



Chris Nelson, Chairperson
Kristie Fiegen, Vice Chairperson
Gary Hanson, Commissioner

South Dakota

PUBLIC UTILITIES COMMISSION

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February 17, 2015

Dorothy Jerke

██████████
Delmont, SD 57330

Dear Ms. Jerke:

This is in response to your letter regarding NorthWestern Energy's electric rate increase request filed on Dec. 19, 2014, and currently being analyzed by the commission. I appreciate your concern about rising costs as an individual on a fixed income. Unfortunately, the cost of living increases for all of us due to cost causers over which we have little or no control.

NorthWestern Energy has a monthly budget billing plan that you may wish to look into. With budget billing, you pay the same amount each month. Amounts are calculated based upon the past 12 months of usage at your current location and the rates currently in effect. NorthWestern will review your budget billing amount periodically to prevent a large overpayment or underpayment from accumulating on your account. Contact the utility's customer service staff by calling (800) 245-6977 to inquire about this to help manage your utility expenses.

When a utility files a rate case with the commission, the commissioners and staff are obligated by law to thoroughly process the case. The commission cannot simply reject it since we are required to investigate and make a just and reasonable decision. This process can take almost a year to complete. Each commissioner, the commission's staff and expert consultants hired by staff as needed will review the entire case or docket separately, as will any intervenors in the case. These separate parties to the case will request and review additional data from the utility before commissioners ultimately render a decision. The law provides guidance as to how we must process and consider such a case, and it requires a decision be made within a year of the application. The commission typically needs most of that one-year period to complete its work.

To help you better understand the processing of rate increase requests, a document titled Electric Rate Increase Requests Info Guide is enclosed.

The commission currently has open electric rate case dockets from not only NorthWestern, but also Black Hills Power, Xcel Energy and MidAmerican Energy, as well as a natural gas rate case for the latter. Therefore, four of South Dakota's six investor-owned electric utilities are requesting increased rates. We are also hearing of rate increases in the news from rural electric cooperatives and municipal electric systems. If you access the applications filed by the four utilities mentioned and regulated by the PUC, available on our website, you will find the reasons cited by the utilities as to the need for these proposed increases. Every one references new federal mandates including recent EPA mandates.

Your comments and this response will be filed in docket. You can find it by going to www.puc.sd.gov and clicking on Commission Actions, Commission Dockets, Electric Dockets, 2014 Electric Dockets, and EL14-106.

Thank you for taking the time to share your concerns. My fellow commissioners and I appreciate hearing from consumers like you.

Sincerely,

A handwritten signature in cursive script that reads "Chris Nelson". The signature is written in black ink and is positioned below the word "Sincerely,".

Chris Nelson