

NorthWestern[™] Energy

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February 12, 2008

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:
 - 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. 4th 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 April 1, 2008.
- (3) The names and addresses of those to whom copies of the rate schedule have been mailed:

Mr. Bill Striebel
B.N. & SF Railroad
P.O. Box 1205
Mandan, ND 58554

(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. This project is to provide electrical service to a new switch heater located at Line Segment 2001, Milepost 736.68, City of Redfield, Spink County, South Dakota. The heater will only run when the temperature is below zero and the tracks are wet. There is a very minimal load associated with this heater.

NorthWestern proposes to serve this heater with a 25kVA pad mount transformer. We will hire a contractor to do all of the boring and plowing that is associated with this project, as there is approximately 825 feet of 1/0 primary cable to be buried.

The estimate of the project cost is \$9,000.00. The payment has been received from the customer and will be applied to the project costs at the date of completion. NorthWestern plans to begin work on this project after April 1st.

(5) Reasons for the proposed changes:

The reason for the proposed change is the customer's need for additional electric line to serve its 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 January 10, 2008 (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:

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(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 Work papers provide proprietary information concerning both the Company and the Customer, including the pricing of electric 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
HURON
SOUTH DAKOTA

Section No. 4

4th Revised

Sheet No. 1

Canceling 3rd 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. (D)

2. BN & SF Railroad – Redfield (N)
Execution – 01/23/2008 (N)
Expiration – Upon completion of construction. (N)

Date Filed: February 12, 2008

Service on or after
Effective Date: April 1, 2008

Jeffrey Decker
Issued By: Regulatory Department