

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION) OF NORTHWESTERN CORPORATION) DBA NORTHWESTERN ENERGY FOR) AUTHORITY TO INCREASE ITS ELECTRIC) RATES))))	ORDER GRANTING JOINT MOTION FOR APPROVAL OF REVISED SETTLEMENT STIPULATION; ORDER APPROVING INTERIM REFUND PLAN
	EL14-106

On December 19, 2014, the South Dakota Public Utilities Commission (Commission) received an application by NorthWestern Corporation dba NorthWestern Energy (NWE) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$26.5 million annually or approximately 20.24% based on its test year ending September 30, 2014. NWE states a typical residential electric customer using 750 kWh per month would see an increase of \$16.76 per month. The proposed changes may potentially affect approximately 62,100 customers in NWE’s South Dakota service territory. NWE proposed an effective date of March 1, 2015.

On December 24, 2014, the Commission electronically transmitted notice of the Application and the intervention deadline of February 6, 2015, to interested individuals and entities on the Commission’s PUC Weekly Filings listserv. On February 6, 2015, Toshiba America Business Solutions, Inc., Trail King industries, Inc., and Redfield Energy, LLC (collectively, the Industrial Intervenors) and Wal-Mart Stores, Inc. (Wal-Mart) filed Petitions to Intervene. On January 8, 2015, the Commission issued an Order Assessing a Filing Fee and Suspending the Operation of Proposed Rates. On March 3, 2015, the Commission granted intervention to the Industrial Intervenors and Wal-Mart.

On March 20, 2015, the Commission received a petition from twenty-seven customers requesting to suspend the proposed rate increase requested by NWE and hold a public hearing. On April 2, 2015, the Commission granted the request to hold a public hearing. On May 14, 2015, a public meeting was held in Yankton to address concerns of the public. On June 26, 2015, NWE filed its notice of intent to implement interim rates effective for service on or after July 1, 2015. On September 2, 2015, the parties agreed to suspend the procedural schedule. On September 24, 2015, Staff and NWE filed a Joint Motion for Approval of Settlement Stipulation. On October 16, 2015, NWE, Staff, Wal-Mart, and the Industrial Intervenors filed a Joint Motion for Approval of Revised Settlement Stipulation and a Revised Settlement Stipulation. On October 16, 2015, Staff filed a Memorandum Supporting Revised Settlement Stipulation. On October 27, 2015, NWE filed its Interim Refund Plan and customer notice.

The revised tariff sheets proposed by NWE, effective for service rendered on and after the in-service date of the Big Stone Generation Station Air Quality Control System, expected to be January 1, 2016, are as follows:

South Dakota Electric Rate Schedule

Section No. 1:

15th Revised Sheet No. 1
 11th Revised Sheet No. 2
 Original Sheet No. 3

Cancelling 14th Revised Sheet No. 1
 Cancelling 10th Revised Sheet No. 2

Section No. 2:

4th Revised Sheet No. 1
3rd Revised Sheet No. 2
1st Revised Sheet No. 3

Cancelling 3rd Revised Sheet No. 1
Cancelling 2nd Revised Sheet No. 2
Cancelling Original Sheet No. 3

Section No. 3:

16th Revised Sheet No. 1
11th Revised Sheet No. 2
1st Revised Sheet No. 2.1
14th Revised Sheet No. 3
2nd Revised Sheet No. 3.1
12th Revised Sheet No. 4
2nd Revised Sheet No. 4.1
1st Revised Sheet No. 4.2
18th Revised Sheet No. 5
3rd Revised Sheet No. 5.1
15th Revised Sheet No. 6
4th Revised Sheet No. 6.1
12th Revised Sheet No. 7
2nd Revised Sheet No. 7.1
11th Revised Sheet No. 8
2nd Revised Sheet No. 8.1
18th Revised Sheet No. 9
14th Revised Sheet No. 10
15th Revised Sheet No. 11
1st Revised Sheet No. 11.1
15th Revised Sheet No. 12
7th Revised Sheet No. 13
16th Revised Sheet No. 14
1st Revised Sheet No. 14.1
15th Revised Sheet No. 15
1st Revised Sheet No. 15.1
6th Revised Sheet No. 16
3rd Revised Sheet No. 17
10th Revised Sheet No. 18
1st Revised Sheet No. 18.1
6th Revised Sheet No. 19
2nd Revised Sheet No. 19.1
7th Revised Sheet No. 20
2nd Revised Sheet No. 20.1
1st Revised Sheet No. 21
1st Revised Sheet No. 21.1
1st Revised Sheet No. 21.2
5th Revised Sheet No. 22
14th Revised Sheet No. 23
8th Revised Sheet No. 24
10th Revised Sheet No. 25
7th Revised Sheet No. 25.1
3rd Revised Sheet No. 25.2
9th Revised Sheet No. 26
7th Revised Sheet No. 27

