



June 15, 2023

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 ELECTRIC UTILITY SERVICE IN SOUTH DAKOTA
DOCKET NO. EL23-_____**

Dear Ms. Van Gerpen:

NorthWestern 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 electric service in South Dakota (“Application”) pursuant to Chapter 20:10:13 of the South Dakota Administrative Rules.

The Application proposes to increase base electric revenues from South Dakota customers by \$30,873,649 an approximately 16.32% increase.¹ This increase results in a total South Dakota jurisdictional electric revenue requirement of \$220,030,972, which is based on a test year ending December 31, 2022 and reflects a Return on Equity of 10.70% and an overall Rate of Return of 7.54%. The proposed changes would affect the bills of approximately 64,680 electric customers in South Dakota. The requested effective date of the proposed changes is September 1, 2023.

The critical drivers for the need to increase electric rates in South Dakota include (1) NorthWestern’s addition of the Bob Glanzer Generating Station to our generation fleet, (2) more than \$267 million in investments since our last rate review filed in December 2014 in our South Dakota electric transmission, production and distribution systems, and (3) changes in depreciation rates based on a new study as well as the inclusion of deferred tax assets in rate base.

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

¹ 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.



Volume 1

- Section 1 Letter of Transmittal
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
- Crystal D. Lail
- Adrien M. McKenzie
- Jeffrey B. Berzina
- Aaron J. Bjorkman
- John J. Spanos
- Jeffrey J. Decker
- Bleau J. LaFave
- Bradley S. Wenande
- Paul M. Normand

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



with a copy to each of the following:

Pamela A. Bonrud
Director – Government and Regulatory Affairs
NorthWestern Energy
3010 W. 69th 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 205
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 Corporation, d/b/a NorthWestern Energy, with its principal place of business in Sioux Falls, South Dakota. NorthWestern is a corporation organized on December 3, 1923, under the laws of Delaware. 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 submitted separately (not e-filed) in a sealed envelope along with this filing.

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



Statement P and Schedule P1 – These documents are required as part of the Commission’s administrative rules pursuant to ARSD § 20:10:13:100. These documents contain information about NorthWestern’s fuel costs paid to third parties to reliably serve customers and are subject to confidentiality provisions in these third-party contracts.

Schedule H2 – This schedule is required as part of the Commission’s administrative rules pursuant to ARSD § 20:10:13:82. This schedule contains information about NorthWestern’s capacity costs paid to third parties to reliably serve customers and are subject to confidentiality provisions in these third-third party contracts.

(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 S. Fang by PAB
Cynthia S. Fang
Vice President – Regulatory Affairs