

Direct Testimony
Brian B. Bird

Before the South Dakota Public Utilities Commission
State of South Dakota

In the Matter of the Joint Application of NorthWestern Energy Public Service Corporation,
Black Hills Corporation, and NorthWestern Energy Group, Inc. for Approval of Merger

Docket No. GE25-_____

**Direct Testimony of Brian B. Bird
on Behalf of NorthWestern Energy Public Service Corporation
and NorthWestern Energy Group, Inc.
in Support of the Joint Application**

October 27, 2025

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Exhibit BBB-1	Agreement and Plan of Merger dated August 18, 2025
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I. WITNESS INFORMATION, PURPOSE OF TESTIMONY AND VISION

1 **Q. PLEASE IDENTIFY YOURSELF, YOUR EMPLOYER, AND YOUR JOB TITLE.**

2 A. My name is Brian B. Bird. I am President and Chief Executive Officer (“CEO”) of
3 NorthWestern Energy Public Service Corporation d/b/a NorthWestern Energy’s
4 (“NorthWestern”) and NorthWestern Energy Group, Inc. (“NorthWestern Group”).

5 **Q. WHAT WILL YOUR ROLE BE WITHIN THE MERGED ENTITY?**

6 A. I will be the President and CEO of the merged entity. In that capacity, I will be responsible
7 for leading the combined enterprise, ensuring we deliver safe, reliable, and affordable
8 service to customers across all our jurisdictions, and maintaining a strong local presence
9 throughout our combined service territories, including South Dakota. My role will also
10 include engaging directly with regulators, customers, employees, and community
11 stakeholders to ensure this merger delivers on the commitments we are making, as well as
12 the long-term sustainability and value of the combined enterprise.

13 **Q. PLEASE PROVIDE A DESCRIPTION OF YOUR RELEVANT EMPLOYMENT**
14 **EXPERIENCE AND OTHER PROFESSIONAL QUALIFICATIONS.**

15 A. I have more than 35 years of experience in the utility and financial sectors, including senior
16 leadership roles in finance, strategy, and operations. Since becoming CEO of
17 NorthWestern in 2023, I have led our company through significant industry transformation,
18 including various grid modernization and system resiliency efforts with investments
19 focused on generation development and acquisition. Prior to becoming CEO,

20 I served for almost two years as the Chief Operating Officer and 17 years as
21 NorthWestern’s Chief Financial Officer (“CFO”). My background includes extensive
22 experience with regulated utilities, finance, and stakeholder engagement. This breadth of

1 experience has prepared me to lead the merged company while ensuring we meet the
2 expectations of our customers, regulators, communities, and investors.

3 I have Bachelor degrees in both Finance and Accounting and a Master’s degree in
4 Finance and hold a Certified Public Accountant certificate.

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

6 A. The purpose of my testimony is to provide the South Dakota Public Utilities Commission
7 (“Commission”) (1) an overview of the proposed merger; (2) explain why the combination
8 of NorthWestern Group and Black Hills Corporation (“Black Hills”) is in the public interest
9 and does not result in any harm to customers; and (3) outline our shared vision for the
10 future. Throughout our filing, we emphasize three key long-term values related to the
11 merger:

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

18 **Q. PLEASE PROVIDE A HIGH-LEVEL OVERVIEW OF THE JOINT**
19 **APPLICATION BEING FILED IN THIS PROCEEDING.**

20 A. On August 18, 2025, NorthWestern Group, Black Hills and River Merger Sub Inc.¹ signed
21 an Agreement and Plan of Merger (“Merger Agreement”). The Merger Agreement is

¹ River Merger Sub Inc. is a holding company created by Black Hills that will become NorthWestern Group after the closing. The Direct Testimony of Marne M. Jones sponsors a post-merger organizational chart.

1 provided as Exhibit BBB-1. NorthWestern Group, Black Hills, and NorthWestern
2 (collectively the “Joint Applicants”) request approval of the merger.

3 Together, we will form a combined holding company structure where
4 NorthWestern Group will become a subsidiary of Black Hills, which will be rebranded
5 with a new name.² In turn, through a stock conversion, NorthWestern Group’s shareholders
6 will own approximately 44 percent of the outstanding shares of the merged company. Most
7 importantly, the merger is a merger of equals—not an acquisition—designed to strengthen
8 both companies for the benefit of customers, employees and communities.

9 The merger results in an indirect change in control of NorthWestern, so we are
10 seeking Commission approval. We are not seeking, however, to change the existing
11 regulatory oversight of NorthWestern’s South Dakota operations, nor are we seeking to
12 change rates. As our witnesses discuss and reaffirm in their testimonies, local management
13 and operations presence, and collaborative decision-making will remain in South Dakota.
14 This is consistent with our approach today, and the Commission will continue to exercise
15 authority over NorthWestern’s rates and service.

16 **Q. PLEASE IDENTIFY THE OTHER WITNESSES SUBMITTING TESTIMONY IN**
17 **THIS PROCEEDING AND SUMMARIZE THE TOPICS THEY WILL DISCUSS.**

18 A. The witnesses who are filing testimony in support of the Joint Application are listed below,
19 with a summary of their testimony in this proceeding.

² There are no current plans to re-name or re-brand the operating companies of Black Hills or NorthWestern Group after the merger.

Witness and Current Title	New Position	Summary of Testimony
Brian Bird, President and CEO of NorthWestern	President and CEO	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 how the merger 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 Corporation	Chief Operating Officer	Introduces Black Hills and Black Hills Power, Inc. 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	Chief Financial Officer	Explains the financial terms of the Merger Agreement and their impact on financial health. Discusses transaction and other accounting treatments, cost allocation approach and expected updates.
Kimberly Nooney, Senior Vice President and CFO, Black Hills Corporation	Chief Integration Officer	Supports the process and objectives for integrating the two companies from the perspective of the Chief Integration Officer.
Tom Stevens, Vice President, Treasurer, Black Hills Corporation		Provides an overview of Black Hills' financial structure and financing philosophy. Explains how the Black Hills financing model supports financial integrity, and that it will not harm South Dakota customers.

