

LAW OFFICES
MAY, ADAM, GERDES & THOMPSON LLP
503 SOUTH PIERRE STREET
P.O. BOX 160
PIERRE, SOUTH DAKOTA 57501-0160

DAVID A. GERDES
CHARLES M. THOMPSON
ROBERT B. ANDERSON
BRENT A. WILBUR
TIMOTHY M. ENGEL
MICHAEL F. SHAW
NEIL FULTON
BRETT KOENECKE
CHRISTINA L. FISCHER
BRITTANY L. NOVOTNY

SINCE 1881
www.magt.com

Celebrating 125 Years

May 31, 2006

Writer's E-mail: koenecke@magt.com

OF COUNSEL
WARREN W. MAY
THOMAS C. ADAM
GLENN W. MARTENS 1881-1963
KARL GOLDSMITH 1885-1966

TELEPHONE
605 224-8803

TELECOPIER
605 224-6789
RECEIVED

MAY 31 2006

Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

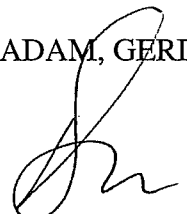
RE: IN THE MATTER OF THE PETITION FOR ELECTRICAL SERVICE BY REDFIELD ENERGY, LLC TO HAVE NORTHWESTERN ENERGY ASSIGNED AS ITS ELECTRIC PROVIDER IN THE SERVICE AREA OF NORTHERN ELECTRIC COOPERATIVE, INC.
OUR FILE 230

Dear Commissioners:

Enclosed please find the original and 10 copies of the Petition for Electrical Service in the above captioned docket. Exhibit D is not being filed contemporaneously with this Petition but will be filed shortly.

Very truly yours,

MAY, ADAM, GERDES & THOMPSON LLP



BRETT KOENECKE

BK/jml

Enclosures

cc: Harvey Oliver
Jay Morris
Monte Hopper

STATE OF SOUTH DAKOTA
BEFORE THE
PUBLIC UTILITIES COMMISSION

RECEIVED

MAY 31 2006

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

In the Matter of the Petition for Electrical Service)
by Redfield Energy, LLC to have)
NorthWestern Energy Assigned as its)
Electric Provider in the Service Area of)
Northern Electric Cooperative, Inc.)

Docket No. EL06-_____

PETITION FOR ELECTRICAL SERVICE

Redfield Energy, LLC ("Redfield Energy"), by and through its duly authorized representative, Robert Magstadt, Energy Commodities Manager and Arthur M. Hopper, its attorney, and pursuant to SDCL 49-34A-56, respectfully petitions the South Dakota Public Utilities Commission (the "Commission") as follows:

I. REDFIELD ENERGY AS QUALIFYING CUSTOMER

A. Redfield Energy is constructing and will operate a manufacturing plant, which will produce ethanol and distiller's grain products, at a site located in the following tract of land in South Dakota:

Bradley Addition in the NE¼, NW¼, SE¼, and SW¼ of
Section 26, Township 117 North, Range 64 West of the 5th
P.M., Spink County, South Dakota.

B. Redfield Energy is a new customer, seeking electrical service to a new location, which has developed since March 21, 1975, and such location is outside the territory of NorthWestern Energy and municipal boundaries of the City of Redfield as such boundaries existed on March 21, 1975, all pursuant to SDCL 49-34A-56. The new location is within the boundaries of the territory served by Northern Electric.

C. Redfield Energy's facility will have electric service requirements with a contracted minimum demand in excess of two thousand kilowatts.

II. REQUESTED ELECTRIC SERVICE PROVIDER

A. Redfield Energy desires to receive electrical service from NorthWestern Corporation, doing business as NorthWestern Energy ("NorthWestern Energy"), for all of its electrical needs at the facility.

B. Redfield Energy is informed and believes that NorthWestern Energy can furnish electrical service to meet the Facility's needs, consistent with the factors of SDCL 49-34A-56 as follows:

(1) NorthWestern Energy can meet the electrical service requirements of the load to be served. NorthWestern Energy would power Redfield Energy from a point currently 5629 feet distant from the location.

