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December 28, 2017

VIA EMAIL TRANSMISSION

patty.vangerpen@state.sd.us

Patricia Van Gerpen Executive Director South Dakota Public Utilities Commission 500 East Capitol Pierre, SD 57501

Re: EL16-021 Consolidated Edison Development v. NorthWestern

Dear Ms. Van Gerpen:

Consolidated Edison Development, Inc. ("CED"), is in receipt of the Commission's Final Decision and Order Setting Avoided Cost in this docket, filed and served December 20, 2017.

Be advised that CED takes exception to the findings of fact and conclusions of law contained in the December 20, 2017, filing. Although the Rules of Civil Procedure do not require CED to take formal exception to the findings of fact and conclusions of law, we are submitting this letter so it is clear in the record that the company disagrees with the Commission's decision and the findings of fact that underpin it.

In recent filings, including the company's Motion for Entry of Order Concluding the Case of November 30, 2017, CED has expressed the view that the evidence does not support the Commission's findings and conclusions with respect to a variety of subjects, ranging from the calculation of payments for capacity, integration regulation costs, charges for and the recovery of interconnection costs, the discount rate used for levelization of the avoided cost rate, and the treatment of the so-called Situation 1, 2, and 3 circumstances. In addition, CED takes exception based on the evidence presented at the hearing, noting that the evidence does not support the findings, conclusions, and Final Decision and Order.

Notwithstanding the exceptions noted above, CED has already taken steps to engage NorthWestern in discussions aimed at finalizing the power purchase agreement, per the direction in the last paragraph of the order portion of the Decision and Order.

¹ SDCL 15-6-52(a) provides, in part, "Any action or decision of the [agency] in making . . . findings of fact or conclusions of law shall be deemed excepted to . . ."

TAYLOR LAW FIRM

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Please accept this letter for filing in the docket.

Yours sincerely,

JOHN E. TAYLOR FOR

William Taylor

One of the attorneys for Consolidated Edison

Development

cc: Commission Service List