



March 31, 2026

Leah Mohr, Executive Director
South Dakota Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

RE: NG26 - _____ - NorthWestern Energy Public Service Corporation 2026 Economic Development Budget and 2025 Economic Development Annual Report

Dear Ms. Mohr:

In accordance with the Decision and Order approving the Settlement Stipulation Agreement for NG24-005, NorthWestern Energy Public Service Corporation (“NorthWestern”) hereby submits its proposed economic development 2026 budget and 2025 actual expenses for the South Dakota Public Utilities Commission’s (“Commission”) review and approval.

The stipulation agreement for Docket NG24-005 provides for an economic development annual budget cap of \$50,000 that can be allocated to natural gas customers. These costs are to be split 50/50 between NorthWestern and our natural gas customers. Therefore, the customer share of those expenses is capped at \$25,000. While our overall 2025 budget and expenses exceeded the \$50,000 cap, NorthWestern is providing a full representation of its economic development contributions for the Commission’s information. NorthWestern’s proposed 2026 economic development budget is shown in Attachment A. No economic development funding proposed by NorthWestern in its 2026 economic development budget will be used for lobbying at the state or federal level.

Attachment B is NorthWestern’s 2025 economic development budget as approved in Docket NG25-002. The Commission will note that there are some adjustments from the approved 2025 budget and actual expenses. The final adjusted dollar amount that was spent in 2025 was \$17,408 less than the overall adjusted budget as approved by the Commission in Docket NG25-005. 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 2025 was used for lobbying at the state or federal levels.

Once again, several organizations that normally receive financial support from NorthWestern for economic development activities did not submit payment requests in 2025. Therefore, the 2025 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. Notably, NorthWestern did not receive a request from the Aberdeen Development Corporation in 2025 because of an invoice communication issue which decreased actual expenses. We have worked with them to resolve this going forward. Additionally, a number of our local chambers of commerce increased or modified their dues and funding requests for 2025. These dues increases are also reflected in Attachment B. We reached out to remind new organizational leaders to remember to request funds in 2026 and have already received requests in 2026 from some of those organizations that did not submit in 2025. The 2026 proposed budget in Attachment A has been adjusted accordingly.

Advantage South Dakota is the flagship economic development tool used by NorthWestern. 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 funding available through this initiative enables our economic development partners to address issues that may not otherwise be addressed.



During 2025, key areas of focus remained workforce development and workforce housing. As such, the Advantage South Dakota group allocated approximately \$30,000 to assist communities with their workforce development initiatives. Additionally, the group allocated \$22,500 in funding to assist with capacity building and education of the local economic development practitioners. In 2026, 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. 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. 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>).

NorthWestern 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 respectfully requests Commission approval of our proposed 2026 economic development budget and 2025 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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Cc: Rick Edwards, Director Community Connections, NorthWestern Energy
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