

Energy Management
emcs@sio.midco.net
Sioux Falls, SD 57064

NuGen Energy LLC
PO Box 238
27283 447th Avenue
Marion, SD 57043

4. Brief description of the filing:

NuGen is served on a 31 mile NorthWestern high-pressure pipeline. It is currently served under the provisions of the rate 87 tariff. Northern Lights Ethanol is the only other NorthWestern ethanol customer on a direct connect pipeline that is served under rate 87. They have a Contract With Deviation that allows for an exclusion of the NorthWestern distribution fuel retention charge. With approval of this contract, NuGen would also be excluded from NorthWestern fuel retention charges as described below.

5. Reasons for the proposed tariff changes:

NorthWestern has been approached by NuGen seeking a lower fuel retention percentage. The current fuel distribution rate is 2.05%. NuGen is one of only three taps off of the high-pressure line that serves them. Without a large number of regulators, taps, relief valves and pressure reductions normally found on a distribution system, the fuel loss is most likely less than that other pipelines in NorthWestern's distribution system. In the process of determining the appropriate fuel retention percent for this pipeline, NorthWestern discovered that the meter it has been using to bill NuGen was calibrated incorrectly for the operating pressure (approx. 750 lbs.) of the pipeline. The difference in volumes between NNG's meter and NorthWestern's meter (excluding fuel retention) has been calculated and will be returned as a credit to the customer. Until we can pull the meter and get it calibrated correctly, NorthWestern intends to use Northern Natural Gas's meter at the tap for billing NuGen. When NNG's meter is used, the volumes do not need to be adjusted for fuel because there is no NorthWestern fuel loss at the NNG delivery point.

In addition to serving NuGen, there are two tap points on this 31-mile pipeline that serve customers near Tea, SD. The gas flowing through each tap is metered at the point of the tap. During the effective date of this contract with deviation, the gas volumes at the two tap points will be subtracted from the NNG meter to determine the gas utilized by NuGen. If there are any fuel losses between the NNG delivery point and the Nugen plant, by default, the losses will be borne by NuGen.

Once the NorthWestern meter issues are resolved and the meter is calibrated correctly and installed, NorthWestern will monitor the usage and applicable fuel percentage. When sound data is available for a fuel percent calculation, NorthWestern plans to file a separate fuel rate for large, direct connect customers that are served under rate 87. Upon approval of the separate fuel rate, NuGen billings will be calculated using the NorthWestern meter and the applicable fuel retention percentage.

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

NuGen will be the only customer directly affected by this filing. Indirectly all other system customers will not receive the benefit of NuGen Ethanol paying the higher fuel rate, if this deviation is approved.

Sincerely,



Jeff Decker

Regulatory Specialist

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 is Exhibit B which contains the daily fuel charges for the NuGen facility for September;
- 2) The Company requests that such confidential treatment be afforded the Contracts and Exhibit B indefinitely, or, at 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 Contracts and Exhibit provide proprietary information concerning both the Company and the Customer. 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 GAS RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 4
Original Sheet No. 1b
Canceling Sheet No.

Contracts With Deviations (continued)

- | | |
|---|-----|
| 13. NuGen Energy, LLC – Marion | (N) |
| Execution – 10/20/2009 | (N) |
| Expiration – 09/30/2010 or as described in agreement. | (N) |

Date Filed: October 14, 2009

Effective Date: October 20, 2009

Effective on less than 30 days notice by authority of the
Public Utilities Commission of South Dakota, dated 10/20/2009.

Jeffrey Decker
Issued By: **Regulatory Department**

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 1
8th Revised Sheet No. 2
Canceling 7th Revised Sheet No. 2

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Date Filed: October 14, 2009

**Service on and after
Effective Date: October 20, 2009**

Effective on less than 30 days notice by authority of the
Public Utilities Commission of South Dakota, dated 10/20/2009.

Jeffrey Decker
Issued By: Regulatory Specialist

Natural Gas Service Agreement

This Natural Gas Service Agreement (this "Agreement") is made this 12th day of October 2009, by and between NorthWestern Corporation, a Delaware corporation, doing business as NorthWestern Energy ("NorthWestern") and NuGen Energy, LLC, a South Dakota limited liability company ("NuGen"). NorthWestern and NuGen may individually and collectively be referred to herein as a "Party" and "Parties" respectively.

