

NorthWestern[®] Energy

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March 24, 2011

Mike Uda
Doney, Crowley, Bloomquist, Payne, Uda, P.C.
PO Box 1185
Helena, MT 59624-1185

RE: Oak Tree Energy LLC – QF Negotiation with NorthWestern Energy

Dear Mr. Uda:

NorthWestern Energy (NWE or NorthWestern) reviewed your email dated March 18, 2011 (copy enclosed) regarding Oak Tree Energy's Notification of Dispute with NWE and a request for certain NWE Energy Supply information, and provides the following response:

NorthWestern appreciates your interest in renewable energy in South Dakota and would like to discuss any opportunities that provide renewable resources and will not adversely affect South Dakota rate payers. The avoided cost rate filed with the South Dakota PUC is the allowable rate for Qualifying Facilities for South Dakota operations. NorthWestern is interested in any discussions that will add cost effective renewable resources to our portfolio and would maintain or reduce the costs to our customers. Thank you for your inquiry.

Sincerely,



Bleau LaFave
Director SD Supply and Development

Cc: Pam Bonrud – Director Government and Regulatory Affairs
John Hines – Chief Supply Officer
Sara Dannen – Corporate Counsel
Dennis Wagner – General Manager SD Production and Generation