

**NorthWestern Energy
Docket GE15-002
South Dakota DSM Filing**

**South Dakota Public Utilities Commission
First Data Request (1-1 – 1-11)**

Data Requests received August 13, 2015

- 1-2) Please explain why contractor expenses should not be split 50/50 between electric and gas customers.

RESPONSE:

NorthWestern is proposing a 66% electric and 34% natural gas split for Year 2 based on Year 1 customer participation patterns, the number of programs under each utility, anticipated level of customer interest, and the expected costs to operate the DSM programs separate of rebates. Contractor costs are included in this proposed budget allocation of 66/34 percent as those expenses are but one of the expenses associated with our programs. NorthWestern also includes administration, travel, advertising and other expenses in the electric and natural gas programs. NorthWestern believes that the 66/34 percent budget split for contractor costs is supportable as it is reflective of our customer participation by utility in our DSM program during Year 1 and provides a proper allocation of costs to those customers.