

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy, for Approval of the Commission to Make Certain Changes in its Rate for Natural Gas Service

Docket No.

14-BHCG-502 -RTS

DIRECT TESTIMONY OF

JENNIFER C. LANDIS

FOR BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC

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2 **I. INTRODUCTION AND QUALIFICATIONS**

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Jennifer C. Landis. My business address is 625 Ninth Street, Rapid
5 City, South Dakota 57701.

6 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

7 A. I am employed by Black Hills Service Company ("Service Company"), a wholly-
8 owned subsidiary of Black Hills Corporation ("BHC"), as the Director, Corporate
9 Human Resources and Talent Management.

10 **Q. FOR WHOM ARE YOU TESTIFYING ON BEHALF OF TODAY?**

11 A. I am testifying on behalf of Black Hills/Kansas Gas Utility Company, LP. ("Black
12 Hills Kansas" or "Company").

13 **Q. PLEASE BRIEFLY SUMMARIZE YOUR ACADEMIC AND PROFESSIONAL**
14 **BACKGROUND?**

1 A. I have a Bachelors Degree in Applied Management and a Masters Degree in
2 Global Human Resources Development. I have over 18 years of experience in
3 adult learning and development and 9 years in human resources with
4 specializations in strategic workforce planning, leadership and employee
5 development, succession planning, employee engagement, performance
6 management, and project management. I am certified by the Human Capital
7 Institute in Strategic Workforce Planning. I belong to several professional human
8 resource organizations and speak publicly on human resources topics at
9 association and industry conferences.

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. The purpose of my testimony is to provide: 1) a discussion regarding current
12 industry workforce concerns; 2) an overview of Black Hills Kansas' current
13 workforce; and 3) an explanation of the proposed Future Track Workforce
14 Development Program, a recruitment and training program to address pending
15 retirements.

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17 **II. INDUSTRY WORKFORCE CONCERNS**

18 **Q. PLEASE DESCRIBE THE CHALLENGES THE UTILITY INDUSTRY AS A**
19 **WHOLE IS EXPERIENCING WITH ITS WORKFORCE REQUIREMENTS.**

20 A. The utility industry is uniquely faced with an aging workforce and a scarcity of
21 talent, especially technical talent. According to the 2013 Center for Energy
22 Workforce Development (“CEWD”) Gaps in the Energy Workforce Survey, the
23 utility industry will likely replace up to 55% of its workforce due to retirement and

1 attrition within the next 10 years. This impending wave of retirements, coupled
2 with a decrease in the number of workers entering the industry, is well
3 documented in several industry studies and white papers by the National
4 Regulatory Research Institute, the California Public Utilities Commission, and the
5 U.S. Department of Labor.

6 **Q. ARE THERE ANY POSITION SPECIFIC STATISTICS THAT SUPPORT THIS**
7 **CONCERN?**

8 A. Yes. The CEWD study highlights line mechanics, electric and gas operations
9 technicians, plant operators, and engineers and presents findings that 36% of
10 these workers may be lost between 2013 and 2017 through attrition and
11 retirement. In addition to the number of employees leaving the job market, other
12 industry data demonstrates a lack of candidates available to fill these openings.
13 For example, the table below provides nationwide data regarding the number of
14 active candidates and job openings for a number of typical natural gas utility jobs,
15 over the last two years:

Position(O*Net Occupation Family)	Active Candidates in US	Job Postings in US
Gas Plant Operators	2,434	1,940
Control and Valve Installers and Repairers	1,595	3,464

16 While the Gas Plant Operator category shows a larger number of active
17 candidates than job openings, this is a broad category and the numbers specific
18 to natural gas operations are likely much lower. These statistics illustrate the
19 challenges the industry is facing with respect to filling critical role vacancies.

1 **Q. ARE LOCAL UTILITIES ALSO EXPERIENCING A SHORTAGE OF ELIGIBLE**
2 **CANDIDATES TO FILL CRITICAL POSITIONS?**

3 A. Yes. According to statewide industry data, there were 19 gas plant operators
4 seeking employment in Kansas from February 2012 to February 2014, and there
5 were 16 openings. During the same period, there were 15 control and valve
6 installers seeking Kansas employment, with 65 job postings.

