



August 17, 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, 13th 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 Prairie Aqua Tech Manufacturing, LLC (“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 and cost recovery (see Exhibit B to this letter)

2. The proposed effective date for the tariff revisions is October 1, 2018.

3. The names and addresses of those to whom this filing has been emailed:

Prairie Aqua Tech, LLC
705 32nd Avenue South
Brookings, SD 57006
Attn: Dennis Harstad



4. Brief description of the tariff changes:

Prairie Aqua Tech will be a new customer on NorthWestern's natural gas system near Volga, South Dakota. Customer is building an ag processing plant at this location and requires natural gas transportation service. Based on the cost of the project, NorthWestern requires security for the capital investment costs in order to protect its 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.
- Requirement of a letter of credit or other security from Customer, without the requirement of a contribution in aid of a construction.
- 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 natural gas service. The additional protections included in this Agreement provide security for NorthWestern and its legacy customers.

The required security provides protection against unforeseen circumstances surrounding the annual usage. Once the total obligation usage of the Agreement has been met, the contract will terminate and the security will be returned.

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

Prairie Aqua Tech, LLC will be the only customer affected by this filing.

Sincerely,

Jeff J. Decker

Regulatory Specialist

jeff.decker@northwestern.com

☎ 605-353-8315