

Docket Number: EL18-015
Subject Matter: First Data Request
Request to: NorthWestern Energy
Request from: South Dakota Public Utilities Commission Staff
Date of Request: 3/29/18
Responses Due: 4/12/18

- 1-1. Explain why Staffing is projected to increase approximately 10% for budget year 2018, as listed on Attachment A, compared to 2017 actuals.
As explained in Footnote E on Attachment A, long-time employee Jerry Bertsch retired in May of 2017. Paul Mantz began working for NorthWestern Energy in July 2017. This lapse between Jerry's retirement and Paul's employment resulted in a decrease in Staffing costs for 2017 of \$4,797. A comparison of the 2017 staffing budget to the proposed 2018 staffing budget reveals an actual increase of \$2,362 or 3.0%, which corresponds with the company's budgeted salary increase for 2018.
- 1-2. Explain what NorthWestern is doing to control Staffing expenses to ensure as much of the economic development budget as possible is going towards specific economic development projects.
Three full time employees dedicate a portion of their time to economic development activities in South Dakota. Two Directors and one salaried professional combine their efforts to show NorthWestern's commitment to support economic development opportunities for the communities we serve and reinforce the impact of those activities to the state's overall economic well-being. Staffing costs included in the economic development budget have increased at a rate of less than 3 percent annually, which is in line with the company's salary increases for all employees. As you can see in the Exhibits, NorthWestern spends well over the capped economic development amount each year, even without including any NorthWestern internal labor in the total.
- 1-3. Explain why the Yankton Chamber of Commerce is listed twice on Attachment B.
The payment of \$3150 is the annual membership payment. The second payment of \$250 was a breakfast sponsorship for participants of the Fireball Run that made a number of stops throughout South Dakota last summer. This was a huge event that gave communities like Yankton a unique opportunity to showcase what they have to offer to folks from across the United States who were involved with the Fireball Run competition.
- 1-4. Explain why the Huron Community Development Foundation actual expense was double the budgeted amount on Attachment B.
In 2008, NorthWestern Energy met with the Huron Community Development Foundation at its request regarding a \$250,000 pledge made by the company prior to bankruptcy. During our time in bankruptcy and the years that immediately followed, NorthWestern was not financially able to honor that commitment. As a result of that meeting, NorthWestern agreed to honor the commitment and make annual payments of \$25,000 over the next 10 years. In 2017, we made two payments of \$25,000. One payment was to make-up the 2009 annual commitment that was not invoiced in 2009 and the second was for the normal annual payment due in 2017. Our obligation was completed in 2017 therefore, this budget item was removed from the 2018 proposed budget.