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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

October 3, 2006

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Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RE: *NorthWestern Corporation Proposed Change to Natural Gas Tariff*
PUC Docket no. NG06-011

Dear Ms. Van Gerpen:

Consistent with ARSD 20:10:01:15.02, Cornerstone Energy, Inc. (“Cornerstone”) respectfully requests to intervene in the above-captioned matter, involving a tariff change proposed by NorthWestern Corporation (“NorthWestern”). The tariff change requested would allow NorthWestern substantial discretion in determining “credit worthiness” of natural gas marketers doing business with NorthWestern. Based on that determination, the proposed tariff would further allow NorthWestern substantial discretion in requiring “security” from the marketer, including cash deposits, irrevocable letters of credit, guarantees and prepayments.

Cornerstone is one of just two marketers impacted by the proposed change to NorthWestern’s tariff, the other being NorthWestern’s affiliate. As such, Cornerstone has a substantial interest in this proceeding. Cornerstone has long supported regulatory oversight of gas marketers, including certification requirements – requirements Cornerstone has met in other states. However, given the substantial discretion left to NorthWestern in its current proposed tariff, Cornerstone sees this tariff filing as an effort to vest any “oversight” function, not in the Commission, but in the utility – in this case a utility with an affiliate that competes directly with Cornerstone.

If granted intervention, Cornerstone will be able to bring a perspective to this matter that the Commission will not otherwise have, since it is the only non-affiliated marketer impacted by this filing. While Cornerstone intends to initiate further discussions with NorthWestern to resolve this issue, should those discussions not lead to resolution, Cornerstone requests the opportunity to fully participate in this docket.

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Please feel free to contact Eric Swanson at (612) 604-6511 if you have any questions regarding this matter.

Very truly yours,

WINTHROP & WEINSTINE, P.A.



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