(2) NorthWestern Energy has an adequate power supply, and can serve the new location by constructing only distribution line. The point from which NorthWestern proposes to serve the new location is marked as substation on the map attached as Exhibit A.

(3) Serving the Facility will assist in the development and improvement of the NorthWestern Energy electric system, including economic factors relating thereto, because the Redfield Energy facility will become, upon construction, a part of the larger Redfield community, a part of NorthWestern Energy's territory pursuant to law. The point of service is two miles north of Redfield and therefore planned to be approximately ¼ mile outside of NorthWestern's territory and the same distance into NEC's territory.

(4) NorthWestern Energy has adequate facilities in proximity to the Facility from which electric service of the type required may be delivered. As discussed above, NorthWestern needs to run distribution line only.

(5) Redfield Energy has a strong preference to be served by NorthWestern Energy; and

(6) Other pertinent factors exist related to the furnishing of adequate electric service to fulfill Redfield Energy's requirements which support the ability of NorthWestern Energy to provide such service, including the fact that NorthWestern will provide gas service to the location.

C. Redfield Energy has negotiated with NorthWestern Energy a proposed Electric Service Agreement, subject to Commission approval of this Petition, which Redfield Energy believes will allow it to receive reliable electrical service at an economic rate and without extensive development of facilities to provide such service. The agreement is attached hereto as Exhibit B. That agreement is based on Tariff Option L, attached hereto as Exhibit C.

III. CONCLUSION

A. Redfield Energy, as Petitioner, and as the owner of the facility, hereby requests a hearing on this Petition as soon as possible to authorize Redfield Energy to receive permanent electrical service from NorthWestern Energy.

B. Redfield Energy also joins in support of the Joinder of NorthWestern Energy in this proceeding, which Joinder is attached to this Petition as Exhibit D.

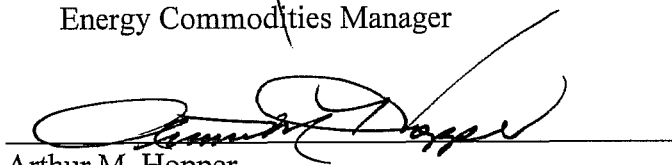
WHEREFORE, Petitioner Redfield Energy requests the Commission, after notice and hearing in this matter, to assign NorthWestern Energy as the supplier of electrical service to the location described above.

Dated this 26th day of May, 2006.