Position(O*Net Occupation Family)	Active Candidates in KS	Job Postings in KS
Gas Plant Operators	19	16
Control and Valve Installers and Repairers	15	65

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8 **III. BLACK HILLS KANSAS' WORKFORCE**

9 **Q. IS BLACK HILLS KANSAS FACING THE SAME CHALLENGES AS THE**
10 **UTILITY INDUSTRY REGARDING IMPENDING RETIREMENTS?**

11 A. Yes. As of February 28, 2014, Black Hills Kansas employed approximately 134
12 people. Over the next 8 years, over 22% of Black Hills Kansas' current workforce
13 will reach the age of 62, which has been the historical average age of retirement
14 of employees at Black Hills Kansas and its parent, BHC.

15 **Q. DOES THE IMPENDING WORKFORCE LOSS CAUSE ANY CONCERN?**

16 A. Yes. The magnitude of impending retirements causes the Company significant
17 concern. The employees expected to retire in the next eight years represent
18 nearly 36% of total years of experience with the Company. Many of the roles
19 most critical to Black Hills Kansas operations have a particularly high retirement
20 risk. The following table illustrates this point.

Position	2014	Expected	Expected
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	Headcount	Retirements Over 8 Years	Retirement Percent
Service Technician	34	4	11.8%
Gas Operations Technicians	42	9	21.4%
Field Measurement Tech	4	1	25%
Leak Technicians	7	3	42.9%
Cathodic Technicians	2	1	50%
Construction Representatives	5	1	20%
Customer Relations	2	1	50%

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The impending loss of critical institutional knowledge, especially in jobs that have significant technical skills requirements, presents a risk to the Company and its ability to continue to efficiently provide safe and reliable service.

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Q. WHAT STEPS HAS BLACK HILLS KANSAS UNDERTAKEN TO ADDRESS THESE CONCERNS IN THE PAST?

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A. BHC has implemented strategic workforce planning processes and practices at each of its utility business units, including Black Hills Kansas. The strategic workforce planning process includes an examination of the current workforce demographics, projections of potential losses due to employee retirement over the next 5 to 8 years, and a thorough discussion of the skills and knowledge that will be needed to serve our customers. Through this process, Black Hills Kansas has identified specific areas of risk due to a shortage of workers possessing specialized skills and created action plans to begin addressing gaps in unique organizational and systems knowledge.

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1 **Q. WHAT ARE THE STEPS BLACK HILLS KANSAS IS CURRENTLY TAKING**
2 **TO ADDRESS THIS CRITICAL WORKFORCE ISSUE?**

3 A. Building on efforts already underway at Black Hills Kansas, the company has
4 created a comprehensive strategic workforce planning program – the
5 FutureTrack Workforce Development Program (“FutureTrack”) – which will
6 involve the hiring, training, and preparation of new workers to perform specialized
7 and critical work necessary to continue providing Black Hills Kansas' customers
8 and communities with safe and reliable service. This is a company-wide initiative
9 that BHC will implement at each of its utility subsidiaries.

10 **IV. FUTURETRACK WORKFORCE DEVELOPMENT PROGRAM**

11 **Q. PLEASE PROVIDE A GENERAL OVERVIEW OF FUTURETRACK.**

12 A. The primary function of FutureTrack is to recruit talent within critical areas to
13 complete the advanced training necessary to fill highly skilled positions upon
14 retirement of existing employees. The training provided to employees hired into
15 FutureTrack will be flexible and innovatively tailored to the education and
16 experience level of the individual employee. Most of the training will occur on the
17 job and under very close supervision. Some positions will require bookwork,
18 classroom based training, and examinations. In addition, potential candidates
19 may be offered a scholarship, covering tuition, books, and tools, to a regional
20 Kansas vocational school to receive training necessary to meet minimum
21 qualifications for FutureTrack positions. A program description is included in
22 Exhibit JL-1.

23 **Q. PLEASE EXPLAIN WHY BLACK HILLS KANSAS NEEDS TO HIRE IN**

1 **ADVANCE OF RETIREMENTS.**

2 A. Black Hills Kansas relies on skilled labor to safely and reliably deliver natural gas
3 to its customers. These roles are technically complex and take years of study
4 and application before independent competence is achieved. The learning period
5 for these jobs far exceeds the typical amount of notice Black Hills Kansas would
6 receive from employees giving notice of their intent to retire. To keep up with the
7 loss of talent caused by retirements, Black Hills Kansas must begin training and
8 hiring replacement workers well in advance of expected retirements. Given the
9 scarcity of qualified replacements, Black Hills Kansas will not be able to meet its
10 workforce demands through traditional hiring practices, as it has in the past.

