



March 28, 2025

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

RE: NG25 - _____ - NorthWestern Energy 2025 Economic Development Budget and 2024 Economic Development Annual Report

Dear Ms. Van Gerpen:

In accordance with the Decision and Order approving the Settlement Stipulation Agreement for NG11-003, NorthWestern Corporation, dba NorthWestern Energy ("NorthWestern") hereby submits its proposed economic development 2025 budget and 2024 actual expenses for the South Dakota Public Utilities Commission's ("Commission") review and approval.

Attachment B is NorthWestern's 2024 economic development budget as approved in Docket NG24-003 and actual expenses for 2024. The stipulation agreement for NG11-003 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 2024 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. NorthWestern's proposed 2025 economic development budget is shown in Attachment A. The Commission will note that the cost share is adjusted in Attachment A, with the customer share now capped at \$25,000 and the annual economic development program budget capped at \$50,000, as approved by the Commission's order in NG24-005.

In Attachment B, The Commission will note that there are some adjustments from the 2024 budget and actual expenses in 2024. 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. In other cases, some organizations had dues increases that increased our contributions. The final adjusted dollar amount that was spent in 2024 was \$1,449 more than the overall adjusted budget as approved by the Commission in Docket NG24-003. 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 2024 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 and community or regional economic development leaders from within our service territory. Advantage South Dakota uses a regionalized approach in developing economic development opportunities and promoting job growth for member communities. The primary areas of focus for Advantage South Dakota include business attraction, business expansion, business retention, and workforce development. The monies available through this initiative enable our economic development partners to address issues that may not otherwise be addressed.

During 2024, one key area of focus was once again workforce development and workforce housing. As such, the Advantage South Dakota group allocated approximately \$15,000 to assist communities with their workforce development initiatives. Additionally, the group allocated \$17,500 in funding to assist with capacity building and education of the local economic development practitioners. In 2025, NorthWestern Energy will remain focused 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 continue working with existing service territory businesses regarding business expansion opportunities. NorthWestern will also continue to leverage our key account and mid-sized business activities to identify and support business expansion and retention opportunities. In addition, we will continue our efforts 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.

NorthWestern received a dues request from the Aberdeen Chamber of Commerce in December 2023 for their 2024 dues and it was paid in December 2023. Dues contributions for the Aberdeen Chamber of Commerce will resume to normal in 2025. Additionally, a number of our local chambers of commerce increased or modified their dues and funding requests for 2024. These dues increases are reflected in Attachment B.

Once again, several organizations that normally receive financial support from NorthWestern for economic development activities did not submit payment requests in 2024. Therefore, the 2024 actual expenses in Attachment B have been adjusted to reflect the non-payment of these dues. This was largely attributed to turnover and vacancies at these organizations, and we have reached out to remind new organizational leaders to remember to request funds in 2025. The 2025 proposed budget in Attachment A has been adjusted accordingly.

NorthWestern Energy takes its role in helping South Dakota to be viable and competitive in the pursuit of economic development opportunities very seriously. We understand the value of partnerships and well-planned communications in highlighting the benefits 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 2025 economic development budget and 2024 expenses. If there are any questions regarding this filing, please contact me at your convenience.

Thank you,

Pamela A. Bonrud

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