

**MONTANA-DAKOTA UTILITIES CO.  
INCREMENTAL LABOR & BENEFITS  
ELECTRIC UTILITY - SOUTH DAKOTA  
WORKPAPER**

<u>Department/Position:</u>	<u>Start Date</u>	<u>Salary + Premium Time</u>	<u>South Dakota</u>	<u>Pro Forma Adjustment</u>
<b><u>Power Production Department: 1/</u></b>				
Financial Analyst	12/15/2014	\$91,431 2/	\$4,718 4/	\$4,718
Environmental Scientist	1/5/2015	95,088	4,907 4/	4,907
Environmental Scientist	3Q 2015	95,088	4,907 4/	4,907
Engineer	3Q 2015	95,088	4,907 4/	4,907
<b><u>Glendive Turbine:</u></b>				
Operator Technician	3Q 2015	90,000	4,645 4/	4,645
<b><u>Diamond Willow Wind:</u></b>				
Wind Technician	3Q 2015	78,000 3/	4,004 5/	4,004
<b><u>Cedar Hills Wind:</u></b>				
Wind Technician	3Q 2015	78,000 3/	4,004 5/	4,004
Total Incremental Labor		\$622,695	\$32,092	\$32,092
<b><u>Associated Benefits:</u></b>				
Pro Forma Labor Loading Percentage	37.25%	\$231,954	\$11,954	11,954
Grand Total: Incremental Labor & Benefits		\$854,649	\$44,046	\$44,046

- 1/ Power Production Department has four (4) new positions. Total expected labor increase of \$380,352.  
For ease of calculation; divided the total projected increase by 4 to get average labor increase per position.
- 2/ Financial Analyst started in 12/15/14; 1 pay period of time included in labor adjustment; incremental salary reduced by \$3,657 (1/26) to avoid double counting of single pay period in 2014.
- 3/ Includes \$5,000 of premium time.
- 4/ Allocated on Factor 15: Integrated System Peak Demand.
- 5/ Allocated on Factor 271: Integrated Peak and Energy.

## **McCullough, Cameron**

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**From:** Jacobson, Travis  
**Sent:** Wednesday, May 13, 2015 8:27 AM  
**To:** Erickson, Rhonda; McCullough, Cameron  
**Subject:** FW: Employee Start Dates

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**From:** Addison, Theresa  
**Sent:** Wednesday, May 13, 2015 7:49 AM  
**To:** Jacobson, Travis  
**Cc:** Welte, Alan  
**Subject:** Employee Start Dates

**The following are the start dates/anticipated starts for new employees:**

**Power Production:**

**Financial Analyst – 12/15/14**  
**Environmental Scientist – 1/5/15**  
**Environmental Scientist – June 2015**  
**Engineer – June 2015**

**Heskett Station:**

**Electrician – 2/17/15**

**L&C:**

**Mechanic Welder – Sept 2015**  
**2 Operators – Sept 2015**

**Glendive:**

**Op Tech – Sept 2015**

**Diamond Willow & Cedar Hills**

**Wind Techs – Sept 2015**

**Theresa Addison**

**Financial Analyst**  
**Power Production**  
**Montana-Dakota Utilities Co.**  
**(701) 222-7654**

**\*\*Confidentiality Statement\*\***

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**MONTANA-DAKOTA UTILITES CO.  
ELECTRIC UTILITY - SOUTH DAKOTA  
LABOR LOADING PERCENTAGE  
PRO FORMA**

<u>Compensation:</u>	<u>Pro Forma South Dakota</u>	<u>Incentive Comp %</u>
5110 - Straight time	\$1,850,632	
5120 - Premium time	142,787	
5130 / 5131 - Bonus & Incentive Comp.	197,752	9.80% 1/
5140 - Moving	3,751	
5150 - Meals	662	
5193 - Vacation	24,454	
Total	<u>\$2,220,038</u>	<u>9.80%</u>

<u>Benefits:</u>	<u>Pro Forma South Dakota</u>	<u>Percentage of Compensation</u>
Medical/Dental	\$252,635	11.38%
Pension expense	39,279	n/a 2/
Post-retirement	29,647	n/a 2/
401-K	225,932	8.00% 3/
Workers compensation	12,736	0.57%
Other Benefits	7,737	0.35%
Total	<u>\$567,966</u>	<u>20.30%</u>

<u>Payroll Taxes:</u>	<u>Pro Forma South Dakota</u>	<u>Percentage of Compensation</u>
FICA, FUTA & SUTA	158,733	7.15%

Pro Forma Labor Loading Percentage 37.25%

- 1/ Three year average bonus & incentive compensation = 9.80%.
- 2/ New hires do not qualify for pension or post-retirement benefits.
- 3/ New hires qualify for 5% in-lieu of pension contribution plus a maximum 3% employer match.