



June 3, 2014



Illona A. Jeffcoat-Sacco
Director Public Utilities
North Dakota Public Service Commission
State Capitol Building
Bismarck, North Dakota 58505

NorthWestern Energy - South Dakota, a division of NorthWestern Corporation, herein provides the 2014 Ten-Year Plan in compliance with Chapter 49-22, NDCC, Energy Conversion and Transmission Facility Sitting. Ten copies are enclosed.

Very truly yours,

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enclosure(s)

1 **PU-14-307** Filed: 6/3/2014 Pages: 6
2014 ten year plan

Northwestern Corporation dba NorthWestern Energy
Dennis Wagner, Director

NORTHWESTERN ENERGY – SOUTH DAKOTA
Ten-year Plan
June 3, 2014

NorthWestern Energy – South Dakota, a Division of NorthWestern Corporation ("NorthWestern") submits this "Ten-year Plan" for North Dakota facilities in accordance with the rules and regulations the North Dakota Public Service Commission governing the siting of energy conversion and transmission facilities pursuant to Chapter 49-22 of the North Dakota Century Code.

Section A: Existing Energy Conversion Facilities

1. Coyote Generating Station, located near Beulah in Mercer County began commercial operation May 1, 1981. The owners of the plant are Otter Tail Power Company (35%), Minnkota Power Cooperative, Inc. (30%), Montana-Dakota Utilities Co. (25%), and NorthWestern Energy (10%). Please refer to Otter Tail's Ten-year Plan for additional data.
2. NorthWestern has no generating facilities in North Dakota that are planned for the next ten years. NorthWestern has just installed one simple cycle 60 MW combustion turbine addition at Aberdeen, South Dakota within our South Dakota service territory. The unit went commercial operation on April 30, 2013. These requirements were identified in 2009 Integrated Resource Plan which is available upon request.

Section B(a): Proposed Energy Conversion Facilities Under Construction

NorthWestern has no energy conversion facilities under construction in the state of North Dakota.

Section C: Proposed Energy Conversion Facilities on Which Construction is Intended Within the Ensuing Five Years

NorthWestern does not propose to start construction of additional energy conversion facilities in North Dakota within the ensuing five years.

Section D: Proposed Energy Conversion Facilities During the Next Ten-year Time Period

NorthWestern does not propose to construct any additional energy conversion facilities in North Dakota during the next ten-year period. NorthWestern has installed a simple cycle 60 MW combustion turbine addition at Aberdeen, South Dakota within our South Dakota service territory was on line April 30, 2013. These requirements were identified in 2009 Integrated Resource Plan which is available upon request.

Section E: Existing Transmission Facilities (Electric)

1. NorthWestern's Transmission Facilities in North Dakota are a segment of a 115 KV line from Ellendale south to the South Dakota border, and approximately the first 23 miles of the 345 KV line from the Coyote Plant towards Center.
2. We do not project the retirement of any transmission facility rated 115 KV or above within the next ten-year time period.

Section F: Existing Transmission Facilities (Pipeline)

NorthWestern has no existing pipeline facilities in North Dakota.

Section G: Proposed Transmission Facilities on which Construction is Intended Within the Ensuing Five-years (Electric)

NorthWestern does not propose to start construction of additional transmission facilities in North Dakota within the ensuing five years.

Section H: Proposed Transmission Facilities During the Next Ten-year Time Period (Electric and Pipeline)

NorthWestern does not propose to construct any additional facilities in North Dakota in the next ten years.

Section J: Regional Coordination

NorthWestern Energy – South Dakota is a member of the Mid-Continent Area Power Pool (MAPP) and Midwest Reliability Organization (MRO). The Company has been coordinating and planning with other systems since 1950 resulting in interconnections, interchange contracts and the joint construction of facilities.

In North Dakota, the Company has interconnection agreements with Otter Tail Power Company and Montana-Dakota Utilities Co. The Company is a participant in the 42.7 MW Coyote Generating Station and its associated bulk transmission facilities with Minnkota Power Cooperative, Inc., Otter Tail Power Company, and Montana-Dakota Utilities Co. This joint venture, and similar joint ventures in South Dakota and Iowa, permits NorthWestern and the other owners to realize economies in construction of large generation stations and to provide services required by our customers through fewer facilities with minimal environmental impact.

