



December 20, 2018

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E.  
Washington, DC 20426

via eFiling

ER19-633-000

Re: *NorthWestern Corporation (South Dakota)*, Docket No. ER19-\_\_\_-000  
Rate Schedule No. 41-SD | Electric Service Agreement Emergency-Type Service by and  
among NorthWestern Energy, East River Electric Power Cooperative, Inc., and the City of  
Miller

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act<sup>1</sup> and Part 35 of the Federal Energy Regulatory Commission's regulations,<sup>2</sup> NorthWestern Corporation d/b/a NorthWestern Energy hereby submits for filing and acceptance an Electric Service Agreement Emergency-Type Service (ESA) by and among NorthWestern Energy, East River Electric Power Cooperative, Inc., and the City of Miller. This ESA is designated as Rate Schedule No. 41-SD under NorthWestern's Other Rate Schedules.<sup>3</sup>

NorthWestern respectfully requests waiver of the prior notice requirement to permit the ESA to become effective on December 27, 2018.

## I. Background

---

### A. NorthWestern Energy

NorthWestern Energy is a public utility engaged in the generation, transmission, and distribution of electricity and the supply and transportation of natural gas. Its facilities are located primarily in Montana and South Dakota. In South Dakota, NorthWestern is a transmission owner within the Southwest Power Pool, Inc. (SPP) and has transferred functional control of a large portion of its electric transmission facilities to SPP. In Montana, NorthWestern is a transmission

---

<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Part 35.

<sup>3</sup> NorthWestern Corporation, FERC FPA Electric Tariff, Other Rate Schedules, Rate Schedules – South Dakota.



owner/operator and Balancing Authority Area operator within the Western Electricity Coordinating Council. NorthWestern's Montana and South Dakota transmission facilities are not physically connected and are not in the same electric reliability region. This filing concerns an agreement regarding NorthWestern's South Dakota operations.

### **B. East River Electric Power Cooperative, Inc.**

East River is a non-jurisdictional, not-for-profit generation and transmission cooperative. East River delivers wholesale power to its members, which include 24 rural electric distribution cooperatives and one municipally-owned electric system in eastern South Dakota and western Minnesota. East River is also a transmission-owning member of SPP.

The electric systems of NorthWestern and East River are, or can economically be, interconnected through manually operated air-break switches, oil circuit breakers, motor-operated switches, or jumpers. These interconnections are normally operated open, but can be closed to create an additional transmission path for use during contingencies such as storms, maintenance and repairs, or other similar conditions. NorthWestern and East River are parties to an ESA that sets forth the terms and conditions under which either party may utilize emergency connection facilities at designated points of interconnection. This agreement is on file with the Commission as NorthWestern Corporation FERC Electric Rate Schedule No. 37 (SD).<sup>4</sup>

### **C. The City of Miller, South Dakota**

The City of Miller owns and operates an electric power system consisting of transmission lines, distribution lines, and other facilities in and around the City.

## **II. Description of Filing**

---

NorthWestern and the City of Miller have entered into a Purchase Agreement under which the City will purchase certain transmission facilities from NorthWestern. These facilities are at a defined point of interconnection in the existing ESA between NorthWestern and East River.<sup>5</sup> In order to maintain the ability of both NorthWestern and East River to provide emergency transmission to each other over the facilities to be transferred to the City, NorthWestern, East River, and the City of Miller have entered into a new three-party ESA. This ESA is substantially similar to the existing two-party ESA between NorthWestern and East River.

---

<sup>4</sup> *NorthWestern Corp.*, ER10-41-001 (Jan. 11, 2010) (delegated letter order).

<sup>5</sup> Accession No. 20091009-0040, Exhibit A, "Miller Interconnection."



The new three-party ESA outlines the responsibilities of the parties, the use and operation of the facilities at the Miller Interconnection, transmission of power and energy when emergency-type service is required, meter testing, and procedures for requesting emergency-type service. The ESA will continue indefinitely until canceled by a party providing 24 months' written notice.

