

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

<b>IN THE MATTER OF THE FILING BY )</b>	<b>)</b>	<b>ORDER APPROVING</b>
<b>NORTHWESTERN CORPORATION D/B/A )</b>	<b>)</b>	<b>TERMINATION OF THE</b>
<b>NORTHWESTERN ENERGY FOR )</b>	<b>)</b>	<b>DEMAND SIDE</b>
<b>APPROVAL OF ITS SOUTH DAKOTA )</b>	<b>)</b>	<b>MANAGEMENT PLAN</b>
<b>DEMAND SIDE MANAGEMENT PLAN )</b>	<b>)</b>	
		<b>GE16-005</b>

On November 18, 2016, the South Dakota Public Utilities Commission (Commission) received a filing from NorthWestern Corporation dba NorthWestern Energy (NWE) to revise its Demand Side Management Plan (DSM Plan) for 2017. Specifically, NWE requested that the Commission approve its proposed modifications to the 2017 DSM Plan and budgets. Further, NWE requested approval of the revised gas and electric Energy Efficiency Adjustment rates and tariff sheets that account for a true-up of tracker account balances and the 2017 DSM Plan proposed budgets, with an effective date of January 1, 2017.

On November 23, 2016, the Commission electronically transmitted notice of the filing and the intervention deadline of December 9, 2016, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On December 13, 2016, Commission staff (Staff) filed a letter requesting suspension of the 2017 DSM Plan until March 1, 2017, and allowing the current Energy Efficiency Adjustment rates to remain in effect until otherwise ordered by the Commission. On December 21, 2016, the Commission issued an order suspending NWE's 2017 DSM Plan until March 1, 2017.

After considering Staff's concerns regarding the cost effectiveness of the DSM Plan, NWE concluded that it is unable to offer a DSM Plan that meets the desired results for energy savings and achieve cost effectiveness levels expected by the Commission, therefore on January 31, 2017, NWE filed a letter notifying the Commission of its intent to discontinue its DSM Plan. NWE intends to complete a true-up of the tracking account balances once final costs have been compiled. Upon the completion of the true-up, NWE will request approval to terminate the energy efficiency adjustment rates and the method for managing the tracker account balances. On February 24, 2017, Staff filed a memorandum agreeing with NWE's plan to leave the existing rates in place until a final report is filed and the true-up is completed in this docket.

The Commission has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-8.2, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, and 49-34A-14.

At its regularly scheduled meeting on February 28, 2017, the Commission considered the matter. Following a lengthy discussion, the Commission voted unanimously to grant NWE's request to terminate its DSM Plan. It is therefore

ORDERED, that the termination of NWE's DSM Plan is approved. It is further

ORDERED that the existing rates will remain in effect until a final report is filed and the true-up is approved.

Dated at Pierre, South Dakota, this 9th day of March, 2017.

<p style="text-align: center;"><b>CERTIFICATE OF SERVICE</b></p> <p>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.</p> <p>By: <u>Karen E. Bremer</u></p> <p>Date: <u>03/09/2017</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Kristie Fiegen  
KRISTIE FIEGEN, Chairperson

Gary Hanson  
GARY HANSON, Commissioner

Chris Nelson  
CHRIS NELSON, Commissioner