Before The Public Service Commission
Of the State of Montana

DOCKET NO. D2019.4.19

In the Matter of the Application for
Townsend Propane Supply
Rate Adjustment

TESTIMONY AND EXHIBITS

April 2019
April 30, 2019

Mr. Will Rosquist  
Administrator, Regulatory Division  
Montana Public Service Commission  
1701 Prospect Avenue  
PO Box 202601  
Helena, MT 59620-2601


Dear Mr. Rosquist:

With this letter NorthWestern Energy ("NorthWestern") submits one original and ten copies of its 2019 Application for Propane Supply Cost Account Balance and Rate Adjustment for Townsend Propane Supply ("Application") to the Montana Public Service Commission ("Commission") for approval.

NorthWestern seeks to increase its propane supply rate to reflect the current propane supply contract prices as well as costs associated with propane plant usage and carrying costs. NorthWestern proposes to increase the summer rate from $0.910 per therm to $0.938 per therm and the winter rate from $1.107 per therm to $1.141 per therm.

In this filing, NorthWestern also requests approval to extinguish the current Unreflected Propane Supply Cost Account ("UPSCA") Balance approved in Final Order No. 7543b in Docket No. D2018.4.28 and recover the under-collected balance in the UPSCA of $47,359 with an adjustment for the actual prior year UPSCA over-collection of $(23,105) approved for amortization in Order No. 7601b. Therefore, the estimated under-collected UPSCA Balance at the end of May 2019 is $24,253. NorthWestern proposes to amortize and collect this balance from June 1, 2019 through May 31, 2020 at a rate of $0.05079 per therm based on the 12-month forecasted load.

Appendix A to the Application presents a summary of the current tariff rates and the proposed rates in this filing, as well as the resulting dollar and percentage changes.
Including the adjustments to both the propane supply rate and the rate associated with the amortization of the UPSCA Balance, the increase for a typical residential customer using 30 therms per month during the summer months and 80 therms per month during the winter months will be, on average, $0.98 per month. The increase for the summer months will be $0.40 per month and for the winter months will be $1.55 per month. The actual increase will depend on each customer’s usage. Typical bill computations based on the proposed rates are included in Appendix B.

The documents submitted with this filing are:

1. The Application, including current and proposed rates as shown in Appendix A and the typical residential bill computation as shown in Appendix B;

2. Notice of Interim Rate Adjustment Request and Attestation of Provision of said notice to the media; and


NorthWestern will provide electronic versions of exhibits and appendices on CD within two weeks of this filing.

NorthWestern requests that the proposed propane rates become effective on an interim basis for service on and after June 1, 2019. Rate schedules reflecting the revised propane rates will be filed with the Commission upon approval.

Three copies of this letter and documents submitted herewith will be hand-delivered to the Montana Consumer Counsel.

The NorthWestern employee responsible for answering questions concerning this rate change request or for inquiries to the appropriate members of the utility staff is:

Mr. Joe Schwartzenberger
NorthWestern Energy
11 East Park
Butte, MT 59701
(406) 497–3362
joe.schwartzenberger@northwestern.com
NorthWestern’s attorney in this matter is:

Ms. Ann B. Hill
NorthWestern Energy
208 N. Montana Ave. Ste. 205
Helena, MT 59601
(406) 444-8110
ann.hill@northwestern.com

Along with Ann Hill and Joe Schwartzgenberger, please add Connie Moran to the official service list in this docket to receive copies of all documents. NorthWestern also requests that all electronic correspondence related to this filing be sent to connie.moran@northwestern.com. If there are any questions in this regard, I can be reached at (406) 497-3362.

Sincerely,

Joe Schwartzgenberger
Director of Regulatory Affairs

Enclosures
cc: Montana Consumer Counsel
APPLICATION FOR INTERIM AND FINAL PROpane SUPPLY RATE ADJUSTMENT

NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) respectfully submits this Application for Propane Supply Cost Account Balance and Rate Adjustment for Townsend Propane Supply (“Application”) to the Montana Public Service Commission (“Commission”) in the above-captioned docket. In support thereof, NorthWestern states as follows:

I.

NorthWestern’s full name and business address are:

NorthWestern Energy
11 East Park Street
Butte, MT 59701
II.

NorthWestern is a Delaware corporation doing business as NorthWestern Energy in the states of Montana, South Dakota, and Nebraska as a public utility.

III.

The following described tariff sheet is the only propane sheet impacted by the proposals in this submittal that is presently in effect in Montana and on file with the Commission. All other propane tariff sheets remain as previously approved by the Commission:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
<th>Sheet No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS-T-1</td>
<td>Propane Vapor Service - Townsend</td>
<td>10.1</td>
</tr>
</tbody>
</table>

The applicable rates for this tariff sheet are summarized and contained in Appendix A (attached hereto).

IV.

NorthWestern will submit a new tariff sheet for propane supply service upon approval of the proposed rates contained in Appendix A. The proposed new rates will replace the present tariff sheets as follows:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
<th>Sheet No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS-T-1</td>
<td>Propane Vapor Service - Townsend</td>
<td>10.1</td>
</tr>
</tbody>
</table>

V.

In accordance with the Propane Supply Cost and Deferred Accounting Adjustment Clause Rate Schedule initially approved by the Commission in Order No. 6968b in Docket No. D2008.12.142, the balance in Account No. 191, Unreflected Propane Supply Cost Account (“UPSCA”) Balance, for the 12-month period ending May 31, 2019 is an under-
collection of $47,359. NorthWestern proposes to amortize this balance, after including it with the actual prior year UPSCA over-collected balance of $(23,105), which is the balance that results from cessation of the amount approved for amortization in Final Order No. 7601b in Docket No. D2018.4.28. NorthWestern proposes to amortize and collect the $24,253 under-collected UPSCA Balance from June 1, 2019 through May 31, 2020 at a rate of $0.05079 per therm based on a 12-month forecasted load.

VI.

With this Application, NorthWestern also seeks to increase its propane supply rates to reflect the current propane supply contract prices as well as the costs associated with propane plant usage and carrying costs. NorthWestern proposes to increase the summer rate from $0.910 per therm to $0.938 per therm and the winter rate from $1.107 per therm to $1.141 per therm as reflected in Appendix A.

VII.

The proposed new rates contained in Appendix A reflect:

1. The amortization of the UPSCA described in Paragraph V; and
2. The new propane supply contract prices described in Paragraph VI.

VIII.

Attached are the following documents that are hereby incorporated by this reference:

- Appendix A - Current and proposed rates;
- Appendix B - Typical residential bill computation;
- Notice of Interim Rate Adjustment Request and Attestation of Provision of said notice to the media; and
WHEREFORE, NorthWestern respectfully requests that the Commission:

1. Approve NorthWestern’s proposal to amortize and collect from June 1, 2019 through May 31, 2020, the $24,253 under-collection for the period ending May 31, 2019 at a rate of $0.05079/therm;

2. Grant interim and final approval of the proposed rates, included in Appendix A, to be effective on a monthly basis for propane supply service on and after June 1, 2019; and

3. Grant such other and additional relief as the Commission shall deem just and proper.

RESPECTFULLY SUBMITTED this 30th day of April 2019.

NORTHWESTERN ENERGY

By: [Signature]

Ann B. Hill
NorthWestern Energy

Attorney for NorthWestern Energy
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Propane Vapor Service - Townsend</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule No. PS-T-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Monthly Service Charge per Meter:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Size - 1/2 Inch</td>
<td>$4.30</td>
<td>$4.30</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Service Size - 1 Inch</td>
<td>$10.20</td>
<td>$10.20</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Commodity Charges: (Monthly $/Therm)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.38700</td>
<td>$0.38700</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Summer:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propane Supply Charge (Summer Rate)</td>
<td>$0.91000</td>
<td>$0.93800</td>
<td>$0.02800</td>
<td>3.08%</td>
<td></td>
</tr>
<tr>
<td>Deferred Propane Cost Amortization</td>
<td>$0.06543</td>
<td>$0.05079</td>
<td>(0.01465)</td>
<td>-22.38%</td>
<td></td>
</tr>
<tr>
<td>Total Summer Rate</td>
<td>$1.36243</td>
<td>$1.37579</td>
<td>$0.01335</td>
<td>0.98%</td>
<td></td>
</tr>
<tr>
<td><strong>Winter:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propane Supply Charge (Winter Rate)</td>
<td>$1.10700</td>
<td>$1.14100</td>
<td>$0.03400</td>
<td>3.07%</td>
<td></td>
</tr>
<tr>
<td>Deferred Propane Cost Amortization</td>
<td>$0.06543</td>
<td>$0.05079</td>
<td>(0.01465)</td>
<td>-22.38%</td>
<td></td>
</tr>
<tr>
<td>Total Winter Rate</td>
<td>$1.55943</td>
<td>$1.57879</td>
<td>$0.01935</td>
<td>1.24%</td>
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</tr>
</tbody>
</table>
## Townsend Propane Utility
### JUNE 1, 2019 THROUGH MAY 31, 2020

### Propane Tariffs (Summer Rate)

<table>
<thead>
<tr>
<th>Usage in Therms</th>
<th>Current Rate</th>
<th>Total Bill Amount</th>
<th>Proposed Rate</th>
<th>Total Bill Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>4.30</td>
<td>4.30</td>
<td>4.30</td>
<td>4.30</td>
</tr>
</tbody>
</table>

16. Delivery Charge
   - Current: $0.38700, Total: $11.61
   - Proposed: $0.38700, Total: $11.61

17. Propane Supply Charge¹
   - Current: $0.91000, Total: $27.30
   - Proposed: $0.93800, Total: $28.14

18. Deferred Propane Cost Amortization
   - Current: $0.06543, Total: $1.96
   - Proposed: $0.05079, Total: $1.52

19. Total Commodity
   - Current: $1.36243, Total: 40.87
   - Proposed: $1.37579, Total: 41.27

### Total Bill (Price per Therm Incl. Service Charge)

- Current: $45.17
- Proposed: $45.57
- Increase/Decrease: $0.40
- Percent Change: 0.9%

### Propane Tariffs (Winter Rate)

<table>
<thead>
<tr>
<th>Usage in Therms</th>
<th>Current Rate</th>
<th>Total Bill Amount</th>
<th>Proposed Rate</th>
<th>Total Bill Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>4.30</td>
<td>4.30</td>
<td>4.30</td>
<td>4.30</td>
</tr>
</tbody>
</table>

38. Delivery Charge
   - Current: $0.38700, Total: $30.96
   - Proposed: $0.38700, Total: $30.96

39. Propane Supply Charge²
   - Current: $1.10700, Total: $88.56
   - Proposed: $1.14100, Total: $91.28

41. Total Commodity
   - Current: $1.55943, Total: $124.75
   - Proposed: $1.57879, Total: $126.30

### Total Bill (Price per Therm Incl. Service Charge)

- Current: $129.05
- Proposed: $130.60
- Increase/Decrease: $1.55
- Percent Change: 1.2%

### Propane Price per Gallon

- Current: $0.83
- Proposed: $0.86

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¹ Summer rates are effective April 1 through September 30.
² Winter rates are effective October 1 through March 31.
CERTIFICATE OF SERVICE

I hereby certify that an original and ten (10) copies of NorthWestern Energy’s Application for Townsend Propane Supply Rate Adjustment in Docket No. D2019.4.19 have been hand delivered this date to the Montana Public Service Commission (MPSC) and e-filed on the MPSC’s website. Three (3) copies have also been hand delivered to the Montana Consumer Counsel.