REDFIELD ENERGY, LLC

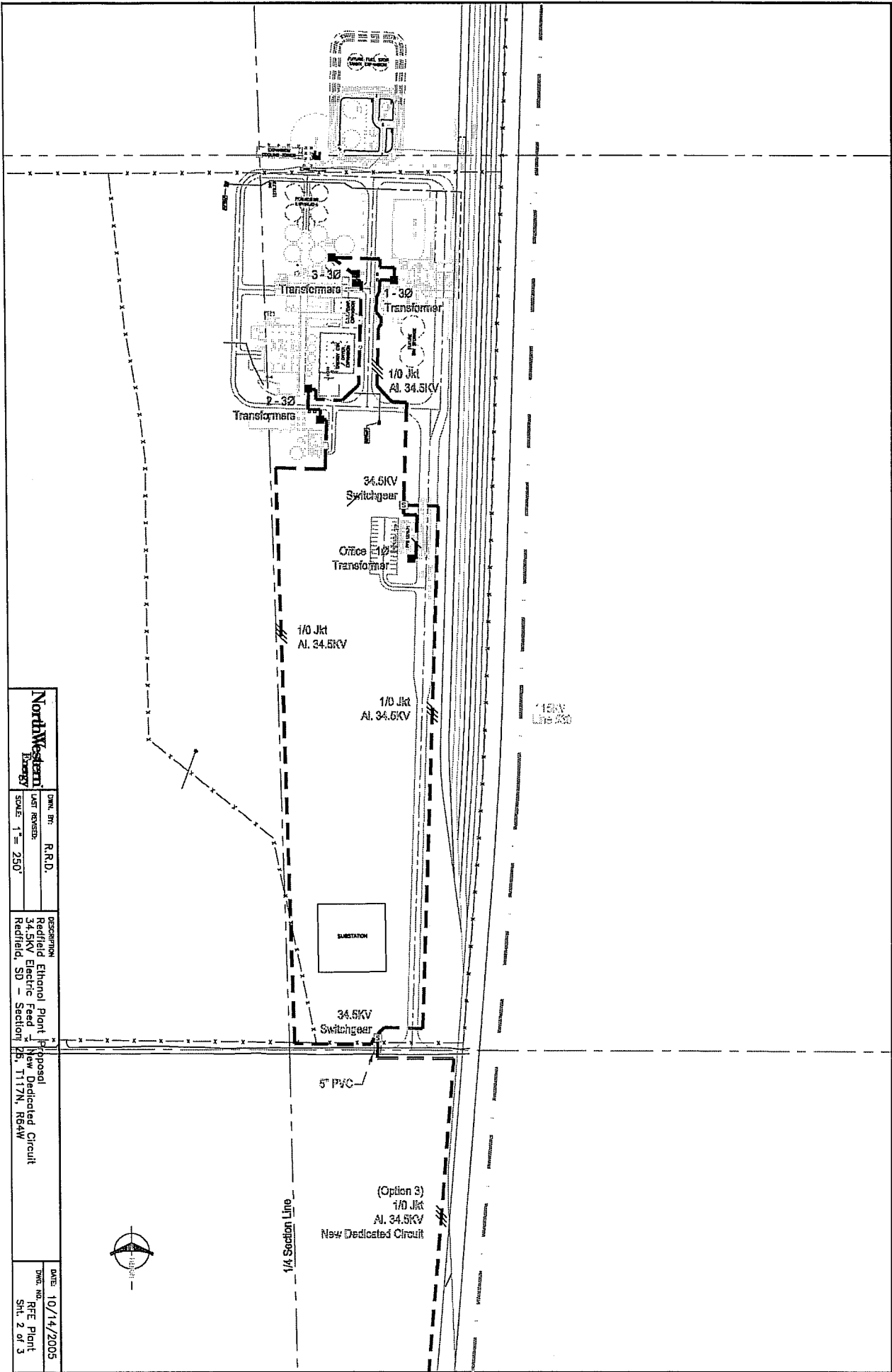
BY: 

Robert Magstadt, P.E.
Energy Commodities Manager


Arthur M. Hopper

Attorney for Redfield Energy

A



| | |
|--|-----------------------------------|
| NorthWestern Energy DRAWING NO. R.R.D. DESCRIPTION Redfield Ethanol Plant 34.5KV Electric Feed Section 2, 117N, R64W DATE 10/14/2005 DWG. NO. PFE Plant Sht. 2 of 3 | DWG. BY: R.R.D. LAST REVISION: |
| | SCALE: 1" = 250' REVISION: |



B

SERVICE AGREEMENT

This Service Agreement (the "Agreement") is made this 23 day of January, 2006, by and between NorthWestern Corporation, a Delaware corporation, doing business as NorthWestern Energy ("NorthWestern") and Redfield Energy, LLC, a South Dakota limited liability company ("Redfield Energy"). NorthWestern and Redfield Energy may individually and collectively be referred to herein as a "Party" and "Parties" respectively.

WHEREAS, Redfield Energy proposes to receive electric service from NorthWestern under the terms of NorthWestern's electric tariffs on file with, and made effective by approval of, the South Dakota Public Utilities Commission (the "Commission"), with electric service to be provided by NorthWestern if Redfield Energy is successful in its petition for electric service to be filed with the Commission;

WHEREAS, NorthWestern and Redfield Energy have negotiated this Agreement for electric service; and

WHEREAS, Redfield Energy plans to file a petition for electric service, pursuant to SDCL 49-34A-56, with the Commission, as a new large load customer at a new location, and NorthWestern plans to support such petition before the Commission;

NOW, THEREFORE, in consideration of the premises, and mutual covenants and conditions contained in this Agreement, the Parties agree as follows:

1. Definitions

All terms used in this Agreement shall have the same definition as the same terms in NorthWestern's Rate 34 Large Commercial and Industrial Service tariff, and its Option L Large Customer Incentive Rider tariff for electric service, as well as the general terms and conditions of service related electric service (collectively, the "Tariffs") unless otherwise noted. Should any term be changed, added or deleted from the Tariffs, the meaning of that particular term as used in the Tariffs on the Effective Date of this Agreement shall be used.

