

Docket Number: NG21-002
Subject Matter: Staff's Data Request 1
Request to: NorthWestern Corporation dba NorthWestern Energy
Request from: South Dakota Public Utilities Commission Staff
Date of Request: 4/30/21
Responses Due: 5/14/21

- 1.1. Please provide a detailed description outlining the contribution made to Horizon Health Foundation and how it is made for economic development purposes versus a charitable contribution.

NWE Response: Health care access is a major obstacle impacting economic and community development in rural and underserved areas of South Dakota. Horizon Health Foundation provides critical health care access to 19 communities in South Dakota, many of which are in NorthWestern Energy's service territory. With their 25 medical and dental clinics Horizon provides essential medical, dental, and behavioral care to over 27,500 patients in small communities that allows the communities to sustain and pursue growth. Without access to Horizon's health care services, these communities would struggle to support their already diminishing populations and workforces. Furthermore, absence of vital health care also makes it difficult for these communities to attract new or expanding businesses, industries, and workforce, which is important for economic development across South Dakota. Accordingly, NorthWestern Energy made this contribution to help with the important work Horizon Health Foundation provides to support economic development rural areas.

- 1.2. How does Northwestern Energy determine the Economic Development related costs for Staffing both budgeted and actual?

NWE Response: Staffing expenses related to our economic development activities in South Dakota reflect a percentage of salaries for three different positions that contribute to NorthWestern's economic development efforts. Two of those positions are Director-level, and the other is a professional staff position. For the proposed budgets, we apply a time percentage for each of the employees to economic development in South Dakota. We then take those employees' salaries, apply the time percentage, and then increment the amount by the expected salary increase for the coming year. For the actual number, we take the updated salaries of the identified employees and apply the time percentage.

The combined efforts of these high-level positions reinforces the commitment NorthWestern is making in support of economic development opportunities for the communities we serve and the impact of those activities to the state's overall economic well-being. NorthWestern makes every effort to control internal costs related to company-supported activities through an annual review of internal resources to insure our resources are being used appropriately and effectively. Staffing costs included in the economic development budget have increased at a rate of less than 3 percent on an annual basis that, again, is in line with the company's salary increases for all employees.