Will Rosquist  
Public Service Commission  
1701 Prospect Ave  
PO Box 202601  
Helena MT  59620-2601

Robert Nelson  
Montana Consumer Counsel  
PO Box 201703  
Helena MT  59620-1703

Connie Moran  
NorthWestern Energy  
11 East Park  
Butte MT  59701

Joe Schwartzberger  
NorthWestern Energy  
11 East Park  
Butte MT  59701

Ann Hill  
NorthWestern Energy  
208 North Montana Suite 205  
Helena MT  59601

DATED this 30th day of April 2019.

[Signature]
Administrative Assistant  
Regulatory Support Services
NOTICE OF INTERIM RATE ADJUSTMENT REQUEST

NorthWestern Energy (“NorthWestern”) serves notice pursuant to ARM 38.5.503 that it has filed with the Montana Public Service Commission (“Commission”), via its Application in this docket, a request for an interim rate increase for the propane supply rates for its Townsend, Montana customers. The proposed rates reflect current propane supply costs based on the Propane Supply Agreement, costs associated with propane plant usage and carrying costs, and the Unreflected Propane Supply Cost Account (“UPSCA”) Balance.

This docket commenced on April 30, 2019 when NorthWestern filed testimony, exhibits, and workpapers with the Commission. NorthWestern requested the proposed propane rates become effective on an interim basis for service on and after June 1, 2019.

The rate adjustments proposed in this filing result in the following:

- An increase in propane supply costs from $0.910 per therm to $0.938 per therm for the summer months\(^1\) and $1.107 per therm to $1.141 per therm for winter months\(^2\) from June 1, 2019 through May 31, 2020.

- The UPSCA balance, for the 12-month period ending May 31, 2019, was an under-collection of $47,359. NorthWestern proposes to amortize this balance, after including it with the actual prior year UPSCA over-collected balance of $(23,105), which is the balance

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\(^1\) Summer months are April 1 through September 30.
\(^2\) Winter months are October 1 through March 31.
that results from cessation of the amount approved for amortization in Order No. 7601b in Docket No. D2018.4.28. Therefore, the resulting UPSCA Balance proposed for amortization in this filing is $24,253. NorthWestern proposes to amortize and collect this under-collected balance from June 1, 2019 through May 31, 2020 at a rate of $0.05079 per therm based on a 12-month forecasted load. This results in a $0.01465 per therm decrease from the current rate of $0.06543 per therm for the UPSCA.

The interim request and supporting documents can be examined at NorthWestern’s General Office, 11 East Park Street, Butte, Montana; at the office of the Montana Consumer Counsel (“MCC”), 111 North Last Chance Gulch, Suite 1B, Helena, Montana; or at the office of the Commission, 1701 Prospect Avenue, Helena, Montana. The MCC is available to assist in the representation of consumer interests in this matter, and its phone number is 406-444-2771.

Any response which any person wishes to make on this interim request should be delivered to the Commission at the above address as soon as possible or mailed to the Commission at P.O. Box 202601, Helena, MT 59620-2601.

Any portion of the interim adjustment approved by the Commission, pending hearing and final decision, would, pursuant to § 69-3-304, MCA, be subject to rebate or surcharge if the final decision in this docket is to approve a final revenue level which is different than the interim level.

DATED: April 30, 2019
DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of NorthWestern Energy’s Application for Propane Supply Cost Account Balance and Rate Adjustment for Townsend Propane Supply Docket No. D2019.4.19

ATTESTATION OF PROVISION
OF NOTICE OF INTERIM RATE ADJUSTMENT REQUEST
FOR PROpane SUPPLY RATES FOR TOWNSEND, MONTANA

The undersigned certifies that a Notice of Interim Rate Adjustment Request was this day served by email upon the following:

**Daily Newspapers:**

Townsend Star
Helena Independent Record

**Television Stations:**

Helena: KTVH
        KXLH
        KFBB

**Associated Press Print and Broadcast**

DATED: April 30, 2019

NORTHWESTERN ENERGY

By: Brandy Powers
11 East Park Street
Butte, Montana 59701
PREFILED DIRECT TESTIMONY

OF LUKE P. HANSEN

ON BEHALF OF NORTHWESTERN ENERGY

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<td>11</td>
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<td><strong>Exhibits</strong></td>
<td></td>
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<tr>
<td>Tracker for the 2017/2018 Period</td>
<td>Exhibit__(LPH-1)17-18</td>
</tr>
<tr>
<td>Tracker for the 2018/2019 Period</td>
<td>Exhibit__(LPH-2)18-19</td>
</tr>
<tr>
<td>Tracker for the 2019/2020 Period</td>
<td>Exhibit__(LPH-3)19-20</td>
</tr>
<tr>
<td>RFP Issuance Email and Attached RFP</td>
<td>Exhibit__(LPH-4)</td>
</tr>
</tbody>
</table>

LPH-1
Q. Please state your name and business address.
A. My name is Luke P. Hansen and my business address is 11 East Park Street, Butte, MT 59701.

Q. By whom and in what capacity are you employed?
A. I am employed by NorthWestern Energy (“NorthWestern”) as a Gas Supply Manager.

Q. Please summarize your educational and employment experiences.
A. I have over 15 years of experience in the areas of electricity and gas supply. Prior to joining NorthWestern, I was a supervisor of Gas Supply at Cascade Natural Gas. I joined NorthWestern in November 2013 as an Energy Supply Analyst. In this position, I assisted in the development of the Electricity Supply Resource Procurement Plan and the Montana Renewable Portfolio Standard compliance filings. In December 2017, I transitioned to the gas supply department. My responsibilities include the procurement of natural gas supply and transportation for NorthWestern’s
Montana, South Dakota, and Nebraska natural gas customers and the procurement of propane for the customers in Townsend. I hold a Bachelor of Science degree in Business and Information Technology.

Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide an overview of NorthWestern’s propane supply tracking mechanism and application in this docket. I provide actual data and updated estimated data for the June 2017 through May 2018 and June 2018 through May 2019 tracker periods. Additionally, I provide information regarding the Request for Proposals (“RFP”) process for the June 2019 through May 2020 tracker period and forecasted supply costs for that period.

Q. Please provide an overview of NorthWestern’s propane tracking mechanism.

A. NorthWestern purchases liquid propane from a supplier who delivers to NorthWestern’s storage facilities located in Townsend, Montana. NorthWestern selects the supplier through an annual competitive RFP process that results in a supply contract starting June 1 and ending May 31 each year. In Order No. 6968b in Docket No. D2008.12.142, the Montana Public Service Commission (“Commission”) approved a cost recovery mechanism to establish a propane supply rate, track the actual
supply expenses on an annual basis, and provide a method to true-up the actual expenses to the revenues received from customers. In that order, the Commission established tracking periods from June 1 through May 31, consistent with the propane contract period.

Q. Please provide an overview of NorthWestern’s application.
A. In this application, NorthWestern is seeking Commission approval to adjust its propane tariff rates for its Townsend propane service. NorthWestern also requests Commission approval to adjust the rates associated with the amortization of the Unreflected Propane Supply Cost Account ("UPSCA") Balance. Another NorthWestern witness, Tess Frey, discusses the propane supply cost revenues and expenses as well as the proposed propane supply rates and associated bill impacts presented in Appendices A and B to the application.

Status of Tracker Periods Included in the Previous Annual Tracker

Q. Please provide a summary of the status of the tracker periods included in the previous annual propane tracker filing.
A. My prefiled direct testimony in Docket No. D2018.4.28 for the June 2017 through May 2018 tracker period included information for three propane tracker periods. That testimony provided 1) actual information for the June 2016 through May 2017 tracker period; 2) actual and estimated information for the June 2017 through May 2018 tracker period (actual
information for June 2017 through March 2018 and estimated information
for April and May 2018); and 3) forecast information for the June 2018
through May 2019 tracker period.

The tracker period of June 2017 through May 2018 is updated in this filing
to reflect actual information for April and May 2018 and is included as
Exhibit__(LPH-1)17-18. The forecast information for the June 2018
through May 2019 tracker period has also been updated with actual
information for June 2018 through March 2019 and estimated for April and
May 2019. It is included as Exhibit__(LPH-2)18-19.

Update to the June 2017 through May 2018 Propane Supply Tracker Period

Q. Please summarize the results of the 12-month tracker period ended

A. The results of the June 2017 through May 2018 tracker period, revised to
include actual information for April and May 2018, are presented in
Exhibit__(LPH-1)17-18 and are summarized in the following table
(rounded to the nearest whole number):
The ending deferred account under-collection balance of $4,402 represents the beginning deferred account balance for the June 2018 through May 2019 tracker period.

Q. What is the basis of the supply rates per dekatherm shown on Exhibit__(LPH-2)18-19?

A. The rates of $9.10 per dekatherm ("Dkt") or $0.910 per therm for summer months and $11.07 per Dkt or $1.107 per therm for winter months were based on the supply contract price with Gibson Energy (U.S.) Inc. ("Gibson") that runs from June 1, 2018 through May 31, 2019. These rates were approved by the Commission in Final Order No. 7601b in Docket No. D2018.4.28.
Q. Please summarize the results of the June 2018 through May 2019 tracker period.

A. The results of the June 2018 through May 2019 tracker period, which are based on ten months of actual information and two months of estimated information for April and May 2019, are presented in Exhibit__(LPH-2)18-19 and are summarized in the following table (rounded to the nearest whole number):

### 2018/2019 Propane Tracker Period Summary

<table>
<thead>
<tr>
<th>Volume Category</th>
<th>Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Storage Balance</td>
<td>46,721</td>
</tr>
<tr>
<td>Total Propane Sales Billed</td>
<td>(542,093)</td>
</tr>
<tr>
<td>Total Purchases</td>
<td>598,086</td>
</tr>
<tr>
<td>Total Plant Use</td>
<td>(11,738)</td>
</tr>
<tr>
<td>Net Difference Delivered vs. Billed</td>
<td>(67,180)</td>
</tr>
<tr>
<td>Ending Storage Balance</td>
<td>23,797</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Deferred Under Collection Balance</td>
<td>$4,402</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>($546,356)</td>
</tr>
<tr>
<td>Total Propane Supply Expense</td>
<td>$561,421</td>
</tr>
<tr>
<td>Total Carrying Cost</td>
<td>$4,786</td>
</tr>
<tr>
<td>Ending Deferred Under Collection Balance</td>
<td>$24,253</td>
</tr>
</tbody>
</table>

The current estimated ending deferred account under-collection balance of $24,253 represents the beginning deferred account balance for the June 2019 through May 2020 forecast tracker period. This amount is discussed further in the Prefiled Direct Testimony of Tess A. Frey (“Frey Direct Testimony”).
Q. Is NorthWestern proposing a rate component designed to amortize the May 31, 2019 deferred account balance?
A. Yes. The deferred account balance under-collection of $24,253 divided by the forecasted market volume for the June 2019 through May 2020 tracker period of 47,755 Dkt results in a rate of $0.5079 per Dkt ($0.05079 per therm). See Exhibit__(LPH-3)19-20 page 1, line 29 and the Frey Direct Testimony.