II. OVERVIEW OF NORTHWESTERN GROUP AND BLACK HILLS

1 **Q. PLEASE PROVIDE A BRIEF HISTORY OF NORTHWESTERN GROUP.**

2 A. NorthWestern Group's operating utilities own, build, maintain, and operate electric and
3 natural gas transmission and distribution systems in Montana, South Dakota, Nebraska,
4 and Yellowstone National Park, as reflected in Figure 1 below.

Figure 1: NorthWestern Group's Service Territory



1 Today, as vertically integrated utility companies, we provide electricity and natural gas
2 services to over 800,000 customers across Montana, South Dakota, and Nebraska,
3 including electric service to 337 communities and natural gas service to 202 communities.
4 Over the past century, we have successfully navigated periods of restructuring and
5 transition while remaining a strong, locally based utility.

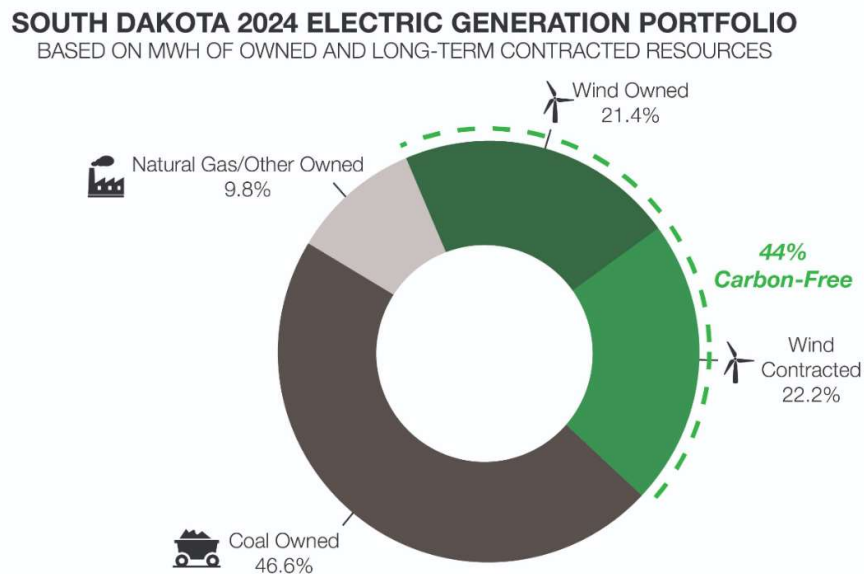
6 **Q. PLEASE DESCRIBE NORTHWESTERN'S SOUTH DAKOTA ELECTRIC AND**
7 **NATURAL GAS UTILITY OPERATIONS.**

8 A. For more than 100 years, NorthWestern has delivered safe, reliable and innovative energy
9 solutions. Within South Dakota, NorthWestern's 280 employees serve 65,300 electric and
10 50,500 natural gas customers across the eastern half of the state. Our South Dakota natural
11 gas and electric utility service territory covers 25 counties, or about 40 percent of the total
12 counties in South Dakota. We serve communities large and small—from Aberdeen to

1 Yankton and Blunt to Brookings, as well as numerous rural towns in between. Our
2 employees live and work in these communities, and we are deeply invested in the success
3 of our employees and customers. We have a sustained record of community giving and
4 volunteerism, economic development support, and local partnerships, which will continue
5 to be priorities after the merger.

6 NorthWestern owns energy generation and contracts for additional energy capacity
7 to meet its electric generation needs. Our generation portfolio was 44 percent carbon-free
8 in 2024 and includes wind, natural gas and coal-fired resources. Figure 2 below breaks
9 down the various resources used to provide our South Dakota customers with safe and
10 reliable electric services.

Figure 2: South Dakota Generation Portfolio



11 NorthWestern’s South Dakota integrated electric system includes about 1,350 miles of
12 transmission lines with voltages ranging from 34.5 kilovolt (“kV”) to 115 kV. The
13 transmission system integrates resources and loads through 115 kV, 100 kV, 69 kV, 50 kV,

1 and 34.5 kV lines to efficiently deliver power to the various load centers dispersed
2 throughout NorthWestern’s service territory. Our South Dakota electric distribution
3 system serves 117 communities and consists of approximately 2,400 miles of power lines
4 and substations.

5 In October 2015, NorthWestern joined the Southwest Power Pool (“SPP”), and
6 transferred functional control of our eligible 69 kV and 115 kV transmission facilities. Our
7 qualifying facilities are part of the Upper Missouri Zone (“UMZ or Zone 19”) within SPP,
8 and transmission service for wholesale is being provided under SPP’s Open Access
9 Transmission Tariff.

10 On the natural gas side, NorthWestern owns and operates natural gas transmission
11 and distribution systems. NorthWestern currently serves 81 communities with natural gas.
12 NorthWestern’s natural gas transmission system consists of more than 55 miles of pipeline,
13 and our natural gas distribution system includes 1,800 miles of main pipeline.

14 **Q. ARE NORTHWESTERN’S ELECTRIC AND NATURAL GAS SYSTEMS SAFE**
15 **AND RELIABLE?**

16 A. Yes. Safety of employees, customers, and the public at large is NorthWestern’s highest
17 priority, and it drives our operational and investment decisions. We believe a reliable
18 system is a safe system, and our safety and reliability metrics show it.

