



January 30, 2023

Ms. Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol Building, 1st Floor
500 E. Capitol Avenue
Pierre, SD 57501

via eFiling

Re: *Request for Approval of a Contract with Deviations with Dakota Protein Solutions, LLC.*

Dear Ms. Van Gerpen:

With this letter, NorthWestern Corporation d/b/a 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 No. 4, 2nd Revised Sheet No. 3, Summary List of Contracts with Deviations, which includes a reference to the Transportation Service Agreement (the “Agreement”) between NorthWestern and Dakota Protein Solutions, LLC (“Customer”) and the information required by ARSD 20:10:13:09
- A copy of the executed proposed Agreement, for which confidential treatment is being 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)
- Map showing pipeline route

2. The proposed effective date is March 15, 2023.

3. *The names and addresses of those to whom this filing has been emailed:*

Dakota Protein Solutions, LLC
27950 440th Avenue
Freeman, SD 57029-5005
Attn: Scott Stern
scott.stern@stern.co

4. *Brief description of the proposed tariff changes:*

Customer is developing a rendering plant near Freeman, South Dakota. Customer plans to use natural gas for heating and processing for its rendering facility. NorthWestern will run a



plastic gas line of approximately 16,335 feet in order to serve Customer. The pipeline will be capable of delivering 43 MMBtu per hour. However, during periods of system curtailment by Northern Natural Gas pipeline, the delivery will be limited to 10 MMBtu per hour. Upgrades to the Freeman regulator station and installation of a relief and flow control system will provide for the needed limitations. The map that is included as exhibit A to the agreement illustrates the pipeline installation. Based on the cost of the project, NorthWestern requires security for the capital investment cost and a monthly surcharge in order to protect its legacy customers.

The Agreement with the Customer includes recovery of the pipeline project costs over a 15-year period. The project costs and tariff delivery charges will be recovered through tariff rates and a fixed monthly surcharge. The fixed monthly surcharge will recover costs based on a projected annual volume of 230,552 MMBtu. An annual review will be conducted to determine if the volume requirement is met.

The deviations from tariff requested in this filing include:

- Monthly billing that includes a fixed monthly 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.

Except for the deviations described above, Customer will be served under tariff rates 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:*

Dakota Protein Solutions, LLC will be the only customer affected by this filing.

Sincerely,

Jeff J. Decker

Regulatory Specialist

jeff.decker@northwestern.com

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