**Request for Proposal Bid Process**

Q. Please describe the RFP process NorthWestern used to procure propane supply for the June 2019 through May 2020 tracker period.
A. On March 5, 2019, NorthWestern issued, via email, an RFP to supply liquid propane for NorthWestern’s storage facility located in Townsend, Montana to 11 potential suppliers. The email and attached RFP are provided as Exhibit__(LPH-4). The list of potential suppliers is attached as Exhibit__(LPH-5). The deadline to submit a bid was March 12, 2019. NorthWestern received two bids in response to the RFP: one from Farstad Oil (“Farstad”) from June through September and one from Midstream LPG (“Midstream”) for the full twelve-month tracker period. These two bids are attached as Exhibit__(LPH-6).

NorthWestern and Midstream executed the propane supply agreement on March 13, 2019. Based on this agreement, the resulting propane cost for
June through September 2019 will be $0.7825 per gallon; the cost for October 2019 through March 2020 will be $1.01 per gallon, and the cost for April and May 2020 will be $0.775 per gallon for the June 1, 2019 through May 31, 2020 contract term. A copy of the propane supply agreement with Midstream is attached as Exhibit__(LPH-7).

Q. Was it unusual for NorthWestern to only receive bids from two of the 11 suppliers?
A. No. NorthWestern has not historically received more than three bids. In 2017, NorthWestern received bids from Gibson Energy (U.S.), Inc. (“Gibson”), Farstad, and AmeriGas. In 2018, NorthWestern only received one response and it was from Gibson.

Q. Did NorthWestern take steps to ensure it received more than one bid this year?
A. Yes. Prior to sending out the RFP this year, I emailed Farstad and AmeriGas since they did not submit bids last year, but had submitted bids in response to previous RFPs. Farstad responded that they would be returning a bid this year. AmeriGas responded that they would consider submitting a bid, but that they had concerns with supplying open-ended volumes. I spoke with AmeriGas and allowed them to address their concern in their bid with a clause that allowed an increase in pricing if monthly volumes increased by a certain percentage. Despite these steps
to ensure additional bids, Farstad submitted a bid that reflected they could only secure supply for June through September. Amerigas responded that they would not be submitting a bid because they did not have a terminal in the area, but were in the process of securing one that may allow Amerigas to submit a bid next year. My email correspondence with these two suppliers is attached as Exhibit__(LPH-8).

Q. Last year NorthWestern proposed to solicit proposals for both index prices as well as fixed prices in this RFP, in an attempt to receive more responses. Did NorthWestern solicit index bids this year?

A. No. NorthWestern did not allow for index bids this year. The reason that NorthWestern originally proposed to allow index bids this year was that NorthWestern only received one bid last year. Farstad stated last year that they could not get a fixed price and thus were unable to respond to the RFP. As stated above, since Farstad and Amerigas indicated that they would be able to provide a fixed price this year, index pricing was not necessary to help secure more than one bid. NorthWestern has not received any indication this year that allowing index pricing would result in any additional bids. Every year NorthWestern solicits bids from 11 suppliers. Every year, only three suppliers express interest. NorthWestern has no indication that changing the pricing structure would result in bids from additional bidders.
Q. How does the price for June 2019 through May 2020 compare to the price from June 2018 through May 2019?

A. The RFP price that NorthWestern accepted for June 2019 through May 2020 is roughly 3% higher than the price for June 2018 through May 2019.

June 2019 through May 2020 Forecast Propane Supply Tracker Period

Q. Do you sponsor an exhibit that sets forth NorthWestern’s expected propane supply costs for the June 2019 through May 2020 12-month tracker period?

A. Yes. Exhibit__(LPH-3)19-20 sets forth the projected 12-month market and propane supply costs.

Q. Has NorthWestern included costs in addition to propane supply costs to compute propane supply rates for the June 2019 through May 2020 tracker period?

A. Yes, consistent with past propane tracker filings and Commission orders, NorthWestern included the Storage Plant Use and Total Carrying Cost expense.

Q. Please explain these cost items.

A. The Propane Rates proposed for the June 2019 through May 2020 tracker period, shown on Exhibit__(LPH-3)19-20 page 1, line 28, reflect the forecast cost of $10,897 on line 38 for the Storage Plant Use volume of
11,224 gallons on line 15 and the Total Carrying Cost expense of $4,406 on line 55.

Q. Please provide an explanation of Storage Plant Use.

A. There are two primary plant uses of propane at NorthWestern's Townsend, Montana storage facility.

i. First, propane is used in two propane vaporizers. These devices burn propane to heat a water bath that the liquid propane is passed through to convert it from liquid to vapor. This vapor then leaves the plant to serve the distribution system. These two propane vaporizers constitute the bulk of the Storage Plant Use propane consumption.

ii. Second, propane is used to heat the control building and to provide fuel for the backup generator. The control building houses the backup generator, air compressor, control, and Supervisory Control and Data Acquisition equipment. The backup generator uses propane fuel during any loss of electric power and during weekly testing.

All Storage Plant Use consumption is measured through three meters, one for each of the two vaporizers and one for the control building. These meters are generally read weekly and always on the first of each month.
Q. Why is it appropriate to include these costs?
A. Absent the inclusion of the Storage Plant Use and Total Carrying Cost expenses, the rates do not reflect the full cost of propane supply.

Q. What propane supply rates does NorthWestern propose for Townsend customers during the June 1, 2019 to May 31, 2020 tracker period?
A. The proposed propane supply rate for the summer months is $9.38 per Dkt ($0.938 per therm) and for the winter months is $11.41 per Dkt ($1.141 per therm), which represents a rate increase compared to the current rates. The proposed supply rates are separate from the $0.5079 per Dkt ($0.05079 per therm) deferred account amortization rate discussed earlier, which will be held constant over the 12-month tracker period.

Q. Please summarize the June 1, 2019 to May, 31 2020 forecast tracker period.
A. The forecast tracker period is summarized in the following table (rounded to the nearest whole number):
Q. Have you included electronic working copies of your workpapers with this testimony?

A. No, but as stated in the transmittal letter, NorthWestern will provide these files on CD within two weeks.

Q. Does this conclude your testimony?

A. Yes, it does.

### 2019/2020 Propane Tracker Period Summary

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<thead>
<tr>
<th>Volume Category</th>
<th>Gallons</th>
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<tr>
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<tr>
<td>Total Propane Sales Billed</td>
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<tr>
<td>Total Purchases</td>
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<tr>
<td>Total Plant Use</td>
<td>(11,224)</td>
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<td>Net Difference Delivered vs. Billed</td>
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<td>Total Propane Supply Expense</td>
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<td>Total Carrying Cost</td>
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<td>Ending Deferred Under Collection Balance</td>
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### Townsend Propane Supply Tracking Mechanism

#### VOLUME

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<th>Total Sales Billed in Dekatherms</th>
<th>Jan-18</th>
<th>Feb-18</th>
<th>Mar-18</th>
<th>Apr-18</th>
<th>May-18</th>
<th>Total</th>
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#### Propane Delivered in Gallons

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<th>Feb-18</th>
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<th>Total</th>
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#### Carrying Cost Expense

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<th>Mar-18</th>
<th>Apr-18</th>
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#### Administrative Expenses

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#### Total Revenue

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#### Net Difference Delivered vs Billed

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Townsend Propane Supply Tracking Mechanism

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<td>Beginning Balance</td>
<td>$ (13,432)</td>
<td>$ (16,179)</td>
<td>$ (18,467)</td>
<td>$ (17,622)</td>
<td>$ (8,545)</td>
<td>$ 8,457</td>
<td>$ 36,100</td>
<td>$ 68,292</td>
<td>$ 44,756</td>
<td>$ 60,760</td>
<td>$ 35,920</td>
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<td>$ 8,457</td>
<td>$ 36,100</td>
<td>$ 68,292</td>
<td>$ 44,756</td>
<td>$ 60,760</td>
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<td>% of Cap</td>
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<td>15</td>
<td>* Updated for Change in Federal Income Tax Rate</td>
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04/17/19
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<td>Total Sales Billed in Dekatherm</td>
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<td>Storage Beginning of Month</td>
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<td>Storage Plant Use</td>
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<td>Storage End of Month</td>
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<td>Customer Usage in Gallons</td>
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<tr>
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<td>Net Difference Delivered vs Billed</td>
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**Notes:**
- Docket No. D2019.4.19
- Exhibit (LIH) 218-19
- Page 1 of 2
- (Gallons * 1/(10.92) = Dkl. based on 2500 Btu/cu ft)
- 04/17/19
### Townsend Propane Supply Tracking Mechanism

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**Deferred Supply Cost Expense**

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**Metered Storage Activity (Gallons) - withdrawal + injection**

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04/17/19
## Townsend Propane Supply Tracking Mechanism

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### 1. VOLUME

- **Total Sales Billed in Dekatherms**: 1,884
- **Residential Sales**: 1,009
- **Commercial Sales**: 874
- **Total Propane Sales billed (Dekatherms)**: 1,884

### 2. Calc Sales in Gallons

- **Total Propane Sales billed in Gallons**: 20,573

### 3. Calc Use in Gallons

- **Total Residential Sales**: 18,628
- **Total Carrying Costs**: 364

### 4. Procane Delivered in Gallons

- **Total Propane Sales billed in Gallons**: 20,573

### 5. Docket No. D2019.4.19

- **April 17, 2019**
- **April 18, 2019**
- **April 19, 2019**
- **April 20, 2019**
- **April 21, 2019**
- **April 22, 2019**
- **April 23, 2019**
- **April 24, 2019**
- **April 25, 2019**

### 6. Cost

- **Propane Revenue**
- **Propane (Dekatherm) Rate**
- **Prior Year(s) Deferred Rate**
- **Current Year Propane Cost**
- **Prior Year(s) Deferred Cost**
- **Total Revenue**

### 7. Price Per Gallon

- **Beg. Inventory**
- **Purchase**
- **End Inventory**
- **Propane Cost of Supply**

### 8. Administrative Expenses

- **General Detail**

### 9. Total Administrative Expense

- **Carrying Cost Expense**

### 10. Total Carrying Costs

- **Monthly Deferred Cost**

### 11. Cumulative Deferred Cost

- **(Gallons x (1/10.92) = Dkt, based on 2500 Btu/cu ft)**

---

**Notes**:
- All costs and quantities are in Dekatherms and Gallons for the specified months. The calculations include various detailed entries for revenue, costs, and expenses, with totals spanning several months. The document appears to be a financial or operational report detailing the dealings and quantities of propane.
### Townsend Propane Supply Tracking Mechanism

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| **Cost of Capital Docket No. D2016.9.68, Order No. 7522g** |
|---|---|---|---|---|
| % of Cap | Rate | ROR | Pre Tax Return |
| Long-term Debt | 53.21% | 4.07% | 2.49% | 2.49% |
| Equity | 46.79% | 9.55% | 4.47% | 6.07% |

**Average Cost of Capital**
- Total: 6.96%
- Pre Tax: 8.56%

**Metered Storage Activity (Gallons) - withdrawal + injection

04/17/19
Dear Propane Supplier:

Please find enclosed the 2019 request for proposal to supply liquid propane in Townsend, MT. If you would like to supply the propane needs, please respond with your offer by March 12, 2019 before 12:00 noon mountain time. If you have any questions don't hesitate to contact me.

