

**NOTICE OF PUBLIC HEARING
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
DOCKET NG11-003**

**WHAT: Application of NorthWestern Corporation dba NorthWestern Energy
for Authority to Increase Its Natural Gas Rates**

**WHEN/WHERE: Monday, October 17, 2011, at 7:00 P.M. in the basement meeting
room at City Hall, 410 Main St., Scotland, S.D.**

In accordance with SDCL 49-34A-12, the South Dakota Public Utilities Commission (Commission) will hold a public hearing at the above time and place on the Application filed on May 20, 2011, by NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for approval to increase rates for natural gas service in its South Dakota service territory by \$4,123,035 annually or 7.20 percent based on NorthWestern's test year ended December 31, 2010. NorthWestern has stated that the proposed increase for a residential customer would average \$8.31 per month based on average monthly usage of 63 therms. The proposed rates may potentially affect approximately 43,750 customers in NorthWestern's South Dakota service territory.

On September 9, 2011, the Commission received a Petition under SDCL 49-34A-12 from twenty-five (25) customers requesting the Commission to suspend the proposed rate increase requested by NorthWestern and to hold public hearings to determine if such a rate should be allowed. The suspension of rates had previously been implemented by the Commission at its May 31, 2011, regular meeting at which the Commission voted unanimously to suspend the rate increase for 180 days, the maximum suspension period allowed by law. At its regular meeting on September 27, 2011, the Commission took up the Petition and voted unanimously to hold a public hearing in Scotland to hear customer's comments, concerns, and questions.

At the public hearing, interested persons may present their questions, views and comments regarding the Application. The Application is on file in the Commission's office in the Capitol Building in Pierre, and the Application and all other documents in the case may also be accessed on the Commission's web site at www.puc.sd.gov under: Commission Actions, Commission Dockets, Natural Gas Dockets, 2011 Natural Gas Dockets, NG11-003, or may be obtained by calling or writing the Commission.

NorthWestern must show that the underlying costs of the proposed rate increase are prudent, efficient, and economical and are reasonable and necessary to provide service to the public utility's customers in this state. In making its decision, the Commission is required by law to give due consideration to the public's need for adequate, efficient, economical, and reasonable service and to the need of the public utility for revenues sufficient to enable it to meet its total current cost of furnishing such service, including taxes and interest, and including adequate provision for depreciation of its utility property used and necessary in rendering service to the public, and to earn a fair and reasonable return upon the value of its property. Based upon these factors and the evidence presented to the Commission, the Commission will decide, in a final proceeding before the Commission, whether the requested rate increase should be approved or denied or whether a lesser rate increase should be approved.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Commission at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you. The Commission's contact information is: ph (800) 332-1782; www.puc.sd.gov; 500 E. Capitol Ave., Pierre, SD 57501.