11 **Q. WHAT POSITIONS HAVE BEEN IDENTIFIED FOR INCLUSION IN THE**
12 **PROGRAM?**

13 A. FutureTrack includes service technicians, gas operations technicians, field
14 measurement technicians, leak technicians, cathodic technicians, construction
15 representatives, customer relations representatives and information technology
16 developers. Also included in the program is a category of positions called
17 operations support and management roles. This group of positions is included
18 due to the nature of the skills, knowledge, and advanced training necessary for
19 success in these roles.

20 **Q. WHY WERE THESE POSITIONS SELECTED FOR INCLUSION?**

21 A. The positions selected for inclusion will have some or all of the following
22 characteristics: the role is critical to Black Hills Kansas operations; the role
23 requires unique or specialized skills and knowledge with a minimum requirement

1 of six months advanced training to achieve competence; the role is difficult to fill
2 or requires a unique or specialized skill set; the role is geographically isolated
3 from backup coverage and other employees, and the role has incumbent
4 employees who will reach retirement eligibility within the next 4-8 years.

5 **Q. HOW DID BLACK HILLS KANSAS FORECAST ITS WORKFORCE NEEDS?**

6 A. Black Hills Kansas' workforce was assessed to determine retirement risk by job
7 function and/or position. Historical retirement data demonstrates that long-
8 tenured, pension eligible employees historically retire around the age of 62. Once
9 the retirement risk was determined for each job function, interviews were
10 conducted with Black Hills Kansas business unit managers and human resource
11 support staff, and collective bargaining unit agreements were consulted.

12 **Q. DESCRIBE THE TYPICAL EXPERIENCE PROFILE OF A FUTURETRACK**
13 **EMPLOYEE?**

14 A. There is no typical experience profile. FutureTrack will recruit both inexperienced
15 and partially qualified workers. One focus of FutureTrack is to identify and recruit
16 high school students during their junior or senior year of high school from Black
17 Hills Kansas communities. These students will receive scholarships to a regional
18 Kansas vocational school appropriate for the position they are selected to fill. The
19 program will also target re-training more mature workers who are interested in
20 entering the utility industry (e.g., former military personnel).

21 Any candidate who applies for and meets the minimum qualifications for a posted
22 FutureTrack position will be considered for employment. Minimum qualifications
23 will vary based on the posted position's requirements. Preference may be given

1 to qualified candidates that have local ties and intend to put down roots in Black
2 Hills Kansas communities.

3 **Q. PLEASE EXPLAIN WHY A SCHOLARSHIP COMPONENT IS INCLUDED IN**
4 **FUTURETRACK.**

5 A. Many of the jobs in the FutureTrack program require technical school certificates
6 or college degrees for consideration. Additionally, the majority of skilled utility
7 workers are approaching retirement. A different approach is necessary to attract
8 the sufficient numbers of people from the next generation to work in the utility
9 industry. The intent is to create training and job opportunities for Kansas
10 residents within our service area.

11 **Q. PLEASE EXPLAIN HOW THE SCHOLARSHIP COMPONENT OF**
12 **FUTURETRACK WILL BE IMPLEMENTED.**

13 A. Of the FutureTrack jobs that require technical school certificates or college
14 degrees, roughly 50% of the FutureTrack positions expected to be filled over an
15 eight year period will receive scholarships. Technical school scholarships will
16 include tuition, books, and tools (as applicable). Recipients of full scholarships,
17 for example, will be asked to sign a letter of intent to work for Black Hills Kansas
18 upon graduation, with the stipulation that if the recipient decides not to work for
19 Black Hills Kansas for at least two years, the recipient will repay Black Hills
20 Kansas the sum of their scholarship. For positions requiring a college degree, a
21 scholarship will be offered for a portion of the last year of the degree. The same
22 letter of intent with the payback stipulation will be used. These scholarships will
23 send regional residents to regional schools to prepare for jobs at Black Hills