Thanks,

Luke

Luke Hansen
Butte, MT 59701
Office 406-497-3193
March 5, 2019

Propane Supplier
Delivered Via e-mail

Subject: Request for Proposal to Supply Liquid Propane to Townsend, MT

Dear Supplier:

NorthWestern Corporation d/b/a NorthWestern Energy (NorthWestern) by this correspondence is soliciting bids and requesting proposals for the supply of liquid propane delivered to a NorthWestern facility within the State of Montana. It is anticipated that the term of a contract for the winning bidder will run from June 1, 2019, through May 31, 2020. All bids and proposals must address the following:

**Quality**
Quality of liquid propane delivered must be HD-5 and meet all of the specifications listed on Attachment 1 titled “Propane Specifications”. Potential Suppliers must state the origin of the supply each intends to utilize to meet the obligations under a contract to supply liquid propane to NorthWestern.

**Volume**
NorthWestern is providing approximately the last 5 years’ worth of actual monthly volumes delivered and expects the bidder to determine its supply obligations. Attachment 2 is the actual historical deliveries of monthly usage at the facility. Actual annual and monthly volumes may vary from the historical volumes. Volumes must be supplied at full requirements with no minimum volumes or take-or-pay commitments.

**Delivery**
Delivery of propane will be F.O.B. to the NorthWestern tank storage site located in Townsend, MT.

**Delivered Price**
Proposals shall be for a fixed price for the entire contract duration (fixed price bids may include seasonal pricing, for example, Oct-Mar, Apr-Sep, etc).

All fees and charges, including but not limited to, the Propane Education and Research Council mandated charge, operator’s margins, and transportation costs for propane to be delivered F.O.B. to NorthWestern’s facilities, are to be included in the supply prices in a total cost per gallon.

The successful bidder will be required to execute a propane supply agreement substantially in the form of Attachment 3. The successful bidder may be required to provide audited financials and any other reasonable commercial information that would assist in determining the successful bidder’s creditworthiness. Credit questions can be directed to Dennis Heinz at (605) 353-7517 or by e-mail to dennis.heinz@northwestern.com.
Offers in response to this request for proposal must be received by the undersigned at NorthWestern’s General Office located at 11 East Park in Butte, MT 59701 before 12:00 noon Mountain Time on March 12, 2019 (“Response Due Date”). All offers must remain open until 4:00 p.m. Mountain Time on March 13, 2019. Offers are to be submitted by e-mail to luke.hansen@northwestern.com.

All submitted proposals become the property of NorthWestern. NorthWestern reserves the right, in its sole discretion to accept or reject any or all proposals, in whole or in part. Further, NorthWestern reserves the right to revise, amend, or withdraw this Request for Proposal (“RFP”) as it deems appropriate. This is an RFP and no binding legal obligation will be entered into unless and until the successful bidder and NorthWestern negotiate and execute a definitive agreement.

Any party submitting a response to this RFP understands and agrees that NorthWestern, as a public utility, is subject to regulation by the Montana Public Service Commission (“MPSC”) and that NorthWestern is required to submit any and all bid information to the MPSC upon receipt, in accordance with Order 6968b. To the extent a bidder wishes to seek a protective order for its bid information, the individual bidder shall be solely responsible for preparing and filing of an appropriate motion for protective order with the MPSC. At the time of signing the Propane Supply Agreement, bidder shall notify NorthWestern in writing if it intends to file such a motion with the MPSC and no later than the date NorthWestern files its annual Application for Propane Supply Cost Account Balance and Rate Adjustment, bidder shall file its motion with the MPSC. If NorthWestern does not receive written notice of the bidder’s intention to file a motion for protective order by the deadline noted above, it will assume the bidder does not intend to file a motion for protective order, and NorthWestern will proceed with filing of the bid information with the MPSC. If such motion for protective order is filed and granted, NorthWestern will comply with the protective order. If the motion is not granted, NorthWestern will comply with Order 6968b and submit the unredacted bid information to the MPSC.

Questions can be directed to Luke Hansen at (406) 497-3193 or by e-mail to luke.hansen@northwestern.com. Thank you!

Sincerely,

(sent via e-mail)

Luke Hansen
Energy Supply
## PROPANE SPECIFICATIONS

The Liquid Propane delivered hereunder shall meet the following specifications:

### GPA LIQUIFIED PETROLEUM GAS SPECIFICATIONS

<table>
<thead>
<tr>
<th>Product Characteristics</th>
<th>Product Designation</th>
<th>Test Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>Propane HD-5</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td></td>
<td>not less than 90 liquid volume percent propane; not more than 5 liquid volume percent propylene</td>
<td></td>
</tr>
<tr>
<td>Vapor Pressure at 100°F, psig, max.</td>
<td>208</td>
<td>ASTM D-1267-79</td>
</tr>
<tr>
<td>Volatile residue: Temperature at 95% evaporation, degree F, max.</td>
<td>37°</td>
<td>ASTM D-1837-64</td>
</tr>
<tr>
<td>or butane and heavier, liquid volume percent max.</td>
<td>2.5</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Residual matter: Residue on evaporation of 100 ml, max. oil stain observation</td>
<td>0.05 ml pass(1)</td>
<td>ASTM D-2158-65</td>
</tr>
<tr>
<td>Corrosion, copper strip, max.</td>
<td>No. 1</td>
<td>ASTM D-1838-74</td>
</tr>
<tr>
<td>Volatile sulfur, grains per 100 cu ft, max.</td>
<td>10</td>
<td>ASTM D-2784-70</td>
</tr>
<tr>
<td>Moisture Content</td>
<td>Pass</td>
<td>GPA Propane Dryness Test (Cobalt Bromide) or D-2713-76</td>
</tr>
<tr>
<td>Free water content</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) An acceptable product shall not yield a persistent oil ring when 0.3 ml of solvent residue mixture is added to a filter paper in 0.1 ml increments and examined in daylight after 2 minutes as described in ASTM D-2158.
## Attachment 2

### Historical Monthly Usage

Townsend, Montana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>20,328</td>
<td>10,552</td>
<td>11,700</td>
<td>21,306</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>9,552</td>
<td>11,515</td>
<td>10,552</td>
<td>10,780</td>
<td>10,002</td>
</tr>
<tr>
<td>August</td>
<td>10,002</td>
<td>11,700</td>
<td>10,002</td>
<td>9,699</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>9,904</td>
<td>10,500</td>
<td>10,752</td>
<td>22,423</td>
<td>20,751</td>
</tr>
<tr>
<td>October</td>
<td>39,615</td>
<td>23,404</td>
<td>20,757</td>
<td>32,810</td>
<td>52,365</td>
</tr>
<tr>
<td>November</td>
<td>47,462</td>
<td>76,735</td>
<td>69,373</td>
<td>56,558</td>
<td>75,673</td>
</tr>
<tr>
<td>December</td>
<td>99,935</td>
<td>93,200</td>
<td>90,226</td>
<td>102,413</td>
<td>108,379</td>
</tr>
<tr>
<td>January</td>
<td>77,594</td>
<td>69,179</td>
<td>80,825</td>
<td>125,796</td>
<td>86,158</td>
</tr>
<tr>
<td>February</td>
<td>80,152</td>
<td>58,351</td>
<td>70,270</td>
<td>68,902</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>69,041</td>
<td>57,047</td>
<td>50,514</td>
<td>56,834</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>28,712</td>
<td>46,252</td>
<td>30,606</td>
<td>34,390</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>30,663</td>
<td>20,384</td>
<td>19,920</td>
<td>23,045</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>512,960</td>
<td>478,267</td>
<td>482,349</td>
<td>545,651</td>
<td>384,333</td>
</tr>
</tbody>
</table>

### Customers Served

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Average</td>
<td>503</td>
<td>507</td>
<td>510</td>
<td>506</td>
<td>520</td>
</tr>
<tr>
<td>Retail Average</td>
<td>69</td>
<td>71</td>
<td>70</td>
<td>68</td>
<td>73</td>
</tr>
</tbody>
</table>

Townsend is approximately 34 miles SE of Helena, MT or approximately 206 miles W of Billings, MT

Townsend: 2-30,000 gal tanks, 51,000 total propane gal

Contract purchases will be based on actual use within the Townsend, MT system.
Attachment 3

PROPANE SUPPLY AGREEMENT

by and between

NORTHWESTERN ENERGY

and

_____________________________,

as Seller

dated as of March _____, 20__
Propane Supply Agreement

This Propane Supply Agreement ("Agreement") is entered into this _____ day of __________ 20__ between __________________, a __________ organized under the laws of __________, ("Seller") and NorthWestern Corporation d/b/a NorthWestern Energy, a Delaware Corporation, authorized to do business in Montana ("NorthWestern"). Seller and NorthWestern are sometimes referred to in this Agreement collectively as “Parties” and individually as a “Party”.

RECATALS

A: Seller desires to provide and deliver liquid propane to NorthWestern’s storage facilities located at Townsend, MT.

B: NorthWestern desires to purchase liquid propane supply based on NorthWestern’s needs.

In consideration of the promises, mutual covenants, and agreements herein contained, as well as other good and valuable consideration the sufficiency of which is expressly acknowledged and accepted, the Parties agree as follows:

Article 1 - Definitions

As used in this Agreement and the Exhibits attached hereto, the following terms, whether in the singular or plural, shall have the following meanings:

1.1 Business Day means a day other than Saturday, Sunday or any other day on which banks located in Montana are authorized or obligated to close.

1.2 Force Majeure has the meaning set forth in Article 13.1.

1.3 Governmental Agency means the MPSC and any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or of any state, county, city or other political subdivision thereof, in each case having legal jurisdiction over the matter or person in question.

