



December 13, 2022

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, DC 20426

via eFiling

Re: *NorthWestern Corporation (South Dakota)*, Docket No. ER23-____-000
Informational Filing for Formula Rate Annual Update
Rate Year: April 1, 2022, to March 31, 2023

Dear Secretary Bose:

Pursuant to its Formula Rate Protocols,¹ NorthWestern Corporation submits this Informational Filing for its South Dakota Formula Rate Annual Update for the rate year that began April 1, 2022.

This submission is provided to the Commission for informational purposes only. This submission is not intended to be subject to the Commission's notice requirements, and the Commission need not take any action in response to this informational filing.

I. Background

NorthWestern is a public utility engaged in the generation, transmission, and distribution of electricity and the supply and transportation of natural gas. Its facilities are located primarily in Montana and South Dakota. In South Dakota, NorthWestern is a transmission owner within the Southwest Power Pool, Inc. (SPP) and has transferred functional control of its electric transmission facilities to SPP. In Montana, NorthWestern is a transmission owner/operator and Balancing Authority Area operator within the Western Electricity Coordinating Council. NorthWestern's Montana and South Dakota transmission facilities are not physically connected and are not in the same electric reliability region. This informational filing and the associated formula rate concern NorthWestern's South Dakota transmission facilities.

¹ NorthWestern Energy's Transmission Formula Rate Template and Formula Rate Protocols are on file with the Commission as Attachment H, Addendum 27 to the SPP Open Access Transmission Tariff, Sixth Revised Volume No. 1.



II. Informational Filing

Pursuant to Section VI of the Formula Rate Protocols, this filing provides the information to support the input data under the Formula Rate. This informational filing includes the following documents:

- 1) This transmittal letter; and
- 2) Annual Update for Rate Year April 1, 2022, to March 31, 2023, in Microsoft Excel format, with the formulas intact. The Annual Update is based on historical data from NorthWestern's 2021 FERC Form No. 1.²

Accounting Changes

None.

Corrections or Adjustments made during the Review Period

None.

Ongoing Disputes under the Challenge Procedures

None.

Order No. 864 Compliance Filing, Docket No. ER20-1090-000 and Order No. 864 3rd Compliance Filing, Docket No. ER20-1090-001 (Pending)

On February 26, 2020, NorthWestern submitted proposed revisions to its Formula Rate Template to account for changes caused by the Tax Cuts and Jobs Act, as required by Order No. 864.³ In response to a deficiency notice from the Commission, NorthWestern submitted a second compliance filing on March 15, 2022. NorthWestern submitted a third compliance filing on November 16, 2022 to address additional questions raised by Commission Staff on an August 18, 2022 conference call⁴. Consistent with the Commission's directive in Order No. 864, NorthWestern requested an effective date of January 27, 2020, for these revisions. NorthWestern used this revised template in preparing its 2022 Annual Update, as it did for its 2020 and 2021 Annual Update. This docket is pending.

² Accession No. 20220304-8001.

³ *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, 84 FED. REG. 65,281, 169 FERC ¶ 61,139 (2019) (Order No. 864), *order on reh'g & clarification*, 171 FERC ¶ 61,033 (2020) (Order No. 864-A).

⁴ Accession No. 20221116-5055.



III. Notice and Service

NorthWestern will ask SPP to (i) provide electronic notice of this Informational Filing to Interested Parties on the Formula Rate Posting Information Notification List maintained by SPP and (ii) post the docket number assigned to NorthWestern's Informational Filing on the Member Related Postings section of SPP's OASIS.

If you have any questions, please contact me.

Respectfully submitted,

s/ Andrew McLain

Andrew McLain

FERC Compliance Officer

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Attachments

cc: South Dakota Public Utilities Commission