1 Kansas.

2 **Q. ARE YOU AWARE OF ANY OTHER COMPANIES THAT ARE OFFERING**
3 **SCHOLARSHIPS TO POTENTIAL EMPLOYEES?**

4 A. Yes. Black Hills Iowa has a close relationship with Northeast Iowa Community
5 College in Peosta, Iowa and provides scholarships to technical school students.
6 Similarly, Black Hills Power, another BHC utility in South Dakota, has built a
7 close relationship with Mitchell Technical Institute (“MTI”) in Mitchell, SD.
8 Approximately 25 companies are working with MTI to provide scholarships for
9 MTI students that require employment with the sponsoring company following
10 graduation. These scholarships require the recipient to work for the sponsoring
11 company for a pre-determined number of years.

12 **Q. WHAT ARE THE OVERALL COSTS TO CUSTOMERS ASSOCIATED WITH**
13 **FUTURETRACK?**

14 A. The anticipated total annual cost to customers for the program is \$245,968 for
15 each of the next eight years. This includes costs associated with labor and
16 benefits, scholarships, relocation, and training as shown in the table below. As
17 described in the testimony of Ann Stichler, Black Hills Kansas is requesting that
18 expenditures for the program that exceed \$245,968 annually over each of the
19 next eight years be recorded in a regulatory account. If in any of the eight years
20 the annual expenditures are less than \$245,968, the amount of the difference
21 will be credited to customers through the regulatory account. For additional
22 information regarding the requested treatment of these costs, please refer to the
23 testimony of Ann Stichler.

Expense Type	Estimated Annual Cost
Labor & Benefits	\$185,950
Relocation/Onboarding	\$23,444
Scholarships	\$13,410
Training	\$23,164
Total	\$245,968

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Q. PLEASE PROVIDE AN EXAMPLE OF HOW THE COSTS FOR ONE FUTURETRACK EMPLOYEE WOULD FLOW THROUGH THE PROGRAM.

A. The table below shows the progression of a newly recruited high school student through the entire FutureTrack training period and into a gas operations role.

Year	Expense Type	Regulatory Account Cost	BHE Cost	Notes
0	Scholarship to Community College for Natural Gas Transmission and Distribution program	\$13,550		Scholarship covers tuition, books, and fees
1	Relocation Cost	\$5,000		If necessary, to relocate within Black Hills Kansas' service territory
	Other Onboarding Cost	\$4,850		Equipment (Tools, Computer, etc.)
	Training Costs	\$8,100		Certifications, courses, conferences, travel, etc.
	Labor and Benefits	\$51,324	\$30,794	Employee is able to begin working independently on some tasks after 6 months of training; Labor costs are shared by Black Hills Kansas

7 Not all FutureTrack employees will receive scholarships or relocation. This
8 example shows how all elements of the program, if used and necessary, are
9 applied. A complete description of the developed revenue requirement for the
10 FutureTrack program is included as Exhibit JL-2.

1 **Q. IS A FUTURETRACK EMPLOYEE’S COMPENSATION CHARGED TO THE**
2 **FUTURETRACK REGULATORY ACCOUNT DURING THE ENTIRE TRAINING**
3 **PERIOD?**

4 A. Employee compensation costs are fully charged to the regulatory account during
5 the initial training period, the length of which varies for each position. Once the
6 employee begins to gain competence and can begin to do some independent
7 work the costs begin to shift from the regulatory account to Black Hills Kansas
8 accounts. Productivity metrics were developed for each type of FutureTrack
9 position. These metrics are applied to estimate the percentage and timing of
10 moving compensation expenses from the regulatory account to Black Hills
11 Kansas. By the end of the training period, the entire compensation cost is
12 covered by Black Hills Kansas and the employee will transition into regular full-
13 time employment as another employee is retiring..

14 **Q. HOW DOES BLACK HILLS KANSAS PLAN TO TRACK THE COSTS**
15 **ASSOCIATED WITH THE FUTURE TRACK WORKFORCE DEVELOPMENT**
16 **PROGRAM?**

17 A. Each FutureTrack employee-in-training will be tracked using a custom field in
18 our human resources management and financial systems. FutureTrack accounts
19 allow our financial systems to capture and report all expenses associated with
20 the labor, benefits, relocation, scholarship, and training of FutureTrack
21 employees.

