

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

**IN THE MATTER OF THE FILING BY )  
NORTHWESTERN CORPORATION DBA ) SETTLEMENT  
NORTHWESTERN ENERGY FOR ) STIPULATION AND JOINT  
APPROVAL OF ITS REFUND PLAN ) MOTION FOR APPROVAL  
REGARDING ITS RECOVERY OF ) OF SETTLEMENT  
MANUFACTURED GAS PLANT SITE ) STIPULATION  
REMEDATION COSTS )  
 ) NG16-010**

On November 23, 2016, the Public Utilities Commission (Commission) issued an Order Approving Refund Plan on an Interim Basis, in order to allow Commission Staff and NorthWestern Corporation dba NorthWestern Energy (NorthWestern) more time to discuss and investigate the issues in this docket. The Parties now state as follows:

1. The Parties agree the balance of the tracker account as of November 30, 2016 is an over-collection of \$4,714,537.
2. The Parties agree the amortization of the NG07-013 over-collection of \$1,300,568 returned through NG11-003 rates has been fully amortized as of November 30, 2016.
3. The Parties agree the MGP recovery rates were designed to collect \$1,739,887 from customers annually. The MGP rates established in NG11-003 are:

<u>MGP Rate Allocation</u>	<u>MGP Rate/Therm</u>
Rate Code 81 - Residential	\$0.0427
Rate Code 82 - Small Commercial	\$0.0204
Large Commercial Option A	\$0.0115
Large Commercial Option B	\$0.0038

4. NorthWestern will make any necessary accounting adjustments to reflect the amortization amount of \$1,300,568, and to make the other adjustments agreed to by the Parties, to arrive at the November 30, 2016 over-collected balance of \$4,714,537.
5. The Parties agree the interim refund rates for Rate 81, Rate 82, and Option A as approved by the Commission in its November 23, 2016 Order Approving Refund Plan on an Interim Basis will continue to be credited on customers' bills through November 30, 2017. The refund rate for Option B will be revised to \$(0.0078) per therm effective February 1, 2017 through November 30, 2017.


6. The Parties agree the tracker will operate in accordance with Staff's model going forward.
7. By October 1, 2017, NorthWestern will file with the Commission its plans for continuation, modification, or discontinuance of the current refund plan.

The above seven paragraphs constitute the Settlement Stipulation. The Settlement Stipulation resolves all issues between the Parties in this docket. The terms of the Settlement Stipulation are just and reasonable and consistent with South Dakota law. Staff enters into this Settlement Stipulation for the benefit of NorthWestern's customers affected by this docket. Should the Commission impose any material changes to or conditions that are unacceptable to any party, the stipulation may, at the option of either party, be withdrawn and become null, void, and privileged.

WHEREFORE, the Parties request the Commission issue an Order approving the Settlement Stipulation above. This Motion for Approval of Settlement Stipulation is made pursuant to ARSD 20:10:01:19.

Dated: 01/19/17

South Dakota Public Utilities Commission Staff

BY:   
Kristen N. Edwards  
Staff Attorney

Dated: 1/18/17

NorthWestern Corporation dba NorthWestern Energy

BY:   
Timothy P. Olson  
Senior Corporate Counsel & Corporate Secretary