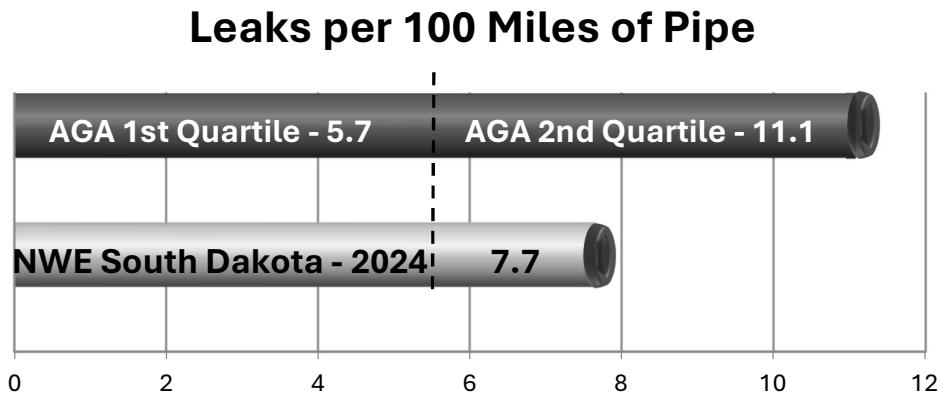
19 Electric service for NorthWestern’s South Dakota customers was 99.98% reliable
20 in 2024. That means out of the 8,760 hours in 2024, the average customer experienced a 2-
21 hour outage. Our service is in the top quartile of our industry.

Figure 3: South Dakota Electric Reliability



1 On the natural gas side, our service reliability is near 100%. Another natural gas
2 reliability measure tracks industry leaks per mile, as reflected in Figure 4 below.

Figure 4: South Dakota Natural Gas Reliability



3 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF NORTHWESTERN'S**
4 **COMMITMENT TO CUSTOMER EXPERIENCE.**

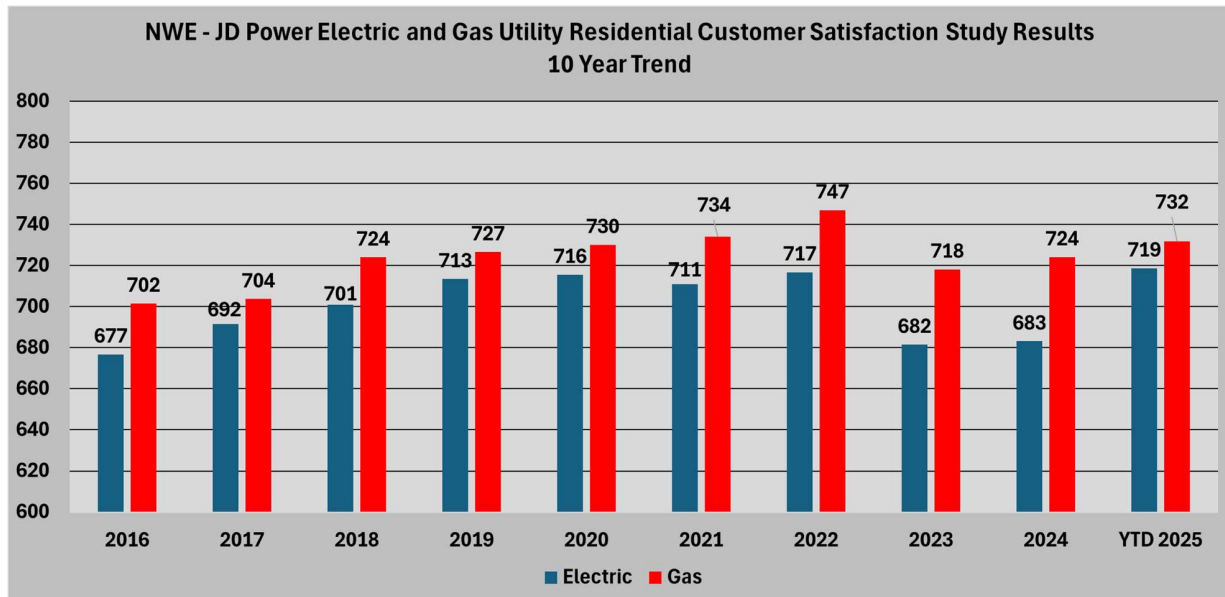
5 A. As discussed throughout my testimony, NorthWestern's top priority is to provide safe,
6 reliable, and affordable utility services to our customers. NorthWestern is consistently

1 examining the customer experience to find efficiencies and improvements in how our
2 customers interact with us each and every day. It is essential for us to understand how our
3 customers want to be communicated with, what information is helpful to them in
4 understanding how NorthWestern delivers their utility services, and how they value
5 NorthWestern as an energy services provider.

6 In order for NorthWestern to understand how well we are doing in delivering our
7 utility services, we regularly measure customer service metrics. NorthWestern utilizes
8 different tools designed to give us insights into how our customers view not only the
9 NorthWestern brand as a whole, but also, what their impressions of NorthWestern are as a
10 community member, the reliability of our utility services, our employees and their
11 interactions with them, and the value they receive from NorthWestern.

12 One example of a customer service assessment tool that NorthWestern uses is
13 quarterly surveys of our natural gas and electric customers through JD Powers. We then
14 compare our JD Powers results against 15 peer investor-owned utilities to help us gauge
15 how well we are performing. NorthWestern Group's most recent Customer Satisfaction
16 Score ("CSAT"), on a combined basis, are shown in Figure 5 below.

Figure 5: NorthWestern Group's CSAT



1 **Q. HAVE NORTHWESTERN GROUP AND ITS OPERATING UTILITIES**
2 **SUCCESSFULLY MANAGED PAST MERGERS, ACQUISITIONS, AND/OR**
3 **CORPORATE RESTRUCTURINGS?**

4 **A.** Yes. NorthWestern Group and its operating utilities have a proven track record for
5 successfully managing and integrating prior acquisitions and corporate restructurings that
6 have received the appropriate state regulatory commission approvals.

