



June 15, 2021

Ms. Patricia VanGerpen, Executive Director
S.D. Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501

RE: GE20-002____ - COVID-19 Regulatory Asset

Dear Ms. Van Gerpen:

With this letter, NorthWestern Corporation, doing business as NorthWestern Energy (“NorthWestern” or the “Company”), is filing with the South Dakota Public Utilities Commission (“Commission”) an update regarding its request for deferred treatment of the financial effects of COVID-19 and the creation of a regulatory asset for such costs.

On May 1, 2020 NorthWestern joined with other investor owned utilities requesting Commission approval of a regulatory asset for the purpose of accumulating costs relating to COVID-19. NorthWestern requested approval of a regulatory asset to accumulate costs related to bad debt only. On August 19, 2020, the Commission issued its order to allow for deferred accounting treatment and the creation of a regulatory asset for these costs beginning March 13, 2020. NorthWestern filed quarterly updates with the Commission on October 30, 2020 and January 29, 2021. As of December 31, 2020, there was \$48,374 accumulated in the natural gas regulatory asset and \$179,248 in the electric regulatory asset.

Since December 31, 2020 no further amounts have been accumulated in the regulatory assets. With the economic impact of COVID-19 on the decline in our service territory, NorthWestern is no longer accumulating these costs in the previously approved regulatory asset. Bad debt costs accrued beginning on March 13, 2020 were written off in May 2021 business. NorthWestern will not pursue recovery of these costs in a future rate case. We appreciate the Commission’s and staff’s willingness to work with us during this pandemic and are pleased to be able to suspend the accumulation of these costs.

Sincerely,

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