

NorthWesternTM Energy

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NG 05-010

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August 16, 2005

Ms. Pamela Bonrud, Executive Director
S. D. Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501

Elec. Received AUG 16 2005

RECEIVED

AUG 18 2005

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Contract With Deviations – Natural Gas Service Agreement

Dear Ms. Bonrud:

With this letter, NorthWestern Corporation (“NorthWestern” or the “Company”), doing business as NorthWestern Energy, is filing with the Commission a proposed new natural gas Contract with Deviations (the “Contract”) with the South Dakota Wheat Growers (the “Customer”) for which we would request Commission approval, and, in order to allow the Company to construct facilities to this Customer and its new grain drying facilities within the timeline that the Customer is requesting, NorthWestern is requesting expedited approval of the Contract and asks the Commission to waive the thirty-day notice provision of ARSD 20:10:13:15. In support of such expedited treatment, the Company states that this Contract has been entered into, subject to Commission approval, freely and willingly by the only affected Customer, and to assist the Customer in meeting its objective of bringing its facilities into operation in time for the fall 2005 grain drying season, early approval is necessary.

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 which include the listing of the costs for the Company to construct gas lines to the Customer’s facilities;
- Maps that show the location of the lines to be constructed; and
- The proposed revised tariff schedule, Section 4, 5th 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 the Commission's approval date, and NorthWestern hereby requests that the Commission approve this application on less than thirty days notice.

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

South Dakota Wheat Growers
110 6th Avenue S.E.
Aberdeen, SD 57401
Attn: Richard Bentley

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

The Customer has requested, and NorthWestern is proposing to serve the Customer under our Commercial and Industrial Interruptible Sales Service Tariff, Rate 85, and under this proposed Contract, the Customer's contribution for the Company's investment in line extensions necessary to be constructed to serve the Customer is the "deviation" from such Tariff.

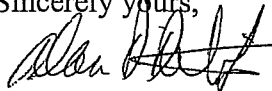
(5) Reasons for the proposed deviation:

The reason for the proposed deviation is to allow the Company to provide natural gas service to the Customer's proposed new facilities in the communities of Aberdeen and Redfield, assisting the economic development of those communities, while providing compensation for the Company and its other customers for the additional expenditures necessary to construct the facilities necessary to provide service. The additional revenue that the Company receives from the Customer will be credited to the cost of service and help to offset these additional costs. When the additional revenue requirement is completed, the Customer will receive service under Rate 85 without any deviation.

(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 affect on its cost of service is provided in the Contract.

Sincerely yours,



Alan D. Dietrich
Corporate Secretary

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 Natural Gas Service Agreement between NorthWestern and the South Dakota Wheat Growers (the “Customer”), dated August 16, 2005 (the “Contract”), and the Workpapers 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 Workpapers indefinitely, or, at a minimum, until the conclusion of the three-year term of such Contract;
- 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

Alan Dietrich
Corporate Secretary
NorthWestern Energy
125 S. Dakota Avenue
Sioux Falls, SD 57103
(605) 978-2907

- 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.

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CONFIDENTIAL

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CONTINUATION

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Legend

Proposed New 4" High Density Plastic Main

Proposed New 4" Steel Main

Proposed 34" High Density Services

**South Dakota
Wheat Growers
of Aberdeen**



1.0 Area

ARE IN CHARGE 271

2000-4

MAX 90 PSI

1.0 Area

SEE PLANS FOR
EXISTING
SERVICES

PRESSURE TEST PROCEDURES:

ANY SECTION OF THE GAS DISTRIBUTION SYSTEM WHICH WILL OPERATE ABOVE 60 PSI @ SHALL BE TESTED AS FOLLOWS:

SERVICES: ENTIRE SERVICE @ 1.5 TIMES OPERATING PRESSURE FOR 1 HOUR USING A SATISFACTORY PRESSURE QUAD.

PIPING (600 FEET OR UNDER IN LENGTH): 1.5 TIMES OPERATING PRESSURE FOR 4 HOURS USING A SATISFACTORY PRESSURE QUAD.

PIPING (OVER 500 FEET IN LENGTH): 1.5 TIMES OPERATING PRESSURE FOR 12 HOURS USING A PRESSURE RECORDER AND CHART.

CHARTS AND RECORDERS SHALL HAVE A MAXIMUM RANGE OF 2.25 TIMES OPERATING PRESSURE.

PROPER TEST CARD DOCUMENTATION TO BE FILLED OUT AND FILED AT AREA OFFICE.

Redfield, SD

Legend
New 4" Intermediate Plastic Main
New 4" Steel Main
Existing 4" Steel Main

Sheet # 1
of 2

Proposed 2nd Phase
This plan shows the proposed 2nd phase of the project, including the proposed 4" intermediate plastic main and 4" steel main. The proposed 4" intermediate plastic main is shown in solid black lines, and the proposed 4" steel main is shown in dashed black lines. The existing 4" steel main is shown in solid grey lines. The plan also shows the proposed 2nd phase of the project, including the proposed 4" intermediate plastic main and 4" steel main. The proposed 4" intermediate plastic main is shown in solid black lines, and the proposed 4" steel main is shown in dashed black lines. The existing 4" steel main is shown in solid grey lines. The plan also shows the proposed 2nd phase of the project, including the proposed 4" intermediate plastic main and 4" steel main. The proposed 4" intermediate plastic main is shown in solid black lines, and the proposed 4" steel main is shown in dashed black lines. The existing 4" steel main is shown in solid grey lines.

