



March 31, 2026

Leah Mohr, Executive Director
South Dakota Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

RE: EL26 - _____ - NorthWestern Energy Public Service Corporation 2026 Proposed Electric Utility Economic Development Budget and 2025 Economic Development Annual Report

Dear Ms. Mohr:

In accordance with the Decision and Order approving the Settlement Stipulation Agreement in Docket EL23-016 NorthWestern Energy Public Service Corporation (“NorthWestern”), hereby submits its proposed electric utility economic development 2026 budget for the South Dakota Public Utilities Commission’s (“Commission”) review and approval. Also, for the Commission’s review and approval is NorthWestern’s 2025 Economic Development Report for the electric utility that details actual versus budgeted expenses.

NorthWestern submits its 2026 economic development budget (Attachment A) in accordance with the Commission’s order in Docket EL23-016 dated January 10, 2024, and as amended on January 17, 2024. The stipulation agreement in Docket EL23-016 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 and our electric customers. Therefore, the customer share of those expenses is capped at \$35,000. While our overall 2026 budget exceeds the approved cap, NorthWestern is providing a full representation of its proposed economic development expenditures for the Commission’s information. No economic development funding proposed by NorthWestern in its 2026 economic development budget will be used for lobbying at the state or federal level.

Also included in this submittal is NorthWestern’s 2025 Economic Development Annual Report (Attachment B) that details the company’s actual expenditures as compared to the 2025 budget approved in Docket EL25-011. The final adjusted dollar amount that was spent in 2025 was \$15,611 less than the overall adjusted budget as approved by the Commission in Docket EL25-011. Budgets will have some fluidity from year to year as community economic development needs or priority projects change. No economic development funds supplied by NorthWestern in 2025 were used for lobbying at the state or federal level.

Once again, several organizations that normally receive financial support from NorthWestern for economic development activities did not submit payment requests in 2025. Therefore, the 2025 actual expenses in Attachment B have been adjusted to reflect the non-payment of these dues. This was largely attributed to turnover and vacancies at these organizations. Notably, NorthWestern did not receive a request from the Aberdeen Development Corporation in 2025 because of an invoice communication issue which decreased actual expenses. We have worked with them to resolve this going forward. Additionally, a number of our local chambers of commerce increased or modified their dues and funding requests for 2025. These dues increases are also reflected in Attachment B. We reached out to remind new organizational leaders to remember to request funds in 2026 and have already received requests in 2026 from some of those organizations that didn’t submit in 2025. The 2026 proposed budget in Attachment A has been adjusted accordingly.

Advantage South Dakota is the flagship economic development tool used by NorthWestern. It is a regional partnership organization involving NorthWestern and community or regional economic development leaders from within our service territory. Advantage South Dakota uses a regionalized approach in developing economic development opportunities and promoting job growth for member communities. The primary areas of focus for Advantage South Dakota include business attraction, business expansion, business retention, and workforce



development. Funding from Advantage South Dakota enables member economic development practitioners to address issues that may not otherwise be addressed.

During 2025, key areas of focus remained workforce development and workforce housing. As such, the Advantage South Dakota group allocated approximately \$30,000 to assist communities with their workforce development initiatives. Additionally, the group allocated approximately \$22,500 in funding to assist with capacity building and education of member local economic development practitioners. In 2026, NorthWestern will continue working with local community leaders, chambers of commerce and economic development organizations to promote their communities as good places to do business. NorthWestern will continue supporting business retention or expansion opportunities throughout our service territory by leveraging our key account, mid-sized business and other business relationships. We will also look to attract out-of-state businesses that provide products and services to our local businesses and customers. A key component of these efforts will be Advantage South Dakota. Additional information related to Advantage South Dakota can be found on its website (<https://www.advantagesouthdakota.com/>).

NorthWestern takes its role in helping South Dakota to be viable and competitive in the pursuit of economic development opportunities very seriously. We understand the value of partnerships and well planned communications in highlighting 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 respectfully requests Commission approval of our proposed 2026 economic development budget and 2025 economic development expenditures for our electric utility. If there are any questions regarding this filing, please contact me at your convenience.

Sincerely,

Pamela A. Bonrud

Director Government and Regulatory Affairs

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Cc: Rick Edwards, Director Community Connections, NorthWestern Energy
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