

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

<b>IN THE MATTER OF THE APPLICATION OF )</b>	<b>ORDER GRANTING JOINT</b>
<b>NORTHWESTERN CORPORATION DBA )</b>	<b>MOTION FOR APPROVAL</b>
<b>NORTHWESTERN ENERGY FOR )</b>	<b>OF SETTLEMENT</b>
<b>AUTHORITY TO INCREASE ITS NATURAL )</b>	<b>STIPULATION</b>
<b>GAS RATES )</b>	
<b>)</b>	<b>NG11-003</b>

On May 20, 2011, NorthWestern Corporation dba NorthWestern Energy (NWE), filed with the Public Utilities Commission (Commission) for approval to increase rates for natural gas service to customers in its South Dakota service territory by approximately \$4,123,035 annually or 7.20% based on NWE's test year ending December 31, 2010. NWE states the proposed increase for a residential customer would be \$8.31 per month based on an average usage of 63 therms per month. The proposed rates may potentially affect approximately 43,750 customers in NWE's South Dakota service territory. On May 26, 2011, the Commission electronically transmitted notice of the filing and the intervention deadline of July 13, 2011, to interested individuals and entities. On June 17, 2011, the Commission issued an Order of Assessment of Filing Fee and Suspension of Imposition of Tariff, which assessed a filing fee of up to \$100,000 and suspended the proposed rate increase for the maximum period of 180 days following the filing date. On September 9, 2011, the Commission received a petition from twenty-six customers (Petitioners) requesting to suspend the proposed rate increase requested by NWE and to hold a public hearing to determine if such a rate should be allowed. On September 30, 2011, the Commission issued an Order Granting Petition to Hold a Public Hearing, and issued and served a Notice of Public Hearing to be held in Scotland, SD, on October 17, 2011. The hearing was held in Scotland in accordance with the notice. On November 7, 2011, NWE and Staff jointly filed a Joint Motion for Approval of Settlement Stipulation, the Settlement Stipulation, and associated tariff sheets. On November 7, 2011, Staff filed its Staff Memorandum Supporting Settlement Stipulation. On November 15, 2011, the Commission sent the Petitioners a letter and an agenda notifying them that the Commission would be hearing the Joint Motion for Approval of the Settlement Stipulation on November 22, 2011, at 2:00 pm in Pierre, South Dakota.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-20, 49-34A-2, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.1, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-20, and 49-34A-21.

The Joint Motion and Settlement Stipulation were duly noticed for Commission consideration and action at the Commission's regular meeting of November 22, 2011. The Commission heard from NWE and Staff concerning the proposed Settlement Stipulation. Having thoroughly reviewed the filings in the docket and made inquiry of the parties at the meeting, the Commission found that the terms and conditions proposed in the Settlement Stipulation were just, reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve the Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation.

The revised tariff sheets proposed by NWE, effective for service rendered on and after December 1, 2011, are as follows:

Section No. 3

19<sup>th</sup> Revised Sheet No. 1, Canceling 18<sup>th</sup> Revised Sheet No. 1  
5<sup>th</sup> Revised Sheet No. 2, Canceling 4<sup>th</sup> Revised Sheet No. 2

10<sup>th</sup> Revised Sheet No. 3.1, Canceling 9<sup>th</sup> Revised Sheet No. 3.1  
4<sup>th</sup> Revised Sheet No. 3.2, Canceling 3<sup>rd</sup> Revised Sheet No. 3.2  
10<sup>th</sup> Revised Sheet No. 4.1, Canceling 9<sup>th</sup> Revised Sheet No. 4.1  
2<sup>nd</sup> Revised Sheet No. 4.4, Canceling 1<sup>st</sup> Revised Sheet No. 4.4  
3<sup>rd</sup> Revised Sheet No. 5.1, Canceling 2<sup>nd</sup> Revised Sheet No. 5.1  
1<sup>st</sup> Revised Sheet No. 5.2, Canceling Original Sheet No. 5.2  
10<sup>th</sup> Revised Sheet No. 6.1, Canceling 9<sup>th</sup> Revised Sheet No. 6.1  
5<sup>th</sup> Revised Sheet No. 6.2, Canceling 4<sup>th</sup> Revised Sheet No. 6.2

Section No. 5

4<sup>th</sup> Revised Sheet No. 2, Canceling 3<sup>rd</sup> Revised Sheet No. 2

Section No. 6

2<sup>nd</sup> Revised Sheet No. 27, Canceling 1<sup>st</sup> Revised Sheet No. 27

It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is hereby granted. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein; and it is further

ORDERED, that the aforementioned tariff sheets are approved for service rendered on and after December 1, 2011.

Dated at Pierre, South Dakota, this 30<sup>th</sup> day of November, 2011.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Jay Jay</u>
Date:	<u>November 30, 2011</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Gary Hanson  
GARY HANSON, Chairman

Chris Nelson  
CHRIS NELSON, Commissioner

Kristie Fiegen  
KRISTIE FIEGEN, Commissioner