

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

<b>IN THE MATTER OF THE PETITION FOR )</b>	<b>ORDER GRANTING</b>
<b>ELECTRICAL SERVICE BY REDFIELD )</b>	<b>APPROVAL OF AN</b>
<b>ENERGY, LLC TO HAVE NORTHWESTERN )</b>	<b>EXCEPTION TO THE</b>
<b>CORPORATION D/B/A NORTHWESTERN )</b>	<b>ASSIGNED ELECTRIC</b>
<b>ENERGY ASSIGNED AS ITS ELECTRIC )</b>	<b>SERVICE TERRITORY</b>
<b>PROVIDER IN THE SERVICE AREA OF )</b>	<b>EL06-016</b>
<b>NORTHERN ELECTRIC COOPERATIVE, INC. )</b>	

On May 31, 2006, the South Dakota Public Utilities Commission (Commission) received a petition from Redfield Energy, LLC (Redfield Energy) for approval of NorthWestern Corporation d/b/a NorthWestern Energy (NWE) to provide its electric service. The petition requests that the Public Utilities Commission assign NWE as the supplier of electrical service to the Redfield Energy facility. Redfield Energy is constructing and will operate a manufacturing plant, which will produce ethanol and distiller's grain products, at a site located in Bradley Addition in the NE1/4NW1/4SE1/4 and the SW1/4 of Section 26, Township 117 North, Range 64 West of the 5<sup>th</sup> P.M., Spink County, South Dakota. The petition states that Redfield Energy believes NWE can furnish electric service to meet the customer's needs consistent with the factors of SDCL 49-34A-56 and that the customer has a strong preference to be served by NWE. The site of the facility is within the assigned service area of Northern Electric Cooperative, Inc. Redfield Energy will have electrical service requirements with a contracted minimum demand in excess of 2,000 kilowatts.

On June 1, 2006, the Commission electronically transmitted notice of the filing and the intervention deadline of June 16, 2006, to interested individuals and entities. On June 13, 2006, the Commission received a Petition to Intervene from Northern Electric Cooperative, Inc. (NEC). At its regularly scheduled meeting of July 11, 2006, the Commission granted intervention to NEC.

On October 4, 2006, the Commission received a Settlement Agreement and Service Rights Exception Agreement from Redfield Energy. NWE and NEC are requesting an exception, pursuant to SDCL 49-34A-55 that would allow NWE to provide electric service at a site located in the following tract of land in South Dakota:

Bradley Addition in the NE1/4NW1/4SE1/4 and the SW1/4 of Section 26, Township 117 North, Range 64 West of the 5<sup>th</sup> P.M., Spink County, South Dakota.

The parties to this agreement agree that the public interest would be served by NWE providing electric service to the Redfield Energy facility. The consent on the part of NEC is limited to the aforesaid service and will automatically terminate upon removal or abandonment of such service. The exception is not to be construed as having any impact

upon or indicating any desire to change the service area assigned by the Commission. The customer has no objection to approval of the agreement.

At an Ad Hoc meeting of October 5, 2006, the Commission considered the matter. Commission Staff recommended approval of the request as the request meets the requirements of SDCL 49-34A-55 for such service rights exceptions.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically 49-34A-42 and 49-34A-55. Further, the Commission finds that NWE may provide electrical service to Redfield Energy as it will provide adequate electric service and promote the efficient use and development of the electric systems of NWE and NEC. Further, the Commission finds that an exception to the assigned service territory is in the public interest and the request shall be granted. It is therefore

ORDERED, that the request seeking approval of an exception to the assignment of service territory is hereby granted.

Dated at Pierre, South Dakota, this 17<sup>th</sup> day of October, 2006.

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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By:

Melaine Kalbo

Date:

10/17/06

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Dustin M. Johnson  
DUSTIN M. JOHNSON, Commissioner *dk*

Gary Hanson  
GARY HANSON, Commissioner