

NORTHWESTERN AND BLACK HILLS
GE25-001

GENERAL OBJECTIONS AND DEFINITIONS

Joint Applicants object to any and all Data Requests, including the instructions and definitions accompanying such data requests to the extent:

- (1) they conflict with, are inconsistent with, or lack any basis in the Commission's Rules of Practice and Procedure or the South Dakota Rules of Civil Procedure;
- (2) they seek information subject to the attorney-client privilege and/or the attorney work product privilege or that compliance with the terms of any instruction, definition, or data request would require disclosure of information protected by the attorney-client privilege and/or the attorney work product privilege;
- (3) that compliance with the terms of any instruction, definition, or discovery request would require a legal opinion, legal analysis, or legal conclusion;
- (4) they are excessively broad, lack any temporal reference, or are unduly burdensome and that compliance with the terms of any instruction, definition, or data request would require that a special study, which has not been conducted, be performed to produce such information;
- (5) they seek to solicit draft documents not in a final form; and,
- (6) that compliance with the terms of any instruction, definition, or data request would require the production of information or documents that are not relevant to this proceeding, and to the extent the instruction, definition or data request is not reasonably calculated to lead to the discovery of admissible evidence in this proceeding.

Definitions, Representations, and Disclaimers: The following Definitions, Representations, and Disclaimers shall apply with respect to the Joint Applicants' responses to any and all Data Requests:

- Joint Applicants means NorthWestern Energy Public Service Corporation ("NorthWestern"), NorthWestern Energy Group, Inc. and Black Hills Corporation ("Black Hills").
- Joint Applicants interpret "communications" to mean written documents including letters, memorandums, reports, presentations, studies, and agreements.
- Intervenors shall maintain the responses in the form they are provided and may not manipulate or extract information from any data request response in any way; specifically, intervenors may not input any responses or data received as part of a response into any Artificial Intelligence (AI) tool, program, or platform.
- With respect to any non-public forward looking financial information, information submitted to or received from ratings agencies (such as S & P, Moody's or Fitch) on a non-public basis, and/or confidential "trade secret" information. Joint Applicants hereby advise any authorized intervenors, as the recipients of these documents and information, that receipt of the documents and information may deem the recipient an "insider" for purposes

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of insider trading laws. Such individuals are hereby advised that they are subject to and bound by any and all applicable laws concerning insider trading.

All responses by Joint Applicants to this set of Data Requests are provided subject to and without waiving the foregoing General Objections and Definitions, Representations, and Disclaimers. Joint Applicants also hereby incorporate their General Objections, Representations, and Definitions into their responses to each future discovery set from intervenor(s).

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.1:

Provide copies of all current and proposed ring-fencing provisions applicable to NorthWestern's and Black Hills's South Dakota utilities.

- a. Include all corporate charters, bylaws, bond indentures, board resolutions, Commission orders, and financing agreements containing ring-fencing or separateness provisions.
- b. Identify for each provision the effective date, term, enforcement mechanism, and whether it is legally binding on affiliates.
- c. Indicate whether Applicants propose any changes as part of or following the Merger and provide the redlined versions of all affected documents.

Response to Staff Request No. 1.1:

Specific Objection: In addition to the general objections raised by Joint Applicants, Joint Applicants object to subpart (a) on grounds the request is vague and ambiguous, specifically with regard to the phrase "separateness provisions." Without waiving said objections, and specifically reserving same, please see the following.

NorthWestern:

- a-b. There are no provisions in NorthWestern's corporate charters and bylaws, or board resolutions that specifically address ring-fencing. NorthWestern complies with all applicable South Dakota laws related to ring-fencing for utilities.

For additional context, as part NorthWestern's restructuring plan filed with the Commission and approved on August 3, 2022 (Docket No. GE22-002 – Final Order), NorthWestern was formed as a separate, stand-alone, first-tier subsidiary

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underneath the holding company, NorthWestern Energy Group, Inc. The purpose of the restructuring was to separate and insulate NorthWestern's public utility businesses in South Dakota and Nebraska from its public utility business in the state of Montana and from its other business activities.

In terms of financing agreements, a default by parent NorthWestern Energy Group, Inc. or its other utility subsidiaries will not cross default to NorthWestern's mortgage indenture (see Section 10.01 of the attached General Mortgage Indenture and Deed of Trust dated as of August 1, 1993) or its revolving credit facility (see Section 8 of the \$200 Million Credit Agreement dated November 29, 2023, among NorthWestern Energy Group, Inc. and NorthWestern Energy Public Service Corporation, as borrowers, and several banks as lenders, which provides that the conditions constituting an Event of Default pertain solely to the applicable borrower.). Please see Attachment Staff 1.1a – NorthWestern SD General Mortgage Indenture 08-01-93 and Attachment Staff 1.1b – NorthWestern Credit Agreement Holdings – NW Energy – Northwestern 11-29-23.

Black Hills:

- a-b. There are no provisions in Black Hills' current corporate charters or bylaws that specifically address ring-fencing. Black Hills has no board resolutions surrounding the merger that contain ring-fencing provisions. Black Hills Power complies with all applicable South Dakota laws related to these matters.

Black Hills Power's ability to borrow from Black Hills has been reviewed and approved by the SDPUC. Please see Attachment Staff 1.1c – BH SDPUC Order Authorizing Issuance of Debt Securities 10-23-24. The order identifies the amount of debt that could be assigned from Black Hills to Black Hills Power. Black Hills Power has a previous order approving a cap on short-term borrowings, which cap remains in place today. Please see Attachment Staff 1.1d – BH SDPUC Order Authorizing Unlimited Short-Term Debt 02-23-01

Black Hills' Utility Money Pooling Agreement (UMP) prohibits Black Hills from borrowing under this agreement. Please see Attachment Staff 1.1e – BH-Utility Money Pool Agreement. In addition, Black Hills Power only participates in money pool lending with other regulated affiliates. Cash pooling among and between non-regulated subsidiaries of BHC is governed by a Non-Utility Money Pool Agreement (or, "NUMP").

In response to subpart (b), please see attached documents.

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Joint Response:

- c. The South Dakota utilities will remain separate legal entities as they are today for the foreseeable future. Both utilities continue to be subject to SDCL § 49-34A-29, which requires the utilities to seek Commission approval of certain debt securities issuances, including long-term intercompany debt from its parent. No redline versions are available to provide in response to this request.

As discussed in Ms. Lail's direct testimony at pages 18-22, after the merger closes, NorthWestern plans to finance through the most efficient sources of capital available, including potentially obtaining financing from ParentCo, and potentially becoming a party to Black Hills' UMP agreement. Through this filing, Joint Applicants clarify that they are requesting the Commission approve NorthWestern's right to participate in these financing options to allow for the flexibility noted after the closing. NorthWestern would continue to make debt securities filings as required by South Dakota law.

