



June 21, 2019

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, 14th 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 Dan & Jerry’s Greenhouse (“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 August 1, 2019.
3. The names and addresses of those to whom this filing has been emailed:

Dan & Jerry’s Greenhouse
2121 90th Street NE
Monticello, MN 55362
Attn: Ron Reichl
4. Brief description of the tariff changes:

Dan & Jerry’s Greenhouse is an existing customer on NorthWestern’s natural gas system near Madison, South Dakota. Customer is expanding their business which requires NorthWestern to upgrade the existing natural gas pipeline in order to



service this increased natural gas load. Based on the cost of the project, NorthWestern requires security for the capital investment cost in order to protect its legacy customers.

The contract with the Customer includes recovery of the pipeline project costs over a ten year period. Per the customer's request, the project costs and tariff delivery charges will be recovered through a fixed monthly charge. The fixed monthly charge will recover costs based on a projected annual volume of 63,200 MMBtu. An annual review will be conducted to determine if volumes exceed 63,200 MMBtu. Any volume used over that amount will be billed at tariff rate 87B.

The deviations from tariff requested in this filing include:

- Monthly billing based on a fixed monthly charge.
- Utilization of a review for volumes exceeding annual requirements.
- Requirement of a letter of credit or other security from Customer.
- Termination conditions as set forth in the Agreement.

With the exception of the deviations approved in this filing, Customer will be served under rate 87 tariff and all other conditions of the general terms and conditions.

Included in this filing is the removal of the Novita contract with deviation listing. The terms of their contract have been fulfilled.

5. Reasons for the proposed tariff changes:

NorthWestern desires to provide the customer with the additional natural gas service they require. The additional protections included in this Agreement provide security for NorthWestern and its legacy customers.

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

Dan & Jerry's Greenhouse 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 documents for which confidential treatment is requested are the Natural Gas Transportation Service Agreement between NorthWestern and Dan & Jerry's Greenhouse (the "Customer"), dated June 1, 2019 (the "Agreement"), and Exhibit B;
- 2) The Company requests that such confidential treatment be afforded the Agreement and Exhibit B 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:

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Specialist Regulatory
NorthWestern Energy
600 Market St. West
Huron, SD 57350
(605) 353-8315

Pamela Bonrud
Director Government and Regulatory Affairs
NorthWestern Energy
3010 W. 69th Street
Sioux Falls, SD 57108
(605) 978-2900

- 4) The grounds for confidentiality are that the Agreement and exhibits provide 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.