WHEREAS, NuGen proposes to have NorthWestern deliver natural gas under the terms of NorthWestern's natural gas tariffs on file with, and made effective by approval of, the Commission, subject to the proposed deviation from such natural gas tariffs contained in this Agreement, for the NuGen ethanol plant and other facilities located at 27283 447th Avenue, Marion, South Dakota (the "NuGen Facilities"); and

WHEREAS, NorthWestern and NuGen have negotiated this Agreement for natural gas service pursuant to concerns with fuel retention for this customer; and

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

1. Definitions

As used herein, "Confidentiality Agreement" shall mean the attached Confidentiality Agreement regarding disclosure of the readings from the Tea #1 meter and the Tea #2 meter used to calculate NuGen's monthly natural gas usage, and "Effective Date" shall mean the date this Agreement is approved by the South Dakota Public Utilities Commission (the "Commission"), unless the Commission requires that this Agreement be effective as of a different date.

All terms used in this Agreement shall have the same definition as the same term in NorthWestern's Rate 87 Transportation Service Tariff (the "Tariff") unless otherwise noted. Should any term be changed, added, or deleted from the Tariff, the meaning of that particular term as used in the Tariff on the Effective Date of this Agreement shall be used.

Until such time as NorthWestern has installed a meter at the NuGen Facilities, NuGen's monthly natural gas usage hereunder shall be calculated by subtracting from the total amount of natural gas delivered to NorthWestern at the NNG meter located in Harrisburg, South Dakota, during any month both (1) the amount of natural gas delivered to other customers of NorthWestern at the Tea #1 meter during said month and (2) the amount of natural gas delivered to other customers of NorthWestern at the Tea #2 meter during said month. NuGen shall have no right to receive the information concerning other customers' usage as provided in the preceding sentence until NuGen executes the Confidentiality Agreement, and then NuGen shall be entitled to receive only aggregate customer usage information, and not any information concerning an individual customer's usage.

2. Rates

Unless otherwise agreed by the Parties in writing, during the term of this Agreement, NuGen shall receive service under NorthWestern's general terms and conditions in its natural gas service tariffs, with the following exception:

Because NuGen's Billed Usage will be determined as provided in Section 1 above, NorthWestern's tariffed fuel retention percentage (2.05%, effective October 1, 2009) will not be applied to this account.

3. Term and Condition

- A. This Agreement shall become effective and binding upon the Parties upon approval of this Agreement by the Commission. This Agreement shall continue (i) until September 30, 2010; or (ii) until such time as NorthWestern has re-installed the metering equipment at the NuGen Facilities and has developed and obtained approval of a fuel retention percentage rate for large-volume customers served by a NorthWestern high-pressure pipeline; or (iii) unless terminated as provided in this Agreement, whichever occurs soonest.
- B. NorthWestern shall file this Agreement with the Commission as soon as possible after its execution and shall seek approval of this Agreement from the Commission as soon as possible. NuGen will file supporting information with the Commission as needed.
- C. Should the Commission 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, either Party may terminate this Agreement forthwith.

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 Energy:

Bleau LaFave
Director of Large Project Development
3010 West 69th Street
Sioux Falls, SD 57108
Telephone: (605) 978-2897
Facsimile: (605) 978-2910

NuGen Energy, LLC:

Doug Anderson
CEO
PO Box 238, 27283 447th Avenue
Marion, SD 57043
Telephone: (605) 648-2143
Facsimile: (605) 648-2190

With a copy to:

Jeff McKinney
Agent
609 E. Tan Tara Circle, Suite 102
Sioux Falls, SD 57108
Telephone: (605) 275-2684
Facsimile: (605) 371-2411

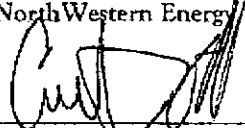
5. Miscellaneous

- 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 Tariff, 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. Nothing herein shall prevent NuGen from appearing before the Commission in the future for the purpose of objecting to or challenging any tariff applicable or proposed to be made applicable to service to the NuGen Facilities or the bases upon which any such tariff was developed, or for the purpose of seeking any other relief available to it under applicable law.
- C. The Parties hereby expressly agree that no person is a third-party beneficiary of any provision of this Agreement.
- D. Nothing herein shall be deemed to prohibit NuGen from obtaining Transportation Service for the NuGen Facilities under and pursuant to the Tariff upon expiration or termination of this Agreement.
- E. A full copy of the Tariff as in effect and approved by the Commission as of October 1, 2009, shall be attached to this Agreement for future reference.


