

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION)
OF NORTHWESTERN CORPORATION,)
(d/b/a NORTHWESTERN ENERGY), FOR) Docket No. EL14-106
THE AUTHORITY TO INCREASE ITS)
ELECTRIC UTILITY RATES)

NOTICE OF INTENT TO IMPLEMENT INTERIM RATES

Pursuant to SDCL 49-34A-17, NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) respectfully submits to the South Dakota Public Utilities Commission (“Commission”) this Notice of Intent to Implement Interim Rates for its South Dakota retail electric customers on and after July 1, 2015 (the “Interim Rate Increase”). No Commission action is required for NorthWestern to implement the Interim Rate Increase. The Interim Rate Increase of \$26,509,557 million, or approximately 20.24 percent on total revenue, will remain in effect until final rates are implemented following the Commission’s determination of the pending Application for Authority to Increase Electric Utility Rates (“Application”).

In support of this Notice of Intent, NorthWestern submits the following:

1. On December 19, 2014, NorthWestern filed with this Commission its Application for approval to increase rates for electric utility services to customers in its South Dakota service territory on or after March 1, 2015. The Application requested an increase of approximately \$26.5 million in total annual revenues from NorthWestern’s South Dakota customers and proposed rate design different from the rate design currently in effect.
2. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by the Company for 180 days beyond the Application filing date of December 19, 2014. The suspension period expires June 17, 2015.
3. A final decision by the Commission regarding NorthWestern’s proposed rate increase is not anticipated to be entered prior to June 17, 2015.
4. SDCL 49A-34A-17 provides, in part, as follows:

The public utility may implement the proposed practice, the proposed rate, or a rate lower than the proposed rate if:

- (1) The proposed rate or practice has not been suspended or is no longer subject to suspension;
- (2) The commission has not issued a final decision; and
- (3) Thirty days has passed from the date of filing.

Therefore, NorthWestern has the right, to implement the proposed rates set forth in its Application on or after June 17, 2015.

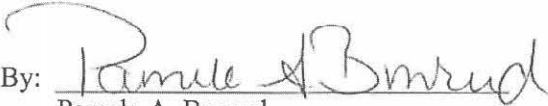
5. SDCL 49-34A-17 states, in part, “If the public utility implements the proposed rate or a rate lower than the proposed rate, the utility shall use the same rate design that is currently in effect or the rate design that the public utility proposed when public utility filed for the increased rate.” NorthWestern has chosen to implement the Interim Rate Increase with the proposed rate design in the Application set forth in Volume 1, Section 2, and to apply the increase to base electric revenues on July 1, 2015.
6. NorthWestern will track customer billing impacts during the interim period to provide a proper accounting of any refund(s) that may be owed following a final decision by the Commission regarding this Application. If the Commission ultimately approves final rates that are lower than the Interim Rate Increase for any particular customer or customer class, NorthWestern will refund, with interest, any interim rate amounts that are greater than the level approved by the Commission in its final order in this case.
7. Proper notice to customers of NorthWestern’s Application has previously been filed with the Commission as part of the Application. While there is no notice required by South Dakota statute or administrative rule for implementation of the Interim Rate Increase, NorthWestern will provide notice to its customers as follows:
 - a. Notice will be given to the public no later than June 15, 2015, by posting, as prescribed in South Dakota Administrative Rule 20:10:13:18, a public notice of implementation of interim rates and of the availability of this “Notice of Intent to Implement Interim Electric Utility Rates” in a conspicuous place in the business offices and service offices of NorthWestern in South Dakota. A courtesy copy of NorthWestern’s public notice is included as Attachment B to this Notice of Intent to Implement Interim Electric Utility Rates;
 - b. Notice will be given to the public no later than June 15, 2015 by publishing a copy of this “Notice of Intent to Implement Interim Electric Utility Rates” on the NorthWestern’s website (www.northwesternenergy.com); and
 - c. Notice will be given to the public by providing a bill insert in customers’ bills starting with the June 15, 2015 billing cycle of the Company’s intent to implement interim electric utility rates. A courtesy copy of the NorthWestern’s customer bill insert is included as Attachment A to this “Notice of Intent to Implement Interim Electric Utility Rates”.

For these reasons set forth above, NorthWestern respectfully informs the Commission of its intent to implement an Interim Electric Utility Rate Increase for service on and after July 1, 2015, and until final rates are implemented following the entry of the Commission's decision and order in this matter or until any appeals are exhausted.

NorthWestern agrees that placing interim electric utility rates into effect will not affect the Commission's authority to order a refund of the Interim Rate Increase pursuant to SDCL 49-34A-17, SDCL 49-34A-22, or SDCL 49-34A-23, if the Commission determines that a rate increase less than the Interim Electric Utility Rate Increase is appropriate in the Commission's final decision regarding this Application.

Respectfully submitted on this 29th day of May, 2015.

NORTHWESTERN ENERGY

By: 
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Director, Government and Regulatory Affairs