



CUSTOMER NOTICE OF APPLICATION TO THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION FOR REGULATORY REVIEW OF ELECTRIC RATES

NorthWestern Energy submitted an application to the South Dakota Public Utilities Commission on June 15, 2023 for a regulatory review of our electric rates. Current NorthWestern Energy South Dakota electric rates were set using cost information from 2014.

Since then, NorthWestern Energy has invested \$267 million in our South Dakota electric infrastructure to continue our commitment to providing reliable, sustainable energy service at the most affordable rates possible to our customers. Those investments include:

- The 58-megawatt Bob Glanzer Generating

Station in Huron was commissioned in May 2022, providing on-demand resources to support the variability of wind and solar projects coming onto NorthWestern Energy's system and to help serve our South Dakota customers affordably and reliably during extended periods of peak energy demand.

- Substations, transmission systems and switchyards are upgraded.
- Advanced Distribution Management System software was implemented to improve service reliability.

- Distribution poles and underground cable are inspected annually and those not meeting condition standards have been replaced.
- NorthWestern Energy replaced all electric meters in South Dakota, which were manually read, with two-way communicating Advanced Metering Infrastructure meters. NorthWestern Energy now has situational awareness from meter data, which can be used

NorthWestern
Energy[®]

Delivering a Bright Future

to identify issues on the system before there is an outage. Customer experience will be elevated through the expanded use of the AMI platform in the future.

- NorthWestern Energy's 17,000 streetlights in South Dakota are being converted to LED lights over the next several years, which use 50% less electricity and last longer. LED lights increase safety at night through greater visibility and fewer streetlight outages.

NorthWestern Energy is requesting a 16.32% increase, \$30.9 million, in our South Dakota electric revenues.

For a typical electric residential customer using 750 kilowatt-hours per month, the rate increase, if our request is approved by the South Dakota Public Utilities Commission, would mean a monthly bill increase of \$19.14 or 18.3%.

NorthWestern Energy is asking for the regulatory rate

review to ensure that our customers will continue to be served by a financially sound company with access to low-cost capital to continue efficient investments that ensure reliable, safe energy service for customers.

We recognize that our rate request will impact our customers during a period when other prices are also increasing. NorthWestern Energy is committed to helping customers who may be struggling with their bills. Customers concerned about their ability to pay their energy bill can contact NorthWestern Energy for information about energy assistance programs and to arrange flexible payment options. NorthWestern Energy also helps customers with access to critical government and community assistance funding programs through the Low Income Home Energy Assistance Program (LIHEAP), the Weatherization Assistance program and the Energy Crisis Intervention Program.

There are many options available to participate in the

electric regulatory rate review process.

You can view the actual rate case filing online at **www.NorthWesternEnergy.com/SDRateReview** and/or at the SDPUC Web site: www.state.sd.us/puc.

A copy of the filing will also be available at each of our office locations, where you can request a copy to look at in-person. As a NorthWestern Energy South Dakota customer you can also directly participate in the public process that is undertaken by the SDPUC. According to state law, a customer has a right to join with 24 other customers to file a written objection to a rate increase and request that the SDPUC suspend the rate increase and hold a public hearing to determine if the rate increase should be allowed (please refer to SDCL 49-43A-12).

If you have any questions about our electric services or the proposed rate increase, please call our customer service number at 800-245-6977.