7 Recently, the Montana operating company, NorthWestern Corporation successfully
8 acquired Montana natural gas assets previously owned by Hope Utilities and took over the
9 gas utility operation in the Montana community of Winifred after receiving the necessary
10 regulatory approvals from the Montana Public Service Commission.

11 In 2024, after receiving approval from all three state regulatory commissions in
12 South Dakota, Nebraska, and Montana, we successfully restructured to a holding company
13 structure that created separate subsidiary utility operating companies for its combined
14 South Dakota/Nebraska utilities and its Montana utility. This new structure established a

1 parent company, NorthWestern Group, known as the holding company. The combined
2 South Dakota/Nebraska operating utilities are located within the NorthWestern subsidiary,
3 and the Montana operating utility is under the NorthWestern Corporation subsidiary.
4 NorthWestern Group's corporate structure is included as Exhibit BBB-2.

5 Additionally, from 2010 to 2013, NorthWestern Corporation successfully acquired
6 natural gas production assets from third parties in Montana. These assets (Battle Creek,
7 NFR, and Devon) have provided valuable natural gas supply to our Core natural gas
8 customers in Montana.

9 In 2014, NorthWestern Corporation also acquired 11 hydroelectric facilities from
10 PPL Montana, adding more than 400 MW of clean, hydro generation to our Montana
11 portfolio.

12 Finally, in 2002, NorthWestern Corporation successfully acquired the transmission
13 and distribution assets of The Montana Power Company after receiving the required
14 regulatory approvals.

15 **Q. PLEASE BRIEFLY INTRODUCE BLACK HILLS.**

16 A. As Joint Applicants' witness Marne Jones explains in more detail, Black Hills has a 140-
17 year history serving South Dakota, is headquartered in Rapid City, and serves about 1.35
18 million customers across eight states. Like NorthWestern Group, Black Hills is primarily
19 in the regulated utility business, with both electric and natural gas operations. Black Hills
20 shares our focus on safe, reliable, and affordable service, and has past experience
21 successfully integrating other utilities. Black Hills brings a strong balance sheet,
22 complementary operational expertise, and a proven culture of safety and reliability to this
23 merger.

1 **Q. WHY IS BLACK HILLS A GOOD PARTNER WITH NORTHWESTERN GROUP?**

2 A. Black Hills is more than a good partner— it is a natural partner. We share the same core
3 values and mission: serving customers and communities safely, reliably, and affordably.
4 Black Hills complements our strengths with additional scale, financial stability, and
5 operational expertise. Importantly, we share deep roots as utility providers in South Dakota
6 for well over a century and are committed to maintaining South Dakota’s influence within
7 the combined company. Together, we will be more resilient in facing industry
8 transformation, market and geopolitical volatility, and extreme weather events by gaining
9 more efficient access to capital, and greater capacity to invest in generation, distribution,
10 and transmission infrastructure to meet our customers’ growing needs.

III. OVERVIEW OF MERGER

11 **Q. WHAT IS THE VISION FOR THE MERGED COMPANY?**

12 A. Our vision is to keep doing what we do well—providing safe and reliable service to
13 customers at just and reasonable rates—while doing better where we can by providing
14 incremental benefits to customers. On a combined basis, we will have added scale that will
15 make us a financially stronger, more resilient utility that delivers long-term value to
16 customers, employees, and our communities. We are “Better Together.” We will be able
17 to reduce costs in ways we cannot do alone, which will be extremely helpful in a rising
18 cost environment. We will identify best practices to improve our service in a cost-effective
19 manner. Scale will also enable us to have influence with vendors that the larger utilities
20 enjoy today, which will also allow us to procure goods and services at lower costs than we
21 can attain today. We will be able to combine our financial positions to have more flexibility
22 in how we finance our business and should ultimately lead to lower costs for the combined

1 company, when compared to each company's standalone plan. Lastly, these are two
2 utilities who are part of their communities and will work hard to ensure that local presence
3 is maintained to ensure our customers continue to get the safe, reliable, and affordable
4 service they receive today. Together, we will be better equipped to meet the challenges of
5 a rising cost environment and rapidly changing energy landscape.

6 **Q. WHAT AREAS OF ALIGNMENT AND SHARED VALUES EXIST BETWEEN**
7 **THE TWO COMPANIES THAT MAKE THE MERGER WORTHWHILE FOR**
8 **CUSTOMERS AND THE COMPANIES?**

9 A. Both companies share a commitment to safety, reliability, integrity, and customer service,
10 and we are both known for having a highly skilled workforce providing local
11 responsiveness and operational excellence. Both companies have a strong reliability focus
12 in their operations. NorthWestern Group and Black Hills similarly share cultural alignment
13 through investments in our customers, communities, and employees. We are deeply
14 embedded in the communities we serve and have strong commitments to philanthropy,
15 volunteerism, and civic engagement. We encourage our employees to be similarly engaged.
16 Operationally, both companies' strong commitment to process improvements and cost
17 optimization allows for continued cost effective investment in infrastructure to serve
18 customer growth and enhance reliability, both of which benefit customers.

19 **Q. WILL THIS MERGER ADVANCE THE LONG-TERM INTERESTS OF**
20 **NORTHWESTERN'S SOUTH DAKOTA CUSTOMERS AND COMMUNITIES?**

21 A. Yes. First, and foremost, the merger will have no significant adverse impact to customers.
22 The Commission's oversight authority will not change, and customers will see no

1 disruption or impacts to service. They will continue to be served by NorthWestern in South
2 Dakota.

