



March 31, 2021

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

RE: NG21 - _____ - NorthWestern Energy 2021 Economic Development Budget and 2020 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 2021 budget and 2020 actual expenses for the South Dakota Public Utilities Commission's ("Commission") review and approval.

NorthWestern's proposed 2021 economic development budget is shown in Attachment A. Attachment B is NorthWestern's 2020 economic development budget as approved in Docket NG20-002 and actual expenses for 2020. 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 2020 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 2020 budget as presented in Docket NG20-002 and actual expenses in 2020. 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 2020 was \$10,263 more than the overall adjusted budget as approved by the Commission in Docket NG20-002. 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 2020 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 2020, one key area of focus was workforce development. As such, the Advantage South Dakota group allocated \$60,000 to assist communities with their workforce development initiatives. Additionally, the group allocated funding of \$28,000 to assist with capacity building and education of the local economic development practitioners. Also in 2020, the group selected Maxwell Strategies to facilitate a strategic planning session for the group. In 2021, 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.

The Commission will note two contributions totaling \$15,000 that were not included in our 2020 approved budget. One was to Dakota State University Foundation for the amount of \$5,000. This contribution is in support of DSU's newly launched CybHer Security Institute. The mission of the [CybHER Security Institute](#) is to empower, motivate, educate, and change the perception of girls and women in cybersecurity by providing resources for girls from middle school to collegiate programs, and into professional careers. CybHER allows girls and women to foster positive and encouraging relationships within the cybersecurity industry, through original and curated content. Ultimately, the Institute's goal is to increase diversity by introducing more girls to cybersecurity, who will then transition to women in collegiate programs, and highly trained professionals.

The second contribution, in the amount of \$10,000, was to the Horizon Healthcare Foundation to support Horizon Health Care, a nonprofit health care provider. Horizon was facing financial challenges due to the COVID pandemic in delivering needed health care to rural South Dakota communities. Many of these rural communities are located within our service territory. NorthWestern provided a \$10,000 contribution to support Horizon as they continued to serve these rural South Dakotans. Horizon Health Care serves nearly 22 rural communities with local health care access. The Foundation's mission is to ensure the over 27,500 patients who visit their clinics annually continue to receive community health services, including medical, dental, and behavioral care. Horizon Health Care has nearly 32 clinics, employs nearly 300 staff, and serves over 28,000 square miles of rural South Dakota. Horizon serves all patients, no matter insurance status or payment ability.

NorthWestern Energy takes its role in helping South Dakota to be viable and competitive in the economic development arena 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 2021 economic development budget and 2020 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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