

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY PUBLIC SERVICE COMPANY
HURON SIOUX FALLS
SOUTH DAKOTA 57350

Section No. 3
Sheet No. 36
65th Revised
Canceling 54th Revised Sheet No. 36

ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT

ADJUSTMENT

APPLICABILITY

This Energy Efficiency Demand Side Management Adjustment (EEDSMA) applies to all rate schedules for all classes of service authorized by the South Dakota Public Utilities Commission (Commission).

The EEDSMA shall be calculated annually based on actual versus forecasted EEDSM program costs and kwh retail sales for the applicable rate schedules for the twelve months of June through May, and shall include an over or under recovery from prior years' adjustments through the Balancing Account. NorthWestern Energy (the Company) will update and make a EEDSMA filing with the Commission on an annual basis no later than August 1. Since the EEDSM programs will be implemented June 1, 2014, the first year rate recovery period will be from June 1, 2014 through June 30 May 31, 2015. The 2nd year filing will be made by August 1, 2015 with an effective date of October 1, 2015. A filing will be made by August 1 each year thereafter. This annual filing will reflect a recovery period of July 1 through June 30.

ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT ADJUSTMENT

RATE

A EEDSMA rate shall be determined by dividing the EEDSM program costs and the forecasted balance of the EEDSMA Balancing Account by the forecasted retail sales volumes for the upcoming year. The EEDSMA rate shall be rounded to the nearest \$0.0001 per kwh.

The EEDSMA rate may be adjusted annually with approval of the Commission. The EEDSMA rate for all applicable rate schedules is \$0.00058.

EEDSM Program Costs shall include all expenses associated with EEDSM programs and an incentive approved by the Commission. All revenues recovered pursuant to the EEDSMA shall be credited to the Balancing Account.

EEDSMA Balancing Account amount is the EEDSM program costs incurred, less all revenues recovered pursuant to the EEDSMA for the annual year, as adjusted for applicable interest. The Balancing Account shall have interest applied or credited monthly at the rate of return from the Company's last approved electric rate case. The EEDSMA revenues will be applied monthly to the Balancing Account for each customer class.

Forecasted Retail Sales Volumes shall be the most recent twelve month ended estimated retail electric sales for the applicable rate schedules for the designated recovery period.

Date Filed: July 6, 2015 January 27, 2012 Effective Date: October 1, 2015 July 1, 2014

Jeff Decker
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