

SETTLEMENT AGREEMENT

This Settlement Agreement (the "*Agreement*") is effective as of the 2 day of August 2017, between and among Northern Electric Cooperative, Inc., hereinafter referred to as "*Northern Electric*" and NorthWestern Corporation d/b/a NorthWestern Energy, hereinafter referred to as "*NorthWestern*" and Ag Processing Inc a cooperative, an Iowa corporation, hereinafter referred to as "*Ag Processing*." Northern Electric, NorthWestern and Ag Processing may be referred to collectively as the "*Parties*" or individually as a "*Party*."

1. Ag Processing intends to file a Petition for Electrical Service per SDCL 49-34A-56 (the "*Petition*") with the South Dakota Public Utilities Commission (the "*Commission*"). The Petition seeks approval of permanent electric service by NorthWestern to a new soybean processing plant and associated buildings and structures (including future expansion of operations) to be located in Brown County, South Dakota (the "*Processing Plant*").

2. Northern Electric is the incumbent provider at the Processing Plant location pursuant to the electric territory laws.

3. Prior to Ag Processing filing the Petition with the Commission, the Parties executed a Confidentiality Agreement dated effective as of the 18 day of May, 2017, and shared information thereunder. Northern Electric received information necessary to evaluate whether to challenge Ag Processing's Petition.

4. After considering all relevant information, the Parties agree that NorthWestern is authorized to permanently provide electric service to the Processing Plant and any future expansion of Ag Processing operations sited upon the following real property:

The Northeast Quarter of Section 9, Township 123 North, Range 63 West of the 5th P.M., Brown County, South Dakota, and the Southeast Quarter of Section 9, Township 123 North, Range 63 West of the 5th P.M., Brown County, South Dakota, now known as:

Lots 1 and 2, AGP First Addition to Aberdeen, in Section 9, Township 123 North, Range 63 West of the 5th P.M., Brown County, South Dakota.

(the "*Property*").

5. Northern Electric reserves its right to serve any future Ag Processing facility located outside the Property.

6. Northern Electric reserves its right under law to serve third parties conducting business upon the Property; provided that nothing herein restricts NorthWestern from providing electrical service to any subsequent owner or operator of the Processing Plant, including, affiliates, partners, subsidiaries, successors or assigns of AGP.

7. The Parties agree that, under the facts specifically applicable in this case, Ag Processing is best served by receiving electrical service from NorthWestern, and the Parties have

thus entered into this Agreement. This Agreement is not intended by the Parties to indicate consent to any other change in the service territories of NorthWestern or Northern Electric.

8. This Agreement states the entire agreement between the Parties, incorporating and superseding all prior written or oral agreements and negotiations between the Parties. This Agreement is binding upon the successors, assigns, affiliates and members of the Parties.

9. This Agreement shall be governed by, and construed in accordance with, the law of the State of South Dakota. The language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Party. Each Party acknowledges that it has been represented by counsel and agrees that this Agreement shall be construed without regard to any presumption for or against the party drafting this Agreement or any portion thereof. This Agreement may be executed in any number of counterparts (which may be delivered by use of a facsimile machine or an e-mail which attaches a portable document format (.pdf) document), all of which when taken together shall constitute one and the same instrument and any of the Parties hereto may execute this Agreement by signing any such counterpart.

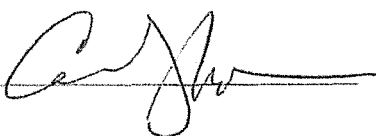

10. The Parties acknowledge and agree that this Agreement will be filed with the Commission as an exhibit to the Petition.

WHEREFORE, the undersigned have set their hands and seals as of the first date set forth above.

NORTHWESTERN CORPORATION

BY: 

AG PROCESSING INC A COOPERATIVE

BY:  

NORTHERN ELECTRIC COOPERATIVE

BY: 