



December 15, 2017

Ms. Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol Building
Pierre, SD

Dear Ms. Van Gerpen:

With this letter, NorthWestern Corporation doing business as NorthWestern Energy (“NorthWestern”), is filing with the South Dakota Public Utilities Commission (the “Commission”) revisions to its Natural Gas Tariff. NorthWestern respectfully requests Commission approval of these proposed revisions.

Pursuant to ARSD 20:10:13:36 and ARSD 20:10:13:39 NorthWestern states:

1. The documents submitted with this filing include:
 - The proposed revised tariff schedule, Section 4, 10th Revised Sheet No. 2, Summary List of Contracts with Deviations which includes a reference to the Natural Gas Transportation Service Agreement (the “Agreement”) between NorthWestern and Novita Aurora, LLC (“Novita”) and the information required by ARSD 20:10:13:09
 - A copy of the executed proposed First Amendment to the Agreement, for which confidential treatment has been requested, pursuant to ARSD 20:10:01:41 (see Exhibit A to this letter)
2. The proposed effective date for the tariff revisions is January 16, 2017.
3. The names and addresses of those to whom this filing has been emailed:

Novita Aurora, LLC
47491 213th Street
Aurora, SD 57002
Attn: Kurt Swenson
4. Brief description of the tariff changes:

Novita is a customer on NorthWestern’s natural gas system and has developed a processing plant near Aurora, South Dakota. NorthWestern installed a natural gas line to serve Novita in 2016 in accordance with the requirements of the Agreement.



Based on the estimated cost of the project, NorthWestern required both security for the anticipated capital investment and take or pay volumes in order to protect its legacy customers. The term of the take or pay arrangement commenced on October 31, 2016 and extends for three years.

The utilization of internal resources and a different contractor than originally anticipated resulted in actual project costs being much lower than the original projection. Novita also overestimated the annual usage of the processing facility. The parties have agreed to reduce the annual take or pay volumes to more closely match the needed recovery of the reduced capital investment and clarify Novita's actual usage of natural gas. An amendment to the Agreement, subject to Commission approval, is required to accomplish the revisions to this deviated contract. NorthWestern has billed Novita for the reduced take or pay amount per the Amended Agreement. Novita will be billed for additional take or pay volumes pursuant to the original agreement if the Commission does not approve this amendment.

5. Reasons for the proposed tariff changes:

NorthWestern desires to adequately secure recovery of its investment without causing undue burden upon Novita. Lower construction costs translates into lower volume requirements. Upon amending the original volume requirement, Novita is treated fairly and existing NorthWestern customers remain unharmed.

6. Number of customers whose cost of service will be affected and annual changes in cost of service to such customers.

Novita will be the only customer affected by this filing.

Sincerely,

Jeff J. Decker
Regulatory Specialist
jeff.decker@northwestern.com
○ 605-353-8315



EXHIBIT A
REQUEST FOR CONFIDENTIAL TREATMENT

COMES NOW, NorthWestern Corporation, doing business as NorthWestern Energy ("NorthWestern" or the "Company"), and pursuant to ARSD 20:10:01:41, requests confidential treatment as follows:

- 1) The document for which confidential treatment is requested is the First Amendment to Natural Gas Transportation Service Agreement between NorthWestern and Novita Aurora, LLC (the "Customer"), dated December 4, 2017 (the "Amendment");
- 2) The Company requests that such confidential treatment be afforded the Agreement Amendment indefinitely, or, at a minimum, until the conclusion of the term of the Agreement;
- 3) The name, address and phone number of the persons to be contacted regarding the confidentiality request are:

Jeff Decker	Pamela Bonrud
Specialist Regulatory	Director Government and Regulatory Affairs
NorthWestern Energy	NorthWestern Energy
600 Market St. West	3010 W. 69 th Street
Huron, SD 57350	Sioux Falls, SD 57108
(605) 353-8315	(605) 978-2900

- 4) The grounds for confidentiality are that the Agreement provides proprietary information concerning both the Company and the Customer, including the pricing of natural gas service. Sharing this information to third parties may provide competitive advantages to the competitors for both NorthWestern and the Customer.
- 5) As a factual basis in support of this request, please see the response to item 4) above.