



June 21, 2024

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building, 1st floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

**RE: APPLICATION OF NORTHWESTERN ENERGY FOR AUTHORITY TO  
INCREASE RATES FOR NATURAL GAS UTILITY SERVICE IN SOUTH  
DAKOTA  
DOCKET NO. NG24-\_\_\_\_\_**

Dear Ms. Van Gerpen:

NorthWestern Energy Public Service Corporation, d/b/a NorthWestern Energy (“NorthWestern”) provides this letter of transmittal and submits the enclosed information to the South Dakota Public Utilities Commission (“Commission”) for authority to increase rates for natural gas service in South Dakota (“Application”) pursuant to Chapter 20:10:13 of the South Dakota Administrative Rules.

The Application proposes to increase base natural gas revenues from South Dakota customers by \$6,043,222 an approximately 9.10% increase.<sup>1</sup> This increase results in a total South Dakota jurisdictional natural gas revenue requirement of \$72,421,949, which is based on a test year ending December 31, 2023 and reflects a Return on Equity of 10.70% and an overall Rate of Return of 7.75%. The proposed changes would affect the bills of approximately 49,800 natural gas customers in South Dakota. The requested effective date of the proposed changes is September 1, 2024.

The need to increase natural gas rates in South Dakota is the compound result of 13 years of investment and inflation. NorthWestern’s last filing was in 2011 with a 2010 test year.

The Application, consisting of the following volumes, has been e-filed, and four copies will be sent to the Commission, as requested:

Volume 1

Section 1 Letter of Transmittal

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<sup>1</sup> Additional information and analyses on the rate impacts for various customer classes are included in the testimony of Jeffrey J. Decker and accompanying schedules. Increases to individual customers within a class will vary depending on particular usage patterns.



	Notice of Proposed Changes of Rates and Charges
	Attestation by the Authorized Accounting Agent
	Report of Tariff Schedule Change
Section 2	Tariff Pages
Section 3	Comparison of Revenue under Present and Proposed Rates
Section 4	Statements and Schedules

Volume 2

Witness Direct Testimony, including exhibits, from:

Brian B. Bird  
Emilie T. Ng  
Adrien M. McKenzie  
Jeffrey B. Berzina  
Aaron J. Bjorkman  
John J. Spanos  
Jeffrey J. Decker  
Bradley S. Wenande

NorthWestern certifies that the Notice of Proposed Changes of Rates and Charges will be posted in a conspicuous place in each of NorthWestern's local district offices in the territory affected, for at least thirty (30) days prior to the date such change is to become effective. Each Notice states that the proposed rates and charges are available in that office for inspection. NorthWestern also certifies notice has been or is being provided to the public in all respects as required by ARSD §§ 20:10:13:17 through 20:10:13:19, including providing notice to all customers of this Application through information provided in the customer's monthly billing statement.

The Commission's communications with NorthWestern regarding this Application should be directed to:

Cynthia S. Fang  
Vice President – Regulatory Affairs  
NorthWestern Energy  
208 N Montana Avenue, Suite 200  
Helena, MT 59601  
Office: (406) 444-8114  
Email: [cyndee.fang@northwestern.com](mailto:cyndee.fang@northwestern.com)



with a copy to each of the following:

Pamela A. Bonrud  
Director – Government and Regulatory Affairs  
NorthWestern Energy  
3010 W. 69<sup>th</sup> Street  
Sioux Falls, SD 57108  
Office: (605) 978-2900  
Email: pam.bonrud@northwestern.com

Shannon M. Heim  
General Counsel and Vice President of Federal Government Affairs  
NorthWestern Energy  
208 N Montana Avenue, Suite 200  
Helena, MT 59601  
Office: (406) 443-8903  
Email: shannon.heim@northwestern.com

Jeffrey Decker  
Regulatory Specialist  
NorthWestern Energy  
600 Market Street West  
Huron, SD 57350-1318  
Office: (605) 353-7560  
Email: jeffrey.decker@northwestern.com

The Applicant's legal name is NorthWestern Energy Public Service Corporation, d/b/a NorthWestern Energy, with its principal place of business in Sioux Falls, South Dakota. NorthWestern provides retail electric service in South Dakota and Montana and retail natural gas service in South Dakota, Montana, and Nebraska.

In accordance with ARSD §§ 20:10:01:39 through 42, NorthWestern respectfully requests confidential treatment of certain information contained in this filing. In compliance with ARSD § 20:10:01:41, material containing confidential information has been marked as "Confidential" and is submitted separately.

- (1) NorthWestern requests confidential treatment of the following:
  - A. Documents that are confidential in their entirety:



1. Statement P – The documents within the confidential Statement P file are required as part of the Commission’s administrative rules pursuant to ARSD § 20:10:13:100. The documents contain information about NorthWestern’s purchased gas costs paid to third parties to reliably serve customers.
  
2. Four Exhibits to Witness Jeffrey Decker’s testimony:

Management Fee Calculation	Exhibit JJD-2
Contract with Deviation Revenue	Exhibit JJD-3
Rate 87 Milbank Demand Rate	Exhibit JJD-4
Released Capacity Surcharge	Exhibit JJD-5

(2) Duration of request: Forever

(3) Persons to be contacted regarding the confidentiality request: Pamela A. Bonrud and Shannon M. Heim (contact information above)

(4) Legal grounds for confidential treatment:

Confidential treatment is requested on the grounds that the material is trade secret, proprietary information as defined as confidential information by ARSD § 20:10:01:39(4) and (5).

(5) Factual grounds for confidential treatment:

The material qualifies for confidential treatment because it contains proprietary business information that NorthWestern does not disclose to the public. Disclosure of the material would result in material damage to NorthWestern’s financial and/or competitive position. The confidentiality enhances NorthWestern’s ability to negotiate terms that protect customers with regards to costs and NorthWestern’s obligation to provide reliable service.

Respectfully submitted,

NORTHWESTERN ENERGY

By: Cynthia Fang  
Cynthia S. Fang  
Vice President – Regulatory Affairs