3 Second, we expect the merger will provide the following long-term values that I
4 mentioned earlier in my testimony:

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

11 **Q. PLEASE SUMMARIZE AT A HIGH LEVEL HOW THE MERGER IS**
12 **STRUCTURED.**

13 A. As mentioned previously, this is a merger of equals. This merger is a partnership that
14 strengthens each of our companies and provides value to our customers, employees, and
15 the communities we serve. NorthWestern strongly believes in its mission to create value
16 for customers, communities, and employees by providing safe, reliable and affordable
17 energy solutions. Post-merger, this will continue as Black Hills embraces similar values in
18 aiming to provide customers with safe, reliable, and cost-effective services while
19 supporting community growth and development. This merger provides both utilities the
20 ability and strength to navigate a time of rapid industry transformation and volatility to the
21 benefit of all stakeholders, especially customers.

1 **Q. HOW WILL STOCK OWNERSHIP OF THE NEW PARENT COMPANY**
2 **CHANGE AS A RESULT OF THE MERGER?**

3 A. NorthWestern Group shareholders will receive a fixed exchange rate of 0.98 shares of
4 Black Hills for each share of NorthWestern Group that they own at the closing of the
5 transaction. Black Hills shareholders will continue to own the same number of shares that
6 they hold immediately prior to the closing of the transaction. This exchange ratio was
7 established by an arm's length transaction between the two companies.

8 Upon completion of the merger, Black Hills' shareholders will own approximately
9 56 percent of the combined company, while NorthWestern Group's shareholders will own
10 approximately 44 percent on a fully diluted basis. Crystal Lail's testimony addresses the
11 financial structure of the transaction.

12 **Q. WHAT CHANGES WILL OCCUR WITH THE BOARD OF DIRECTORS?**

13 A. The board will consist of 11 directors - six directors designated by Black Hills and five
14 directors designated by NorthWestern Group. For NorthWestern Group's designated
15 directors, myself and Linda Sullivan, the current Chair of NorthWestern Group's board of
16 directors, will serve as two of the five designated directors. For Black Hills' designated
17 directors, Steven Mills, the current Chair of the Black Hills' board of directors, will be on
18 the new board and serve as the Chair. The remaining board members for each company
19 will be identified upon closing of the transaction.

20 This balanced approach to establishing a new board of directors reflects the
21 partnership I described earlier in my testimony. It also provides for each company to
22 designate directors who are familiar with each company's current business and allows them

1 to bring that perspective to the merged company. This structure also promotes continuity
2 and collaboration.

3 **Q. WHAT CHANGES IN EXECUTIVE LEADERSHIP WILL OCCUR BECAUSE OF**
4 **THE MERGER?**

5 A. As noted above, I will serve as CEO. Marne Jones (of Black Hills) will be the Chief
6 Operating Officer, Crystal Lail (of NorthWestern) will serve as the Chief Financial Officer,
7 and Kimberly Nooney (of Black Hills) will serve as the Chief Integration Officer. This
8 combination reflects the partnership between our companies and allows the executive
9 leadership to reflect the strengths and capabilities of both companies while promoting
10 continuity. Additional executives will be named closer to closing.

IV. RATIONALE FOR THE MERGER

11 **Q. WHEN AND WHY DID THE COMPANIES DECIDE TO MERGE?**

12 A. After months of strategic discussions, the boards of both companies unanimously approved
13 the Merger Agreement in August 2025. The merger was driven by a shared vision to create
14 a premier regional regulated public utility holding company that is capable of meeting the
15 demands of a rapidly evolving energy landscape creating value for customers and
16 communities.

17 **Q. WHAT WERE SOME OF THE KEY FACTORS THAT LED TO THE MERGER?**

18 A. Scale, shared values, and financial and operational strength for the future are some of the
19 key factors that led to the decision of the two companies to merge. The industry is
20 undergoing disruption and volatility, including physical and cybersecurity challenges,
21 extreme weather events, wildfires, rising costs, and inflation. In these situations, with a
22 merger of equals, scale is important and helps ensure resilience and efficiency. A larger

1 company provides a broader pool of expertise from which to draw when solving problems
2 and capturing opportunities to better serve our customers. This stability for the combined
3 company will help to stabilize customer rates while improving funding opportunities for
4 long-term investments.

5 Second, NorthWestern Group and Black Hills share similar values. Both companies
6 set high standards for safety, reliability, customer service, and community commitment.
7 Similarly, both companies are aligned in their dedication to keeping operations local,
8 respecting the communities they serve, and emphasizing long-term planning for the
9 customers they serve.

10 Finally, a merger provides financial and operational strength for the future. The
11 combined company will have greater access to cost-effective capital. That access will
12 enable us to better invest in resiliency for our generation, transmission and distribution
13 systems; enhances our ability to maintain high reliability; and our ability to respond to
14 extreme weather and supply chain challenges.

15 **Q. HOW DOES THIS COMBINATION COMPARE TO OTHER UTILITY**
16 **TRANSACTIONS NATIONALLY?**

17 A. The main difference between this transaction and other recent transactions involving public
18 utilities is this is a merger, not an acquisition. Unlike many recent transactions where one
19 company is acquiring the other, this is a merger of utility equals. An acquisition by another
20 party who is not a utility does not provide the scale and all the benefits that scale brings to
21 the transaction. Interestingly, recent merger and acquisition trends have involved private
22 equity deals. Private equity deals are essentially sales of companies and thus a change of

1 owners that often do not seek the same end goals relating to scale that will be achieved in
2 this merger of two experienced utility companies.

3 Unlike an acquisition such as those noted previously, this merger is a combination
4 of two companies which will be stronger and more resilient to withstand challenges—
5 financially and operationally than would be the case with an acquisition. A merger of the
6 two companies creates a larger single company that can take advantage of size as has been
7 previously noted. The combined company here will be uniquely situated to capture the
8 benefits of a combined larger scale with this utility-utility merger of equals.