Respondent(s):

Crystal Lail (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

- Attachment Staff 1.1a – NorthWestern SD General Mortgage Indenture 08-01-93
- Attachment Staff 1.1b – NorthWestern Credit Agreement Holdings – NW Energy-NorthWestern 11-29-93
- Attachment Staff 1.1c – BH SDPUC Order Authorizing Issuance of Debt Securities 10-23-24
- Attachment Staff 1.1d – BH SDPUC Order Authorizing Unlimited Short-Term Debt 02-23-01
- Attachment Staff 1.1e – BH Utility Money Pool Agreement

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.2:

Provide copies of all money-pool agreements, intercompany loan agreements, cash-management policies, and related board authorizations that will apply to the South Dakota utilities post-Merger.

- a. Identify all parties eligible to borrow or lend under each arrangement.
- b. Provide detailed borrowing and lending terms, including interest-rate formulas, maturity terms, limits, collateral requirements, and default provisions.
- c. State whether the parent company is permitted to borrow funds from the utility or utility-administered pool and identify the specific provision governing that authority.

Response to Staff Request No. 1.2:

Joint Response:

As noted in the testimony of Crystal Lail, post-merger, the combined companies will seek to utilize the most efficient sources of capital available and will make determinations as to funding after close of the merger. Please also see response to Staff Request No. 1.1c.

NorthWestern:

NorthWestern does not currently have money-pool agreements, intercompany loan agreements, cash-management policies, or related board authorizations.

Black Hills:

Black Hills is also providing the following documents which apply to Black Hills Power today. For the Utility Money Pool (UMP") Agreement, please see Attachment Staff 1.1e – BH Utility

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Money Pool Agreement. Additionally, please see Confidential Attachment Staff 1.2 – Black Hills Intercompany Note BHP to BHC 10-02-25, which is attached to this response.

- a. Please refer to Schedule 1 as well as the terms and conditions in Attachment Staff 1.1e – BH Utility Money Pool Agreement. Additionally, as reflected in Confidential Attachment Staff 1.2 – BH Intercompany Note BHP to BHC 10-02-25, Black Hills Power is identified as the borrower and Black Hills is identified as the lender under the Intercompany Note.
- b. For detailed terms, please see Attachment Staff 1.1e – BH Utility Money Pool Agreement, and Confidential Attachment Staff 1.2 – BH Intercompany Note BHP to BHC 10-02-25. The methodology for determining the cost rate of the intercompany notes was also reviewed and approved by the Commission in Docket No. EL24-032.
- c. No. The parent company, Black Hills Corporation, is not permitted to borrow from the utility under the utility-administered money pool. Please refer to Section 1.2, ‘Rights to Borrow,’ in Attachment Staff 1.1e – BH Utility Money Pool Agreement for further details.

Respondent:

Crystal Lail (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

- Confidential Attachment Staff 1.2 – BH Intercompany Note BHP to BHC 10-02-25

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.3:

Provide current and proposed cost-allocation manuals and all appendices that define cost pools, allocators, direct assignment rules, and intercompany charge-out rates.

- a. Identify each proposed or anticipated revision to the allocation methodologies. For each, quantify the estimated dollar impact on South Dakota utilities' cost responsibility compared with the current methodology.
- b. Provide any draft, internal, or consultant analyses supporting these proposed or anticipated revisions.

Response to Staff Request No. 1.3:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

Please see current Cost Allocation Manuals ("CAMs") for Black Hills Service Company (providing centralized services to Black Hills Power) and NorthWestern. Neither Black Hills nor NorthWestern have proposed post-merger cost-allocation manuals or appendices.

- a. As discussed in the Direct Testimony of Crystal D. Lail, Joint Applicants do not expect the existing Black Hills and NorthWestern cost allocation methodologies to initially be impacted by the merger and expect to evaluate the process as part of the integration planning process Ms. Nooney explains. The Joint Applicants commit to filing changes to the cost allocation methodologies with the Commission through the regulatory process, if applicable, after the merger closes. As such, there are no quantifiable impacts to the South Dakota utilities' cost responsibility under the current methodologies, at this time.

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- b. At this time, no internal or consultant analyses have been prepared regarding potential changes to allocation methodologies.

Respondent:

Courtney Hebert (Black Hills) and Jeff Berzina (NorthWestern)

Attachments:

- Attachment Staff 1.3a – BH BHSC Cost Allocation Manual 12-20-24
- Attachment Staff 1.3b – NorthWestern NW Corp Cost Allocation Manual 01-01-24

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.4:

Provide a complete list of all intercompany service agreements (existing or proposed) that involve the South Dakota utilities.

- a. For each agreement, include the effective date, counterparties, description of services, pricing basis (cost, market, or other), and applicable markup percentage.
- b. Provide the total dollar value of transactions under each agreement for the most recent three calendar years and year-to-date 2025.
- c. Provide any planned amendments, renewals, or new agreements that will take effect as a result of the Merger.

Response to Staff Request No. 1.4:

Joint Response:

At this time, the Joint Applicants have no planned amendments, renewals, or new agreements that will take effect after the merger.

NorthWestern:

Please see Attachment Staff 1.4a for the existing NorthWestern Intercompany Services Agreement.

- a. The agreement includes the requested applicable information.
- b. After discussing with Staff, we are providing Exhibit 4-b (Electric and Gas) which includes Statement H values for 2022-2024 and YTD 2025. These dollar values include directly charged costs, as well as costs that are allocated to South Dakota through our 3-factor allocation method. Although the CAM was officially implemented as part of the Holding Company reorganization in 2024, our 3-factor

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allocation method, which has been used since purchasing Montana Power in 2002, did not change with its implementation. South Dakota continues to receive a portion of shared administrative costs via the 3-factor allocation which is updated annually. The 2025 factor allocates 9.25% to South Dakota electric and 3.99% to SD gas jurisdictions.

Black Hills:

- a. Please see Attachment Staff 1.4 (c) through (h) for intercompany service agreements to which Black Hills Power is currently a party.
- b. Please see Attachment Staff 1.4(i) for transaction activity through September 30, 2025. With regard to Attachment Staff 1.4g and Attachment Staff 1.4h, the total dollar value provided in Attachment Staff 1.4i includes not only O & M service charges collected by Black Hills Power but also payments to Black Hills Power under non-responsive shared facilities agreements on a net basis.

Respondent:

Jeff Berzina (NorthWestern) and Courtney Hebert (Black Hills)

Attachments:

- Attachment Staff 1.4a – NorthWestern Intercompany Services Agreement 10-02-23
- Attachment Staff 1.4b – NorthWestern Statement H History SD Gas
- Attachment Staff 1.4c – NorthWestern Statement H History Electric
- Attachment Staff 1.4d – Black Hills GDEMA CLFP-BHP 07-21-24
- Attachment Staff 1.4e – Black Hills Service Agreement BHSC-BHP 08-01-09
- Attachment Staff 1.4f – Black Hills Agency Agreement – BHSC-All BU’s 01-01-19
- Attachment Staff 1.4g – Black Hills Wygen I Services Agreement 07-20-21
- Attachment Staff 1.4h – Black Hills Wygen II O&M Services Agreement 02-07-07
- Attachment Staff 1.4i - Black Hills Intercompany Service Agreements 2022-2025

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.5:

Provide all internal or third-party analyses, presentations, or memoranda that assess the adequacy of existing ringfencing, affiliate-transaction, or cost-allocation safeguards and any recommendations for changes.

Response to Staff Request No. 1.5:

Objections: Please see Joint Applicants' general objections and definitions.

NorthWestern:

NorthWestern has not performed any analysis on the adequacy of existing ring-fencing, affiliate-transaction, or cost-allocation safeguards nor has it hired a third-party to perform the same. The cost allocation methodology applied may periodically be subject to regulatory reviews for the jurisdictional utilities to whom it applies.

Black Hills:

Black Hills has not performed any internal or third-party analysis on the adequacy of Black Hills Power ring-fencing, affiliate-transaction, or cost-allocation safeguards associated with the merger or in the past five years.

The UMP is filed with FERC when there is an update or revision. And, as explained in the Direct Testimony of Marne Jones, Black Hills' Cost Allocation Manual was developed consistent with National Association of Regulatory Utility Commissioner standards. Finally, the cost allocation manual may periodically be subject to regulatory reviews for the jurisdictional utilities to whom it applies.

Respondent:

Emilie Ng (NorthWestern) and Tom Stevens (Black Hills)

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Attachments:

None

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RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.6:

Provide all benchmarking materials comparing Applicants' current or proposed protections (ring-fencing, allocation, affiliate transactions) to those used in other jurisdictions or by comparable utilities.

- a. Identify each benchmark entity and describe the criteria used for comparison.
- b. Provide all supporting workpapers, spreadsheets, or summaries in native format.

Response to Staff Request No. 1.6:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

- a. The Joint Applicants have not performed the requested benchmarking analysis as part of the proposed merger.
- b. See Joint Applicants' response to subpart a.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.7:

Provide a narrative explanation of how Applicants determined that their existing or proposed protections are sufficient to prevent cross-default and/or cost shifting that could adversely affect South Dakota customers.

Response to Staff Request No. 1.7:

Specific Objection: In addition to the general objections raised by Joint Applicants, Joint Applicants object to this data request to the extent as it is vague and ambiguous in the general reference to “protections.” Without waiving said objection, and specifically reserving same, please see the following.

Joint Response:

The Joint Applicants will continue to maintain their South Dakota utility subsidiaries as separate legal entities with their own books and records. The Joint Applicants have not developed and are not proposing new protections at this time. The current protections have been sufficient to prevent cross-default and/or cost shifting adversely affecting South Dakota customers and no changes to those protections are proposed.

NorthWestern:

As described in Ms. Lail’s direct testimony on pages 22 to 23, NorthWestern’s and Black Hills’ cost allocation methodologies are designed to direct charge based on the primary cost driver to the extent practicable and to ensure that unauthorized subsidization between non-regulated affiliate activities and regulated affiliate activities does not occur. Please also see response to Staff Request No. 1.1b explaining how NorthWestern’s financing agreements prevent defaults of other entities to cross-default to NorthWestern.

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Black Hills:

Black Hills agrees with Ms. Lail's testimony on pages 22 to 23 and described above in that its cost allocation methodology (CAM) is designed to direct charge based on the primary cost driver to the extent practicable and to ensure that unauthorized subsidization between non-regulated affiliate activities and regulated affiliate activities does not occur. In addition, as noted in Staff Request No. 1.1, only utilities can borrow from or lend to the utility money pool and non-regulated utilities have a separate money pool. Finally, Black Hills will continue to operate in the ordinary course of business and consistent with applicable SD regulations and financing orders.

Respondent:

Tom Stevens (Black Hills) and Jeff Berzina/Emilie Ng (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.8:

Provide a list of all conditions or commitments related to ring-fencing, affiliate transactions, and/or cost allocation that have been proposed or adopted in any other jurisdiction considering this Merger and provide copies of those commitments.

Response to Staff Request No. 1.8:

Objections: Please see Joint Applicants' general objections and definitions.

NorthWestern:

NorthWestern has not proposed or adopted any conditions or commitments related to ring-fencing, affiliate transactions, and/or cost allocation other than what are already existing in other jurisdictions considering this Merger.

Black Hills:

Black Hills has not proposed or adopted any conditions or commitments related to ring-fencing, affiliate transactions, and/or cost allocations for Black Hills in any other jurisdiction reviewing this Merger.

In Montana, Black Hills has indicated that it would agree to maintain the ring-fencing protections currently in existence and applicable to NorthWestern Corporation (the Montana utility).

Respondent:

Marne Jones (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.11:

Describe the governance process for approving future changes to cost-allocation methodologies or intercompany service pricing post-Merger.

Response to Staff Request No. 1.11:

Joint Response:

The Joint Applicants have not yet developed a governance process for approving future changes to cost-allocation methodologies or intercompany service pricing post-merger. As explained in the Direct Testimony of Ms. Lail at page 24, Joint Applicants do not expect the existing NorthWestern Group and Black Hills' cost allocation methodologies to initially be impacted by the merger. However, Joint Applicants plan to evaluate this process as part of the integration planning discussed by Ms. Nooney in her Direct Testimony. Joint Applicants commit to filing changes to the cost allocation methodologies with the Commission through applicable regulatory processes after the merger closes.

Respondent:

Crystal Lail (NorthWestern) and Kimberly Nooney (Black Hills)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.12:

Provide a list of all proposed or contemplated conditions Applicants would support to ensure transparency and customer protection regarding ring-fencing, cost allocation, and affiliate transactions.

- a. For each condition, explain its intended purpose, scope, and duration.
- b. Identify which conditions Applicants consider enforceable commitments and which they view as voluntary.

Response to Staff Request No. 1.12:

Objection: Please see Joint Applicants' objections and definitions.

Joint Response:

Joint Applicants are not proposing or contemplating new conditions on the noted topics and do not believe new or additional conditions are necessary, as the merger will not alter or otherwise diminish transparency or customer protections currently in place in South Dakota.

