

LEGAL NOTICE

On December 5, 2025, Black Hills Energy Arkansas, Inc. filed an application with the Arkansas Public Service Commission for a change in the rates to be charged to all classes of its customers. The request is based on a 2025 Projected Test Year using historical data through June 30, 2025, and forecasted data from July 1, 2025 through December 31, 2025, adjusted for reasonably known and measurable pro-forma adjustments through December 31, 2026, the end of the Pro Forma Year, and seeks to cover increases in operating expenses and return on investment in additional facilities constructed to service customers since the Company's last general rate adjustment. The total amount of the requested rate increase is \$29,352,664. The rate change amount for each rate class of customer is as follows:

Customer Class	Current Rates Bill Amount	Requested Rates Bill Amount	Month Change	Percent Change*
Residential Service				
51 Ccf	\$94.44	\$105.56	\$11.12	11.77%
Small Business Service				
263 Ccf	\$346.60	\$381.30	\$34.70	10.01%
Medium Business Service				
8,324 Ccf	\$7,797.78	\$8,037.22	\$239.44	3.07%
Large Business Service: Non-Demand Low LF				
44,892 Ccf	\$34,234.54	\$34,556.60	\$322.06	0.94%
Large Business Service: Non-Demand Mid LF				
37,892 Ccf	\$29,143.53	\$30,497.87	\$1,354.34	4.65%
Large Business Service: Non-Demand High LF				
38,747 Ccf	\$29,765.57	\$29,766.40	\$0.83	0.00%
Large Business Service: Demand Low LF				
86,005 Ccf	\$64,278.30	\$64,681.70	\$403.40	0.63%
Large Business Service: Demand Mid LF**				
Large Business Service: Demand High LF				
85,201 Ccf	\$62,237.40	\$61,890.18	(\$347.22)	-0.56%

* Percentages are based upon average consumption volumes and estimated total amounts billed to customers including the customer charge, delivery charge, demand charges, riders and cost of gas (for sales classes only)

** No customers currently meet the criteria for this Customer Class

The amounts and percentages shown above and other rates and charges may change or be affected by a final order of the Arkansas Public Service Commission. Below are the current and proposed customer charges and delivery charges for each rate class of service. The “Current Rates” column shows the rates that will be charged in the month before the Commission approves final rates and the “Proposed Rates” column shows the rates that will be charged if the requested increase is granted.

Sales Classes	Current Rates	Proposed Rates
Residential		
Customer Charge - \$/Month	\$15.51	\$28.00
Delivery Charge - \$/Ccf	\$0.7431	
Delivery Charge - First 15 Ccf		\$0.8296
Delivery Charge - Over 15 Ccf		\$0.6688
Small Business Service		
Customer Charge - \$/Month	\$28.95	\$50.00
Delivery Charge - \$/Ccf	\$0.4746	
Delivery Charge - First 100 Ccf		\$0.6054
Delivery Charge - Over 100 Ccf		\$0.4746
Medium Business Service		
Customer Charge - \$/Month	\$355.50	\$430.00
Delivery Charge - \$/Ccf	\$0.2396	\$0.2652
Large Business Service		
Currently Large Business Service: Non-Demand		
Customer Charge - \$/Month	\$1,489.00	\$2,000.00
Delivery Charge - \$/Ccf	\$0.1662	\$0.1275
Demand Charge: Low LF - \$/MMBtu		\$9.6430
Demand Charge: Mid LF - \$/MMBtu		\$8.7660
Demand Charge: High LF - \$/MMBtu		\$7.0130
Currently Large Business Service: Demand		
Customer Charge - \$/Month	\$1,872.48	\$2,000.00
Delivery Charge - \$/Ccf	\$0.1275	\$0.1275
Demand Charge: Low LF - \$/MMBtu	\$8.285	\$9.6430
Demand Charge: Mid LF - \$/MMBtu	\$8.285	\$8.7660
Demand Charge: High LF - \$/MMBtu	\$8.285	\$7.0130

Transportation Classes	Current Rates	Proposed Rates
Small Business Service		
Customer Charge - \$/Month	\$28.95	\$50.00
Delivery Charge - \$/Ccf	\$0.4746	
Delivery Charge - First 100 Ccf		\$0.6054
Delivery Charge - Over 100 Ccf		\$0.4746
Administrative Fee - \$/Month	\$170.00	\$184.00
Medium Business Service		
Customer Charge - \$/Month	\$355.50	\$430.00
Delivery Charge - \$/Ccf	\$0.2396	\$0.2652
Administrative Fee - \$/Month	\$170.00	\$184.00

Large Business Service		
Currently Large Business Service: Non-Demand		
Customer Charge - \$/Month	\$1,489.00	\$2,000.00
Delivery Charge - \$/Ccf	\$0.1662	\$0.1275
Demand Charge: Low LF - \$/MMBtu		\$9.6430
Demand Charge: Mid LF - \$/MMBtu		\$8.7660
Demand Charge: High LF - \$/MMBtu		\$7.0130
Administrative Fee - \$/Month	\$170.00	\$184.00
Currently Large Business Service: Demand		
Customer Charge - \$/Month	\$1,872.48	\$2,000.00
Delivery Charge - \$/Ccf	\$0.1275	\$0.1275
Demand Charge: Low LF - \$/MMBtu	\$8.285	\$9.6430
Demand Charge: Mid LF - \$/MMBtu	\$8.285	\$8.7660
Demand Charge: High LF - \$/MMBtu	\$8.285	\$7.0130
Administrative Fee - \$/Month	\$170.00	\$184.00

Upon request, the Company will furnish information a customer desires concerning the percentage increase being sought for any rate schedule. The Company will also, upon request, provide to any customer an estimate of the calculated average monthly dollar amount by which the proposed rates will increase the customer's gas utility bill. Requests can be made by calling 888-890-5554 or submitting a contact form at blackhillsenergy.com/customer-service.

The Commission assigned Docket No. 25-064-U to this application. The Commission has 10 months in which to issue its order. The new rates are not expected to become effective until October 2026. The Commission Rules of Practice and Procedure (23 CAR Part 462) provide procedures for interested persons to intervene as a party, make limited appearances or submit public comments in writing or orally at the hearing. The Commission has not yet established a procedural schedule or hearing dates for this matter. More information about this rate review process can be found at blackhillsenergy.com/reliableAR. Further information may be obtained by visiting apsc.arkansas.gov or contacting Karen Shook, Arkansas Public Service Commission, at karen.shook@arkansas.gov, 501-682-2051, or 1000 Center Street, Little Rock, AR 72201.