Cancelling 15th Revised Sheet No. 1
Cancelling 10th Revised Sheet No. 2
Cancelling Original Sheet No. 2.1
Cancelling 13th Revised Sheet No. 3
Cancelling 1st Revised Sheet No. 3.1
Cancelling 11th Revised Sheet No. 4
Cancelling 1st Revised Sheet No. 4.1
Cancelling Original Sheet No. 4.2
Cancelling 17th Revised Sheet No. 5
Cancelling 2nd Revised Sheet No. 5.1
Cancelling 14th Revised Sheet No. 6
Cancelling 3rd Revised Sheet No. 6.1
Cancelling 11th Revised Sheet No. 7
Cancelling 1st Revised Sheet No. 7.1
Cancelling 10th Revised Sheet No. 8
Cancelling 1st Revised Sheet No. 8.1
Cancelling 17th Revised Sheet No. 9
Cancelling 13th Revised Sheet No. 10
Cancelling 14th Revised Sheet No. 11
Cancelling Original Sheet No. 11.1
Cancelling 14th Revised Sheet No. 12
Cancelling 6th Revised Sheet No. 13
Cancelling 15th Revised Sheet No. 14
Cancelling Original Sheet No. 14.1
Cancelling 14th Revised Sheet No. 15
Cancelling Original Sheet No. 15.1
Cancelling 5th Revised Sheet No. 16
Cancelling 2nd Revised Sheet No. 17
Cancelling 11th Revised Sheet No. 18
Cancelling Original Sheet No. 18.1
Cancelling 5th Revised Sheet No. 19
Cancelling 1st Revised Sheet No. 19.1
Cancelling 6th Revised Sheet No. 20
Cancelling 1st Revised Sheet No. 20.1
Cancelling Original Sheet No. 21
Cancelling Original Sheet No. 21.1
Cancelling Original Sheet No. 21.2
Cancelling 4th Revised Sheet No. 22
Cancelling 13th Revised Sheet No. 23
Cancelling 7th Revised Sheet No. 24
Cancelling 9th Revised Sheet No. 25
Cancelling 6th Revised Sheet No. 25.1
Cancelling 2nd Revised Sheet No. 25.2
Cancelling 8th Revised Sheet No. 26
Cancelling 6th Revised Sheet No. 27

14th Revised Sheet No. 28
2nd Revised Sheet No. 28.1
8th Revised Sheet No. 29
13th Revised Sheet No. 30
3rd Revised Sheet No. 30.1
12th Revised Sheet No. 31
2nd Revised Sheet No. 31.1
12th Revised Sheet No. 32
10th Revised Sheet No. 33
5th Revised Sheet No. 33.1
5th Revised Sheet No. 34

Section No. 5:

8th Revised Sheet No. 1
3rd Revised Sheet No. 1a
4th Revised Sheet No. 2
4th Revised Sheet No. 3
8th Revised Sheet No. 4
2nd Revised Sheet No. 5
5th Revised Sheet No. 6
2nd Revised Sheet No. 6.1
6th Revised Sheet No. 7
2nd Revised Sheet No. 8
2nd Revised Sheet No. 9
2nd Revised Sheet No. 10
1st Revised Sheet No. 11
1st Revised Sheet No. 12
1st Revised Sheet No. 13

Section No. 6:

9th Revised Sheet No. 1
8th Revised Sheet No. 1.1
6th Revised Sheet No. 2
7th Revised Sheet No. 3
5th Revised Sheet No. 4
4th Revised Sheet No. 5
4th Revised Sheet No. 6
4th Revised Sheet No. 7
4th Revised Sheet No. 8
1st Revised Sheet No. 8.1
6th Revised Sheet No. 9
4th Revised Sheet No. 10
2nd Revised Sheet No. 10.1
2nd Revised Sheet No. 11
3rd Revised Sheet No. 12
2nd Revised Sheet No. 12.1
1st Revised Sheet No. 13
3rd Revised Sheet No. 13.1
2nd Revised Sheet No. 14
1st Revised Sheet No. 14.1
2nd Revised Sheet No. 15
2nd Revised Sheet No. 16

Cancelling 13th Revised Sheet No. 28
Cancelling 1st Revised Sheet No. 28.1
Cancelling 7th Revised Sheet No. 29
Cancelling 12th Revised Sheet No. 30
Cancelling 2nd Revised Sheet No. 30.1
Cancelling 11th Revised Sheet No. 31
Cancelling 1st Revised Sheet No. 31.1
Cancelling 11th Revised Sheet No. 32
Cancelling 9th Revised Sheet No. 33
Cancelling 4th Revised Sheet No. 33.1
Cancelling 4th Revised Sheet No. 34

