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SOUTH DAKOTA PUBLIC

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July 19, 2006

Ms Patricia Van Gerpen S.D. Public Utilities Commission State Capitol Building 500 East Capitol Avenue Pierre, SD 57501

RE: Northwestern Energy Contract Deviation Request For Redfield Ethanol Plant

Dear Ms. Van Gerpen:

SDREA has sent me a copy of Mr. Jeff Decker's letter filing dated July 13, 2006 in regards to the above referenced matter. A copy of his letter is enclosed for further reference. The subject of his request is a matter already under consideration in Docket EL06-016. I believe his request should be considered in Docket EL06-016 and only after notice to the parties of record and a hearing. I assume that Mr. Decker's attempt to open a new docket and his not giving notice to Northern Electric was an oversight.

Sincerely,

HAO/de Enclosure PC Brent Koenecke Monty Hopper Jim Moore

REC

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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

600 Market Street W. Huron, 5D 57350-1500 Toll Free: 800-245-6977 Facsimile: 605-353-7519 www.northwesternenergy.com

July 13, 2006

RECEIVED

Ms. Patricia Van Gerpen, Executive Director S.D. Public Utilities Commission State Capitol Building 500East Capitol Avenue Pierre, SD 57501

Energy

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SOUTH DAKOTA PUBLIC UTILITIES COMMENTS

Re: Contract With Deviations - Electric Service Agreement

Dear Ms. Van Gerpen:

erthWestern

With this letter, NorthWestern Corporation ("NorthWestern" or the "Company"), doing business as NorthWestern Energy, is filing with the Commission a proposed new electric Contract with Deviations (the "Contract") with Redfield Ethanol Plant (the "Customer") for which we would request Commission approval.

Pursuant to ARSD 20:10:13:36 and ARSD 20:10:13:39, the

Company states: (1) The documents submitted with this filing

include:

- A copy of the executed proposed Contract, for which confidential treatment, has been requested, pursuant to ARSD 20:10:01:41 (see Exhibit A to this letter);
- A copy of the Workpapers that include the listing of the costs for the Company to construct the electric facilities to serve the Customer;

Maps that show the location of the lines to be constructed; and

The proposed revised tariff schedule, Section 4, 9th Revised Sheet No. 1 Summary List of Contracts with Deviations which includes a reference to the Contract and the information required by ARSD 20:10:13:09.

(2) The proposed effective date for the Contract is September 1, 2006.

(3) The names and addresses of those to whom copies of this filing have been mailed:

Bert Magstadt Glacial Lakes Energy, LLC P.O. Box 933 Watertown, SD 57201-0933

(4) Brief description of the proposed deviation from the Company's standard rates:

Redfield Ethanol will be a large load at a new location, with an estimated demand of 4500KW. Rate 34 is the applicable tariff from which NorthWestern seeks deviations in this filing. This filing seeks approval for a rate discount from Rate 34. Redfield Ethanol has filed a petition with the Commission seeking to have NorthWestern serve at this new location. As part of Redfield's process in selecting NorthWestern, NorthWestern provided a sophisticated service design with reliability features requiring construction of approximately 2.25 miles of line, and associated equipment. Under the proposed contract, there is no separate contribution necessary from Redfield Ethanol for this construction. The cost is covered by the rate tariff.

(5) Reasons for the proposed deviation:

NorthWestern requests approval in order for Redfield Ethanol to obtain reliable and competitive electric service at its new location near Redfield, SD. Redfield Ethanol has chosen NorthWestern to provide the service and NorthWestern can fairly and economically provide services at a rate with deviations for the proposed five year period. This proposal fosters economic development in rural South Dakota and provides compensation, to NorthWestern and its present customers, for the expenditures necessary to provide the service. The additional revenue will be credited to the cost of service and will help to offset the additional costs. When the five year term of the contract with deviations has run its course, Redfield will receive service under Rate 34 with an option L discount.

(6) Number of customers whose cost of service will be affected and annual changes in cost of service to such customers.

This proposed Contract will apply only to the Customer, and the effect on its cost of service is provided in the Contract.