

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

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| IN THE MATTER OF THE FILING BY) | ORDER APPROVING |
| NORTHWESTERN CORPORATION DBA) | DEFERRED ACCOUNTING |
| NORTHWESTERN ENERGY FOR APPROVAL) | TREATMENT FOR COSTS |
| OF ITS POWER PLANT STUDY COSTS) | ASSOCIATED WITH A |
| REGULATORY ASSET) | NUCLEAR PLANT STUDY |
|) | AND THE CREATION OF A |
|) | REGULATORY ASSET |
|) | |
|) | |
|) | EL23-002 |

On February 8, 2023, the South Dakota Commission received a filing from NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for approval of deferred accounting treatment and the creation of a regulatory asset for the purpose of accumulating the financial costs of a study regarding NorthWestern’s participation in a potential nuclear plant in South Dakota. NorthWestern asks that costs paid beginning on March 1, 2023, be included in this determination and has provided an estimate of those costs. The costs will be accumulated and held in the regulatory asset for consideration in a future rate filing.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-12.

On February 9, 2023, the Commission electronically transmitted notice of the filing and the intervention deadline of February 24, 2023, to interested individuals and entities. No parties sought intervention.

On February 17 and 28, 2023, NorthWestern filed its responses to Staff’s data requests. On February 23, 2023, Staff filed its memorandum regarding its recommendations for this docket.

At its regularly scheduled February 28, 2023, meeting, the Commission considered this matter. Staff recommended the Commission approve the Company’s requests with the conditions recommended in Staff’s Memorandum. The Commission voted unanimously to allow NorthWestern to use deferred accounting for costs associated with a nuclear plant study and the creation of an associated regulatory asset for costs paid beginning March 1, 2023, including 2024 study costs, with the following conditions:

1. The deferred accounting method and the resulting creation of a regulatory asset shall not preclude Commission review of these amounts and any future cost recovery for reasonableness and prudence, including both rate filings by NorthWestern and rate reviews initiated by the Commission, and does not guarantee any such recovery.
2. The allowance for deferred accounting and the resulting creation of a regulatory asset in this docket is based on the facts of this case and any future deferred accounting method and the resulting creation of a regulatory asset for any other costs not related to this current docket must be approved by the Commission.

It is therefore

ORDERED, that NorthWestern is allowed to use deferred accounting for costs associated with a nuclear plant study and the creation of an associated regulatory asset for costs paid beginning March 1, 2023, including 2024 study costs, with the following conditions:

1. The deferred accounting method and the resulting creation of a regulatory asset shall not preclude Commission review of these amounts and any future cost recovery for reasonableness and prudence, including both rate filings by NorthWestern and rate reviews initiated by the Commission, and does not guarantee any such recovery.

2. The allowance for deferred accounting and the resulting creation of a regulatory asset in this docket is based on the facts of this case and any future deferred accounting method and the resulting creation of a regulatory asset for any other costs not related to this current docket must be approved by the Commission.

Dated at Pierre, South Dakota, this 1st day of March 2023.

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| CERTIFICATE OF SERVICE |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically. |
| By: <u>Adam de Huelde</u> |
| Date: <u>3/1/23</u> |
| (OFFICIAL SEAL) |

BY ORDER OF THE COMMISSION:

Kristie Fiegen

KRISTIE FIEGEN, Chairperson

Gary Hanson

GARY HANSON, Commissioner

Chris Nelson

CHRIS NELSON, Commissioner