As stated in Ms. Lail's testimony beginning at page 22, the Joint Applicants will continue to keep separate books and records for each of their utility subsidiaries and for ParentCo. If NorthWestern decides to pursue accessing capital consistent with how Black Hills currently funds its subsidiaries, each utility subsidiary will only be obligated for its assigned portions of ParentCo, provided loans and will pay interest expenses on these loans based on the same all-in cost paid by ParentCo, as this will enable the utilities to take advantage of the scale ParentCo provides.

Please also see response to Staff Request No. 1.11 regarding how the Joint Applicants plan to evaluate any future changes to cost allocation methodologies.

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Respondent:

Crystal Lail (NorthWestern) and Kimberly Nooney (Black Hills)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.13:

Provide a description and organizational chart illustrating corporate entities and affiliates that will provide or receive shared services involving South Dakota utilities post-Merger.

- a. Identify all entities participating in shared-service or cost-allocation arrangements.
- b. Indicate which entities will employ staff dedicated to South Dakota operations.

Response to Staff Request No. 1.13:

Joint Response:

See response to Staff Request Nos. 1.3 and 1.4 for the entities currently providing shared services to the Black Hills and NorthWestern South Dakota utilities and Exhibit MMJ-2 for post-merger organizational charts.

As explained in our response to Staff Request No. 1.11, the Joint Applicants have not performed an analysis of post-merger shared services, cost-allocation arrangements, or otherwise determined which entities will employ staff dedicated to South Dakota operations.

Respondent:

Kimberly Nooney (Black Hills) and Jeff Berzina (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.14:

Provide any proposed or existing templates for affiliate-transaction reporting, cost-allocation updates, or ring-fencing compliance reports that Applicants intend to submit to the Commission post-Merger.

Response to Staff Request No. 1.14:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants do not have existing and have not developed proposed templates for affiliate-transaction, cost-allocation, or ring-fencing compliance reports to the Commission. The Joint Applicants remain committed to complying with all applicable regulatory requirements concerning affiliate transactions, ring-fencing, and cost allocation. As is the case today the Commission has the ability to review such areas through rate reviews and other filings. Please also see response to Staff Request No. 1.11.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Ring-Fencing Adequacy and Additional Protections

Staff Request No. 1.15:

Explain how Applicants intend to integrate ring-fencing, cost-allocation, and affiliate-transaction safeguards to create a unified framework protecting South Dakota customers. Include examples of how the safeguards interact or reinforce one another.

Response to Staff Request No. 1.15:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

As discussed in the Direct Testimony of Ms. Nooney, the Joint Applicants are still developing a comprehensive integration plan. Please also see responses to Staff Request Nos. 1.11 and 1.12.

Respondent:

Tom Stevens (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.16:

Provide all communications, presentation decks, and materials provided to or received from any credit-rating agencies (e.g., Moody's, S&P, Fitch) regarding the Merger or its expected effect on the Applicants' credit ratings. Include all supporting spreadsheets or analyses in native format.

Response to Staff Request No. 1.16:

Objections: Please refer to Joint Applicants' general objections and definitions.

Joint Response:

Please see Confidential Exhibits CDL-1 through 5 to the Direct Testimony of Crystal D. Lail (NorthWestern); and Confidential Exhibits TDS-1 and 3 and Exhibit TDS-2 to the Direct Testimony of Thomas D. Stevens (Black Hills) for credit rating agency reports regarding the merger.

In addition, Confidential Attachments Staff 1.16(a)-(f) represent additional materials provided to and received from the rating agencies.

Respondent:

Crystal Lail (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

- Confidential Attachment Staff 1.16a – S&P Ratings Agency Presentation 08-01-25
- Confidential Attachment Staff 1.16b – S&P Project River RAS Model 08-01-25
- Confidential Attachment Staff 1.16c – S&P RES Feedback Letter 08-12-25

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- Confidential Attachment Staff 1.16d – Moody’s Ratings Agency Presentation 08-04-25
- Confidential Attachment Staff 1.16e – Moody’s Project River RAS Model 08-04-25
- Confidential Attachment Staff 1.16f – Moody’s RAS Feedback Letter 08-14-25

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.17:

Provide pro forma capital structures for the South Dakota utilities and for the consolidated parent entity for each of the three years following the Merger. Identify the amounts and sources of long-term debt, short-term debt, and equity financing.

Response to Staff Request No. 1.17:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

As discussed in the Direct Testimony of Ms. Nooney, the Joint Applicants are still developing a comprehensive integration plan and have not developed any forward looking capital structure for the consolidated parent entity beyond the estimate provided in Confidential Attachments to Staff Request No. 1.16. As explained in Ms. Lail's direct testimony, there will be no incremental debt or equity issued at the South Dakota utilities as a direct result of the Merger.

Respondent:

Tom Stevens (Black Hills) and Emilie Ng (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.18:

Provide the Applicants' most recent forecasts of key credit metrics (including FFO/debt, debt/capital, and interest coverage ratios) before and after the Merger. Identify all underlying assumptions.

Response to Staff Request No. 1.18:

Joint Response:

Please refer to Confidential Attachments Staff 1.16 (a) through (f) for the key credit metric information included in the combined entity post-merger forecast.

NorthWestern:

Please refer to the Confidential Attachment Staff 1.18 for the current forecasted key credit metrics for NorthWestern's South Dakota utility. We do not have an updated forecast of key credit metrics for NorthWestern's South Dakota utility post-merger.

Black Hills:

Please see Joint Response.

Respondent:

Emilie Ng (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

- Confidential Attachment Staff 1.18 – NorthWestern 5-Year Financial Forecast

NORTHWESTERN AND BLACK HILLS
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REQUEST DATE : 11/14/25
 RESPONSE DATE : 12/08/25
 REQUESTING PARTY: South Dakota Public Utilities Commission Staff
 SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.20:

Provide a schedule of all outstanding and planned debt instruments (both external and intercompany) for the South Dakota utilities, including principal amount, maturity, coupon or interest rate, and any covenants or cross-default provisions.

Response to Staff Request No. 1.20:

Objection: Please see Joint Applicants’ general objections and definitions.

NorthWestern:

Currently, NorthWestern issues secured debt under its South Dakota mortgage indenture. As of 9/30/2025, NorthWestern’s outstanding first mortgage bonds are listed below. There are no financial covenants or cross-default provisions in these debt instruments.

		Interest	Due Date
\$	100,000,000	5.49%	5/1/2035
\$	30,000,000	4.15%	8/10/2042
\$	20,000,000	4.30%	8/10/2052
\$	50,000,000	4.85%	12/19/2043
\$	30,000,000	4.22%	12/19/2044
\$	70,000,000	4.26%	9/29/2040
\$	60,000,000	2.80%	6/15/2026
\$	45,000,000	2.66%	9/30/2026
\$	50,000,000	3.21%	5/15/2030
\$	31,000,000	5.57%	3/30/2033
\$	30,000,000	5.42%	5/1/2033
\$	33,000,000	5.55%	3/28/2029
\$	7,000,000	5.75%	3/28/2034
\$ 556,000,000		4.38%	

NORTHWESTERN AND BLACK HILLS
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NorthWestern also has access to a \$150 million revolving credit facility provided by a group of bank lenders. As of 9/30/2025, there was \$23 million outstanding under this facility.