### III. Proposed Effective Date & Request for Waiver

---

Pursuant to 18 C.F.R. § 35.11 and for good cause shown, NorthWestern Energy respectfully requests waiver of the prior notice filing requirement under 18 C.F.R. § 35.3 of the Commission's regulations to permit the ESA to become effective on December 27, 2018. This is the anticipated closing date for the sale of transmission assets to the City of Miller. The Commission's policy permits waivers of the 60-day prior notice filing requirement in the case of uncontested filings that do not change rates.<sup>6</sup>

### IV. Request for CEII Protection

---

This submission includes specific engineering information about existing critical infrastructure — i.e., a one-line diagram of the Miller Interconnection (Exhibit B to the ESA). Pursuant to 18 C.F.R. § 388.113, NorthWestern Energy respectfully requests Critical Energy/Electric Infrastructure Information (CEII) protection for Exhibit B. This exhibit qualifies as CEII as defined in 18 C.F.R. § 388.113(c)(2) because it contains specific engineering information about critical infrastructure that relates details about the transmission of energy. NorthWestern Energy requests the CEII designation begin as of the date of filing — December 20, 2018 —and continue for a period of five years.

### V. General Information

---

Pursuant to 18 C.F.R. § 35.13(a)(2)(iii), NorthWestern provides the following information:

- 1) This filing includes the following documents:
  - a. This transmittal letter;
  - b. Public version of Rate Schedule No. 41-SD | Electric Service Agreement Emergency-Type Service by and among NorthWestern Energy, East River Electric Power Cooperative, Inc., and the City of Miller for posting on eLibrary;

---

<sup>6</sup> See *Central Hudson Gas & Electric Co.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992), and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).



- c. Confidential version of Rate Schedule No. 41-SD; and
  - d. Electronic filing package containing the tariff record (with Exhibit B redacted) and associated metadata.
- 2) As discussed above, NorthWestern respectfully requests an effective date of December 27, 2018.
  - 3) A copy of this filing is being provided to:

Jim Edwards  
East River Electric Power Cooperative, Inc.  
PO Box 227, 211 S. Harth Avenue  
Madison, SD 57042  
JEdwards@eastriver.coop

Bill Lewellen  
City of Miller  
120 West 2<sup>nd</sup> Street  
Miller, SD 57362  
bill.lewellen@cityofmiller.com

This filing is available for public inspection at NorthWestern Energy's Corporate Office, 3010 West 69<sup>th</sup> Street Sioux Falls, South Dakota.

- 4) A description of this filing is set forth above.
- 5) East River, the City of Miller, and NorthWestern have executed the ESA. Accordingly, all requisite approval for the ESA has been obtained.
- 6) There are no expenses or costs that have been alleged or judged to be illegal, duplicative, or unnecessary that are demonstrably the product of discriminatory employment practices.
- 7) This filing does not involve a rate change.

NorthWestern respectfully submits that the requirements of Section 35.13 of the Commission's regulations that have not been specifically addressed herein are inapplicable to this filing. To the extent that the Commission determines the requirements of Section 35.13 or any other rules to be applicable, NorthWestern respectfully requests waiver of the requirements of such provisions.



## VI. Communications

---

Communications concerning this filing should be directed to the following persons, who should be included on the official service list compiled by the Secretary in this proceeding:

Michael Cashell  
Vice President – Transmission  
NorthWestern Energy  
11 East Park  
Butte, MT 59701  
Phone: (406) 497-4575  
michael.cashell@northwestern.com

M. Andrew McLain  
Director – Transmission Market Strategy &  
FERC Compliance Officer  
NorthWestern Energy  
11 East Park  
Butte, MT 59701  
Phone: (406) 443-8987  
andrew.mclain@northwestern.com

## VII. Conclusion

---

For the foregoing reasons, NorthWestern respectfully requests the Commission to accept the enclosed ESA for filing; grant waiver of the prior notice filing requirement to permit the ESA to become effective December 27, 2018, as requested; and grant waiver of any other Commission regulations deemed applicable this filing.

Respectfully submitted,

s/ *M. Andrew McLain*

**M. Andrew McLain**

*Director – Transmission Market Strategy & FERC Compliance Officer*

andrew.mclain@northwestern.com

○ 406-443-8987

Enclosure

cc: East River Electric Power Cooperative, Inc.  
City of Miller  
South Dakota Public Utilities Commission



## Certificate of Service

---

I hereby certify that I have this day served the foregoing document upon each person designated in the foregoing transmittal letter, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated this 20<sup>th</sup> day of December, 2018.