Cancelling 7th Revised Sheet No. 1
Cancelling 2nd Revised Sheet No. 1a
Cancelling 3rd Revised Sheet No. 2
Cancelling 3rd Revised Sheet No. 3
Cancelling 7th Revised Sheet No. 4
Cancelling 1st Revised Sheet No. 5
Cancelling 4th Revised Sheet No. 6
Cancelling 1st Revised Sheet No. 6.1
Cancelling 5th Revised Sheet No. 7
Cancelling 1st Revised Sheet No. 8
Cancelling 1st Revised Sheet No. 9
Cancelling 1st Revised Sheet No. 10
Cancelling Original Sheet No. 11
Cancelling Original Sheet No. 12
Cancelling Original Sheet No. 13

Cancelling 8th Revised Sheet No. 1
Cancelling 7th Revised Sheet No. 1.1
Cancelling 5th Revised Sheet No. 2
Cancelling 6th Revised Sheet No. 3
Cancelling 4th Revised Sheet No. 4
Cancelling 3rd Revised Sheet No. 5
Cancelling 3rd Revised Sheet No. 6
Cancelling 3rd Revised Sheet No. 7
Cancelling 3rd Revised Sheet No. 8
Cancelling Original Sheet No. 8.1
Cancelling 5th Revised Sheet No. 9
Cancelling 3rd Revised Sheet No. 10
Cancelling 1st Revised Sheet No. 10.1
Cancelling 1st Revised Sheet No. 11
Cancelling 2nd Revised Sheet No. 12
Cancelling 1st Revised Sheet No. 12.1
Cancelling Original Sheet No. 13
Cancelling 2nd Revised Sheet No. 13.1
Cancelling 1st Revised Sheet No. 14
Cancelling Original Sheet No. 14.1
Cancelling 1st Revised Sheet No. 15
Cancelling 1st Revised Sheet No. 16

1st Revised Sheet No. 17
2nd Revised Sheet No. 18
3rd Revised Sheet No. 19
2nd Revised Sheet No. 19.1
2nd Revised Sheet No. 20
2nd Revised Sheet No. 21
3rd Revised Sheet No. 22
3rd Revised Sheet No. 23
1st Revised Sheet No. 24
Original Sheet No. 25
Original Sheet No. 26
Original Sheet No. 27
Original Sheet No. 28
Original Sheet No. 29
Original Sheet No. 30
Original Sheet No. 31
Original Sheet No. 32
Original Sheet No. 33
Original Sheet No. 34
Original Sheet No. 35
Original Sheet No. 36
Original Sheet No. 37
Original Sheet No. 38
Original Sheet No. 39
Original Sheet No. 40
Original Sheet No. 41
Original Sheet No. 42
Original Sheet No. 43
Original Sheet No. 44
Original Sheet No. 45
Original Sheet No. 46
Original Sheet No. 47
Original Sheet No. 48
Original Sheet No. 49
Original Sheet No. 50
Original Sheet No. 51
Original Sheet No. 52
Original Sheet No. 53
Original Sheet No. 54
Original Sheet No. 55
Original Sheet No. 56

Cancelling Original Sheet No. 17
Cancelling 1st Revised Sheet No. 18
Cancelling 2nd Revised Sheet No. 19
Cancelling 1st Revised Sheet No. 19.1
Cancelling 1st Revised Sheet No. 20
Cancelling 1st Revised Sheet No. 21
Cancelling 2nd Revised Sheet No. 22
Cancelling 2nd Revised Sheet No. 23
Cancelling Original Sheet No. 24

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically, 1-26-20, 49-34A-3, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-14, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-21, and 49-34A-22.

The Joint Motion and Interim Refund Plan were noticed for Commission consideration and action at its regularly scheduled Commission meeting on October 29, 2015. The Commission heard from NWE, Staff, and intervenors concerning the Joint Motion and related Revised Settlement Stipulation. Having thoroughly reviewed the filings in the docket and after making further inquiry of the parties, the Commission found that the terms and conditions

proposed in the Revised Settlement Stipulation were just, reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve the Revised Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion and approve the Revised Settlement Stipulation. The Commission also considered the issue of approval of NWE's Interim Refund Plan. Finding that the Interim Refund Plan as proposed by NWE properly balances the interests of NWE in having a workable plan that is not unduly administratively burdensome and the interests of customers in obtaining a prompt and substantially complete refund of non-deminimus over-collections during the interim period and is therefore just and reasonable, the Commission voted unanimously to approve NWE's Interim Refund Plan. It is therefore

ORDERED, that the Joint Motion for Approval of Revised Settlement Stipulation is granted and the Revised Settlement Stipulation is approved. The Revised Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein. It is further

ORDERED, that NWE's Interim Refund Plan is approved as filed. It is further

ORDERED, that the tariff sheets set forth above are approved for service rendered on and after the in-service date of the Big Stone Generating Station Air Quality Control System, expected to be January 1, 2016. NWE shall file final tariff sheets reflecting the final effective date.

Dated at Pierre, South Dakota, this 4th day of November, 2015.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Rolayne West</u>
Date: <u>11-4-15</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner