



April 29, 2020

Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
500 E. Capitol  
Pierre, SD 57501

RE: NG20 - \_\_\_\_\_ - NorthWestern Energy 2020 Economic Development Budget and 2019 Economic Development Annual Report

Dear Ms. Van Gerpen:

In accordance with the Decision and Order approving the Settlement Stipulation Agreement for NG11-03, NorthWestern Corporation, dba NorthWestern Energy ("NorthWestern") hereby submits its proposed economic development 2020 budget and 2019 actual expenses for the South Dakota Public Utilities Commission's ("Commission") review and approval.

NorthWestern's proposed 2020 economic development budget is shown in Attachment A. Attachment B is NorthWestern's 2019 economic development budget as approved in Docket NG19-003 and actual expenses for 2019. The stipulation agreement for NG11-03 provides for an economic development annual budget cap of \$30,000 that can be allocated to natural gas customers. These costs are to be split 50/50 between NorthWestern Energy and our natural gas customers. Therefore, the customer share of those expenses is capped at \$15,000. While our overall 2019 budget and expenses exceeded the \$30,000 cap, NorthWestern is providing a full representation of its economic development contributions that benefitted our natural gas customers in South Dakota for the Commission's information.

The Commission will note that there are some adjustments from the 2019 budget as presented in Docket NG19-003 and actual expenses in 2019. In some cases, NorthWestern did not receive a payment request from an organization that traditionally was supported or we decided to offer support to another organization that we have not in the past. The final adjusted dollar amount that was spent in 2019 was \$3,990 more than the overall adjusted budget as approved by the Commission in Docket NG19-003. Budgets will have some fluidity from year to year as community economic development needs or priority projects change. No funding provided by NorthWestern Energy for economic development purposes in 2019 was used for lobbying at the state or federal levels.

Advantage South Dakota is the flagship economic development tool used by NorthWestern Energy. It is a regional partnership organization involving NorthWestern, community or regional economic development leaders from within our service territory, and the Governor's Office of Economic Development (GOED). Advantage South Dakota uses a regionalized approach in developing economic development opportunities and promoting job growth for member communities. The primary areas of focus of the Advantage South Dakota Initiative include business attraction, business expansion, business retention, and workforce development. The monies available through this initiative enable the economic development practitioners to address issues that may not otherwise be addressed.

During 2019, one key area of focus was workforce development. As such, the Advantage South Dakota group allocated \$50,000 to assist communities with their workforce development initiatives. Ten communities were granted \$5,000 each to supplement their local workforce development initiatives. During 2020, NorthWestern Energy will focus on working with local community leaders, chambers of commerce, and economic development organizations to promote their communities as good places to do business. A key component of that partnership effort will be Advantage South Dakota. Additional information related to Advantage South Dakota can be found on



its website (<http://www.advantagesouthdakota.com>). We will also continue to work with existing service territory businesses in regard to business expansion opportunities. NorthWestern will also continue to leverage our key account activities to identify and support business expansion and retention opportunities. In addition, we will look to attract out-of-state businesses that provide products and services to our local businesses, thus creating employment clusters. This effort will leverage the relationships that have been established with site selectors across the United States

NorthWestern Energy takes its role in helping South Dakota to remain viable and competitive in the economic development arena very seriously. We understand the value of partnerships and well planned communications to highlight 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 Energy respectfully requests Commission approval of our proposed 2020 economic development budget and 2019 expenses. If there are any questions regarding this filing, please contact me at your convenience.

Thank you,

**Pamela A. Bonrud**

*Director – Government and Regulatory Affairs*

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