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October 9, 2008

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 E. Capitol
Pierre, SD 57501

RE: RM08-002 PURPA Interconnection Standards

Dear Ms. Van Gerpen:

Please accept the following comments on behalf of NorthWestern Corporation, d.b.a. NorthWestern Energy, in response to the Commission's rule-making docket RM008-002:

1. Proposed 20:10:36:01
NorthWestern Energy proposes that the rules should apply equally to any small generator facility that produces electricity for resale regardless of whether the buyer is a person other than a utility. It is our opinion that the same safety and system impact concerns should be applicable to ALL small generator facilities regardless of who buys the electricity.
2. Proposed 20:10:36:05
NorthWestern Energy suggests that it would be helpful to define the appropriate Tier levels in the Definitions section (20:10:36:03) to avoid possible confusion as to how the review requirements are to be applied in this section.
3. Proposed 20:10:36:14 and 20:10:36:19
NorthWestern Energy suggests that some clarification is needed to ensure that the aggregated generation from a small generator does not exceed the annual minimum load. A sentence could be added to specify that the aggregated generation of Tier 1 and Tier 2 small generators should not exceed the annual minimum load.

4. Proposed 20:10:36:08
NorthWestern Energy adamantly opposes this proposed section of the rule in its current form. Tier 1 small generation facilities should meet the same isolation device requirements as those required for Tier 2, Tier 3 and Tier 4 small generation facilities. It is NorthWestern Energy's opinion that the safety of its lineman or any employee of the company cannot and should never be compromised, especially when the primary argument presented in support of this section of the rule has been as a cost savings measure for small distributed generation developers.

NorthWestern Energy asks the Commission to also consider that IEEE 1547 (IEEE Standard for Interconnecting Distributed Resources with Electric Power Systems), section 4.1.7, supports utilities' requirements for a disconnect switch as stated below:

4.1.7 Isolation device

When required by the Area EPS operating practices, a readily accessible, lockable, visible-break isolation device shall be located between the Area EPS and the DR unit.

For example, a 5kW generator would produce enough power to serve a typical household. This same generation facility would be delivering power to a system at 120/240 volts or the typical voltage found in an average home. Construction standards require households to have circuit breakers or GFI units to protect electricians or household residents from potential electrocutions at this level of 120/240 volts. It is our opinion that an isolation device for Tier 1 generators would provide that same level of protection for the unsuspecting utility employee or equally as likely, the homeowner. The safety of our employees and customers we serve is the Number One priority for NorthWestern Energy.

Low voltage situations can still cause great harm to human life. Last year, NorthWestern Energy suffered the loss of a Montana employee who was electrocuted and killed while working on a low voltage delivery system at 120/240 volts. One death is too much. An isolation device for a Tier 1 generator is a prudent requirement that can only ensure the safety and well being of utility employees and others who may come in contact with a line connected to a Tier 1 generator.

NorthWestern Energy wishes to express its gratitude to Commission Staff and all other parties that participated in the workshop process used to develop the draft set of rules presented in this docket. All parties worked in a respectful manner in

presenting their positions on the variety of issues presented by the PURPA small generation interconnection proceedings.

Thank you for your consideration of our comments. NorthWestern Energy looks forward to working with the Commission in establishing administrative rules for Small Generator Facility Interconnects.

Sincerely,

A handwritten signature in cursive script that reads "Pamela A. Bonrud". The signature is written in black ink and is positioned above the printed name and title.

Pamela A. Bonrud

Director – SD/NE Government and Regulatory Affairs