BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

)

IN THE MATTER OF THE FILING BY NORTHWESTERN CORPORATION DBA NORTHWESTERN ENERGY FOR APPROVAL OF A CONTRACT WITH DEVIATIONS WITH VALLEY QUEEN CHEESE FACTORY, INC.

ORDER GRANTING IN PART AND DENYING IN PART THE MOTION TO REOPEN THE DOCKET

NG23-015

On August 18, 2023, the South Dakota Public Utilities Commission (Commission) received a filing by NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for approval of a contract with deviations with Valley Queen Cheese Factory, Inc. (Customer or Valley Queen). The Customer was receiving firm transportation service pursuant to an Amended and Restated Transportation Service Agreement and was expanding its operation and requested additional capacity. The Customer elected to receive that additional capacity via interruptible transportation service, and NorthWestern upgraded its distribution facilities to mitigate interruption to Customer. NorthWestern stated that based on the cost of the project, it required security for the capital investment cost and a surcharge rate in order to protect its legacy customers. The agreement is 15 years with interruptible transportation service capacity of 131,250 MMBtu for years 1-3 and 175,000 MMBtu for years 4-15, and the Customer must transport its 415,094 MMBtu base use prior to receiving credit towards the interruptible transportation service. An annual review is conducted to determine if the volume requirement is met.

On August 24, 2023, the Commission electronically transmitted notice of the filing and the intervention deadline of September 8, 2023, to interested persons and entities on the Commission's PUC Weekly Filings electronic listserv. On September 26, 2023, the Commission issued an Order Approving Contract with Deviations and Approving Tariff Revisions.

On September 19, 2025, Valley Queen filed a Motion to Reopen the Docket. On October 8, 2025, the Commission issued an Order for and Notice of Hearing on Motion to Reopen Docket. Valley Queen specifically requested the Commission reopen the Docket to vacate the previous Order to allow Valley Queen and NorthWestern to negotiate a new agreement that allows Valley Queen to receive interruptible service while maintaining its firm service without a threat of the control valve being closed to zero, and direct Staff to work with the parties on the terms of a new agreement, and to grant any other relief the Commission deems just and reasonable. Valley Queen asserted the basis for filing the Motion and requesting the Commission vacate its previous Order is due to a lack of a meeting of the minds on the initial interruptible transportation agreement between Valley Queen and NorthWestern. On October 23, 2025, NorthWestern and staff each filed a Response to the Motion to Reopen the Docket. On October 31, 2025, Valley Queen filed a Reply to the Responses.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26- and 49-34A and ARSD Chapter 20:10:01.

At its regularly scheduled meeting of November 6, 2025, the Commission considered whether to reopen this docket. The Commission heard orally arguments from and asked questions of all Parties. The Commission voted unanimously to grant in part and deny in part the

motion to reopen the docket. The Commission found that it lacks jurisdiction over the question of the validity of the underlying agreement and therefore denied the request to vacate. The Commission found it has jurisdiction over application of tariffs and commission orders, as well as the furnishing of adequate, efficient, and reasonable service by a public utility, and therefore granted the request to reopen the docket for the exploration of the operational and service concerns for firm and interruptible service. Nothing in this order shall constitute a determination by the commission as to the merits or outcome of the investigation of the claims this order seeks to explore. It is therefore

ORDERED, that Valley Queen's request to reopen this docket is hereby granted in part for further exploration of the operational and service concerns for firm and interruptible service. It is further

ORDERED, that Valley Queen's request to reopen this docket is hereby denied in part as to deny the request to vacate the prior Commission order. It is further

ORDERED, that nothing in this order shall constitute a determination by the commission as to the merits or outcome of the investigation of the claims this order seeks to explore.

Dated at Pierre, South Dakota, this 13th day of November 2025.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

By: Musty Gward

Date: 13 Nov 2025

BY ORDER OF THE COMMISSION:

GARY HANSON, Chairman

CHRIS MELSON, Commissioner

KRISTIE FIEGEN, Commissioner