



Northern Natural Gas Company
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VIA EMAIL

January 4, 2017

Dear Representative or Senator:

Recently you've received letters from Northern Natural Gas and NorthWestern Energy; the conflicting messages must be confusing for you and your constituents. Rather than engage in a point-by-point refutation, please understand that Northern disagrees with many assertions and misstatements proffered by NorthWestern. Northern recognizes NorthWestern as an important and valued customer, and it is unfortunate that we are in a battle of words.

Northern offers the following statements of fact:

- Northern has never provided gas utility service to South Dakota farm taps; NorthWestern's assertion on this issue is simply wrong. Northern does not sell gas to customers.
- NorthWestern is the state-regulated utility responsible for providing utility services; Northern believes that parsing this responsibility into a role as "subcontractor" is misleading and inaccurate.
- The obligation to serve affected farm taps was sold to NorthWestern's predecessor in providing gas utility service, Peoples Natural Gas, who later sold the obligation to another utility, which in turn assigned the obligation to NorthWestern in 2011.
- Northern did not "secure a replacement subcontractor" in Iowa; the incumbent utility accepts its responsibility and continues to serve the farm tap customers.

As you may know, Northern, NorthWestern and Commission staff will be engaging in discussions on this topic.

Northern representatives will be in Pierre on Monday, January 9, 2017, and can be available to meet that day or the next morning, if you are interested in talking in person. Please contact me if you would like to arrange a meeting or have any other questions. Northern is eager to clarify the issues and respond to the misinformation disseminated by NorthWestern.

Sincerely,

Laura Demman
Vice President, Regulatory and Government Affairs

Cc: South Dakota Legislature, Senators and Representatives for
Districts 2, 6, 7, 8, 9, 11, 12, 16, 17, 18, 22 and 25, via email
Filed in Docket NG16-014 at South Dakota Public Utilities Commission