9 **Q. WHAT FACTORS ARE DRIVING CONSOLIDATION TRENDS IN THE**
10 **UTILITY INDUSTRY?**

11 A. The utility industry is undergoing a period of rapid transformation and expansion, driven
12 by technological innovation, evolving regulatory frameworks, the transition to cleaner
13 energy sources, greater demands being placed on natural gas supplies and pipeline
14 capacity, landowner resistance to utility infrastructure crossings, more restrictive
15 permitting conditions at the state and local government levels, and increased customer and
16 stakeholder expectations. This transformation is unlike anything we have seen in decades.

17 Load demands from data centers, artificial intelligence, and electrification are
18 growing at unprecedented rates. At the same time, utilities are faced with significant
19 extensions of normal supply chain timelines, and, at times, supply chain disruption. In
20 addition, resource transitions and renewable energy growth are driving transmission and
21 resource adequacy challenges. These factors, combined with inflation and geopolitical
22 pressure, are creating extremely volatile and challenging crosscurrents that utilities must
23 navigate. For smaller companies and enterprises, these challenges can be compounded by

1 lack of scale. Scale is a stabilizing force for both customers and the corporate enterprise in
2 terms of infrastructure, purchasing power, and access to efficient capital. In turn, market
3 trends are driving widespread consolidation across the energy and utility sector.

4 **Q. HOW DO NORTHWESTERN'S SOUTH DAKOTA OPERATIONS FIT INTO THE**
5 **IMPORTANCE OF THE OVERALL MERGER STRATEGY?**

6 A. NorthWestern's South Dakota operations will continue to play a key role in the combined
7 company. Our commitment to South Dakota and preserving South Dakota's influence is
8 important – as reflected in the continuity of executive leadership through me and Ms. Lail,
9 but also by the shared values we see in Black Hills and how they operate across their multi-
10 state footprint, and the affirmative steps we will take to ensure continuity of our South
11 Dakota utility operations post-merger. Among other things, the combined company will
12 maintain its corporate headquarters in Rapid City, while retaining a corporate office in
13 Sioux Falls, where NorthWestern Group is currently headquartered.

V. **THE MERGER WILL STRENGTHEN SOUTH DAKOTA OPERATIONS FOR**
THE FUTURE

14 **Q. WILL THERE BE ANY IMMEDIATE CHANGES TO THE SERVICE**
15 **NORTHWESTERN DELIVERS TO ITS SOUTH DAKOTA CUSTOMERS?**

16 A. No. As within all jurisdictions served by Joint Applicants, we do not expect any material
17 changes across our footprint in how we operate our local public utilities. We anticipate that
18 the high level of service experienced by customers today will continue post-merger. Given
19 that the merger is occurring at the NorthWestern Group holding company level, we expect
20 to maintain the status quo for service after the merger at the local operating company level.
21 In fact, for the foreseeable future, NorthWestern will still be doing business and serving its
22 customers in South Dakota as “NorthWestern Energy,” regardless of Black Hills’ name

1 change. Also, NorthWestern's electric transmission system is not connected with or to the
2 electric transmission system of Black Hills, which in and of itself requires our businesses
3 maintain the status quo.

4 **Q. HOW WILL THE MERGER STRENGTHEN NORTHWESTERN'S ABILITY TO**
5 **CONTINUE TO MEET FUTURE CHALLENGES IN SOUTH DAKOTA WITH AN**
6 **EVOLVING LANDSCAPE?**

7 A. The combined company will have an enterprise value of \$15.4 billion and serve 2.1 million
8 customers across eight states. This doubling of scale provides the holding company with
9 greater access to capital at potentially lower costs. Ms. Lail's testimony discusses these
10 issues in greater detail. Through this scale, the combined company and its operating
11 company subsidiaries will have greater access to resources. For example, the combined
12 companies will have a larger pool of crews and resources to respond to emergency
13 situations and restoration after extreme weather events. Scale will also provide us with
14 more purchasing power with vendors, which may result in quicker procurement processes
15 and lower prices for the goods and services that flow through to future customer rates.
16 Also, being able to learn from one another's best practices and combining complementary
17 systems is likely to improve operational efficiency and service delivery. Ms. Nooney
18 provides an overview of how we will evaluate these opportunities through the process of
19 integrating the two companies in her direct testimony.

VI. THE MERGER MEETS SOUTH DAKOTA'S LEGAL STANDARD

1 **Q. WHAT IS YOUR UNDERSTANDING OF SOUTH DAKOTA'S STANDARD OF**
2 **REVIEW FOR APPROVAL OF A MERGER LIKE THIS?**

3 A. I understand that SDCL § 49-34A-36 requires the Commission to approve the merger
4 unless the Commission finds that there are significant adverse impacts to South Dakota
5 customers.

6 **Q. DO YOU ANTICIPATE ANY SIGNIFICANT ADVERSE IMPACTS TO**
7 **NORTHWESTERN'S SOUTH DAKOTA CUSTOMERS AS A RESULT OF THIS**
8 **MERGER?**

9 A. No. Customer rates will not increase as a direct result of the merger. After the merger, the
10 merged company will not seek any costs directly related to the transaction, such as
11 attorneys' fees and banker fees, in rates. Additionally, given this is a stock transaction,
12 there is no acquisition premium or associated financing that will be recovered from
13 customers. Ms. Lail discusses these matters in greater detail. After the merger,
14 NorthWestern's South Dakota utility will remain a public utility subject to Commission
15 oversight. Customers will continue to receive the strong customer service they receive from
16 NorthWestern today. Put simply, the merger will not have a significant adverse impact on
17 customers and would not expose customers to any operational or business-related risks or
18 directly related costs.