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 d/b/a
NorthWestern Energy



By: Curt Pohl
Its: Vice President - Retail Operations

NuGen Energy, LLC



By: Doug Anderson
Its: CEO

Confidentiality Agreement

This Confidentiality Agreement is dated as of October 13, 2009, by and between NorthWestern Corporation, a Delaware corporation, doing business as NorthWestern Energy ("NorthWestern") and NuGen Energy, LLC, a South Dakota limited liability company ("NuGen").

WHEREAS, NorthWestern and NuGen have negotiated a Natural Gas Service Agreement wherein NorthWestern will deliver natural gas for the NuGen ethanol plant and other facilities located at 27283 447th Avenue, Marion, South Dakota (the "NuGen Facilities"); and

WHEREAS, NorthWestern and NuGen desire to share certain information that is proprietary or valuable trade secret information solely for the purpose of calculating NuGen's monthly natural gas usage pursuant to the terms of the Natural Gas Service Agreement; and

WHEREAS, the parties wish to prohibit disclosure and use of the Confidential Information for any purpose other than that stated above,

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

1) NorthWestern will provide to NuGen information and data regarding (a) the amount of natural gas delivered to other customers of NorthWestern at the Tea #1 meter during each month and (b) the amount of natural gas delivered to other customers of NorthWestern at the Tea #2 meter each month. As used in this Confidentiality Agreement, the term "Confidential Information" means any and all information, whether written or oral, whether or not specifically labeled as confidential, that NorthWestern provides to NuGen in accordance with the preceding sentence.

2) NuGen shall accept the Confidential Information for the sole purpose of calculating the monthly natural gas usage at the NuGen Facilities as set forth in Section 1 of the Natural Gas Service Agreement and will not use the Confidential Information for any other purpose. NuGen may not disclose the Confidential Information to any other person except its employees/agent who actually calculate the usage. NuGen further agrees to inform such employees/agent of the existence of this Confidentiality Agreement and to instruct such employees/agent, to not disclose such Confidential Information to others. Such employees/agent are obligated to keep such information in confidence as if they were parties to this Confidentiality Agreement. NuGen agrees to be liable for any damages resulting from the disclosure of Confidential Information by its employees/agent.

3) The obligation not to disclose or use the Confidential Information shall not apply to information which is required to be disclosed (i) by court order, subpoena, or other legal process; (ii) by regulatory agency or otherwise in connection with an examination of either party's records by appropriate authorities; or (iii) otherwise as required by law; provided, however, that NuGen

NorthWestern may seek such protective orders or other protection as it may elect, and NuGen shall reasonably cooperate with NorthWestern in protecting the confidential or proprietary nature of the Confidential Information that must be disclosed.

4) NuGen's obligation not to use or disclose the Confidential Information shall continue in effect for a period of 10 years from the date of this Confidentiality Agreement. Trade secrets will remain protected even after expiration or termination of this Confidentiality Agreement.

5) All Confidential Information, including any copies, whether paper, electronic or otherwise, and derivatives thereof, shall be returned to NorthWestern or destroyed immediately upon termination of this Confidentiality Agreement.


6) NuGen acknowledges that its breach or the breach by the employees who have access to the Confidential Information of this Confidentiality Agreement could cause damage to NorthWestern which is irreparable and immeasurable in terms of monetary value. For this reason, the parties agree that this Confidentiality Agreement may be specifically enforced by any court of competent jurisdiction and consent to the entry of such restraining orders and injunctions as may be necessary to prevent a breach of this Confidentiality Agreement and to carry out its terms. This remedy may not be exclusive, and NorthWestern may have such other and further relief as may be permitted by law. No failure or delay by NorthWestern in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power, or privilege hereunder.

7) This Confidentiality Agreement shall be governed by and construed under the laws of the State of South Dakota.

8) This Confidentiality Agreement constitutes the entire agreement between the parties hereto concerning the subject matter hereof and may not be modified except in writing signed by a duly authorized representative of each party. This Confidentiality Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. This Confidentiality Agreement may not be assigned by either party hereto without the express written consent of the other party.

IN WITNESS WHEREOF, the parties have caused this Confidentiality Agreement to be executed by their duly authorized representatives as of the date first above written.

NuGen Energy, LLC



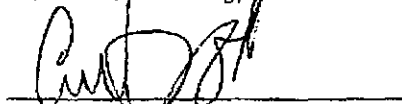
By: Doug Anderson

Its: CEO

10-13-09

NorthWestern Corporation d/b/a

NorthWestern Energy



By: Curt Pohl

Its: Vice President - Retail Operations