2. Rates

During the term of this Agreement Redfield Energy shall receive service under NorthWestern's Tariffs, as approved by the Commission and as in effect from time to time.

3. Term and Termination

- A. This Agreement shall be effective with approval by the Commission of the petition for electric service to be filed by Redfield Energy and shall continue for an initial term of ten (10) years. Following such initial term, electric service by NorthWestern to Redfield Energy shall be pursuant to the Tariffs or as otherwise agreed by the Parties. Redfield Energy shall receive electric service under a contract for deviation filed with the SD PUC for the first five (5) years of service under this Agreement and electric service under Option L for the succeeding five (5) years of service, with service under Option L continuing thereafter, as agreed by the Parties.
- B. Should Redfield Energy not be granted its petition to be served by NorthWestern, the provisions for electric service in this Agreement shall be eliminated.

- C. Should the Commission approve such petition, but require material modifications to this Agreement, the Parties shall meet within ten (10) days of the Commission's action to negotiate, in good faith, an amendment to this Agreement that is mutually acceptable and that complies with the Commission's ruling. Should the Parties be unable to negotiate such an amendment, either Party may terminate this Agreement forthwith by providing the other Party written notice of termination.
- D. Should this Agreement be changed or amended after the Effective Date by a regulatory authority exercising jurisdiction, then the Parties shall meet within thirty (30) days to negotiate, in good faith, revisions to this Agreement that would provide for continued delivery service from NorthWestern. Should the Parties be unable to agree upon a revision of this Agreement within thirty (30) days from the initial meeting, then either Party may terminate this Agreement forthwith.
- E. Should the contract for deviation for the reduction from the base rate in the amount of six-tenths of a cent per kWh be denied by the PUC, both parties will meet within ten (10) days of the Commission's action to negotiate, in good faith, an amendment to this Agreement that is mutually acceptable. Should the Parties be unable to negotiate such an amendment, either Party may terminate this Agreement forthwith by providing the other Party written notice of termination.

4. Notices

Any notice, request, demand, monthly statement or payment provided for in this Agreement, or any notice which either Party may desire to give to the other, shall be in writing and shall be considered as duly delivered when delivered in person, mailed by first-class, postage prepaid United States mail, or by prepaid overnight delivery to the other Party by the United States Postal Service, Federal Express or other overnight delivery service addressed to the other Party at its address indicated below, or at such other address as either Party may designate for itself in writing to the other Party. Notices that are required to be given or that may be given by telephone or facsimile transmission shall be directed to the telephone numbers indicated below or at such other telephone number as either Party may designate for itself in writing to the other Party.

NorthWestern

Contract Administration

NorthWestern Energy
 600 Market Street West
 Huron, SD 57350-1500
 Attn: Jay Morris
 Telephone: 605-353-7506
 Fax: 605-353-7636

Payment

NorthWestern Energy
 600 Market Street West
 Huron, SD 57350-1500
 Attn: Accounts Receivable

Redfield Energy

Contract Administration

Glacial Lakes Energy, LLC
 301 20th Ave SE
 Watertown, SD 57201
 Attn: Bert Magstadt
 Telephone: 605-882-8480
 Fax: 605-882-8982

Invoices

Redfield Energy, LLC
 38650 171st St
 Redfield, SD 57469
 Attn: Accounts Payable

5. Miscellaneous

- A. This Agreement and its performance by both Parties shall be interpreted in accordance with the laws of the State of South Dakota and shall be subject to all applicable rules and regulations of regulatory authorities having jurisdiction. Questions or disagreements based upon cost of service analyses, the Tariffs and other issues within the jurisdiction of the Commission shall first be submitted to the Commission staff for informal resolution. Nothing in the preceding sentence shall limit or preclude either Party from pursuing any and all of their respective legal remedies.
- B. This Agreement sets forth all understandings between the Parties respecting electric service to Redfield Energy's facility subject hereto, and any prior contracts, agreements, understandings and representations, whether oral or written relating to such transportation service are superceded by this Agreement.
- C. A full copy of the Tariffs as in effect and approved by the Commission as of the date of this Agreement shall be furnished to Redfield Energy upon request.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed in duplicate as of the day and year first above written.