19 **Q. WHY IS THE MERGER IN THE PUBLIC INTEREST?**

20 A. The merger is in the public interest for all the reasons stated above, namely that customers
21 will not be significantly adversely impacted from the transaction and that NorthWestern's
22 South Dakota utility will remain a public utility subject to Commission oversight. Because

1 of these things, NorthWestern will continue to provide adequate services to customers at
2 just and reasonable rates. These services will be provided by the existing systems, operated
3 by local South Dakota employees, and under the same tariffs and rates. Whether pre- or
4 post-merger, service will continue to be safe and reliable and provided at just and
5 reasonable rates. We do not anticipate our customers' services to change because of the
6 merger.

7 **Q. WILL THERE BE ANY BENEFITS TO SOUTH DAKOTA CUSTOMERS?**

8 A. Yes, if the merger is approved, we anticipate benefits to accrue to South Dakota customers
9 over the long-term. I have already highlighted many of these benefits that we expect like
10 scale and stability, enhanced reliability and resiliency, and shared values related to
11 community and local presence. The merger will preserve the ability to provide safe,
12 reliable, and affordable service to customers. It will allow us to invest more aggressively
13 to meet customer needs while helping to mitigate rate impacts from an affordability
14 perspective, through reduced asks in rate reviews and a slower pace of rate increases. This
15 merger will result in rate stability for customers over the long term as compared to
16 NorthWestern's stand-alone plan.

17 **Q. PLEASE ELABORATE ON HOW THIS MERGER WOULD RESULT IN MORE**
18 **MODERATE RATE REVIEWS FOR SOUTH DAKOTA CUSTOMERS.**

19 A. With the efficiencies and resulting savings achieved from the merger, customers should
20 have long-term rate stability from the merger. In actuality, these savings are expected to
21 help reduce the utility's cost of service by offsetting other cost increases such as those
22 driven by inflation, customer growth, and/or market changes. The lower cost of service
23 could result in more moderate test year revenue requirement increases, allowing these

1 savings to flow through to customers. The utility might even be able to delay filing rate
2 reviews if these merger savings are enough to offset the rising costs of service and
3 investments.

4 **Q. HOW DOES THE INCREASED FINANCIAL STRENGTH AND STABILITY OF**
5 **THE COMBINED COMPANY BENEFIT SOUTH DAKOTA CUSTOMERS?**

6 A. We anticipate that the increased financial strength of the combined company will benefit
7 South Dakota customers through enhanced financial strength and credit profile and greater
8 flexibility to invest in critical infrastructure. A stronger balance sheet allows for a public
9 utility to better absorb changes in financial conditions. Ms. Lail discusses these issues in
10 greater detail in her testimony.

11 **Q. EARLIER YOU MENTIONED BLACK HILLS AND NORTHWESTERN HAVE**
12 **STRONG RELIABILITY TRACK RECORDS. HOW WILL THIS MERGER**
13 **ENHANCE RELIABILITY FOR SOUTH DAKOTA CUSTOMERS?**

14 A. As I already discussed, both companies operate utilities with reliable systems with
15 customers experiencing very few interruptions to service. While both companies are
16 already reliable, the merger will enhance reliability in South Dakota in a few ways. First,
17 the merger will provide enhanced access to cost-effective capital, which will in turn allow
18 the combined utility to more cost-effectively fund investments aimed at enhancing
19 reliability. Also, if customers experience outages from storms, we will have opportunities
20 for improvement through combined resources. Ms. Jones discusses Black Hills' reliability
21 track record in her direct testimony.

1 **Q. ARE THERE ANY EXAMPLES OF HOW SCALE, SHARED RESOURCES, AND**
2 **EXPERTISE MIGHT IMPROVE OVERALL SERVICE?**

3 A. There are several examples. Scale, shared resources, and expertise can improve resiliency
4 and overall service by better enabling us to deploy new technologies more effectively.
5 Technology is continually advancing, and we are always looking for ways to provide and
6 manage our services better and more efficiently. Through deployment of new technologies,
7 we can learn from each other and lean on the expertise within each other's companies to
8 continue to improve. As discussed above, benefits of scale can dampen supply chain
9 disruptions that could impact resiliency through our ability to share resources and purchase
10 materials in advance. Finally, we will have more people to solve problems and capture
11 opportunities for the benefit of customers.

VII. PRESERVING SOUTH DAKOTA CONTROL AND CULTURE

12 **Q. HOW WILL THE COMBINED ENTITY CONTINUE TO PRIORITIZE SAFETY**
13 **AND RELIABILITY IN SOUTH DAKOTA?**

14 A. The combination is designed to enhance—not compromise—safety and reliability across
15 South Dakota. Both companies have long-standing reputations for dependable service and
16 share a deep cultural commitment to operational excellence, safety, and customer care. The
17 merger will also create a utility with greater resources to invest in critical infrastructure to
18 continue providing the same, if not a better, level of service to South Dakota customers as
19 compared to what they receive today from NorthWestern on a standalone basis. With a
20 combined enterprise value of \$15.4 billion, the merged company will have improved access
21 to capital, to support enhanced capabilities for storm and wildfire hardening, and
22 technology upgrades to support reliability.

1 **Q. HOW DOES THIS MERGER RESPECT AND PRESERVE LOCAL**
2 **MANAGEMENT, CULTURE, AND DECISION-MAKING TRADITIONS THAT**
3 **ARE IMPORTANT TO SERVING CUSTOMERS?**

4 A. A well-run utility must respond to the needs of its customers. Understanding customer
5 needs depends on us having shared experience with our customers as members of our
6 communities. When management understands the local and state economy and has
7 personal and professional relationships with community and governmental leaders, as both
8 NorthWestern and Black Hills have a tradition of doing, this leads to better customer
9 service. NorthWestern's South Dakota operations will continue to be based in South
10 Dakota, overseen by the Commission, and led by South Dakota-based management. Local
11 employees will continue to serve customers directly. Community giving and engagement
12 will remain a priority, reflecting what South Dakotans expect from their utility. As Ms.
13 Jones discusses in her direct testimony, this approach is also consistent with how Black
14 Hills manages its local operations across its eight-state territory today.