22 **Q. WHAT ARE THE BENEFITS OF FUTURETRACK FOR CUSTOMERS?**

23 A. Black Hills Kansas’ employees are the most important element of the Company’s

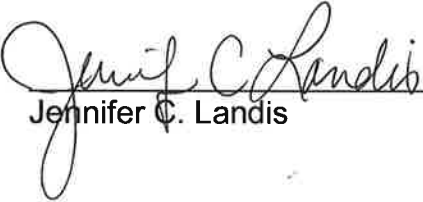
1 ability to meet its obligation to serve. Given the certainty of upcoming
2 retirements, and the expected shortage of qualified utility-industry job applicants,
3 innovative solutions are required. By training and preparing workers in advance
4 of retirement, long-tenured and experienced workers are given the time and
5 opportunity to transfer their knowledge of the job, the customers, the company
6 culture, and the skills they've honed over their 30-plus years in a specialized role
7 with Black Hills Kansas. This knowledge transfer over time translates to
8 increased understanding, compliance, safety, and overall performance.
9 FutureTrack creates a deeper sense of engagement and integration into the
10 workgroup and Company for both the retiring worker and the employee-in-
11 training, which decreases turnover, increases retention, and improves efficiency,
12 system safety, and reliability. Combined, these benefits decrease unnecessary
13 costs due to preventable incidents, inefficiencies, and knowledge loss.
14 FutureTrack is good for our customers, our communities, and for Black Hills
15 Kansas.

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 A. Yes.

STATE OF South Dakota)
) ss
COUNTY OF Pennington)

I, Jennifer C. Landis, being first duly sworn on oath, depose and state that I am the same Jennifer C. Landis identified in the foregoing Direct Testimony; that I have caused the foregoing Direct Testimony to be prepared and am familiar with the contents thereof, and that the foregoing Direct Testimony as identified therein is true and correct to the best of my knowledge, information and belief as of the date of this Affidavit.


Jennifer C. Landis

Subscribed and sworn to before me
A Notary Public, in and for said County
And State, this 17th day of April 2014.


Notary Public

My Commission Expires: 12-1-14



BHE – Kansas Rate Case Exhibit: FutureTrack Workforce Development Program

The Purpose: The FutureTrack Workforce Development Program (“FutureTrack”) is being created to offset the large number of retirements exiting Black Hills Kansas’ workforce over the next eight years by training and preparing new workers to perform specialized and critical work necessary to continue providing safe, reliable service to Black Hills Energy’s customers.

Forecasting Workforce Needs: All positions at Black Hills Kansas were evaluated to identify the utility’s most critical workforce needs. Positions were reviewed to determine: 1) if unique or specialized skills and knowledge are required to perform the job safely; 2) if the position is critical to operations or directly supports critical operations; 3) if retirement within the role’s current incumbents creates risk to the utility’s ability to provide safe, reliable service; 4) if there is at least a 6 month training time required to reach full productivity/competence before the employee can work independently; and 6) if there is limited availability to find replacement workers in the labor pool/external market.

Positions included in the FutureTrack are critical. Workforce needs created through the loss of experienced workers through retirements must be managed proactively and prudently.

FutureTrack Positions:

Applying the criteria listed above resulted in the following positions inclusion in FutureTrack:

1. Service Technician
2. Gas Operations Tech
3. Field Measurement Technician
4. Leak Technician
5. Cathodic Protection Tech
6. Welder
7. Construction Representative
8. External Affairs Manager
9. Customer Relations Representative
10. Information Technology Developers
11. Other Operations Support and Management Roles: *This group of roles was included due to the nature of the skills and knowledge required; however, there is not currently a need to hire duplicate staff in these areas. Should there be unexpected retirements or*

a change in business needs, duplicate hires could be made in these positions. Examples include:

- Operations Management
- Welders
- Systems Operators and System Operations Analysts
- Energy Services Representatives
- Generation Dispatch/Power Marketing roles

Participant Criteria & Selection: Any candidate who applies for and meets the minimum qualifications for a posted FutureTrack position will be considered for employment under the program. Minimum qualifications will vary based on the posted position's requirements.

Program Length: The length of the FutureTrack program depends on the job an employee-in-training is hired into and the experience that individual brings with them into the job. The least amount of time an employee-in-training will spend in the program is 6 months and the greatest is 4 years.