NorthWestern currently has no intercompany debt. There is a financial covenant in the credit facility agreement to maintain debt to book capitalization ratio not to exceed of 65%. A default under the South Dakota mortgage indenture will cross default to this credit facility.

Please see Confidential Attachment Staff 1-18 - NorthWestern 5-Year Financial Forecast for NorthWestern's planned debt instruments for our South Dakota operations.

Black Hills:

Currently, Black Hills Power does not issue debt directly in the capital markets; instead, it receives long-term debt from its parent company, Black Hills Corporation, through intercompany notes. Please see Confidential Attachment Staff 1.2 - BHIntercompany Note BHP to BHC 10-02-25 for further details.

Black Hills Power also currently has three outstanding First Mortgage Bonds from prior debt issuances, as listed below.

<u>Outstanding Debt</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
First Mortgage Bonds due 2044	85,000,000	4.43%
First Mortgage Bonds due 2032	75,000,000	7.23%
First Mortgage Bonds due 2039	180,000,000	6.13%

Black Hills Power's indenture does not have financial covenants or cross-default provisions.

Finally, please refer to Attachment Staff 1.1c, the SDPUC Order Authorizing Issuance of Debt Securities with Conditions, in which the Commission approved BHP to issue up to \$450 million in unsecured intercompany notes to fund future planned capital expenditures and for general BHP purposes.

Respondent:

Tom Stevens (Black Hills) and Emilie Ng (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.21:

Provide details of all money-pool, cash-management, or parental-loan arrangements through which the South Dakota utilities may obtain short-term or long-term funding post-Merger. For each, provide the maximum borrowing limits and applicable credit-support mechanisms.

Response to Staff Request No. 1.21:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

As noted in the testimony of Crystal Lail, post-Merger, the combined companies will seek to utilize the most efficient sources of capital available and will make determinations as to funding after close of the Merger consistent with applicable law and regulation. Please also see response to Staff Request No. 1.1c.

NorthWestern:

Please see the response to Staff Request No. 1.2.

Black Hills:

Please see Black Hills' response to Staff Request No. 1.1, including Attachment Staff 1.1e– BH Utility Money Pool Agreement. In addition, see Black Hills response to Staff Request No. 1.2, including Confidential Attachment Staff 1.2 – BH Intercompany Note BHP to BHC 10-02-25 for the currently active documents.

Respondent:

Tom Stevens (Black Hills) and Emilie Ng (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.22:

Provide sensitivity analyses or internal models prepared by or for the Applicants that estimate the impact of changes in credit ratings or capital structure assumptions on the utilities' overall financing costs. Provide these models in native format.

Response to Staff Request No. 1.22:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have not conducted any sensitivity analyses nor have any internal models on the impact of credit ratings and capital structure changes on the utilities' overall financing costs. As described in Ms. Lail's testimony, the Merger is viewed by the rating agencies and the investment community to be credit positive. However, because cost of capital is influenced by multiple factors—including broader market conditions—any efforts to quantify the cost of capital improvements from the merger could be misleading and as such, Joint Applicants have not conducted such analyses. Please also see Joint Applicants response to Staff Request Nos. 1.16 and 1.19.

Respondent:

Tom Stevens (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.24:

State whether the Applicants will agree to seek Commission pre-approval before (a) issuing new intercompany debt; (b) materially changing money-pool participation terms; or (c) altering the utilities' authorized capital structures. If not, explain why.

Response to Staff Request No. 1.24:

Objections: Please see Joint Applicants' general objections and definitions.

NorthWestern:

See NorthWestern's response to Staff Request No. 1.1c.

Black Hills:

See Black Hills' response to Staff Request No. 1.1c.

Respondent:

Tom Stevens (Black Hills) and Emilie Ng (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.25:

Provide the Applicants' proposed regulatory or internal commitments (if any) intended to ensure continued maintenance of investment-grade credit ratings for the South Dakota utilities.

Response to Staff Request No. 1.25:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

As described in Ms. Lail's testimony on page 9, the Joint Applicants have a track record of strong commitment to maintaining strong investment grade credit ratings. Joint Applicants have not proposed any additional regulatory commitments intended to ensure continued maintenance of investment-grade credit ratings for the South Dakota utilities.

Respondent:

Emilie Ng (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.26:

Provide all quantitative analyses demonstrating how the Merger is expected to affect the South Dakota utilities' cost of capital relative to the current stand-alone structure.

Response to Staff Request No. 1.26:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

As described in Ms. Lail and Mr. Stevens' testimony, testimony attachments, and in response to Staff Request Nos. 1.19, 1.22, and 1.23 debt rating agencies and equity analysts have provided positive feedback on the merger announcement. However, because cost of capital is influenced by multiple factors—including broader market conditions—any efforts to quantify the cost of capital improvements from the merger could be misleading. As such, Joint Applicants have not conducted such analyses.

Respondent:

Crystal Lail (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.27:

Provide any draft or executed financing plans, credit agreements, or bond-indenture amendments contemplated to fund the Merger or refinance existing obligations.

Response to Staff Request No. 1.27:

Objection: Please see Joint Applicants' objections and definitions.

Joint Response:

There are no such executed documents. As explained in Ms. Lail's Direct Testimony at pages 26-27, the Merger is structured as a tax-free, stock-for-stock exchange, and does not necessitate the refinancing of any existing debt obligations, credit agreements, or bond indenture.

Respondent:

Tom Stevens (Black Hills) and Emilie Ng (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25

RESPONSE DATE : 12/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

SUBJECT: Credit Rating and Cost-of-Capital Impacts

Staff Request No. 1.28:

Provide a summary of all commitments or conditions offered or imposed by other state or federal regulators regarding credit-rating preservation, capital-structure maintenance, or cost-of-capital treatment for the Merger. Include copies of such commitments or orders.

Response to Staff Request No. 1.28:

Joint Response:

There have been no new commitments or conditions offered by Joint Applicants or imposed by other regulators to date in relation to the Merger related to credit-rating preservation, capital-structure maintenance, or cost-of-capital treatment. Please see response to Staff Request No. 1.8.

Respondent:

Marne Jones (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.29:

Provide the five-year capital investment plans and O&M budgets for the South Dakota utilities as last approved internally prior to the Merger announcement and the most current post-announcement versions.

- a. Identify and explain any changes in timing, scope, cost, or prioritization of projects between the two versions.
- b. Provide supporting workpapers and spreadsheets in native format.

