



May 28, 2014

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

RE: GE12-001 – In the Matter of a Filing by NorthWestern Corporation, d.b.a. NorthWestern Energy, for Approval of Tariff Revisions to its South Dakota Demand Side Management Plan

Dear Ms. Van Gerpen:

During the May 27, 2014 South Dakota Public Utilities Commission (Commission) meeting, the Commission granted NorthWestern Energy's (NorthWestern) request to defer further action in this docket until the Commission's June 10, 2014 meeting. As a result, NorthWestern offers a proposal for Commission consideration related to the effective date of the DSM tariff and the tracking of NorthWestern costs for implementation of our DSM plan in South Dakota during the remainder of June 2014. NorthWestern's proposal is based on receiving Commission approval of our DSM Plan at the June 10, 2014 Commission meeting. This proposal also assumes the Commission will approve our DSM Plan as submitted.

The effective date of the proposed DSM tariff and NorthWestern's ability to initiate preliminary activities to establish a DSM program in South Dakota have been altered due to our request to defer Commission action until June 10, 2014. NorthWestern proposes that the Commission approve an effective date of July 1, 2014 for the DSM tariff. Updated versions of the electric and natural gas DSM tariffs reflecting a July 1, 2014 effective date are included with this communication.

It is imperative that NorthWestern begin DSM Plan implementation as soon as possible in order for us to meet our goal of making DSM Plan measures available to our customers with the start of the fall heating season (October 1, 2014). NorthWestern respectfully requests that the Commission allow us to begin tracking DSM related costs in conjunction with Commission approval occurring on June 10, 2014. DSM expenses incurred between June 10 and June 30 would be included in the DSM program tracker.

There is an additional benefit to delaying the DSM tariff effective date until July 1st as it will give NorthWestern adequate time to inform employees of the DSM Plan and the new tariff charges. This time is critical to educating our customer service representatives so they can knowledgeably respond to any customer inquiries. It will also give us time to work with our large-load customers to introduce them to the South Dakota DSM Plan and available measures that they can take advantage of to become more energy efficient. These discussions with our large-load

customers will also include information related to the DSM tariff charge that will begin to appear on their utility bill.

NorthWestern respectfully requests Commission approval of our proposed July 1, 2014 DSM tariff implementation date and the ability to accrue DSM related costs beginning June 10, 2014. If there are any additional questions, please feel free to contact me at your convenience.

Sincerely,



Pamela A. Bonrud

Director – Regulatory and Government Affairs

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Attachment (1)

Cc: Bill Thomas, Manager Regulatory Support Services, NorthWestern Energy
Jeff Decker, Specialist Regulatory, NorthWestern Energy
Tom Glanzer, Coordinator DSM & Public Relations, NorthWestern Energy