NORTHWESTERN CORPORATION, doing
business as NORTHWESTERN ENERGY

By:

Name:

Title:

REDFIELD ENERGY, LLC

By:

Name:

Title:

[Signature]
JAY L. MORRIS
MANAGER

[Signature]
Thomas E Branhan
CEO

C

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
No. 21
Original
Canceling _____
Sheet No. 21

Extended Service Rider

OPTION L

CLASS OF SERVICE: Commercial and Industrial Service

APPLICABILITY

This rider is available to Commercial and Industrial customers for loads which represent either (1) a trailing 12 month average demand of 1,000 KW or greater and an average load factor greater than 50 percent or (2) a trailing 12 month average load factor greater than 75 percent and an average demand of 500 KW or greater. The applicability of this rider is subject to consummation of an agreement between Northwestern and customer and shall be effective on a prospective basis only. Customers have primary responsibility for applying for service pursuant to this rider.

TERRITORY

Northwestern's Assigned Service Area

RATE

The following discounts shall be applied to the non-fuel portion of the total demand and energy charges:

| <u>Months Remaining in Contract Term</u> | <u>Discount</u> |
|--|-----------------|
| 49 - 120 | 8 percent |
| 37 - 48 | 4 percent |
| 25 - 36 | 3 percent |
| 13 - 24 | 2 percent |
| 12 or less | 1 percent |

All provisions of Northwestern's filed tariff not specifically changed by this rider schedule shall apply. Option L can be contracted for a period of up to 10 years.

(Continued)

Date Filed: October 20, 1997

Effective Date: November 1, 1997

R. F. Leyendecker
Issued By: Vice-President, Market Development

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

**NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA**

**Section No. 3
No. 21.1
Sheet No.21.1**

Original
Canceling

Extended Service Rider OPTION L

(Continued)

OTHER PROVISIONS

- 1) The applicability of monthly customer and minimum charges, adjustment clauses and other provisions is unaffected by this rider. Stated provisions of tariff schedule under which load is being served shall remain in effect.
- 2) This discount may not be used concurrently with any other discounting pursuant to tariff or special contract.
- 3) Option L may be renewed on an annual basis, at the discretion of Northwestern and the customer.
- 4) Northwestern reserves the right to reject customer loads for which sufficient capacity is not available or where said loads may otherwise jeopardize Northwestern's system or the welfare of existing customers.
- 5) Northwestern, at its option, may terminate the Option L agreement if the customers Demand or energy use is reduced on an annual basis by 10% or more.
- 6) Revenues which may be lost by Northwestern by reason of its entering into agreements under Option L shall not be recovered from its customers irrespective of their customer class. The determination of whether revenues have been lost shall be made by the South Dakota Public Utilities Commission in a rate proceeding or in a proceeding pursuant to SDCL 49-34A-26.
- 7) Discounts offered under Option L shall be applied to standard rates as approved by the South Dakota Public Utilities Commission from time to time.

Date Filed: October 20 , 1997

Effective Date: November 1, 1997

R. F. Leyendecker

Issued By: Vice-President, Market Development

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

In the Matter of the Petition for Electrical Service)
by Redfield Energy, LLC to Have)
NorthWestern Energy Assigned as its)
Electric Provider in the Service Area of)
Northern Electric Cooperative, Inc.)

Docket No. EL06-____

**NOTICE OF APPEARANCE
AND
REQUEST FOR DOCUMENTS**

NOTICE IS HEREBY GIVEN that Brett Koenecke hereby appears on behalf of NorthWestern Corporation, doing business as NorthWestern Energy in the above-entitled docket for all purposes allowed by the rules of the Commission.

You are requested to serve copies of any and all documents filed in said docket on the undersigned.

Dated this 30 day of May, 2006.



Brett Koenecke
May, Adam, Gerdes and Thompson, LLP
Box 160
Pierre, SD 57501
605-224-8803