Response to Staff Request No. 1.29:

Objection: Please see Joint Applicant's general objections and definitions.

Joint Response:

Both companies are acting as independent companies up to and until completion of the merger.

NorthWestern:

See attached Confidential Attachment Staff 1.29a for the most recent five-year OA&G expense and five-year capital plan summary (2025-2029) from the annual five-year plan development completed in February 2025 for NorthWestern's South Dakota utility. There have been no other plans developed based on the recent Merger announcement.

Black Hills:

See Confidential Attachment 1.29b for the most recent five-year plan for Black Hills' South Dakota Utility O&M and Capital (2025-2029). The five-year plan was approved in January 2025 for the Black Hills' South Dakota Utility. No other five-year capital investment plans and O&M budgets plans have been developed as a result of the Merger announcement.

NORTHWESTERN AND BLACK HILLS
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Respondent:

John Kasperick (North Western) and Tom Stevens (Black Hills)

Attachments:

- Confidential Attachment Staff 1.29a –North Western SD OA&G and Capital Summary 5 year plan 02-25
- Confidential Attachment Staff 1.29b – BH SD O&M and Capital Summary 5 year plan 01-25

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.30:

Provide the governance documents and approval thresholds for capital and O&M expenditures both before and after the Merger, identifying any changes to decision rights, approval levels, or oversight authority resulting from the Merger.

Response to Staff Request No. 1.30:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

There are no governance documents or approval thresholds for capital and O & M expenditures for the combined company post-merger as those determinations have not been made. These considerations and decisions will be made as part of the post-merger integration process that Ms. Nooney explains in her Direct Testimony.

NorthWestern:

NorthWestern manages O&M and capital expenditures through the annual budgeting process. The annual budget is reviewed by senior management and approved annually by NorthWestern's Board of Directors. Refer to Confidential Attachment Staff 1-30a for NorthWestern's Capital Project Approval Policy for governance on changes to Board-approved capital expenditures.

Black Hills:

Black Hills' current governance around contract execution and disbursement approval authority thresholds is included in Confidential Attachment Staff 1.30b – BH Contract and Signature Authority Policy.

Black Hills manages its O&M and capital expenditures through an annual budgeting process. The annual budget is reviewed by Black Hills Senior Leadership and ultimately approved annually by the Black Hills Board of Directors.

NORTHWESTERN AND BLACK HILLS
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Respondent:

Tom Stevens (Black Hills) and John Kasperick (NorthWestern)

Attachments:

- Confidential Attachment Staff 1.30a – NorthWestern Capital Project Approval Policy 10-16-25
- Confidential Attachment Staff 1.30b – BH Contract and Signature Authority Policy

NORTHWESTERN AND BLACK HILLS
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REQUEST DATE : 11/14/25

RESPONSE DATE : 12/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.31:

Provide detailed descriptions of the Applicants' capital planning and prioritization methodologies, including scoring criteria, risk-weighting, and ranking processes, and provide examples of capital prioritization models or scoring templates used in planning cycles.

Response to Staff Request No. 1.31:

Objection: Please see Joint Applicants' general objections and definitions.

NorthWestern:

NorthWestern answers this question assuming it is asking for information on its current process and not post-merger. See the attached PDF "Capital Budget Prioritization via Project Portfolio Management" for explanation of NorthWestern's capital scoring and ranking process.

Black Hills:

Black Hills answers this question assuming it is asking for information on its current process and not post-merger. On an annual basis, Black Hills Power prepares a proposed five-year capital plan for its South Dakota utility. This plan includes capital projects and estimates costs for Safety/Integrity, Growth, Reliability, and General Plant projects. The proposed budget is reviewed by operations, along with representatives from Black Hills' Engineering and Finance teams.

Projects are discussed and ranked using the following tools: Black Hills's Prioritization Matrix, DSIP program and external input regarding mandated relocation projects and regional growth.

Following the multi-level review, changes to the scope or timing of capital projects are confirmed and projects are moved forward in the capital planning cycle and ultimately approved by the Black Hills Board of Directors as part of the electric utilities segment.

Please see the Attachment Staff 1.31b - BH SD Capital Ranking Matrix for Black Hills' South Dakota utility capital ranking matrix. Please also see Black Hills' response to Staff Request No. 1.29.

NORTHWESTERN AND BLACK HILLS
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Respondent:

John Kasperick (NorthWestern) and Josh Wosepka (Black Hills)

Attachments:

- Attachment Staff 1.31a – NorthWestern Capital Budget Prioritization via Project Portfolio Management
- Attachment Staff 1.31b – BH SD Capital Ranking Matrix

NORTHWESTERN AND BLACK HILLS
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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.32:

Identify all capital projects or programs in the current five-year plan categorized as safety, reliability, compliance, or discretionary. For any project that has been deferred, accelerated, or reclassified since the Merger announcement, explain why and provide supporting documentation.

Response to Staff Request No. 1.32:

Objection: Please refer to Joint Applicants' general objections and definitions.

NorthWestern:

See Confidential Attachment 1.32a for the planned capital projects that meet the categories requested. At this time, no projects have been deferred, accelerated, or reclassified as a result of the Merger announcement.

Black Hills:

See Confidential Attachment Staff 1.32b – BH 5-year Capital Projects 2025-2029 for capital in Black Hills Power's most recent five--year plan. At this time, no projects have been deferred, accelerated or reclassified as a result of the Merger announcement.

Respondent:

John Kasperick (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

- Confidential Attachment Staff 1.32a - NorthWestern SD Capital Projects
- Confidential Attachment Staff 1.32b – BH 5-year Capital Projects 2025-2029

NORTHWESTERN AND BLACK HILLS
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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.33:

Provide organizational charts showing capital planning, engineering, and operations personnel before and after the Merger. Identify positions, departments, or functions that will be consolidated or relocated as a result of integration.

Response to Staff Request No. 1.33:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

Joint Applicants have not determined what an organizational chart might look like for the noted functions post-merger. Organizational structure will be evaluated during the integration process discussed by Ms. Nooney in her testimony.

NorthWestern:

See Attachment 1.33(a) through (d) for an organizational chart of NorthWestern's current SD operations. NorthWestern has engineers in almost every department in the company and capital planning is performed by many people in the organization and is not necessarily associated with a certain position.

Black Hills:

Black Hills employs engineers and employees involved in capital planning throughout the enterprise; consequently, it cannot provide organizational structures according to the noted titles. With that clarification, see Attachments Staff 1.33(e) through (h) for current organizational charts which identify where these types of employees may be situated within the organization.

