



Pamela A. Bonrud
Director - Government &
Regulatory Affairs
Phone: (605) 978-2900
Fax: (605) 978-2919
Pam.Bonrud@northwestern.com

NorthWestern Corporation
d/b/a NorthWestern Energy
3010 W 69th Street
Sioux Falls, SD 57108
Telephone: (605) 978-2940
Facsimile: (605) 978-2910
www.northwesternenergy.com

November 21, 2011

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

RE: RM11-001- In the Matter of the Adoption of Rules Regarding Renewable Energy Credits and Renewable, Recycled and Conserved Energy; Gas and Electric Customer Billing

Dear Ms. Van Gepen,

NorthWestern Corporation, dba NorthWestern Energy, appreciates this opportunity to provide written comments in relation to the above referenced docket.

Specifically, NorthWestern has a suggested change for the commission to consider related to proposed language contained in 20:10:17:09:01, as noted below:

20:10:17:09.01. Timeframe for overcharge or undercharge payments. If a utility has overcharged a customer as defined in §§ 20:10:17:06, 20:10:17:07, 20:10:17:08, or 20:10:17:09, the utility shall refund the overcharge within thirty days of the overcharge determination. If a utility has undercharged a customer as defined in §§ 20:10:17:06, 20:10:17:07, 20:10:17:08, or 20:10:17:09 and the utility charges the customer for the unpaid electricity or gas, the utility shall divide the total undercharge by two times the number of undercharged months to determine the amount of undercharge the customer may pay each month until the undercharge is paid unless:

- (1) The customer has selected a shorter repayment schedule; or
- (2) The customer and utility have agreed on a longer repayment schedule.

The basis for our suggestion relates to how NorthWestern is able to accommodate an undercharge situation within our billing system. When NorthWestern becomes aware that an undercharge has occurred due to a meter reading error, a corrected meter reading and correction is noted immediately on the customer's next bill. Thereby, the customer is alerted that an undercharge has occurred due to an incorrect meter read and the related amount that is due. The customer is then able to decide if they want to pay the full amount due with their next payment or if they need to contact NorthWestern to explore payment arrangements. The practice also allows future billings to reflect current usage by that customer and the appropriate amounts due.

When a customer and NorthWestern agree to a payment arrangement, the payment arrangement is not reflected on the customer's bill. The customer is held responsible to meet the payment schedule. NorthWestern's current billing system does not allow the utility to "bill" the customer on a monthly basis for the payment arrangement. For this reason, changing the proposed rule language from "may be billed" to

“may pay” will allow NorthWestern to comply with the rules and gives customers the ability to pay for undercharge situations without being financially overburdened.

In regards to the proposed rules related to the Renewable Energy Credits and Renewable, Recycled, and Conserved Energy, NorthWestern is supportive of the rules as drafted. NorthWestern believes the draft rules provide the proper definition and framework for reporting requirements related to the use of conserved energy in meeting the renewable, recycled, and conserved energy objective (RREO) established under SDCL 49-34A-101. The draft rules contained in the proposed Administrative Rules Chapter 20:10:38 are also prudent in recognizing the potential financial burden to utilities and their customers in not requiring overly burdensome measurement and verification activities or reporting requirements related to conserved energy if a utility chooses to use conserved energy to meet South Dakota’s voluntary RREO.

NorthWestern Energy extends its appreciation to staff and the commissioners in working with us to draft administrative rules that are workable for the utility and our customers. If there are any additional questions, please feel free to contact me at any time.

Sincerely,



Pamela A. Bonrud
Director – Government and Regulatory Affairs

Cc: Jeff Decker, NorthWestern Energy
Lori St. Aubin, NorthWestern Energy
Sara Dannen, NorthWestern Energy
John Phyfield, NorthWestern Energy

Certificate of Service

Dori L. Quam hereby certifies that on this 21st day of November, 2011, a true and correct copy of NorthWestern Energy's comments in Docket No. RM11-001 were served upon the following by electronic mail:

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
patty.vangerpen@state.sd.us

Rolayne Ailts Wiest, Staff Attorney
South Dakota Public Utilities Commission
rolayne.wiest@state.sd.us

Kerry Kaseman, Resource Planner
Otter Tail Power Company
kkaseman@otpc.com

Robert K. Sahr, General Counsel
East River Electric Power Cooperative
bsahr@eastriver.coop

Suzan M. Stewart, Senior Managing Attorney
MidAmerican Energy Company
smstewart@midamerican.com

Tamie A. Aberle, Pricing & Tariff Manager
Montana Dakota Utilities Co.
tamie.aberle@mdu.com

Casey Jacobson, Attorney at Law
Basin Electric Power Cooperative, Inc.
cjacobson@bepc.com

Darla Pollman Rogers, Attorney at Law
Riter Rogers Wattier & Brown LLP
dprogers@riterlaw.com

Chris Kilpatrick, Director of Rates
Black Hills Power Inc.
chris.kilpatrick@blackhillcorp.com

Jim Wilcox, Manager – Government & Regulatory Affairs
Xcel Energy
james.c.wilcox@xcelenergy.com

Brad Klein
Environmental Law & Policy Center
bklein@elpc.org

Justin Vickers
Environmental Law & Policy Center
jvickers@elpc.com

Lawrence Novotny
South Dakota Resources Coalition
sdrc@brookings.net

Mrg Simon
Missouri River Energy Services
mrgsimon@mrenergy.com

Ron Spangler Jr., Regulatory Services
Otter Tail Power Company
rlspangler@otpc.com

Steve Wegman
wind@pie.midco.net



Dori L. Quam