1.4 Initial Term means the one-year period mentioned in Article 2 of this Agreement for the anticipated delivery of liquid propane.

1.5 MPSC means the Montana Public Service Commission.

Article 2 - Supply of Propane and Term

NorthWestern shall purchase and receive, and Seller shall deliver, liquid propane to NorthWestern’s storage facilities at Townsend, Montana from June 1, 2019 at 8:00 A.M. Mountain Time through May 31, 2020 at 8:00 A.M. Mountain Time ("Initial Term"). After the Initial Term, the Agreement may be extended upon mutual written agreement of the Parties, but in no event shall such extended term be for more than two months.
Article 3 - Seller's Representations & Warranties

Seller hereby represents and warrants as follows:

3.1 **Existence and Authorization:** Seller is an entity in good standing and validly existing under the laws of the State of __________, is duly registered, licensed, and authorized to conduct business in the State of Montana, and Seller (i) has all power and authority to execute, deliver and perform this Agreement; and (ii) has all requisite power and authority to own its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted.

3.2 **Consents; No Violation:** The execution, delivery and performance of obligations under this Agreement by Seller do not:

3.2.1 require any consent or approval of Seller's board, members, managers or guarantors which has not been obtained and each such consent or approval that has been obtained is in full force and effect;

3.2.2 violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award applicable to Seller or any provision of the organizational documents of Seller, the violation of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement;

3.2.3 result in a breach of, or constitute a default under, any provision of the organizational documents of Seller;

3.2.4 result in a breach of, or constitute a default under, any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have an adverse effect on the ability of Seller to perform its obligations under this Agreement; and

3.2.5 result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a materially adverse effect on the ability of Seller to perform its obligations under this Agreement.

3.3 **No Litigation:** There is no pending or, to the best of Seller’s knowledge, threatened action or proceeding affecting Seller before any Governmental Agency that could reasonably be expected to materially and adversely affect the financial condition or operations of Seller or the ability of Seller to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Agreement.

3.4 **Binding Obligation:** This Agreement constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms, subject to applicable law.
3.5 **No Reliance:** That in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of NorthWestern in connection with its obligations under this Agreement.

**Article 4 – NorthWestern’s Representations, Warranties and Disclaimers**

NorthWestern hereby represents and warrants as follows:

4.1 **Existence and Authorization:** NorthWestern is a duly authorized and validly existing Delaware corporation in good standing and registered, licensed, and authorized to do business in Montana, and that it is authorized to enter into and perform its obligations under this Agreement.

4.2 **No Violation:** The execution and performance of its obligations under this Agreement by NorthWestern do not:

4.2.1 violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award applicable to NorthWestern or any provision of the organizational documents of NorthWestern, the violation of which could reasonably be expected to have a material adverse effect on the ability of NorthWestern to perform its obligations under this Agreement;

4.2.2 result in a breach of or constitute a default under any provision of the organizational documents of NorthWestern; and

4.2.3 result in a breach of or constitute a default under any agreement relating to the management or affairs of NorthWestern or any indenture or loan or credit agreement or any other agreement, lease, or instrument to which NorthWestern is a party or by which NorthWestern or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of NorthWestern to perform its obligations under this Agreement.

4.3 **Disclaimers:** Any review, acceptance or failure by NorthWestern to review Seller’s design, specifications, equipment or facilities does not constitute an endorsement or confirmation by NorthWestern, and NorthWestern makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, without limitation, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

**Article 5 – Quality of Liquid Propane**

Seller’s deliveries of liquid propane provided shall strictly comply with the quality requirements set out in Exhibit A, Propane Specifications.

**Article 6 – Quantity & Delivery**

6.1 Seller shall deliver liquid propane FOB destination to NorthWestern’s liquid propane storage facilities located at Townsend, Montana during NorthWestern’s normal business hours. The quantity of the deliveries will be determined by Seller’s evaluation of the daily system SCADA information emailed to Seller by NorthWestern. Seller shall monitor the daily storage tank levels to ensure delivery of such volume amounts required for adequate system capacity.
During the months of November through March Seller shall make a delivery of liquid propane within 48 hours of receipt of information allowing for Seller's standard supply tankers to deliver a full load of liquid propane (adjusted to 60 degrees Fahrenheit and not to exceed the maximum fill of the storage facilities). Deliveries before or after normal business hours are not permitted unless NorthWestern has consented to such abnormal deliveries.

6.2 NorthWestern does not guarantee that it will purchase any specific quantity of liquid propane from Seller during the Initial Term. Historical monthly usage volumes of liquid propane needed for NorthWestern's Townsend, Montana, storage facility are attached as Exhibit B. Exhibit B is merely a statement of prior usage, and in no way acts as a limitation upon the liquid propane volume required by NorthWestern or guarantees that NorthWestern will purchase any specified minimum liquid propane volume under this Agreement.

**Article 7 - Price**

7.1 For the Initial Term, the Agreement price shall be a seasonal fixed price for HD-5 liquid propane. All fees and charges including, without limitation, any mandated charge of the Propane Education & Research Council, operator's margins, and transportation costs for propane to be delivered to NorthWestern's Townsend, Montana facilities are included in the below stated prices, which shall not be exceeded.

7.1.1 From June 1, 2019 through September 30, 2019 inclusive, the price per gallon of liquid propane is $______ delivered.

7.1.2 From October 1, 2019 through March 31, 2020 inclusive, the price per gallon of liquid propane shall be $______ delivered.

7.1.3 From April 1, 2020 through May 31, 2020 inclusive, the price per gallon of liquid propane shall be $______ delivered.

7.2 Seller shall provide NorthWestern with every invoice for deliveries from an alternate source of supply, documentation from the source of supply indicating, at a minimum: volumes, mileage, and the supply location. The payment request invoice must clearly show the additional per mileage charge separate from the price per gallon fee. Invoices not properly detailed will be returned to Seller without payment and no interest or late payment penalties shall accrue on any late payments until NorthWestern has received a valid detailed invoice for the alternate source.

**Article 8 - Invoice/Bill of Lading and Measurement**

After each delivery of liquid propane, Seller shall provide NorthWestern with an invoice and bill of lading. The invoice and bill of lading shall be mailed to NorthWestern Energy, Attn.: Kevin Shuttlesworth, 11 East Park, Butte, MT 59701-9394, or emailed to Resource.AccountsPayable@northwestern.com and cc to Kevin.Shuttlesworth@northwestern.com. Seller shall invoice for the volumes in each transport truck at the time of unloading, corrected to 60 degrees Fahrenheit. The bill of lading is conclusive as to the net gallons of liquid propane delivered.
Article 9 - Payment

9.1 NorthWestern shall pay Seller within thirty (30) days of NorthWestern's receipt of a valid invoice. NorthWestern shall make payment to:

INSERT ADDRESS OR WIRE INSTRUCTIONS

9.2 If a dispute arises regarding an invoice, the undisputed amount will be paid and Seller shall be notified of the amount(s) in dispute and the basis of the dispute within ten (10) Business Days of NorthWestern's receipt of the invoice. No interest or other late payment fees shall be applied to any disputed invoice or portion thereof, unless such invoice was found to be disputed unreasonably by NorthWestern.

Article 10 - Termination and Remedies

10.1 Seller shall be in breach of this Agreement if it has not delivered the liquid propane, in whole or in part, upon the terms and conditions identified herein.

10.2 In addition to remedies available at law or in equity, if Seller fails to deliver, notifies NorthWestern that it cannot deliver liquid propane as specified in Article 6 or fails to comply with the quality requirements identified in Article 5 and Exhibit A, NorthWestern may secure its propane supply from third parties during the term of such non-performance. NorthWestern may recover from Seller any costs or expenses related to the acquisition of the liquid propane from the alternate source procured to remedy Seller's non-delivery or failure to provide liquid propane in accordance with the quality requirements of Exhibit A.

10.3 NorthWestern may terminate this Agreement if Seller fails to meet its material obligations under this Agreement. Prior to termination, NorthWestern must send written notice of the default to Seller, providing Seller ten (10) Business Days to cure such breach. If Seller fails to cure the default, and NorthWestern terminates the Agreement pursuant to this Section 10.3, Seller shall reimburse NorthWestern for all reasonable costs associated with the replacement of all remaining liquid propane supply covered by the term of this Agreement. Seller shall make payment to NorthWestern within twenty (20) calendar days of receiving statements verifying the replacement costs, and for all damages arising from Seller's breach.

Article 11 - Title

Transfer of title from Seller to NorthWestern for liquid propane under this Agreement shall be effective upon Seller’s delivery to NorthWestern's storage facility in Townsend, Montana as set forth in Article 6 of this Agreement. If delivery is by tank truck, delivery is complete when the liquid propane has passed through the tank truck's delivery equipment into NorthWestern's property. Prior to any such transfer of title to NorthWestern, Seller shall possess title to the liquid propane and, except to the extent of NorthWestern's negligence, Seller shall be responsible for any loss or accident and all liability and damages associated therewith and shall bear all risk of loss, including, but not limited to, any loss of damage occurring during the transfer of the liquid propane from Seller to NorthWestern into NorthWestern’s storage facility.
Article 12 - Warranty of Title

Seller warrants title to all liquid propane sold and delivered and represents that the liquid propane, when delivered, shall be free and clear of all taxes, liens, royalties, claims and other charges.

Article 13 - Force Majeure

13.1 Force Majeure: Notwithstanding anything else contained herein, Seller is not responsible or liable for a delay in performance of its obligation to deliver liquid propane as required by the terms and conditions of this Agreement, or in breach of such obligation if delay or failure to perform is due solely to circumstances which are beyond the reasonable control of Seller and by which, the exercise of due diligence could not have been prevented or overcome, including but not limited to acts of nature; unusually severe weather conditions; war; riots; requirements, actions or failures to act on the part of any Governmental Agency; or fire (which circumstances shall constitute “Force Majeure”); provided that:

13.1.1 Seller must give NorthWestern prompt written notice describing the particulars of the occurrence;

13.1.2 The Force Majeure event was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance or for any breach or default of this Agreement by Seller; and

13.1.3 The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure event.

13.2 Best Efforts: Seller shall use commercially reasonable efforts to remedy its inability to perform and keep NorthWestern fully informed as to such efforts during the continuance of the Force Majeure event.

13.3 Resumption of Performance: When Seller is able to resume full performance of its obligations under this Agreement, Seller shall give NorthWestern prompt written notice to that effect.

13.4 Exclusions: The term “Force Majeure” shall not include changes in market conditions or Governmental Agency action that affect the demand for Seller's liquid propane. In addition, Force Majeure does not include lack of funds, unavailability of equipment, inability to obtain Governmental Agency approvals, labor strikes or slowdowns following the execution of this Agreement, unless same is caused by an occurrence which would otherwise constitute Force Majeure under this Article 13.