Respondent:

NORTHWESTERN AND BLACK HILLS
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Darcy Sales (Black Hills) and Judy Stulken (NorthWestern)

Attachments:

- Attachment Staff 1.33a – NorthWestern SD Distribution Operations Org Chart
- Attachment Staff 1.33b – NorthWestern SD Transmission Org Chart
- Attachment Staff 1.33c – NorthWestern SD Energy Supply Org Chart
- Attachment Staff 1.33d – NorthWestern SD Asset Management Org Chart
- Attachment Staff 1.33e – BH BHP Operations Org Chart
- Attachment Staff 1.33f – BH BHC Pipeline Compliance and Asset Org Chart
- Attachment Staff 1.33g – BH BHC Elect Strategy Plan and Policy Org Chart
- Attachment Staff 1.33h – BH BHC Eng, Project Delivery and Sys Ops Org Chart

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.34:

Provide copies of all board or management presentations, reports, or memoranda that discuss post-Merger capital investment priorities, project integration, or expected efficiencies in capital deployment.

Response to Staff Request No. 1.34:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

Please see responses to Staff Request Nos. 1.29 and 1.32.

Respondent:

Tom Stevens (Black Hills) and John Kasperick (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.35:

Provide any internal analyses or consultant reports that evaluate potential changes in capital budgets, O&M spending, or project execution as a result of the Merger.

Response to Staff Request No. 1.35:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

No such analyses or reports exist. See the response to Staff Request No. 1.29.

Responder:

John Kasperick (NorthWestern) and Tom Stevens (Black Hills)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.36:

Provide a list of all integration-related capital or O&M initiatives (for example, shared IT systems, facilities, or equipment upgrades) that may affect South Dakota operations. For each initiative, provide estimated costs, timing, and allocation methodology.

Response to Staff Request No. 1.36:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have not developed any integration-related capital or O&M initiatives that may affect South Dakota operations at this time. As explained by Ms. Nooney in her direct testimony, these decisions will occur during the integration process.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.37:

Provide any internal metrics, dashboards, or performance indicators used by the Applicants to monitor investment execution, service reliability, and maintenance performance post-Merger, and identify how these metrics will be reported to the Commission or made available to Staff.

Response to Staff Request No. 1.37:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have not determined the metrics, dashboards, or performance indicators they will use to monitor investment execution, service reliability, and maintenance performance post-Merger at this time. While we anticipate that some of the same metrics that apply today may continue to apply to service after the Merger closes, it is also possible that some metrics, dashboards and performance indicators will change. These are the types of decisions that will be determined as part of the integration process.

However, as explained in the direct testimonies of Ms. Jones and Mr. Bird, the Joint Applicants remain committed to maintaining safe, reliable, and cost-effective service post-Merger.

Respondent:

Marne Jones (Black Hills) and Brian Bird (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.38:

Provide the Applicants' proposed procedures and templates for post-close capital and maintenance reporting to the Commission, including variance and project-status reports.

Response to Staff Request No. 1.38:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants are not proposing any specific post-close capital and maintenance reporting that differs from current reporting and/or filings required by the Commission.

Respondent:

Marne Jones (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.40:

Provide any integration or efficiency analyses that identify potential capital or O&M cost reductions attributable to the Merger, and explain how such reductions will be achieved without compromising safety or reliability.

Response to Staff Request No. 1.40:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have no analysis responsive to this request at this time.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.41:

Provide a proposed schedule of quarterly or semi-annual capital reporting commitments that Applicants would be willing to provide to the Commission for the first two years following close of the Merger.

Response to Staff Request No. 1.41:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants are not proposing any such reporting commitments as part of their Direct Case.

Respondent:

Marne Jones (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Capital Investment and Maintenance of Utility Service

Staff Request No. 1.42:

Provide any documentation, decision memoranda, or internal policies describing how the Applicants will ensure that capital investment decisions remain aligned with South Dakota-specific operational needs and are not subordinated to multi-jurisdictional or corporate-wide objectives.

Response to Staff Request No. 1.42:

Objection: In addition to the general objections raised by Joint Applicants, Joint Applicants object to this request on grounds it is vague and ambiguous as it is unclear what is meant by “not subordinated to multi-jurisdictional or corporate-wide objectives.” Without waiving their objection, Joint Applicants state as follows:

Joint Response:

The Joint Applicants have no documents responsive to this request, and maintain that existing regulatory requirements and commission regulation will continue to adequately protect South Dakota customers.

Respondent:

Crystal Lail (NorthWestern) and Marne Jones (Black Hills)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.43:

Provide the Applicants' written definitions of "transaction costs" and "transition costs" used for the Merger and describe in detail the accounting procedures and cost-tracking codes that will be used to record, segregate, and report each category. Provide all related policies, memos, or instructions to staff.

Response to Staff Request No. 1.43:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Applicants aligned on their definitions for merger-related costs and have established separate work orders to track the related cost category activity, as follows:

1. Transaction Costs
Order Nos:
Black Hills - 99730148 O&M-BHE_NWE Merger-Transaction Cost
NorthWestern – 117380 “Merger – Transaction”

Definition:
These are costs directly related to executing the deal. They are incurred during the negotiation, due diligence, and closing phases (announcement to close) of the transaction.
2. Integration Costs
Order Nos:
Black Hills - 10090977 O&M-BHE_NWE Merger-Integration Cost
NorthWestern – 117404 – “Merger – Integration”

NORTHWESTERN AND BLACK HILLS
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Definition:

These are costs directly related to combining the operations, systems, and cultures of the merging entities.

3. Cost to Achieve (CTA)

Order Nos:

Black Hills - 10090978 O&M-BHE_NWE Merger-Cost to Achieve

NorthWestern – 117480 – “Merger – Cost to Achieve”

Definition: It includes both integration costs and other one-time costs necessary to realize value creation or transformation goals post-merger.

NorthWestern:

NorthWestern utilizes unique general ledger accounts and internal orders for all expense tracking within our SAP system. The general ledger accounts represent the nature of the expense, and the internal orders provide the ability to group and track all costs related to certain projects. All transaction and transition costs will be recorded to unique internal orders for tracking within our SAP system, as identified above.

The attached Confidential Attachment Staff 1.43a – NorthWestern Internal Order Memo was sent to the relevant NorthWestern employees in charge of coding applicable charges.

Black Hills:

Please see Confidential Attachment Staff 1.43b – BH Merger Work Order Email, which was sent to the relevant Black Hills employees to communicate merger-related work orders, with examples and instructions to coding.

Accounting Procedure:

When employees enter their daily time in PeopleSoft HCM, Black Hills’ integrated human resources management system, they can enter the appropriate work order and the number of hours they spent on the activity. The applicable work order will then reflect the employees’ costs for the time coded to the respective work order.

For external costs, the work order can be included during the coding process, and external costs will be reflected on the work order.

