



April 25, 2018

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, 12<sup>th</sup> 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 Valley Queen Cheese Factory, Inc. (“Customer”) and the information required by ARSD 20:10:13:09.
  - A copy of the executed proposed Agreement, for which confidential treatment has been requested, pursuant to ARSD 20:10:01:41 (see Exhibit A to this letter).
  - Confidential work papers showing the calculation of the project cost (Exhibit B) and confidential work papers showing the recovery of the costs for this project (Exhibit C)
2. The proposed effective date for the tariff revisions is June 1, 2018.
3. The names and addresses of those to whom this filing has been emailed:

Valley Queen Cheese Factory Inc.  
PO Drawer 51  
Milbank, SD 57252  
Attn: Brian Sandvig  
[bsandvig@vqcheese.com](mailto:bsandvig@vqcheese.com)
4. Brief description of the tariff changes:



Valley Queen Cheese Factory, Inc. is an existing customer on NorthWestern's natural gas system near Milbank, South Dakota. Customer is expanding its factory and desires additional natural gas capacity. Based on the cost of the project, NorthWestern requires a minimum annual volume obligation for the term of the Agreement. This obligation guarantees the recovery of the capital investment costs in order to protect legacy customers. The deviations from tariff requested in this filing include:

- Utilization of an annual volume look back in order to meet annual volume requirements as opposed to the one-time, three-year look back per tariff.
- Termination conditions as set forth in the Agreement.

Customer will be served under rate 87 tariff rates and all other conditions of the general terms and conditions.

5. Reasons for the proposed tariff changes:

NorthWestern desires to provide Customer with additional natural gas service to serve its expanded processing facility. The additional protections included in this Agreement provide security for NorthWestern and its legacy customers.

Once the total obligation usage of the Agreement has been met, the contract will terminate and the Customer will be served under applicable tariff.

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

Valley Queen Cheese Factory Inc. will be the only customer affected by this filing.

Sincerely,

**Jeff J. Decker**

*Regulatory Specialist*

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