



July 10, 2024

Mr. Will Rosquist
Chief Regulator
Montana Public Service Commission
1701 Prospect Ave.
Helena, MT 59620-2601

RE: Docket No. 2024.05.053– Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design

In conjunction with its Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design, NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) submits to the Montana Public Service Commission (“Commission”) an Application for Interim Rate Increases and Bridge Rate (“Interim Application”). NorthWestern files this Interim Application pursuant to § 69-3-304, MCA, and ARM 38.5.502 through 38.5.505.

DESCRIPTION AND REASONS FOR PROPOSED INTERIM RATE CHANGES

NorthWestern’s current effective rates are no longer just and reasonable rates as they do not recover NorthWestern’s current cost of providing electric and natural gas service to its customers. NorthWestern faces irreparable financial harm without the ability to increase rates on an interim basis. This is detailed in NorthWestern’s filing, including the accompanying testimonies.

NorthWestern further requests a bridge rate related to Yellowstone County Generating Station (“YCGS”) in the Interim Application. NorthWestern’s proposal for a bridge rate recognizes the value YCGS provides to customers through a reduction in market purchases recovered through the Power Costs and Credits Adjustment Mechanism.

A more comprehensive discussion of NorthWestern’s proposals are included in its Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design.

NorthWestern’s current electric and natural gas rates reflect the costs of providing electric service from its 2022 Regulatory Rate Review, based on a 2021 test year with 2022 known and measurable adjustments.

As permitted under § 69-3-304, MCA, and ARM 38.5.502 through 38.5.505, NorthWestern seeks



interim rate relief that would allow for the timely recovery of NorthWestern's costs to provide safe and reliable service to its customers. NorthWestern's interim request includes a request to begin recovery of interim base rates, PCCAM base rates, and the YCGS bridge rates effective October 1, 2024, and base property tax rates effective January 1, 2025. The Interim Application requests an interim revenue requirement increase in the amount of \$21,967,873 for total electric service and \$21,612,927 for total natural gas service comprising:

NorthWestern is requesting an interim increase for electric service of \$21,967,873, of which \$50,609,797, or 230.4% reflects an increase to NorthWestern's base revenue requirements, and (\$28,641,924), or (130.4)%, reflects the updated flow-through costs over which NorthWestern has little control. NorthWestern is also requesting an interim increase for natural gas service of \$21,612,927, of which \$21,371,273, or 98.9% reflects an increase to NorthWestern's base revenue requirements, and \$241,654, or 1.1%, reflects updated flow-through costs noted immediately above.

NorthWestern's proposed interim rate request, including NorthWestern's request for a bridge rate, is expected to result in an increase in the monthly electric bill from current rates of \$110.07 to \$112.16, which is an increase of \$2.09 or 1.90%, for the typical residential customer using 750 kWh per month.

NorthWestern's proposed interim rate request is expected to result in an increase in the monthly natural gas bill from current rates of \$51.89 to \$56.70, which is an increase of \$4.81 or 9.28%, for the typical residential customer using 65 therms per month.

DOCUMENTS SUBMITTED WITH THIS FILING

Pursuant to ARM 38.5.505(2), NorthWestern submits this letter of transmittal, the Application, rate schedules showing current and proposed rates, a Notice of Interim Request, the attestation regarding the notice of the interim request to the media, supporting workpapers as required by the administrative rule, and a certificate of service demonstrating service of notice to parties and interested parties.¹

¹ ARM 38.5.503 requires that:

The utility will issue notice of all applications it makes for interim rate increases. The notice will be transmitted to the Montana Consumer Counsel, and all parties to the permanent rate case of which the request for temporary relief is a part, to media of general dissemination in the area affected by the increase in rates, and to interested parties that participated in the most recent general rate increase application of the particular utility. The notice shall emphasize that any response should be made speedily.



Respectfully submitted,

Cynthia Fang

Cynthia Fang
Vice President, Regulatory Affairs

Enclosures