Respondent:

Courtney Hebert (Black Hills) and Jeff Berzina (NorthWestern)

NORTHWESTERN AND BLACK HILLS
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Attachments:

- Confidential Attachment Staff 1.43a – NorthWestern Internal Order Memo
- Confidential Attachment Staff 1.43b – BH Merger Work Order Email

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REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.44:

Provide forecasts of merger-related transition costs by category, business unit, and jurisdiction for each of the first three years following close of the Merger, along with supporting documentation, planning workpapers, or vendor estimates in native format.

Response to Staff Request No. 1.44:

Objections: Please refer to Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have not developed the requested forecasts.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.45:

Provide a detailed description of the Applicants' methodology for identifying, measuring, and verifying merger savings, including the baseline definition, categories of savings, and procedures used to isolate merger-specific savings from other drivers. Provide all supporting models in native format.

Response to Staff Request No. 1.45:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

As discussed in the Direct Testimony of Ms. Nooney, the Joint Applicants are still developing a comprehensive integration plan. Accordingly, the requested detailed methodology, procedures and supporting models do not currently exist. Please see the Joint Response to Staff Request No. 1.43 for a discussion of how costs are being tracked.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.46:

Provide analyses or reports comparing projected transition costs to expected merger savings over the applicable measurement period, and identify the resulting net-present-value by category and for South Dakota specifically.

Response to Staff Request No. 1.46:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

As discussed in the Direct Testimony of Ms. Nooney, the Joint Applicants are still developing a comprehensive integration plan. Accordingly, the requested analyses or reports do not currently exist. Please see Joint Response to Staff Request No. 1.43 for a discussion of how costs are being tracked.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.47:

Provide a narrative explanation of how the Applicants will ensure that no transaction costs are recovered from South Dakota customers and that any transition-cost recovery will be allowed only when independently demonstrated, South Dakota-allocable merger savings exceed such costs on a net-present-value basis.

Response to Staff Request No. 1.47:

Joint Response:

Please see the Joint Applicants' responses to Staff Request No. 1.43 related to tracking merger transaction and transition costs. This tracking will allow Joint Applicants to ensure that transaction costs are not included in future rate proceedings for the applicable utilities. While the Joint Applicants expect to request that transition costs supported by savings be deferred on the books of the utilities and considered for recovery over an appropriate amortization period, the burden of proving that such costs are appropriate for inclusion in rates will be on the utility.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.48:

Provide a list of all third-party consultants, contractors, and software vendors engaged or anticipated for integration activities associated with the Merger. For each, provide the scope of work, contract term, estimated or actual cost, and a copy of the engagement letter or statement of work.

Response to Staff Request No. 1.48:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have selected PricewaterhouseCoopers Advisory Service LLC ("PwC") as a consultant to assist with integration planning. As of the time of this response, PwC has been selected but the final contract and final scope have not been completed or executed.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.50:

Provide all documentation or analyses used to associate particular transition-cost categories with corresponding savings categories and to prevent double counting. Include templates or examples of reconciliation workpapers if available.

Response to Staff Request No. 1.50:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

As discussed in the Direct Testimony of Ms. Nooney, the Joint Applicants are still developing a comprehensive integration plan. Accordingly, the requested documentation does not currently exist. Please see the Joint Response to Staff Request No. 1.43 for a discussion of how costs are being tracked.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.51:

Provide a detailed timeline of major integration activities and milestones affecting South Dakota operations, including estimated completion dates, responsible departments, and any identified risks or mitigation plans.

Response to Staff Request No. 1.51:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

Please see the Direct Testimony of Ms. Kimberly Nooney, which speaks to the integration process and timeline. The Joint Applicants are still developing a comprehensive integration plan and have not developed a more detailed timeline, though they anticipate that it will take multiple years as explained in Ms. Nooney's testimony.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.52:

Provide any internal or third-party audit plans, procedures, or oversight processes that will be used to verify transition costs and merger savings after the Merger closes.

Response to Staff Request No. 1.52:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have not yet developed internal or third-party audit plans, procedures, or oversight processes that will be used to verify transition costs and merger savings after the Merger closes.

Respondent:

Kimberly Nooney (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.53:

Provide a description of how merger savings will be reported to regulators in all jurisdictions, including proposed frequency, report content, and reconciliation to general-ledger accounts, and identify whether the Applicants will provide comparable reports to the South Dakota Commission.

Response to Staff Request No. 1.53:

Objection: Please see Joint Applicants' general objections and definitions.

Joint Response:

The Joint Applicants have not made any specific proposals on the listed topics as part of this proceeding or any proceeding related to this Merger, though we expect Merger savings will be reflected and reported to regulators vis-à-vis rate review proceedings that occur post-Merger.

Respondent:

Marne Jones (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25

RESPONSE DATE : 12/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

SUBJECT: Merger Savings Claims and Allocation Between Shareholders and Customers

Staff Request No. 1.54:

Provide a list of any commitments or conditions related to merger savings, cost recovery, or customer sharing that have been proposed or adopted in other jurisdictions considering this Merger, and indicate whether Applicants would agree to adopt comparable commitments in South Dakota.

Response to Staff Request No. 1.54:

Objections: Please see Joint Applicants' general objections and definitions.

Joint Response:

There have been no commitments or conditions that have been proposed or adopted in other jurisdictions as they relate to merger savings, cost recovery, or customer sharing that differ from those proposed in the Joint Applicants' Joint Application and Direct Case in South Dakota, Nebraska, and Montana.

Respondent:

Marne Jones (Black Hills) and Crystal Lail (NorthWestern)

Attachments:

None

NORTHWESTERN AND BLACK HILLS
GE25-001

REQUEST DATE : 11/14/25
RESPONSE DATE : 12/08/25
REQUESTING PARTY: South Dakota Public Utilities Commission Staff
SUBJECT: General Questions

Staff Request No. 1.55:

Refer to page 1 of the Joint Application. The application states, “the Merger will not result in any significant adverse impacts to NorthWestern’s South Dakota customers”.

- a. Will Black Hill’s Power customers see any significant adverse impacts?
- b. Identify all adverse impacts anticipated for either NorthWestern or Black Hills Power regardless of the perceived significance.

Response to Staff Request No. 1.55:

Joint Response:

- a. No. The Joint Applicants do not expect Black Hills Power customers will experience any significant adverse impacts due to the Merger.
- b. As described in the Joint Applicants’ Direct Case, the Joint Applicants anticipate that the Merger will, in fact, benefit South Dakota Customers.

Respondent:

Marne Jones (Black Hills) and Brian Bird (NorthWestern)

Attachments:

None

CERTIFICATE OF SERVICE

I certify that on this 8th day of December, 2025, the foregoing document served by electronic mail on the following:

Logan Schaeftbauer
Brittany Mehlhaff
Eric Paulson
Patrick Steffensen
Jennie Fuerst
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