

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

IN THE MATTER OF THE APPLICATION OF) NORTHWESTERN CORPORATION DBA) NORTHWESTERN ENERGY FOR AUTHORITY TO) INCREASE ITS ELECTRIC RATES))	ORDER GRANTING REQUEST TO DEVIATE FROM SETTLEMENT STIPULATION EL14-106
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On December 19, 2014, the Commission received an application by NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$26.5 million annually or approximately 20.24% based on its test year ending September 30, 2014.

On December 24, 2014, the Commission electronically transmitted notice of the Application and the intervention deadline of February 6, 2015, to interested individuals and entities on the Commission's PUC Weekly Filings listserv. On February 6, 2015, Toshiba America Business Solutions, Inc., Trail King industries, Inc., and Redfield Energy, LLC (collectively, the Industrial Intervenors) and Wal-Mart Stores, Inc. (Wal-Mart) filed Petitions to Intervene. On January 8, 2015, the Commission issued an Order Assessing a Filing Fee and Suspending the Operation of Proposed Rates. On March 3, 2015, the Commission granted intervention to Industrial Intervenors and Wal-Mart.

On October 16, 2015, a Revised Settlement Stipulation, Joint Motion for Approval of Revised Settlement Stipulation, and Staff Memorandum were filed. On November 4, 2015, the Commission issued an Order Granting Joint Motion for Approval of Revised Settlement Stipulation and Order Approving Interim Refund Plan. On September 10, 2018, an Amendment to Revised Settlement Stipulation and Joint Motion for Approval of Amendment to Revised Settlement Stipulation were filed. On September 26, 2018, the Commission issued an Order Granting Joint Motion for Approval of Amendment to Revised Settlement Stipulation. The Stipulation requires NorthWestern to make certain adjustments on or before January 1, 2019. On November 20, 2018, NorthWestern filed a letter requesting the Commission's permission to deviate from the specific terms of the Stipulation. Complying with the specific terms of the Stipulation would result in an increase in the amount collected from customers and therefore NorthWestern requests to maintain the existing base rates for its customers and not make the required adjustments to base rates or the one-time refund of operations and maintenance (O & M) expenses.

On November 21, 2018, the Commission electronically transmitted notice of the November 20, 2018 filing, with a new intervention deadline of December 7, 2018, to interested individuals and entities on the Commission's PUC Weekly Filings listserv. No petitions to intervene or comments were received.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically, 1-26-20, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-11, 49-34A-12, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-21, and 49-34A-22 and ARSD 20:10:01:19.

At its regularly scheduled meeting on December 11, 2018, the Commission considered this matter. Commission Staff recommended that the Commission grant NorthWestern's request to deviate from the terms of the Stipulation and not make the required adjustments to base rates and the one-time refund of O & M expenses. Having thoroughly reviewed the filings in the docket, the Commission found that NorthWestern's request was just, and reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve NorthWestern's request. The Commission voted unanimously to grant NorthWestern's request. It is therefore

ORDERED, NorthWestern's request to deviate from the terms of the Stipulation and not make the required adjustments to base rates and the one-time refund of O & M expenses, thereby maintaining the existing base rates is granted.

Dated at Pierre, South Dakota, this 18th day of December 2018.

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, electronically or by mail.

By: Karen E. Cremer

Date: 12/18/18

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kristie Fiegen
KRISTIE FIEGEN, Chairperson

Gary Hanson
GARY HANSON, Commissioner

Chris Nelson
CHRIS NELSON, Commissioner