*s/ Dori L. Quam* \_\_\_\_\_

Dori Quam

Lead – Transmission Regulatory Support

dori.quam@northwestern.com

---

# Rate Schedule No. 41-SD

---

Electric Service Agreement  
Emergency-Type Service  
by and among  
NorthWestern Corporation, East River Electric Power  
Cooperative, Inc., and the City of Miller

Requested Effective Date: December 27, 2018

NorthWestern Corporation  
Other Rate Schedules – South Dakota

**ELECTRIC SERVICE AGREEMENT  
EMERGENCY-TYPE SERVICE  
By and Among  
NORTHWESTERN ENERGY,  
EAST RIVER ELECTRIC POWER COOPERATIVE, INC.  
AND THE CITY OF MILLER**

This Agreement is made and entered into as of this 30<sup>th</sup> day of November, 2018, by and among NorthWestern Corporation, a Delaware corporation, d/b/a NorthWestern Energy (“NorthWestern”); East River Electric Power Cooperative, Inc., a Cooperative Corporation organized and existing under the laws of the State of South Dakota (“East River”) and the City of Miller, a municipality organized and existing under the laws of the State of South Dakota (the “City”). NorthWestern, East River, and the City are referred to herein individually as “Party” and collectively as the “Parties”.

WHEREAS, NorthWestern owns and operates an electric power system consisting of generating stations, transmission lines, distribution lines and other facilities in east central South Dakota; and

WHEREAS, the Southwest Power Pool, Inc. (“SPP”) administers Network Integration Transmission Service for NorthWestern and for the Western Area Power Administration (“WAPA”), and NorthWestern, SPP and WAPA are parties to a Network Operating Agreement pursuant to which SPP and WAPA operate their respective electric systems, including those subject to this Agreement; and

WHEREAS, the City owns and operates an electric power system consisting of transmission lines, distribution lines and other facilities in and around the City of Miller; and

WHEREAS, East River owns and operates an electric power system consisting of transmission lines and other facilities in eastern South Dakota; and

WHEREAS, NorthWestern and East River are parties to an Electric Service Agreement Emergency-Type Service Between NorthWestern Energy and East River Electric Power Cooperative, Inc., dated June 15, 2009, that provides for points of connection between NorthWestern and East River for emergency-type service including, but not limited to, a normally open electrical interconnection between the electric transmission systems of NorthWestern and East River near Miller, South Dakota (hereinafter referred to as the “Miller Interconnection”); and

WHEREAS, due to the transfer of transmission assets from NorthWestern to the City, the Miller Interconnection is now a normally open electrical interconnection between the electric transmission systems of the City and East River; and

WHEREAS, the Parties desire to maintain the Miller Interconnection for times when any of the Parties, because of unforeseen contingencies relating to (1) storms or



other Acts of God, (2) the necessity for maintenance and repairs of a Party's electric power system or (3) other similar conditions beyond the control of the Parties, is unable to maintain adequate service on portions of its own system in the vicinity of the Miller Interconnection by means of its own facilities and therefore desires to have an additional transmission path or source available for use during such times (the use of the additional transmission source by a Party being hereinafter referred to as "Emergency-Type Service");

NOW, THEREFORE, predicated on the premises above set forth, and in consideration of the benefits to be obtained by each of the Parties through the improvement of their respective services due to the Miller Interconnection and the establishment of an additional transmission source from their respective systems in the event of emergencies or for maintenance and repairs thereon, and as hereinabove specified, NorthWestern, the City, and East River agree as follows:

## **ARTICLE I INTERCONNECTION**

### Points of Connection

The location of the Miller Interconnection is described in Exhibit A to this Agreement. A one-line diagram and the ownership of the Miller Interconnection facilities are given in Exhibit B to this Agreement.

### Responsibilities

Each Party will operate and maintain the facilities owned by it and identified in Exhibit "B," unless otherwise provided. The cost of replacement of such facilities will be borne by the Party owning the facilities unless damaged by the negligent or intentionally wrongful act or omission of another Party hereto, its agents or employees. Each Party will defend, indemnify, and hold harmless the other Parties against any and all claims, liability, loss, damage, or expense caused by or resulting from the negligent or intentionally wrongful acts or omissions of the indemnifying Party, its employees or agents.

## **ARTICLE II OPERATION**

### Use of Facilities

The interconnection of the Parties' electric power systems will effect savings in capital investment by the Parties. In consideration thereof, the Parties will allow the others to transmit electric power and energy through their systems to the point of

interconnection as defined in this Agreement to the extent that those systems have capacity in excess of that required for their own needs.