13.5 No Extension of Term: In no event will any condition of Force Majeure extend the term of this Agreement. If any condition of Force Majeure delays Seller's performance for a time period greater than thirty (30) days, NorthWestern may terminate this Agreement, without further obligation, or extend such period at its sole discretion if Seller is exercising due diligence in its efforts to cure the condition of Force Majeure.

13.6 Supply During Force Majeure: During the duration of any event constituting Force Majeure, NorthWestern may purchase its supply of liquid propane from third parties.
Article 14 – Liability/Indemnification

14.1 Each Party hereto shall indemnify, defend and save harmless the other Party, their officers, directors, shareholders, agents and employees, against and from all demands, suits, judgments, fees, expenses (including reasonable attorneys’ fees and costs), any and all claims to the extent that they arise from the performance of the obligations under this Agreement, including but not limited to, liability brought or asserted for injuries to, or death of any person or persons (including that Party's employees), damages to property, contamination of or adverse effects on the environment, or any violation of laws, regulations or orders, resulting from that Party, or those persons for whom that Party is responsible, breach of this Agreement or their negligent or willful act or omission or other breach of legal duty to the extent that it arises from that Party's performance of its obligations under this Agreement. The indemnification obligation survives the completion, expiration or termination of this Agreement.

14.2 Warranties: Seller warrants that propane supplied hereunder shall meet the specifications set forth in Exhibit A. EXCEPT FOR THE WARRANTIES MADE IN THIS SECTION 14, SELLER MAKES NO ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE PROPANE SOLD HEREUNDER INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

14.3 Consequential Damage Waiver. NorthWestern is not responsible for any anticipated profits, special, consequential, incidental, indirect, punitive, or exemplary damages in any way arising from the performance of this Agreement.

Article 15 – Dispute Resolution

15.1 Either Party may give the other Party written notice of any dispute related to this Agreement. In the event such notice is given, the Parties shall attempt to resolve the dispute promptly by negotiations between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter. Within ten (10) business days after delivery of the notice, the receiving Party shall submit to the other a written response. Thereafter, the representatives shall confer in person or by telephone promptly to attempt to resolve the dispute. All commercially reasonable, relevant, non-confidential or non-privileged requests for information made by one Party to the other will be honored. All negotiations and proceedings pursuant to this Article are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence and any additional confidentiality protections provided by applicable law.

15.2 Should the negotiation not lead to settlement of the dispute, then either Party may file a complaint in a court of competent jurisdiction.

Article 16 – DOT Drug and Alcohol Regulations

Seller shall comply with all Federal Department of Transportation and Montana Department of Transportation regulations governing the transportation of liquid propane as well as all regulations governing anti-drug and alcohol misuse prevention plans and related testing. NorthWestern may request proof of such compliance, and Seller shall furnish the proof upon request.
Article 17 - Safety and Property Damage

17.1 Seller is responsible for the safety of its employees and contractors involved in delivering liquid propane under this Agreement. Seller shall comply with the Occupational Safety and Health Act of 1970, the Montana Safety Culture Act of 1993, and all applicable laws, ordinances, rules and regulations bearing on the safety of persons or property or their protection from damage, injury or loss, and will take or cause to be taken such additional measures as reasonably necessary to protect the life and health of all employees engaged in the performance of this Agreement and work required hereunder.

17.2 Seller shall immediately notify NorthWestern in the event of any accident or incident involving personal injury, property damage of any kind or any violation of safety rules and regulations occurring at NorthWestern’s facilities during the performance of this Agreement.

17.3 Seller shall be accountable for any damages arising from the delivery of liquid propane to NorthWestern’s facilities. Seller shall restore or replace in a suitable manner all public and private property damaged by Seller during the performance of the delivery services required by this Agreement, and shall leave NorthWestern’s facilities free and clear from all obstructions, hindrances and safety hazards.

Article 18 - Insurance

18.1 **Required Coverages:** Seller, at its own expense, shall maintain in force throughout the period of this Agreement the following minimum insurance coverages that are placed with an insurer that has an A.M. Best rating of A- or better:

18.1.1 Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of Montana.

18.1.2 Employer's Liability - $1,000,000 each accident; $1,000,000 disease - policy limit; and $1,000,000 disease – each employee.

18.1.3 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, and a cross liability endorsement, with minimum limits of one million dollars ($1,000,000) per Occurrence Limit and two million dollars ($2,000,000) General Aggregate Limit. One million dollars ($1,000,000) Products/Completed Operations Aggregate Limit.

18.1.4 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.1.5 Umbrella/Excess Liability insurance at a minimum of five million dollars ($5,000,000).

18.1.6 Sudden and Accidental Insurance with a minimum amount of two million dollars ($2,000,000) per occurrence.
18.2 Additional Insured: The Commercial General Liability Insurance, Comprehensive Automobile Insurance, and Umbrella/Excess Liability Insurance policies shall name NorthWestern and its directors, officers, representatives and employees as additional insureds. Before commencing any deliveries under this Agreement, Seller shall deliver to NorthWestern in accordance with this Article 18, an insurance certificate evidencing the required coverage, limits and additional insured provisions as required by this Agreement. All General & Excess Liability policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against NorthWestern and its directors, officers, representatives and employees. Insurance coverage shall be primary and non-contributory, and when available provide thirty (30) calendar days advance written notice to NorthWestern prior to the anniversary date of cancellation in coverage. Additional insured and waiver of subrogation will only be granted with respect to Commercial General Liability and Umbrella Liability coverage.

18.3 Continuing Coverage: The Commercial General Liability insurance and Comprehensive Automobile Liability insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.4 Proof of Insurance: Within ten (10) days following execution of this Agreement, Seller shall provide certification of all insurance required in this Agreement, executed by the insurer or by an authorized representative.

18.5 Self-Insurance: Notwithstanding the foregoing, Seller may self-insure to meet the minimum insurance requirements of Sections 18.1.1 through 18.1.6, to the extent it maintains a self-insurance program; any self-insured retention over One Million Dollars ($1,000,000) must be preapproved by NorthWestern.

**Article 19 - Laws and Regulations**

19.1 The operations of the Parties to this Agreement are subject to and controlled by all applicable State of Montana and Federal laws and operations.

19.2 The Parties hereby incorporate 41 C.F.R. 60-1.4(a)(7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R. 60-300.5(a)ii; and 41 C.F.R. 60-741.5(a), if applicable. Seller shall abide by the requirements of 41 C.F.R. 60-300.5(a) and 41 C.F.R. 741.5(a). These regulations prohibit discrimination against qualified protected veterans, and qualified individuals on the basis of disability, respectively, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities, respectively.

**Article 20 - Hazard Communication and Spills**

20.1 In complying with the provisions required by the Environmental Protection Agency, the Montana Department of Agriculture, the US Department of Transportation and Occupational Safety and Health Act, Hazard Communications Standard, 29 CFR 1910.1233, Seller shall supply the associated material safety data sheets (MSDS) for chemicals NorthWestern and Seller employees may be exposed to while working on NorthWestern's property. One copy of this documentation must be delivered to NorthWestern Energy, Safety Department, 11 East
Park, Butte, Montana, 59701, and one copy must be provided to the NorthWestern Representative identified in Article 21. This documentation must be delivered before commencement of performance of this Agreement.

20.2. Contractor shall immediately notify NorthWestern in the event of a release of propane during deliveries to NorthWestern that could impact the public or the environment. Contractor shall immediately notify NorthWestern of a reportable release of any chemical, petroleum product or other hazardous substance during deliveries at NorthWestern’s facilities. Seller shall provide for secondary containment or have established a spill contingency plan for deliveries of liquid propane. Seller shall provide for secondary containment or have established a spill contingency plan that addresses deliveries of propane.

**Article 21 - Notice**

21.1 Except as provided in Articles 6 and 8 of this Agreement, any notice provided for in this Agreement, or served, given or made in connection with this Agreement, shall be in writing and shall be deemed properly served, given or made, if delivered in person or sent by courier service, email, or registered, first class certified U.S. mail, postage prepaid, addressed to the intended recipient at the address set forth below. Except as provided for in Article 6, telephone conversations do not constitute notice under this Agreement.

To Seller:  
INSERT ADDRESS  
Phone: (000)  
Fax: (000)  
Email: 

To NorthWestern:  
NorthWestern Energy  
Luke Hansen  
Energy Supply  
11 East Park  
Butte, MT 59701-9394  
Phone: (406) 497-3193  
Email: luke.hansen@northwestern.com

**Article 22 - Assignment and Ownership**

22.1 **Assignment Prohibited:** Neither Party shall either voluntarily or by operation of law assign or transfer its rights nor delegate its duties under this Agreement, or any part of such rights or duties, without the written consent of the other Party. Consent to assignment will not be unreasonably withheld.

22.2 **Assumption of Liabilities:** No assignment by Seller shall be effective, notwithstanding NorthWestern’s consent thereto, unless the assignee under such assignment agrees in writing to unconditionally assume all of the duties, liabilities, and obligations of Seller under this Agreement.

22.3 **NorthWestern’s Obligations to Assignee:** No assignment by Seller shall be effective, notwithstanding NorthWestern’s consent thereto, to the extent that such assignment purports
to extend, increase, or otherwise alter the obligations of NorthWestern under this Agreement, other than the substitution of the assignee for Seller.

22.4 **Indemnity:** Seller shall save, indemnify, and hold harmless NorthWestern for any and all losses resulting from assignee’s failure to effectively assume all of the duties, liabilities and obligations of Seller under this Agreement.

22.5 **Validity:** Any attempted or purported assignment, assumption or transfer by a Party made other than in accordance with this Article 22, whether made voluntarily or by operation of law, shall be void and of no effect.

### Article 23 - General Provisions

23.1 **Choice of Law:**

23.1.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Montana or the United States, as applicable, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

23.1.2 Venue for any claim or action arising from this Agreement shall be determined in a manner consistent with the applicable Montana or Federal law.

23.2 **Entire Agreement:** This Agreement, including all Exhibits hereto constitutes the entire understanding between the Parties and supersedes any and all previous understandings or agreements between the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

23.3 **No Third Party Beneficiaries; No Dedication to Public Use:** Nothing in this Agreement shall be construed to create any rights in, or grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or understanding established under this Agreement. This Agreement shall not affect the status of NorthWestern as an independent public utility corporation, or Seller as an individual or entity.

23.4 **Several Liability:** Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective.

23.5 **No Partnership:** Nothing contained herein shall be deemed to create an association, joint venture, partnership or principal/agent relationship between the Parties hereto or to impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.

23.6 **Modification or Amendment:** No modification, amendment or waiver of any provision of this Agreement shall be valid unless it is in writing and signed by both Parties.

