

## BHP Rate Case Exhibit: FutureTrack Workforce Development Program

**The Purpose:** This program is being created to offset the large number of retirements exiting Black Hills Power's workforce over the next eight years by training and preparing new workers to perform the specialized and critical work necessary to continue providing the safe, reliable service Black Hills Power's customers depend upon.

**Forecasting Workforce Needs:** All positions at Black Hills Power were evaluated to identify the utility's most critical workforce needs. Positions were reviewed to determine: 1) if unique or specialized skills and knowledge are required to perform the job safely; 2) if the position is critical to operations or directly supports critical operations; 3) if retirement within the role's current incumbents creates risk to the utility's ability to provide safe, reliable service; 4) if there is at least a 6 month training time required to reach full productivity/competence before the employee can work independently; and 5) if there is limited availability to find replacement workers in the labor pool/external market.

Positions included in the FutureTrack Workforce Development Program (FutureTrack) are critical. Workforce needs created through the loss of experienced workers through retirements must be managed proactively and prudently.

### **FutureTrack Positions:**

Applying the criteria listed above resulted in the following positions inclusion in the FutureTrack Workforce Development Program:

1. Line Mechanics
2. Electricians
3. Construction Representatives
4. Energy Services Technicians
5. Meter Technicians
6. Unit Operators
7. Plant Maintenance Operators
8. Instrument and Controls Techs
9. Information Technology Developers
10. Other Operations Support and Management Roles: *This group of roles was included due to the nature of the skills and knowledge required; however, there is not currently a need to hire duplicate staff in these areas. Should there be unexpected retirements or a change in business needs that would put safe, reliable service at risk, duplicate hires would need to be made in these positions.*
  - Operations Management
  - GIS Analysts
  - Systems Operators and System Operations Analysts

- Energy Services Representatives
- Generation Dispatch/Power Marketing roles

**Participant Criteria & Selection:** Any candidate who applies for and meets the minimum qualifications for a posted FutureTrack position will be considered for employment under the program. Minimum qualifications will vary based on the posted position's requirements.

**Program Length:** The length of the FutureTrack program depends on the job an employee-in-training is hired into and the experience that individual brings with them into the job. The least amount of time an employee-in-training will spend in the program is 6 months and the greatest is 4 years.

**Program Components:** The FutureTrack program includes some scholarships and relocation, onboarding, and training (classroom and on-the-job) for employees in the program.

**Scholarships:** Many of the jobs in the FutureTrack program require technical school or college degrees. To fill these jobs, scholarships have been included in the FutureTrack program. These scholarships will send South Dakota residents to South Dakota schools to prepare for South Dakota jobs at Black Hills Power.

**Relocation:** In some cases, relocation may be necessary. The FutureTrack program includes limited relocation dollars to assist employees-in-training to relocate themselves and their families to/near Black Hills Power service areas.

**Onboarding:** All FutureTrack employees will go through a comprehensive onboarding program. The onboarding program will include all elements traditionally covered with Black Hills Power employees, but will also contain additional material about their responsibilities as FutureTrack employees-in-training.

**Training:** The specific training requirements vary for each position in the FutureTrack program. Many of the positions are tied to apprenticeships, while others require specialized training of a different variety. Because many of the individuals historically hired into Black Hills Power positions have had prior utility experience, it is anticipated that additional training will likely be needed to support FutureTrack employees-in-training who will bring little to no prior utility experience.

**Tracking & Reporting:** All activities associated with the FutureTrack program will be recorded and reported to the commission annually.

**Estimated Total Program Cost:**

**Cost to Customers:** The anticipated total annual cost to customers for the program is \$721,900. This includes costs associated with labor and benefits, scholarships, relocation, and training.

**Productivity Adjustments:** As FutureTrack employees-in-training gain the knowledge and experience needed to work productively, their labor and benefit costs will be shared and eventually transferred fully to Black Hills Power. Each position in the FutureTrack program has a different training timeline and productivity curve, which was used to determine the amount of the cost sharing between customers and Black Hills Power.

**Program Expense True-Up:** Retirement decisions are highly personal and workers may decide to alter their retirement plans to either work longer or retire sooner. Because of this, the cost of the program is expected to fluctuate over time. In addition to reporting the program's status to the commission annually, we recommend a true-up audit be performed in 5 years. Any expenses planned for but not realized will be returned to Black Hills Power customers. Likewise, any reasonable and documented expenses that exceed the approved FutureTrack regulatory account will be brought before the commission for reimbursement.