Program Components: FutureTrack includes some scholarships and relocation, onboarding, and training (classroom and on-the-job) for employees in the program.

Scholarships: Many of the jobs in the FutureTrack program require technical school or college degrees. To fill these jobs, scholarships have been included in the FutureTrack program. These scholarships will target Black Hills Kansas' service area residents to attend regional technical schools.

Relocation: In some cases, relocation may be necessary. FutureTrack includes limited relocation dollars to assist employees-in-training to relocate themselves and their families to/near Black Hills Kansas service areas.

Onboarding: All FutureTrack employees will go through a comprehensive onboarding program. The onboarding program will include all elements traditionally covered with Black Hills Kansas employees, but will also contain additional material about their responsibilities as FutureTrack employees-in-training.

Training: The specific training requirements vary for each position in FutureTrack. Many of the positions are tied to apprenticeships, while others require specialized training of a different variety. Because many of the individuals historically hired into Black Hills Kansas positions have had prior utility experience, it is anticipated that additional training will likely be needed to support FutureTrack employees-in-training who will bring little to no prior utility experience.

Tracking & Reporting: All activities associated with the FutureTrack program will be recorded and reported to the commission annually.

Estimated Total Program Cost:

Cost to Customers: The anticipated total annual cost to customers for the program is \$245,968. This includes costs associated with labor and benefits, scholarships, relocation, and training.

Productivity Adjustments: As FutureTrack employees-in-training gain the knowledge and experience needed to work productively, their labor and benefit costs will be shared and eventually transferred fully to Black Hills Kansas. Each position in the FutureTrack program has a different training timeline and productivity curve, which was used to determine the amount of the cost sharing between customers and Black Hills Kansas.

Program Expense True-Up: Retirement decisions are highly personal and workers may decide to alter their retirement plans to either work longer or retire sooner. Because of this, the cost of the program is expected to fluctuate over time. In addition to reporting the program's status to the commission annually, we recommend a true-up audit be performed in 5 years. Any expenses planned for but not realized will be returned to Black Hills Kansas customers. Likewise, any reasonable and documented expenses that exceed the approved FutureTrack regulatory account will be brought before the commission for reimbursement.

Black Hills Kansas - FutureTrack Workforce Development Program ("FutureTrack")

State	Job Function	Bargaining Unit	Average Annual Salary with Productivity Adjustment	Loading Less Compensated Absences	Fully Loaded Average Annual Salary with Productivity Adjustments	KSG Ownership % / CAM %	FutureTrack Avg Annual Labor Cost	Training & Transition Period Req'd (in yrs)	Average Annual Labor Cost per FutureTrack Hire	Training Cost per FutureTrack Hire	Avg. Acquisition Cost per FutureTrack Hire	Total Cost per FutureTrack Hire
KS	Non-Union Service Technician	Non Union	\$ 29,328	75%	\$ 51,324.00	70%	\$35,927	1.0	\$35,927	\$5,670	\$7,187	\$48,783
KS	Union Service Technician	KSG 640	\$ 32,435	68%	\$ 54,490.80	70%	\$38,144	1.0	\$38,144	\$5,670	\$7,770	\$51,584
KS	Non-Union Gas Operations Technicians	Non-Union	\$ 27,248	75%	\$ 47,684.00	100%	\$47,684	1.0	\$47,684	\$11,900	\$11,867	\$71,451
KS	Union Gas Operations Technicians	KSG 640	\$ 34,398	68%	\$ 57,788.64	100%	\$57,789	1.0	\$57,789	\$11,900	\$18,400	\$88,089
KS	Field Measurement Technicians	Non-Union	\$ 32,525	75%	\$ 56,918.32	100%	\$56,918	2.0	\$56,918	\$8,100	\$9,850	\$131,787
KS	Leak Technicians	Non-Union	\$ 27,248	75%	\$ 47,684.00	100%	\$47,684	1.0	\$47,684	\$8,100	\$8,600	\$64,384
KS	Cathodic Technicians	Non-Union	\$ 32,525	75%	\$ 56,918.32	100%	\$56,918	2.0	\$56,918	\$8,100	\$27,225	\$149,162
KS	Construction Representatives	Non-Union	\$ 42,289	75%	\$ 74,006.11	100%	\$74,006	2.0	\$74,006	\$3,100	\$8,800	\$159,912
KS	Customer Relations Representatives	Non-Union	\$ 38,098	75%	\$ 66,671.51	100%	\$66,672	2.0	\$66,672	\$3,100	\$8,800	\$145,243
	IT Developer	Non-Union	\$ 32,526	65%	\$ 53,667.90	6%	\$3,220	1.0	\$3,220	\$450	\$720.00	\$4,390
	Other Positions	Non-Union	\$ 45,760	65%	\$ 75,504.00	30%	\$22,651	1.0	\$22,651	\$1,540	\$6,119	\$30,310