23.7 **Severability:** If any term or provision of this Agreement or the application thereof to any person or circumstance is held to be illegal, invalid or unenforceable under any present or future Law or by any Governmental Agency, then (i) such term or provision shall be fully
severable; (ii) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (iv) the Parties shall negotiate in good faith to enter into such modifications of this Agreement as may be necessary to preserve the economic and other benefits of this Agreement to the affected Party to the greatest extent possible and permissible.

23.8 Captions: All indexes, titles, subject headings, Article titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this Agreement.

23.9 Exhibits: This Agreement includes Exhibits A and B which are attached, and incorporated by reference herein. Exhibits may from time to time be changed in writing upon mutual agreement of the Parties and in accordance with Article 23.6.

**Article 24 - Regulation by the Montana Public Service Commission**

Seller acknowledges that NorthWestern, as a public utility, is subject to regulation by the MPSC and that NorthWestern is required, pursuant to Order No. 6968b in Docket No. D2008.12.142, to submit information, data or documents regarding this Agreement including, but not limited to, a copy of this Agreement, together with any other documentation associated herewith, to the MPSC as part of regulatory proceedings. To the extent Seller wishes to seek a protective order for this Agreement or any other of its information that may be submitted to the MPSC, Seller shall be solely responsible for preparing and otherwise requesting any such protective order from the MPSC. At the time of signing this Agreement, Seller shall notify NorthWestern in writing if it intends to file such a motion with the MPSC and no later than the date NorthWestern files its annual Application for Propane Supply Cost Account Balance and Rate Adjustment, Seller shall file its motion with the MPSC. Seller acknowledges that until such time as a protective order is issued NorthWestern is not relieved of its legal obligations to provide the information requested by the MPSC; however, if notified by Seller as required by this Article, NorthWestern will not disclose the alleged confidential information until the MPSC has acted on Seller's motion. NorthWestern shall have no obligation to participate in, cooperate with, or in any way assist Seller in seeking any protective order.

**IN WITNESS WHEREOF,** this Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof. Seller shall mail an original signature page to NorthWestern following any email or PDF copy.
NorthWestern Corporation dba NorthWestern Energy

By: ____________________________  By: ____________________________
Title: Director, Marketing Operations  Title: ____________________________
Date: 3/26/2019  Date: ____________________________
**EXHIBIT A**

This is Exhibit A attached to and made part of that certain Agreement between NorthWestern and Seller dated March 1, 2019.

**PROPANE SPECIFICATIONS**

The Liquid Propane delivered hereunder shall meet the following specifications:

**GPA LIQUIFIED PETROLEUM GAS SPECIFICATIONS**

<table>
<thead>
<tr>
<th>Liquid Propane Characteristics</th>
<th>Liquid Propane Designation Propane HD-5</th>
<th>Test Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>not less than 90 liquid volume percent propane; not more than 5 liquid volume percent propylene</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Vapor Pressure at 100°F, psig, max.</td>
<td>208</td>
<td>ASTM D-1267-79</td>
</tr>
<tr>
<td>Volatile residue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temperature at 95% evaporation, degree F, max.</td>
<td>37°</td>
<td>ASTM D-1837-64</td>
</tr>
<tr>
<td>or butane and heavier, liquid volume percent max.</td>
<td>2.5</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Residual matter:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residue on evaporation of 100 ml, max. oil stain observation</td>
<td>0.05 ml pass(1)</td>
<td>ASTM D-2158-65</td>
</tr>
<tr>
<td>Corrosion, copper strip, max.</td>
<td>No. 1</td>
<td>ASTM D-1838-74</td>
</tr>
<tr>
<td>Volatile sulfur, grains per 100 cu ft, max.</td>
<td>10</td>
<td>ASTM D-2784-70</td>
</tr>
<tr>
<td>Moisture Content</td>
<td>Pass</td>
<td>GPA Propane Dryness Test (Cobalt Bromide) or D-2713-76</td>
</tr>
<tr>
<td>Free water content</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) An acceptable product shall not yield a persistent oil ring when 0.3 ml of solvent residue mixture is added to a filter paper in 0.1 ml increments and examined in daylight after 2 minutes as described in ASTM D-2158.
EXHIBIT B

This is Exhibit B attached to and made part of that certain Agreement between NorthWestern and Seller dated March 1, 2019.

Historical and Estimated Monthly Usage

Townsend, Montana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>20,328</td>
<td>10,552</td>
<td>11,700</td>
<td>21,306</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>9,552</td>
<td>11,515</td>
<td>10,780</td>
<td>10,002</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>10,002</td>
<td>11,700</td>
<td>10,002</td>
<td></td>
<td>9,699</td>
</tr>
<tr>
<td>September</td>
<td>9,904</td>
<td>10,500</td>
<td>10,752</td>
<td>22,423</td>
<td>20,751</td>
</tr>
<tr>
<td>October</td>
<td>39,615</td>
<td>23,404</td>
<td>20,757</td>
<td>32,810</td>
<td>52,365</td>
</tr>
<tr>
<td>November</td>
<td>47,462</td>
<td>76,735</td>
<td>69,373</td>
<td>56,558</td>
<td>75,673</td>
</tr>
<tr>
<td>December</td>
<td>89,935</td>
<td>93,200</td>
<td>90,226</td>
<td>102,413</td>
<td>108,379</td>
</tr>
<tr>
<td>January</td>
<td>77,594</td>
<td>69,179</td>
<td>80,825</td>
<td>125,796</td>
<td>86,158</td>
</tr>
<tr>
<td>February</td>
<td>80,152</td>
<td>58,351</td>
<td>70,270</td>
<td>68,902</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>69,041</td>
<td>57,047</td>
<td>50,514</td>
<td>56,834</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>28,712</td>
<td>46,252</td>
<td>30,606</td>
<td>34,390</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>30,663</td>
<td>20,384</td>
<td>19,920</td>
<td>23,045</td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>512,960</td>
<td>478,267</td>
<td>482,349</td>
<td>545,651</td>
<td>384,333</td>
</tr>
</tbody>
</table>

Customers Served

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>503</td>
<td>507</td>
<td>510</td>
<td>506</td>
<td>520</td>
</tr>
<tr>
<td>Retail</td>
<td>69</td>
<td>71</td>
<td>70</td>
<td>68</td>
<td>73</td>
</tr>
</tbody>
</table>

Townsend is approximately 34 miles SE of Helena, MT
or approximately 206 miles W of Billings, MT

Townsend 2-30,000 gal tanks 51,000 total propane gal
Contract purchases will be based on actual use within the Townsend, MT system
<table>
<thead>
<tr>
<th>#</th>
<th>Recipients</th>
<th>FIRST</th>
<th>LAST</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AmeriGas Wholesale</td>
<td>Jamie</td>
<td>Bakondy</td>
<td><a href="mailto:jamie.bakondy@amerigas.com">jamie.bakondy@amerigas.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kevin</td>
<td>Arcieri</td>
<td><a href="mailto:kevin.arcieri@amerigas.com">kevin.arcieri@amerigas.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Gibson Energy US Inc</td>
<td>Donna</td>
<td>Smith</td>
<td><a href="mailto:Dsmith@midstreamlpg.com">Dsmith@midstreamlpg.com</a></td>
</tr>
<tr>
<td>3</td>
<td>Kiva Energy</td>
<td>Brannon</td>
<td>Morse</td>
<td><a href="mailto:BMorse@kivaenergy.com">BMorse@kivaenergy.com</a></td>
</tr>
<tr>
<td>4</td>
<td>Montana Energy Alliance</td>
<td>Gerry</td>
<td>Goody</td>
<td><a href="mailto:ggoed@qwestoffice.net">ggoed@qwestoffice.net</a></td>
</tr>
<tr>
<td>5</td>
<td>Northern Energy Propane</td>
<td>Bernie</td>
<td>Barton</td>
<td><a href="mailto:bernie.barton@heritagepropane.com">bernie.barton@heritagepropane.com</a></td>
</tr>
<tr>
<td>6</td>
<td>Kiva Energy</td>
<td>Brannon</td>
<td>Morse</td>
<td><a href="mailto:BMorse@kivaenergy.com">BMorse@kivaenergy.com</a></td>
</tr>
<tr>
<td>7</td>
<td>Sioux Falls, CHS Inc.</td>
<td>Ben</td>
<td>Warren</td>
<td><a href="mailto:Benjamin.Warren@chsinc.com">Benjamin.Warren@chsinc.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>David</td>
<td>Fuhr</td>
<td><a href="mailto:David.Fuhr@chsinc.com">David.Fuhr@chsinc.com</a></td>
</tr>
<tr>
<td>8</td>
<td>Plains Midstream</td>
<td>Nancy</td>
<td>Murphey</td>
<td><a href="mailto:nmurphey@targaresources.com">nmurphey@targaresources.com</a></td>
</tr>
<tr>
<td>9</td>
<td>Plains Midstream</td>
<td>Jason</td>
<td>Sedlacek</td>
<td><a href="mailto:Jason.Sedlacek@plainsmidstream.com">Jason.Sedlacek@plainsmidstream.com</a></td>
</tr>
<tr>
<td>10</td>
<td>Farstad Oil Inc</td>
<td>Valerie</td>
<td>Milburn</td>
<td><a href="mailto:Vmilburn@spfenergy.com">Vmilburn@spfenergy.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Valerie</td>
<td>Milburn</td>
<td><a href="mailto:valeri.milburn@parklandusa.com">valeri.milburn@parklandusa.com</a></td>
</tr>
<tr>
<td>11</td>
<td>SPF Energy</td>
<td>Eric</td>
<td>Lawson</td>
<td><a href="mailto:elawson@spfenergy.com">elawson@spfenergy.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shawn</td>
<td>Oluyaseun</td>
<td><a href="mailto:oluyaseun.f.ogunjumo@exxonmobil.com">oluyaseun.f.ogunjumo@exxonmobil.com</a></td>
</tr>
<tr>
<td></td>
<td>Exxon Mobil</td>
<td>Charlie</td>
<td>Trivette</td>
<td><a href="mailto:charlie.trivette@exxonmobil.com">charlie.trivette@exxonmobil.com</a></td>
</tr>
</tbody>
</table>
Good afternoon Luke,

Thank you for the opportunity to submit a bid for the Proposal to Supply Propane for Townsend, Montana.

The following is our fixed price quote for the 2019/2020 supply period:

<table>
<thead>
<tr>
<th>Period</th>
<th>Fixed price per gallon</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 2019 – September 30, 2019</td>
<td>$0.7825</td>
<td></td>
</tr>
<tr>
<td>October 1, 2019 – March 31, 2020</td>
<td>$1.01</td>
<td></td>
</tr>
<tr>
<td>April 1, 2020 – June 30, 2020</td>
<td>$0.7750</td>
<td></td>
</tr>
</tbody>
</table>

Given that markets are subject to change from time of quote to acceptance, this offer is subject to Midstream LPG approval at time of acceptance.

Prices can be re-quoted at any time upon request.
Prices are FOB Destination and include freight, fuel surcharge and PERC.

