



July 6, 2016

Mr. Darrell Nitschke  
Executive Secretary, Director of Administration  
North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480



Dear Mr. Nitschke,

NorthWestern Corporation, d.b.a NorthWestern Energy ("NorthWestern"), hereby submits its Ten-Year Plan for North Dakota facilities to the North Dakota Public Service Commission ("NDPSC"). NorthWestern's submittal of this Ten-Year Plan is in accordance with North Dakota Century Code Chapter 49-22 and the NDPSC's rules and regulations governing the siting of energy conversion and transmission facilities.

Please advise if there are any questions.

Sincerely,

  
Pamela A. Bonrud

Director Government & Regulatory Affairs

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Cc: Bleau LaFave, Director Long-Term Resources, NorthWestern Energy

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**2016 Ten Year Plan**

NorthWestern Corporation

Pamela Bonrud

NORTHWESTERN ENERGY – SOUTH DAKOTA  
Ten-year Plan  
July 5, 2016

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's Integrated Resource Plan 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's Integrated Resource Plan 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 Southwest Power Pool (SPP) 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. NorthWestern joined SPP in October, 2015. The SPP is our new Balancing Authority. The company will also maintain its membership in the MRO.

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 427 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 (NorthWestern Energy) 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 efforts of NorthWestern to manage all impacts created by each proposed energy conversion facility and transmission facility located in North Dakota that are used by the company.

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>
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)
2014	302	(7.6)	(25)
2015	311	2.3	9

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>
2016	327	3.0	12
2017	339	1.0	3
2018	342	3.0	11
2019	353	2.0	7
2020	359	1.0	3
2021	362	1.0	3
2022	365	1.0	3
2023	368	1.0	3
2024	371	1.0	3
2025	373	1.0	3
2026	376	1.0	3

These projections are based upon historical trends and known changes for a 50/50 forecast for NorthWestern's service territory based on guidance from SPP.

2. NorthWestern Energy purchased the Beethoven Wind Project located south of Tripp, SD from BayWa r.e., LLC in July 2015. The project known as the Titan Wind Farm went into commercial operation in May 2015.
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 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 went into commercial operation at 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