



March 23, 2016

Ms. Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol Building
Pierre, SD

Dear Ms. Van Gerpen:


With this letter, NorthWestern Corporation doing business as NorthWestern Energy ("*NorthWestern*"), is filing with the South Dakota Public Utilities Commission (the "*Commission*") revisions to its Natural Gas Tariff. NorthWestern respectfully requests Commission approval of these proposed revisions.

Pursuant to ARSD 20:10:13:36 and ARSD 20:10:13:39 NorthWestern states:

1. The documents submitted with this filing include:
 - The proposed revised tariff schedule, Section 4, 8th Revised Sheet No. 2, Summary List of Contracts with Deviations which includes a reference to the Natural Gas Transportation Service Agreement (the "*Agreement*") between NorthWestern and Novita Aurora, LLC ("*Customer*") and the information required by ARSD 20:10:13:09
 - A copy of the executed proposed Agreement, for which confidential treatment has been requested, pursuant to ARSD 20:10:01:41 (see Exhibit A to this letter)
 - Confidential work papers showing the calculation of the project cost (see Exhibit B to this letter)
2. The proposed effective date for the tariff revisions is May 1, 2016.
3. The names and addresses of those to whom this filing has been emailed:

Novita Aurora, LLC
47491 213th Street
Aurora, SD 57002
Attn: Kurt Swenson
4. Brief description of the tariff changes:

Novita will be a new customer on NorthWestern's natural gas system near Aurora, South Dakota. Customer is building an ag processing plant at this location and



requires natural gas transportation service. Based on the cost of the project, NorthWestern requires security for the capital investment costs in order to protect its legacy customers. The deviations from tariff requested in this filing include:

- Utilization of an annual volume look back in order to meet annual volume requirements as opposed to the one-time, three-year look back per tariff.
- Requirement of a letter of credit from Customer, without the requirement of a contribution in aid of a construction.
- Termination conditions as set forth in the Agreement.

Customer will be served under rate 87 tariff rates and all other conditions of the general terms and conditions.

5. Reasons for the proposed tariff changes:

NorthWestern desires to provide Customer with natural gas service. The additional protections included in this Agreement provide security for NorthWestern and its legacy customers.

Customer's projected annual volumes are more than double the minimum annual usage required under the Agreement. The letter of credit provides security to protect against unforeseen circumstances surrounding the annual usage. Once the total obligation usage of the Agreement has been met, the contract will terminate and the letter of credit will be cancelled.

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

Novita Aurora, LLC will be the only customer affected by this filing.

Sincerely,

Jeff J. Decker
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