

**MONTANA-DAKOTA UTILITIES CO.  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION  
1ST SET OF DATA REQUESTS  
ISSUED FEBRUARY 7, 2017  
DOCKET NO. NG17-002**

**Question 1.2:**

**Based on the 2015 and 2016 actual advertising and administrative expenses of \$7,923 and \$7,216, respectively, please explain why the 2017 budget for advertising and administrative expenses of \$24,000 should not be reduced to reflect the historic actuals.**

**Response:**

The 2017 budget of \$24,000 for advertising and administration consists of \$15,000 for advertising. As described above, Montana-Dakota has experienced success in promoting the conservation programs through low cost channels, however if participation falls Montana-Dakota may need to evaluate additional advertising or have the ability to participate in Energy Efficiency events. Based on historical expenses, the \$15,000 allocated for advertising expenses does not appear to be necessary at this time. Reducing advertising expenses to \$5,000 -\$6,000 (for a total advertising and administrative budget of \$15,000) may be more in line if the Company sees the need to increase awareness of the programs.