### Limitation on Use of Facilities

Notwithstanding any other provisions of this Agreement, no Party shall be obligated to allow another Party or Parties, as applicable, to schedule the transmission of electric power and energy through its system if such Party does not have adequate capacity available in excess of its own system's requirements thereof or if such transmission will, in any way, interfere with the furnishing of service to its customers, it being understood that each Party shall have first claim upon its facilities for the requirements of its own customers. The determination of capacity available to transmit power and energy shall be at the discretion of the Party from whom such transmission of power and energy is requested, and the requesting Party waives and relinquishes all of its legal and equitable rights and remedies to require the other Party or Parties, as applicable, to transmit such power and energy when in its discretion the other Party or Parties, as applicable, determines there is not adequate capacity available. A Party is not required to transmit electric power and energy under this Agreement to make up any deficiency in the normal source of electric service supply to another Party or Parties' system, as applicable.

### Switching

The Miller Interconnection shall be operated as a normally open electrical interconnection. The electrical systems of NorthWestern and East River shall not be connected electrically together in parallel, except during momentary switching operations when the Miller Interconnection is being used to transfer loads between the Parties' systems.

The Titan Wind Farm is connected to NorthWestern's West Park to Miller 69 kV transmission line. Except during switching operations to transfer loads across emergency ties without interruptions, the Titan Wind Farm cannot be served from East River's electric system via the Miller Interconnection. In the event NorthWestern needs to utilize the Miller Interconnection to serve its load, NorthWestern will be responsible for disconnecting all generation being supplied by the Titan Wind Farm and any associated costs while the Miller Interconnection is being utilized by NorthWestern. In the event East River needs to utilize the Miller Interconnection to serve its load and this requires the Titan Wind Farm to be disconnected, East River shall be responsible to reimburse NorthWestern for the costs incurred with disconnecting the Titan Wind Farm.

The Hyde County Wind Farm is connected to East River's Fort Thompson to Miller 69 kV transmission line. Except during switching operations to transfer loads across emergency ties without interruptions, the Hyde County Wind Farm cannot be served from NorthWestern's electric system via the Miller Interconnection. In the event East River needs to utilize the Miller Interconnection to serve its load, East River will be responsible for disconnecting all generation being supplied by the Hyde County Wind

Farm and any associated costs while the Miller Interconnection is being utilized by East River. In the event NorthWestern needs to utilize the Miller Interconnection to serve its load, and this requires the Hyde County Wind Farm to be disconnected, NorthWestern shall be responsible to reimburse East River for the costs incurred with disconnecting the Hyde County Wind Farm.

If the Parties' systems that are to be connected by operation of any switch that would tie them together are not electrically in phase, each Party shall disconnect from its own system the load to be supplied from the system of the other Party or Parties, as applicable, so that the out of phase systems will not be tied together during switching operations, nor be operated in parallel.

The interconnection switches at the Miller Interconnection shall have multiple locking and tagging capabilities to ensure the safety of the Parties' crews and electric systems.

### **ARTICLE III TRANSMISSION OF POWER AND ENERGY**

In the event a Party or Parties, as applicable, requires Emergency-Type Service for its system(s), the other Party or Parties, as applicable, agrees to accept delivery of electric power and energy from the SPP transmission system, to the extent of the capacity available therefor, at its points of interconnection with SPP, and to deliver to the Party or Parties, as applicable, requiring Emergency-Type Service an equivalent amount of power and energy, in the form of three (3) phase 69 kilo-Volt ("kV") alternating current at a nominal frequency of 60 hertz. All amounts of power and energy transmitted to the Party requiring Emergency-Type Service shall be adjusted to compensate for physical losses across the supplying Party's or Parties' electric power system facilities which are not part of the SPP commercial model. The loss compensation factors are given in Exhibit C of this Agreement.

All Parties agree to maintain a power factor at the interconnections of their systems of between 95 percent lagging and 95 percent leading.

### **ARTICLE IV METER TESTING**

A Party may, at reasonable times and upon notice to another Party or Parties, as applicable, request that the metering equipment at the interconnection(s) be tested. Any metering equipment found to be inaccurate shall be repaired, adjusted, or replaced by its owner at its expense. Billing for power and energy will be adjusted by mutual agreement to compensate for errors or defects or failures in metering equipment. No adjustments will be made on bills where errors in the meters are less than two percent (2%). No adjustments will be made for a period greater than sixty (60) days unless the

actual period of the metering error can be determined, and in no event will adjustments be made for a period greater than six (6) months.

