



December 13, 2021

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, 30rd Revised Sheet No. 1, Summary List of Contracts with Deviations, that includes a reference to the Natural Gas Amended and Restated Transportation Service Agreement (the “Agreement”) between NorthWestern and POET Biorefining – Mitchell, 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 rate to serve this customer (see [Exhibit B](#) to this letter)
2. The proposed effective date for the tariff revisions is January 1, 2022. NorthWestern requests the Commission approve this contract with deviation on less than 30 days’ notice.
3. The names and addresses of those to whom this filing has been emailed:

POET Biorefining - Mitchell, LLC
40509 247th Street
Mitchell, SD 57301
Attn: Becky Pitz

4. Brief description of the tariff changes:



POET Biorefining – Mitchell, LLC is a large customer on NorthWestern’s natural gas system with a contract with deviation for natural gas transportation service expiring December 31, 2021. The original contract with this customer expired at the end of 2016 and at that time a five-year renewal agreement was approved for service at a deviated rate through December 31, 2021. As in previous biofuel contract renewals, NorthWestern formulated the rate for the next 5-year extension using the FERC method of calculating a management fee component as the return for serving the Customer. The updated rate also includes Operation and Maintenance and Administrative costs, and an allocation of common and general plant assets. Ad Valorem tax costs will be recovered using the rate for the 87B customers. The recovery of costs using system-wide averages provides a benefit to existing rate base customers by providing cost recovery from this Customer, based on overall system costs. Finally, NorthWestern worked to update contract language in an effort to achieve consistency with similar ongoing biofuel arrangements.

In summary, the deviations from tariff requested in this filing include:

- The rate on which the Customer is served
- Zero Fuel retention cost as the Customer is a direct connect customer
- Termination conditions as set forth in the Agreement

Except for the deviations described above, this Customer will be served under rate 87 tariff rates and all other conditions of the general terms and conditions will apply.

5. Reasons for the proposed tariff changes:

NorthWestern desires to provide this Customer with continuing natural gas transportation service after the current 5 year agreement expires. This new rate will allow NorthWestern to maintain this Customer and will benefit NorthWestern and its natural gas customers through recovery of admin and general costs and common costs from this Customer.

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

Poet Biorefining – Mitchell, LLC will be the only customer affected by this filing.

Sincerely,

Jeff J. Decker

Regulatory Specialist

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