



January 29, 2025

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

Dear Ms. Van Gerpen:

Pursuant to Section No. 3, Sheet No. 33.1 (5) of NorthWestern Energy's Electric Tariff, enclosed is 326th Revised Sheet No. 33a and 109th Revised Sheet No. 33b.

Sheet Nos. 33a and 33b reflect changes in the delivered cost of fuel, delivered cost of energy and ad valorem taxes paid to be effective February 1, 2025.

The effect of Sheet Nos. 33a and 33b for a typical Rate 10 residential service customer using 750 Kwh per month would be an increase in the monthly cost of \$4.04. The new monthly cost effective February 1, 2025 is \$117.16. The monthly cost effective November 1, 2024 was \$113.12.

In Docket EL14-106, NorthWestern received approval to pass the Production Tax Credits (PTC's) from the Beethoven Wind Farm back to customers via the fuel tracker. The PTC's will end in May 2025, which is 10 years after they began. Given 2025 is the final year, this filing removes PTC credits for all months after May.

NorthWestern currently has a deferred tax balance for the PTC's. The Inflation Reduction Act of 2022 created the ability to monetize that deferred tax balance for PTC's realized after 2022. In Docket EL23-016, NorthWestern proposed monetizing PTC's as a way to reduce the deferred tax balance, which benefits ratepayers in the long run. The commission approved, and allowed any costs associated with monetizing the PTCs to be passed to customers via the fuel tracker, as long as the benefits to rate payers were demonstrated to be greater than the costs of doing the monetizing transaction. In October 2024, NorthWestern monetized its 2023 PTC's. Exhibit E of this filing demonstrates the benefit to customers. The transaction costs of \$1,338,271.74 are offset by approximately two years' of return the customers would have paid on the deferred tax balance. Row 79 shows the Total and Net Present Value of the benefit to customers of this transaction for the length of time the PTC's would be in rate base.

Please contact me if you have any questions.



Sincerely,

Jeff J. Decker

Regulatory Specialist

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SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION d/b/a NORTHWESTERN ENERGY
SOUX FALLS
SOUTH DAKOTA

Section 3
326th Revised **Sheet No. 33a**
Canceling 325th Revised **Sheet No. 33a**

ADJUSTMENT CLAUSE RATES

Per KWH
Per Month

Delivered Cost of Energy - Energy Charge:

Rate No. 10 - Residential Service	\$0.00922	
Rate No. 11 - Residential Service with Space Heating	\$0.00922	
Rate No. 14 - Residential Space Heating and Cooling	\$0.00922	
Rate No. 15 - Residential Dual Fuel and Controlled Services	\$0.00922	
Rate No. 16 - Interruptible Irrigation Service	\$0.01003	
Rate No. 17 - Irrigation Service	\$0.01003	
Rate No. 18 - Off Peak Irrigation Service	\$0.01003	
Rate No. 21 - General Service	\$0.01003	
Rate No. 23 - Commercial Water Heating	\$0.01003	
Rate No. 24 - Commercial Space Heating and Cooling	\$0.01003	
Rate No. 25 - All-Inclusive Commercial Service	\$0.01003	
Rate No. 41 - Municipal Pumping Service	\$0.00841	
Rate No. 70 - Controlled Off Peak Service	\$0.00705	
Rate No. 19 - Reddy-Guard, Rate No. 56 - Street and Area Lighting	\$0.00922	

Per KW
Per Month

Delivered Cost of Energy - Demand Charge:

Rate No. 33 - Commercial and Industrial Service	\$2.17	
Rate No. 34 - Large Commercial and Industrial Service	\$2.17	

(Continued)

Date Filed: January 29, 2025

Service on or after
Effective Date: February 1, 2025
Issued By: Jeff Decker, Specialist Regulatory