.

Respectfully submitted this 27th day of October 2025.

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