

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
2ND SET OF DATA REQUESTS
ISSUED APRIL 5, 2017
DOCKET NO. EL17-010**

Question 2.1:

Refer to the Company's response to DR 1.3.c.

- a. Regarding the FTE Wind Technician, in Docket EL15-024 the Company explained the wind technician was hired on an apprentice program. The starting salary was \$56,222 with the current full-scale salary at \$74,963. The employee's salary would increase on a graduated scale every six months. The first year salary included in the Thunder Spirit revenue requirement was \$57,628. Do the 2016 labor costs reflect this salary for the wind technician? If not, explain.**
- b. Provide the salary and the percent charged to Thunder Spirit for the Manager, Combustion Turbine & Wind Generation employee. Explain the derivation of the labor distribution rate.**
- c. Provide the salary and the percent charged to Thunder Spirit for the Supervisor, Combustion & Wind Turbine employee. Explain the derivation of the labor distribution rate.**
- d. Are both the Manager and Supervisor positions new positions post-rate case?**
 - i. If so, do these positions replace any previous positions that no longer exist? Provide and explain any costs associated with such previous positions included in base rates.**
 - ii. If not, provide and explain any costs associated with the Manager and Supervisor positions included in base rates.**

Response:

- a. A portion of this salary is reflected in the 2016 labor costs. A portion of this salary also went to capital expense, as this wind tech was helping to provide support and assistance to complete the remaining capital activities for this wind farm. The negotiated labor agreement has defined increases of three percent in May of 2016 and 2017 which would apply to the then current employee apprenticeship rate.**
- b. For 2016 the Manager's base salary was \$110,000 and approximately 68.6% of the Manager's salary went to Thunder Spirit based on the amount of time spent at that facility.**
- c. For 2016 the Supervisor's base salary was \$107,383 and approximately 1% of the Supervisor's salary went to Thunder Spirit.**
- d. The Manager position is new and the Supervisor position is an existing position.**
- d.i. Neither position replaced a previous position that no longer exists.**

d.ii. The labor costs for these two positions are allocated using standard labor distribution percentages, which are reviewed and adjusted as needed, based on where the individuals spend their working hours.

Any labor for these positions not charged to the Thunder Spirit Facility location (JDE Cost Center 85900) based on standard labor distribution rates has been included in base rates.

Please see Response No. 2.4.a. for further discussion on how the Company tracks costs by Cost Center.

Updated - April 25, 2017

c. Per discussion with Commission staff, the amount of the Supervisor's base salary of approximately 1% which went to Thunder Spirit is as follows:

Total	South Dakota Allocation	South Dakota Share
\$808.62	4.894055%	\$39.57