



January 27, 2020

Ms. Brittany Mehlhaff
SD Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Re: Docket NG11-03
Manufactured Gas Plant (MGP) remediation update pursuant to paragraph 3E of Settlement
Stipulation

Dear Ms. Mehlhaff:

NorthWestern is providing you with an electronic file (MGP NG11-03 tracker.xls) which tracks clean-up costs and recoveries related to the Aberdeen MGP site during 2019. NorthWestern incurred \$700,466 of remediation costs and recovered \$2,224,330 from customers during 2019. We also received a rate order in Docket NG18-015 which allowed us to refund back to customers a portion of the over collected position. We refunded \$1,690,744 back to customers in 2019, and that refund will continue through November 30, 2020 per the rate order received in NG19-009. We have a cumulative over collected position of \$1,180,680 as of December 31, 2019. We track our MGP remediation costs and amounts recovered from customers, and apply a 7.79% carrying charge to the under or over collected position at the end of each month. As stated in paragraph 3E of the Settlement Stipulation of Docket NG11-03, NorthWestern will provide this report to you each calendar year before January 31.

We are also providing you a copy of the projected cash flows for remediation work for years 2020 through 2024. NorthWestern will continue working cooperatively with the South Dakota Department of Environment and Natural Resources in order to proceed with a site management strategy that meets regulatory expectations and is conducted in a technically efficient manner.

Please feel free to contact me at (605) 978-2970 if you have any questions.

Regards,

Crystal Lail
Vice President and Controller