15 Finally, NorthWestern values input from stakeholders, and our strategic decisions
16 should not be made in a vacuum and should be informed by their perspectives. I understand
17 that Black Hills supports these approaches to our customers and communities, as Ms. Jones
18 also discusses.

19 **Q. HOW WILL NORTHWESTERN MAINTAIN PHYSICAL PRESENCE AND**
20 **LOCAL MANAGEMENT IN SOUTH DAKOTA?**

21 A. Post-merger it is expected that there will continue to be a strong local presence in South
22 Dakota directing the day-to-day utility operations of the South Dakota utilities. We intend
23 that our communities and customers will continue to be served by those field employees

1 serving them today. We do not anticipate material changes in our workforce due to the
2 merger. Our local offices will continue to be staffed by South Dakotans. We are committed
3 to having a meaningful presence in our South Dakota communities. Additionally, the
4 combined company's headquarters will be in Rapid City while maintaining our Sioux Falls
5 office and other South Dakota operational locations.

6 **Q. HOW WILL THE COMBINED COMPANY APPROACH CHARITABLE GIVING,**
7 **COMMUNITY ENGAGEMENT, AND LOCAL ECONOMIC DEVELOPMENT IN**
8 **SOUTH DAKOTA AFTER THE MERGER CLOSES?**

9 A. I do not anticipate changes overall to charitable giving, community engagement, and local
10 economic development in South Dakota after the closing. Both companies have a strong
11 commitment to charitable giving, community engagement, and local development in their
12 respective service territories. We will continue to empower employees to engage with and
13 support their communities through active volunteering and provide stakeholder-funded
14 donations to make South Dakota a better place.

15 **Q. WHY SHOULD SOUTH DAKOTANS AND THE COMMISSION TRUST THAT**
16 **THE STATE AND LOCAL OPERATING COMPANY WILL CONTINUE TO**
17 **HAVE INFLUENCE AND ACCOUNTABILITY WITHIN THE LARGER**
18 **COMPANY?**

19 A. Three reasons. First, the combined company will be comprised of two South Dakota-based
20 utilities that have served this state for well over 100 years. Over the past century, we made
21 the commitment to earn the trust of our collective customers, communities, regulators, and
22 policy leaders. This commitment does not change with the merger. Second, the South
23 Dakota utilities will continue to be run by South Dakotans. These are your neighbors,

1 friends, and family. They understand South Dakota and what South Dakotans value. Third,
2 NorthWestern remains a separate operating utility under the combined company and retains
3 its operational presence in the South Dakota communities we are serving. NorthWestern's
4 local operations will not be diminished by this merger. In fact, our operational influence,
5 presence, and accountability will remain as strong as it is today. Ms. Jones discusses Black
6 Hills and its separate operating utility approaches in her testimony.

VIII. REGULATORY APPROVALS AND TIMING

7 **Q. WHAT IS THE EXPECTED TIMING TO CLOSE THE MERGER?**

8 A. Based upon rules and precedents in each state where we are seeking approval, we expect
9 to close the merger upon receipt of our final required approval. We expect that to occur
10 within 12-15 months of the merger announcement date of August 19, 2025.

11 **Q. CAN YOU PROVIDE A HIGH-LEVEL OVERVIEW OF THE REGULATORY
12 FILINGS REQUIRED FOR THIS TRANSACTION?**

13 A. We are seeking approval from this Commission, the Montana Public Service Commission,
14 and the Nebraska Public Service Commission. In addition, approvals will be required from
15 the Federal Energy Regulatory Commission, the Federal Communications Commission,
16 the Securities and Exchange Commission, and federal review under the Hart-Scott-Rodino
17 Act.

18 **Q. WHAT IS THE ANTICIPATED TIMELINE FOR OBTAINING REGULATORY
19 APPROVALS AND CLOSING?**

20 A. The figure below provides a high-level overview of our anticipated timeline for gaining
21 regulatory approvals and closing.

Figure 6: Merger Regulatory Approvals & Closing Timeline

Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Aug. 19 Transaction Announcement	File Regulatory Applications / Regulatory Approval Process: FERC, SEC, DOJ, MPSC, NPSC, SDPUC				
	File Joint Proxy Statement				
			Black Hills & NorthWestern Shareholder Meetings		
	Develop Transition & Integration Implementation Plans				
					Receive Required Approvals
					Close Merger

1 **Q. WHAT TIMING FOR A DECISION ARE YOU ANTICIPATING OR**
2 **REQUESTING FROM THIS COMMISSION?**

3 A. We are requesting that the Commission issue its decision to approve this Joint Application
4 within 180 days of its filing in compliance with SDCL § 49-34A-35.

IX. CONCLUSION

5 **Q. TO CONCLUDE, WHY SHOULD THE COMMISSION APPROVE THIS**
6 **MERGER?**

7 A. This merger makes two strong companies stronger, in a way that directly benefits
8 customers and communities. This merger will also not result in any significant adverse
9 impact to customers and is anticipated to provide long-term-rate stability to customers.
10 Through and after the merger, customers will continue to have safe, reliable, and affordable
11 service from a combined utility that provides scale, additional resources, and resiliency to
12 meet the challenges of the future.

1 **Q. WHAT APPROVALS ARE THE JOINT APPLICANTS ASKING THE**
2 **COMMISSION TO GRANT IN THIS PROCEEDING?**

3 A. Joint Applicants request the Commission to approve the merger, finding that the merger is
4 in the public interest and satisfies the standard established by SDCL § 49-34A-36.

5 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

6 A. Yes.

VERIFICATION

This Direct Testimony of Brian B. Bird is true and accurate to the best of my knowledge, information, and belief.

/s/ Brian B. Bird
Brian B. Bird