

NorthWestern Energy™

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May 23, 2005

Ms. Pamela Bonrud, Executive Director
S. D. Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

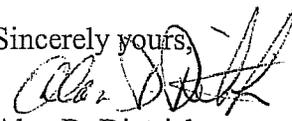
Re: Proposed Electric Territory Exception
PUC Docket EL05-___

Dear Ms. Bonrud:

With this letter, NorthWestern Corporation, doing business as NorthWestern Energy, and Douglas Electric Coop., Inc. are requesting that the Commission approve a minor electric territory exception, as outlined in the enclosed letter agreement signed by representatives of both electric utilities. As that letter agreement demonstrates, and as the drawing attached thereto shows, NorthWestern Energy has existing electric facilities in close proximity to the new home being constructed by Calvin Baier (in fact, a line is directly in front of the house), and the nearest Douglas Electric facilities would require the construction of at least 1.5 miles of distribution line to serve the customer.

This proposed agreement has been discussed with the customer, who has indicated no objection to the Commission approving the agreement.

As noted in the letter agreement, this agreement does not re-assign service area, but merely allows NorthWestern Energy to serve this customer.

Sincerely yours,

Alan D. Dietrich
Vice President – Legal Administration &
Corporate Secretary

May 18, 2005

Ms. Pamela Bonrud, Executive Director
S. D. Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Re: Proposed Territory Exception
NorthWestern Energy & Douglas Electric Coop., Inc.
PUC Docket EL05-___

Dear Ms. Bonrud:

Enclosed for filing please find an original executed Consent and Agreement between NorthWestern Corporation, doing business as NorthWestern Energy ("NorthWestern"), and Douglas Electric Coop., Inc. ("Douglas"), for an exception, pursuant to SDCL 49-34A-55. As the Consent and Agreement provides, this exception would allow NorthWestern to serve the Calvin Baier residence in Douglas County, South Dakota. NorthWestern and Douglas believe that this proposed electric service territory exception will eliminate and avoid unnecessary duplication of facilities, allow the customer to receive adequate electric service, and promote the efficient and economical use and development of the two utilities' electric systems.

NorthWestern has existing electrical facilities in close proximity to the customer, and Douglas would need to construct approximately 1.5 miles of line to serve the customer.

NorthWestern Corporation,
doing business as NorthWestern Energy

By: Craig Hagen for NWE
Title: Area Mgr.

Douglas Electric Coop., Inc.

By: Tom Van Zyl
Title: Gen Mgr.

PUC Service Territory Map

