



March 31, 2022

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

RE: NG22 - \_\_\_\_\_ - NorthWestern Energy 2022 Economic Development Budget and 2021 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 2022 budget and 2021 actual expenses for the South Dakota Public Utilities Commission's ("Commission") review and approval.

NorthWestern's proposed 2022 economic development budget is shown in Attachment A. Attachment B is NorthWestern's 2021 economic development budget as approved in Docket NG21-002 and actual expenses for 2021. 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 2021 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 2021 budget as presented in Docket NG20-002 and actual expenses in 2021. 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 2021 was \$1,462 more than the overall adjusted budget as approved by the Commission in Docket NG21-002. 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 2021 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 2021, one key area of focus was again workforce development and workforce housing. 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. In 2022, 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



(<https://www.advantagesouthdakota.com> <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 and mid-sized businesses activities to identify and support business expansion and retention opportunities. In addition, we will continue to look to attract out-of-state businesses that provide products and services to our local businesses. This effort will leverage the relationships that have been established with site selectors across the United States.

The Commission will note a contribution totaling \$5,300 that was not included in our 2021 approved budget. This is for membership dues to the Sioux Metro Growth Alliance that was previously known as the Lincoln County Economic Development Association/ Minnehaha County Economic Development Association. This was a new request in 2021 as Sioux Metro Growth Alliance organized in 2021. NorthWestern also did not contribute to the Aberdeen Development Corporation's capital campaign in 2021 because we did not receive an invoice. After speaking with them, we are including the 2021 commitment in the proposed budget 2022.

NorthWestern Energy takes its role in helping South Dakota to be viable and competitive in economic development 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 2022 economic development budget and 2021 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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