

NorthWestern[™] Energy

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

May 24, 2007

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

Re: NorthWestern Corporation Proposed Contract With Deviation
PUC Docket EL07-___

Dear Ms. Van Gerpen:

With this letter, NorthWestern Corporation (“NorthWestern” or the “Company”), doing business as NorthWestern Energy, is filing with the Commission a proposed electric contract with deviation. Pursuant to ARSD 20:10:13:39, the Company states:

(1) The documents submitted with this filing include:

- An original and one copy of the Application for Tariff Change and Report in Support of Tariff Filing of NorthWestern (the “Report”), pursuant to ARSD 20:10:13:26;
- The proposed revised tariff schedule, Section 4, Sheet 1. 3rd Revised
- A map of the proposed route
- Schedules detailing the cost of the project
- A copy of the contract between NorthWestern and the Customer.

(2) The proposed effective date for the new tariff is July 1, 2007.

(3) The names and addresses of those to whom copies of the rate schedule have been mailed:

Mr. Chad L. Scherwinski, EIT
80 – 44th Avenue NE
Minneapolis, MN 55421

(4) Brief description of the proposed changes in rates:

NorthWestern is proposing the Contract With Deviation to construct an electric line to serve the Burlington Northern Railroad. Burlington Northern is adding two spur tracks and installing two switch heaters at each of these locations. Each heater has a 2.5 Hp motor, and will only run when the temperature is below zero and the tracks are wet. There is a very minimal load associated with the four heaters.

NorthWestern proposes to serve these heaters with two 25kVA pad mount transformers, one for each spur location. We will hire a contractor to do all of the boring and plowing that is associated with this project, as there is approximately 3500 feet of 1/0 primary cable to be buried.

The estimate of the project cost is \$31,043.93. A payment of actual construction costs will be due from the customer within 14 days after the Project Completion Date. NorthWestern plans to begin work on this project after July 1st.

(5) Reasons for the proposed changes:

The reason for the proposed change is the customers need for additional electric line to serve their new track heaters.

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

Burlington Northern will be the only customer impacted by this filing.

Sincerely yours,

Jeff Decker
Regulatory Analyst

EXHIBIT A

REQUEST FOR CONFIDENTIAL TREATMENT

COMES NOW, NorthWestern Corporation, doing business as NorthWestern Energy ("NorthWestern" or the "Company"), and pursuant to ARSD 20:10:01:41, requests confidential treatment as follows:

- 1) The documents for which confidential treatment is requested are the Electric Service Agreement between NorthWestern and Burlington Northern & Santa Fe Railroad (the "Customer"), dated November 15, 2006 (the "Contract"), and the work papers containing the Company's anticipated costs to construct facilities to the Customer's facilities;
- 2) The Company requests that such confidential treatment be afforded the Contract and work papers indefinitely, or a minimum of ten years
- 3) The name, address and phone number of the persons to be contacted regarding the confidentiality request are:

Jeffrey Decker
Regulatory Analyst
NorthWestern Energy
600 Market Street West
Huron, SD 57350
(605) 353-8315

Pamela Bonrud
Director – SD/NE Government and Regulatory Affairs
NorthWestern Energy
125 S. Dakota Avenue
Sioux Falls, SD 57103
(605) 978-2990

- 4) The grounds for confidentiality are that the Contract and Workpapers provide proprietary information concerning both the Company and the Customer, including the pricing of natural gas service, the costs of construction for the facilities to serve the Customer, etc. Sharing this information to third parties may provide competitive advantages to the competitors for both NorthWestern and the Customer.
- 5) As a factual basis in support of this request, please see the response to item 4) above.

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY Section No. 4
HURON 3rd Revised Sheet No. 1
SOUTH DAKOTA Canceling 2nd Revised Sheet No. 1

Contracts With Deviations

1. Redfield Ethanol Plant – Redfield
Execution – 01/23/2006
Expiration – 5 years, commencing with Plant Start-Up date.

2. BN & SF Railroad -- Wolsey (N)
Execution – 05/04/2007 (N)
Expiration – Upon Final Payment 14 days after construction. (N)

Date Filed: May 24, 2007

Service on or after
Effective Date: July 1, 2007

Jeffrey Decker
Issued By: Regulatory Department