



March 29, 2016

Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
500 E. Capitol  
Pierre, SD 57501

RE: EL16 - \_\_\_\_\_ - NorthWestern Energy 2016 Proposed Electric Utility Economic Development Budget

Dear Ms. Van Gerpen:

In accordance with the Decision and Order approving the Settlement Stipulation Agreement for EL14-106, NorthWestern Corporation, dba NorthWestern Energy ("NorthWestern") hereby submits its proposed electric utility economic development 2016 budget for the South Dakota Public Utilities Commission's ("Commission") review and approval.

NorthWestern is proposing its 2016 economic development budget in accordance with the Commission's order dated November 4, 2015 in EL14-106. The stipulation agreement for EL14-106 provides for an economic development annual budget cap of \$70,000 that is to be allocated to NorthWestern's electric customers. These costs are to be split 50/50 between NorthWestern Energy and our electric customers. Therefore, the customer share of those expenses is capped at \$35,000. While our overall 2016 budget exceeds the \$70,000 cap, NorthWestern is providing a full representation of its proposed economic development expenditures that will benefit our electric customers for the Commission's information. No economic development funding proposed by NorthWestern Energy in its 2016 economic development budget will be used for lobbying at the state or federal level.

Advantage South Dakota is the flagship economic development tool used by NorthWestern Energy. It is a regional partnership organization involving NorthWestern, community or regional economic development leaders from within our service territory, and the Governor's Office of Economic Development (GOED). Advantage South Dakota uses a regionalized approach in developing economic development opportunities and promoting job growth for member communities. Additional information related to Advantage South Dakota can be found on its website (<http://www.advantagesouthdakota.com>).

During 2016, NorthWestern Energy will focus on working with local community leaders, chambers of commerce, and economic development organizations to promote their communities as good places to do business. A key component of that partnership effort will be Advantage South Dakota. We will also continue to work with existing service territory businesses that want to expand to see how we can help them achieve those goals. We will continue to leverage our key account activities to identify and support expansion and retention opportunities. In addition, we will look to attract out-of-state businesses that provide products and services to our local businesses, thus creating an employment cluster.

NorthWestern Energy takes its role in helping South Dakota to remain viable and competitive in the economic development arena very seriously. We understand the value of partnerships and well planned communications to highlight the advantages of South Dakota's business climate to businesses looking to locate or expand within our service territory. The importance of that collaborative effort translates to new jobs and business opportunities for our customers. NorthWestern appreciates the opportunity to assist our communities in reaching their goals.

NorthWestern Energy respectfully requests Commission approval of our proposed 2016 economic development budget for our electric utility. If there are any questions regarding this filing, please contact me at your convenience.



Thank you,

**Pamela A. Bonrud**

*Director – Government and Regulatory Affairs*

[pam.bonrud@northwestern.com](mailto:pam.bonrud@northwestern.com)

O 605-978-2900

C 605-321-4025

Cc: Rick Edwards, Director – Key Accounts/Customer Education, NorthWestern Energy  
Jerry Bertsch, Specialist Key Accounts & Economic Development, NorthWestern Energy