Montana-Dakota Utilities, Northern States Power, Otter Tail Power, Minnkota Power Cooperative, Minnesota Power and NorthWestern Public Service formed the Dakotas-Montana Power Suppliers Group in 1979. The objective of the Group is to provide regional planning coordination to the respective State regulatory bodies.

Section K: Environmental Impact

The record of Coyote's Certificate Hearing, including the Environmental Impact Statement issued by the Rural Electrification Administration for the Coyote Project illustrate the concern and the efforts of NorthWestern to manage all impacts created by each proposed energy conversion facility and transmission facility.

Section L: Projected Demand for Service

1. The past ten-year historical growth of NorthWestern's loads, all of which are geographically located in eastern South Dakota, is as follows:

<u>Year</u>	<u>Demand (MW)</u>	<u>Increase (Pct.)</u>	<u>Increase (MW)</u>
2002	286	(2.7)	(8)
2003	272	(4.9)	(14)
2004	276	1.5	4
2005	296	7.2	20
2006	307	3.7	11
2007	315	2.6	8
2008	284	(9.8)	(31)
2009	286	0.01	2
2010	311	8.7	25
2011	341	9.6	30
2012	329	(3.5)	(12)
2013	327	(0.01)	(2)

The projected future growth for the next ten-year time period is as follows:

<u>Year</u>	<u>Demand (MW)</u>	<u>Increase (Pct.)</u>	<u>Increase (MW)</u>
2014	330		
2015	334	1.0	4
2016	338	1.0	4
2017	342	1.0	4
2018	346	1.0	4
2019	350	1.0	4
2020	354	1.0	4
2021	358	1.0	4
2022	362	1.0	4
2023	366	1.0	4
2024	370	1.0	4

These projections are based upon historical trends of peak loads and reflect expected demand during times when weather patterns result in a peak design day condition of 100° Fahrenheit throughout NorthWestern's service territory.

2. NorthWestern has installed a simple cycle 60 MW combustion turbine addition at Aberdeen, South Dakota within our South Dakota service territory and was online April 30, 2013. These requirements were identified in 2009 Integrated Resource Plan which is available upon request.
3. NorthWestern entered into a PPA agreement for 25 MW's of Wind Energy with BP at a Wind Farm located by Ree Heights, South Dakota. The Wind Farm went into commercial operation in December, 2009.

NorthWestern has entered into a PPA agreement for 19 MW's of Wind Energy with Oak Tree at a Wind Farm located by Clark, South Dakota. The Wind Farm is expected to go into commercial operation by the end of 2014.

NorthWestern has entered into a PPA agreement for 80 MW's of Wind Energy with B&H Wind at a Wind Farm located south of Tripp, South Dakota. The Wind Farm is expected to go into commercial operation by the end of 2014.

4. The following communities or load centers, all in South Dakota, have summer peaks in excess of 20 MW:
 1. Aberdeen
 2. Mitchell
 3. Huron
 4. Yankton

The Big Stone Plant is fueled by Wyoming Powder River Basin Coal delivered by the Burlington Northern Railroad.

NOTICE OF FILING

Please take notice that on June 3, 2014 NorthWestern Energy of South Dakota, a division of NorthWestern Corporation, filed a Ten-year Plan with the North Dakota Public Service Commission in accordance with NDCC 49-22-04. Notice of the filing of this plan is given pursuant to R-49-22-05C5 of the North Dakota Public Service Commission's Rules Governing Energy Conversion and Transmission Facility Siting to the following state agencies and officers as designated in R-49-22-3G of the Commission's Rules:

1. Aeronautics Commission
2. Attorney General
3. Board of Vocational Education
4. Business and Industrial Development Dept
5. Department of Agriculture
6. Department of Health
7. Department of Labor
8. Employment Security Bureau
9. Administrative Office
10. Fire Marshall
11. Game and Fish Department
12. Geological Survey
13. Governor
14. Highway Department
15. Historical Society
16. Indian Affairs Commission
17. Industrial Commission
18. Land Department
19. Natural Resources Council
20. Outdoor Recreation Agency
21. Planning Agency
22. Secretary of State
23. Soil Conservation Committee
24. Water Conservation Committee
25. Workman's Compensation Bureau
26. Mercer County Auditor
27. Oliver County Auditor

NORTHWESTERN ENERGY

A handwritten signature in black ink, appearing to read "D-L Wagner", with a long horizontal flourish extending to the right.

Dennis L. Wagner
Director-South Dakota Production Operations