## **ARTICLE V REQUEST FOR SERVICE**

### Unplanned/Emergencies

It is understood that Emergency-Type Service will be supplied only upon request to the other Parties, as applicable, by the Party or Parties, as applicable, desiring the service. The request shall specify the cause and nature of the emergency, the amount of power required, and the probable duration of the emergency period. The requesting Party shall also notify the other Parties promptly when the emergency has ended.

### Preplanned/Scheduled Maintenance and Repairs

If Emergency-Type Service is required by any Party because of a scheduled outage of facilities on its electric power system, that Party shall consult with the other Parties and, as far in advance as possible, arrange such outage at a time which is most convenient to the other Parties, as applicable.

## **ARTICLE VI TERM AND TERMINATION**

This Agreement shall be in force upon execution by the Parties and shall continue in force thereafter until cancelled by a Party giving the other Parties not less than twenty-four (24) months' written notice of cancellation.

## **ARTICLE VII APPROVALS**

This Agreement shall become effective upon execution by the Parties subject to acceptance by the Federal Energy Regulatory Commission and approval by USDA's Rural Utilities Service Program (if such approval is required for East River). No other regulatory or governmental approval is needed to give this Agreement full force and effect.

**ARTICLE VIII  
ASSIGNMENTS**

Each Party agrees to use the power and energy transmitted under this Agreement only as herein stated and further agrees not to assign this Agreement except upon written consent of the other Parties.

**ARTICLE IX  
NOTICES**

When practical, any notices, demands, or requests required or authorized by this Agreement shall be deemed properly given if emailed or mailed, postage prepaid to:

For NorthWestern:

Jamie Hajek  
NorthWestern Energy  
300 S Burr St.  
Mitchell, SD 57301  
jamie.hajek@northwestern.com

For the City:

Bill Lewellen  
City of Miller  
120 W 2<sup>nd</sup> St.  
Miller, SD 57362  
bill.lewellen@cityofmiller.com

For East River:

Chief Operations Officer  
East River Electric Power Cooperative  
P.O. Box 227  
211 South Harth Avenue  
Madison, SD 57042  
jedwards@eastriver.coop

When not practical due to switching and operational needs, requests for utilization of Emergency-Type Service and approval of these requests shall be done verbally or telephonically before any switching shall be performed.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the day and year first above written, and the same shall be equally binding upon the respective Parties and each of their successors and assigns.

NORTHWESTERN CORPORATION  
D/B/A NORTHWESTERN ENERGY

By 

Title **Vice President-Transmission**

CITY OF MILLER

By 

Title Mayor

EAST RIVER ELECTRIC POWER  
COOPERATIVE, INC.

By 

Title Chief Operations Officer

**EXHIBIT "A"**

**MILLER INTERCONNECTION  
DESCRIPTION OF FACILITIES**

1. The normally open Miller Interconnection is located where the City's 69-kV line connects to East River on the north side of the City of Miller along E 3<sup>rd</sup> Ave. Change of ownership and point of interconnection occurs at the deadend insulator to the south of East River's Structure 343-14 with the normal open point being one span south at City switch #3680.
2. The normally closed City interconnection is located where the City's 69-kV line connects to NorthWestern on the south side of town at the intersection of 199<sup>th</sup> St and 360<sup>th</sup> Ave. This point of interconnection is described as the point where the jumpers from NorthWestern Air Break switch #3643 connect to the conductors.

**EXHIBIT "B"**

**MILLER INTERCONNECTION  
ONE-LINE DIAGRAM AND DIVISION OF OWNERSHIP**

*[CEI – redacted]*



**EXHIBIT “C”**

**MILLER INTERCONNECTION  
LOSS COMPENSATION FACTORS**

The Parties agree that the Loss Compensation, per Article III of this Agreement, shall be adjusted for physical losses incurred in connection with service over the Parties’ facilities not included within the SPP commercial models. The loss compensation shall be as follows:

[A]	[B]	[C]	[D]
Emergency Type Service Across:	69 kV Transformation Losses	69 kV Transmission System Losses	Total Losses [(1+B)*(1+C)]-1
NorthWestern’s System	N/A	N/A	
East River’s System	N/A	1.015	1.015
City of Miller’s System	1.005	1.003	1.008