



March 28, 2022

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, 19th Revised Sheet No. 2, Summary List of Contracts with Deviations which includes a reference to the Natural Gas Service Agreement (the “Agreement”) between NorthWestern and Ben Crick (“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)
 - A copy of the executed proposed Amendment, 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 May 1, 2022.
3. The names and addresses of those to whom this filing has been emailed:

Ben Crick
42891 US Hwy 81
Menno, SD 57045

4. Brief description of the tariff changes:

Customer desires to have natural gas service extended to its location. Customer plans to use natural gas for grain drying requirements. NorthWestern will run a gas line approximately 200 feet, after tapping a high pressure gas line, in order to serve this new customer. The installation and regulation equipment is the source



of the significant cost of this project. Based on the cost of the project, NorthWestern requires security for the capital investment cost and an annual surcharge in order to protect its legacy customers.

The Agreement with the Customer includes recovery of the project costs over a ten year period. The project costs and tariff delivery charges will be recovered through tariff rate 85 plus a fixed annual charge. An annual review will be conducted to determine if the volume requirement is met.

The Amendment adjusts for the completion date and billing the surcharge annually as opposed to monthly. The Customer did not require natural gas for the 2021 drying season, and after execution of the Agreement agreed to move the completion date to July 31, 2022 in order to accommodate NorthWestern's construction schedule. The original Agreement contained a monthly billing for the surcharge. After signing, it was determined an annual billing of the surcharge is better for both Customer and NorthWestern.

The deviations from tariff requested in this filing include:

- Annual billing of a fixed surcharge.
- Take or Pay volumes as required by the Agreement.
- 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 the Rate 85 tariff and all other conditions of the general terms and conditions.

5. Reasons for the proposed tariff changes:

NorthWestern desires to provide the Customer with natural gas service. 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:

Ben Crick will be the only customer affected by this filing.

Sincerely,

Jeff J. Decker
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