



January 3, 2017

«Title» «First_Name» «Last_Name»
«District»
«Address»
«City», «State» «Zip»

Dear «Title» «Last_Name»,

Enclosed for your use is a letter from NorthWestern Energy (“NWE” or “NorthWestern”) to area property owners that have easements for a natural gas transmission pipeline that crosses their properties and is owned by Northern Natural Gas (“NNG”). There is a matter pending before the South Dakota Public Utilities Commission (“PUC”) seeking to establish what, if any, jurisdiction the PUC may have over how natural gas utility services may be provided to these easement holders after December 31, 2017. (A link to the PUC’s docket: <http://puc.sd.gov/Dockets/NaturalGas/2016/ng16-014.aspx>.) Unfortunately, NNG has disseminated a great deal of misinformation to these easement holders, much of which is unfairly aimed at NWE. NorthWestern seeks to clear up that misinformation by providing accurate information through the enclosed communication.

Several elected officials have contacted me as to what is happening and NorthWestern’s role. The enclosed letter to NNG easement holders provides a historical perspective of what has occurred and NorthWestern’s attempts to reach resolution with NNG. You should note that NNG told the SD PUC during its hearing on December 14, 2016 that: 1) NNG had “no moral obligation” to find a solution to providing natural gas services to its easement holders after its contract with NWE expires on December 31, 2017 and 2) NNG has not taken any steps to find an alternative to NWE to provide those services on its behalf, even after NWE provided notice to NNG on November 15, 2016 of its intent to let the current contract expire. We cannot stress enough that these landowners who have easement agreements with NNG need to seek qualified legal counsel to confirm their rights.

This has regrettably become a very stressful and confusing situation for NNG’s easement holders. Helping them understand how the regulated natural gas utility business works is not easily broken down into simple sound bites. NNG has unfortunately chosen to fuel the fires of frustration with its easement holders rather than take a constructive approach in resolving the issues at hand. NorthWestern is also frustrated as NNG has attempted at every turn to frame NorthWestern as the “bad guy”. It is disappointing to see NNG continue to treat a customer of its own (i.e., NWE) in such a bad fashion, let alone its treatment of its easement holders. That is not how we do business in South Dakota.

I appreciate the opportunity to provide you with a brief summary of the situation between NNG and its easement holders as viewed by NorthWestern Energy. Please feel free to contact me at any time with your questions or concerns. My contact information is below.

Sincerely,

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