Black Hills Kansas - FutureTrack Workforce Development Program ("FutureTrack")

Anticipated Retirements

State	Job Function	March 4, 2014 Headcount	To 2014	To 2015	To 2016	To 2017	To 2018	To 2019	To 2020	To 2021	8 yr Total for Job Function	Number of FutureTrack Hires Proposed	
KS	Non-Union Service Technician	26	0	2	1	0	0	0	0	0	3		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>	2	1									3
		<i>Duplicate hire Cost yr 1:</i>	\$97,567	\$48,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$146,350
KS	Union Service Technician	8	0	0	0	0	0	1	0	0	1		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>					1						1
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$0	\$0	\$0	\$51,584	\$0	\$0	\$0	\$0		\$51,584
KS	Non-Union Gas Operations Technicians	33	1	0	1	1	1	1	1	1	7		
		<i>Replacement Costs (Not included):</i>	1										1
		<i>Duplicate hire Count:</i>		1	1	1	1	1	1				6
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$71,451	\$71,451	\$71,451	\$71,451	\$71,451	\$71,451	\$0			\$428,704
KS	Union Gas Operations Technicians	9	0	0	0	0	0	0	0	2	2		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>								2			2
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$176,177	\$0			\$176,177
KS	Field Measurement Technicians	4	0	0	0	1	0	0	0	0	1		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>		1									1
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$74,868	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$131,787
				\$56,918	\$0	\$0	\$0	\$0	\$0				
KS	Leak Technicians	7	2	0	1	0	0	0	0	0	3		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>	2	1									3
		<i>Duplicate hire Cost yr 1:</i>	\$128,768	\$64,384	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$193,152
KS	Cathodic Technicians	2	0	0	0	0	0	0	0	1	1		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>					1						1
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$0	\$0	\$0	\$92,243	\$0	\$0	\$0	\$0		\$149,162
			\$0	\$0	\$0	\$56,918	\$0	\$0	\$0				
KS	Construction Representatives	5	1	0	0	0	0	0	0	0	1		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>	1										1
		<i>Duplicate hire Cost yr 1:</i>	\$85,906	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$159,912
			\$74,006	\$0	\$0	\$0	\$0	\$0	\$0				
KS	Customer Relations Representatives	2	0	0	0	0	0	1	0	0	1		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>				1							1
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$0	\$0	\$78,572	\$0	\$0	\$0	\$0	\$0		\$145,243
			\$0	\$0	\$66,672	\$0	\$0	\$0	\$0				
IT Developer		5			1	1	1	2			5		
		<i>Replacement Costs (Not included):</i>											0
		<i>Duplicate hire Count:</i>		1	1	1	2						5
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$4,390	\$4,390	\$4,390	\$8,780	\$0	\$0	\$0	\$0		\$21,950
Other Positions		2	2	2	2	2	2	2	2	2	16		
		<i>Replacement Costs (Not included):</i>	2	2									4
		<i>Duplicate hire Count:</i>	2	2	2	2	2	2	2	2			12
		<i>Duplicate hire Cost yr 1:</i>	\$0	\$60,621	\$60,621	\$60,621	\$60,621	\$60,621	\$60,621	\$60,621	\$0		\$363,724
Totals:		5	4	6	5	4	6	4	5	41		0	
<i>Replacement Costs (Not included):</i>		3	2	0	0	0	0	0	0	0		5	
<i>Duplicate hire Count:</i>		5	7	4	5	7	3	5	0			36	
Total KSG Regulatory Account Costs		\$312,241	\$398,503	\$193,380	\$215,033	\$351,350	\$188,990	\$308,249	\$0			\$1,967,746	

Average per year (based on 8 years): \$ 245,968