Please feel free to contact me with any questions regarding this proposal.

Thank you,

Donna

**Donna Smith**
Sales Rep - Dispatcher
Midstream LPG
2824 Billings Avenue, Helena, MT 59601
D: 406-442-1739
C: 406-439-4808
NOTICE: This message has been sent by an EXTERNAL sender outside of NorthWestern Energy. Please use caution when clicking on links, opening attachments, or replying to this email.

***************************************************************
Luke -
Attached is our bid proposal. Unfortunately, I could only give a bid commitment on the June - Sept gallons. With our current supply situations in the Billings market, my suppliers are not as forth coming. I apologize it is only for that time frame and understand if that's not an option, but I wanted to make the attempt anyway.

Thank you for the opportunity!

Valeri Milburn/Branch Manager
Farstad Oil Inc.
A Brand of Parkland USA
PO Box 31195
Billings, MT 59101
O-406-259-2264|M-406-208-3758|F-406-259-5334
Valeri.Milburn@parklandusa.com
March 5, 2019

Propane Supplier
Delivered Via e-mail

Subject: Request for Proposal to Supply Liquid Propane to Townsend, MT

Dear Supplier:

NorthWestern Corporation d/b/a NorthWestern Energy (NorthWestern) by this correspondence is soliciting bids and requesting proposals for the supply of liquid propane delivered to a NorthWestern facility within the State of Montana. It is anticipated that the term of a contract for the winning bidder will run from June 1, 2019, through May 31, 2020. All bids and proposals must address the following:

**Quality**
Quality of liquid propane delivered must be HD-5 and meet all of the specifications listed on Attachment 1 titled “Propane Specifications”. Potential Suppliers must state the origin of the supply each intends to utilize to meet the obligations under a contract to supply liquid propane to NorthWestern.

**Volume**
NorthWestern is providing approximately the last 5 years’ worth of actual monthly volumes delivered and expects the bidder to determine its supply obligations. Attachment 2 is the actual historical deliveries of monthly usage at the facility. Actual annual and monthly volumes may vary from the historical volumes. Volumes must be supplied at full requirements with no minimum volumes or take-or-pay commitments.

**Delivery**
Delivery of propane will be F.O.B. to the NorthWestern tank storage site located in Townsend, MT.

**Delivered Price**
Proposals shall be for a fixed price for the entire contract duration (fixed price bids may include seasonal pricing, for example, Oct-Mar, Apr-Sep, etc).

All fees and charges, including but not limited to, the Propane Education and Research Council mandated charge, operator’s margins, and transportation costs for propane to be delivered F.O.B. to NorthWestern’s facilities, are to be included in the supply prices in a total cost per gallon.

The successful bidder will be required to execute a propane supply agreement substantially in the form of Attachment 3. The successful bidder may be required to provide audited financials and any other reasonable commercial information that would assist in determining the successful bidder’s creditworthiness. Credit questions can be directed to Dennis Heinz at (605) 353-7517 or by e-mail to dennis.heinz@northwestern.com.
Offers in response to this request for proposal must be received by the undersigned at NorthWestern's General Office located at 11 East Park in Butte, MT 59701 before 12:00 noon Mountain Time on March 12, 2019 ("Response Due Date"). All offers must remain open until 4:00 p.m. Mountain Time on March 13, 2019. Offers are to be submitted by e-mail to luke.hansen@northwestern.com.

All submitted proposals become the property of NorthWestern. NorthWestern reserves the right, in its sole discretion to accept or reject any or all proposals, in whole or in part. Further, NorthWestern reserves the right to revise, amend, or withdraw this Request for Proposal ("RFP") as it deems appropriate. This is an RFP and no binding legal obligation will be entered into unless and until the successful bidder and NorthWestern negotiate and execute a definitive agreement.

Any party submitting a response to this RFP understands and agrees that NorthWestern, as a public utility, is subject to regulation by the Montana Public Service Commission ("MPSC") and that NorthWestern is required to submit any and all bid information to the MPSC upon receipt, in accordance with Order 6968b. To the extent a bidder wishes to seek a protective order for its bid information, the individual bidder shall be solely responsible for preparing and filing of an appropriate motion for protective order with the MPSC. At the time of signing the Propane Supply Agreement, bidder shall notify NorthWestern in writing if it intends to file such a motion with the MPSC and no later than the date NorthWestern files its annual Application for Propane Supply Cost Account Balance and Rate Adjustment, bidder shall file its motion with the MPSC. If NorthWestern does not receive written notice of the bidder's intention to file a motion for protective order by the deadline noted above, it will assume the bidder does not intend to file a motion for protective order, and NorthWestern will proceed with filing of the bid information with the MPSC. If such motion for protective order is filed and granted, NorthWestern will comply with the protective order. If the motion is not granted, NorthWestern will comply with Order 6968b and submit the unredacted bid information to the MPSC.

Questions can be directed to Luke Hansen at (406) 497-3193 or by e-mail to luke.hansen@northwestern.com. Thank you!

Sincerely,

(sent via e-mail)

Luke Hansen
Energy Supply
Attachment 1

**PROPANE SPECIFICATIONS**

The Liquid Propane delivered hereunder shall meet the following specifications:

**GPA LIQUEFIED PETROLEUM GAS SPECIFICATIONS**

<table>
<thead>
<tr>
<th>Product Characteristics</th>
<th>Product Designation</th>
<th>Test Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>not less than 90 liquid volume percent propane; not more than 5 liquid volume percent propylene</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Vapor Pressure at 100° F, psig, max.</td>
<td>208</td>
<td>ASTM D-1267-79</td>
</tr>
<tr>
<td>Volatile residue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temperature at 95% evaporation, degree F, max.</td>
<td>37°</td>
<td>ASTM D-1837-64</td>
</tr>
<tr>
<td>or butane and heavier, liquid volume percent max.</td>
<td>2.5</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Residual matter:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residue on evaporation of 100 ml, max.</td>
<td>0.05 ml</td>
<td>ASTM D-2158-65</td>
</tr>
<tr>
<td>max. oil stain observation</td>
<td>pass(1)</td>
<td>ASTM D-2158-65</td>
</tr>
<tr>
<td>Corrosion, copper strip, max.</td>
<td>No. 1</td>
<td>ASTM D-1838-74</td>
</tr>
<tr>
<td>Volatile sulfur, grains per 100 cu ft, max.</td>
<td>10</td>
<td>ASTM D-2784-70</td>
</tr>
<tr>
<td>Moisture Content</td>
<td>Pass</td>
<td>GPA Propane Dryness Test (Cobalt Bromide) or D-2713-76</td>
</tr>
<tr>
<td>Free water content</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) An acceptable product shall not yield a persistent oil ring when 0.3 ml of solvent residue mixture is added to a filter paper in 0.1 ml increments and examined in daylight after 2 minutes as described in ASTM D-2158.
### Attachment 2

**HISTORICAL MONTHLY USAGE**

Townsend, Montana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>20,328</td>
<td>10,552</td>
<td>11,700</td>
<td>21,306</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>9,552</td>
<td>11,515</td>
<td>10,552</td>
<td>10,780</td>
<td>10,002</td>
</tr>
<tr>
<td>August</td>
<td>10,002</td>
<td>11,700</td>
<td>10,002</td>
<td>9,699</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>9,904</td>
<td>10,500</td>
<td>10,752</td>
<td>22,423</td>
<td>20,751</td>
</tr>
<tr>
<td>October</td>
<td>39,615</td>
<td>23,404</td>
<td>28,757</td>
<td>32,810</td>
<td>52,365</td>
</tr>
<tr>
<td>November</td>
<td>47,462</td>
<td>76,735</td>
<td>69,373</td>
<td>56,558</td>
<td>75,873</td>
</tr>
<tr>
<td>December</td>
<td>89,935</td>
<td>93,200</td>
<td>90,226</td>
<td>102,413</td>
<td>109,379</td>
</tr>
<tr>
<td>January</td>
<td>77,594</td>
<td>69,179</td>
<td>80,825</td>
<td>125,796</td>
<td>86,158</td>
</tr>
<tr>
<td>February</td>
<td>80,152</td>
<td>58,351</td>
<td>70,270</td>
<td>68,902</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>69,041</td>
<td>57,047</td>
<td>50,514</td>
<td>56,834</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>28,712</td>
<td>46,252</td>
<td>30,606</td>
<td>34,390</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>30,663</td>
<td>20,384</td>
<td>19,920</td>
<td>23,045</td>
<td></td>
</tr>
</tbody>
</table>

Totals: 512,960 478,257 482,349 545,651 384,333

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Average</td>
<td>503</td>
<td>507</td>
<td>510</td>
<td>506</td>
<td>520</td>
</tr>
<tr>
<td>Retail Average</td>
<td>69</td>
<td>71</td>
<td>70</td>
<td>68</td>
<td>73</td>
</tr>
</tbody>
</table>

Townsend is approximately 34 miles SE of Helena, MT or approximately 206 miles W of Billings, MT

Townsend 2-30,000 gal tanks 51,000 total propane gal

Contract purchases will be based on actual use within the Townsend, MT system.
Attachment 3

PROPAANE SUPPLY AGREEMENT

by and between

NORTHWESTERN ENERGY

and

[Signature]

as Seller

dated as of March 12, 2019
Propane Supply Agreement

This Propane Supply Agreement ("Agreement") is entered into this 12 day of [March] 2019 between [Farstad Oil Inc., a Corporation] organized under the laws of [Montana], ("Seller") and [NorthWestern Corporation d/b/a NorthWestern Energy, a Delaware Corporation, authorized to do business in Montana ("NorthWestern"). Seller and NorthWestern are sometimes referred to in this Agreement collectively as "Parties" and individually as a "Party".

RECATALS

A: Seller desires to provide and deliver liquid propane to NorthWestern’s storage facilities located at Townsend, MT.

B: NorthWestern desires to purchase liquid propane supply based on NorthWestern’s needs.

In consideration of the promises, mutual covenants, and agreements herein contained, as well as other good and valuable consideration the sufficiency of which is expressly acknowledged and accepted, the Parties agree as follows:

Article 1 – Definitions

As used in this Agreement and the Exhibits attached hereto, the following terms, whether in the singular or plural, shall have the following meanings:

1.1 Business Day means a day other than Saturday, Sunday or any other day on which banks located in Montana are authorized or obligated to close.

1.2 Force Majeure has the meaning set forth in Article 13.1.

1.3 Governmental Agency means the MPSC and any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or of any state, county, city or other political subdivision thereof, in each case having legal jurisdiction over the matter or person in question.

1.4 Initial Term means the one-year period mentioned in Article 2 of this Agreement for the anticipated delivery of liquid propane.

1.5 MPSC means the Montana Public Service Commission.

Article 2 – Supply of Propane and Term

NorthWestern shall purchase and receive, and Seller shall deliver, liquid propane to NorthWestern’s storage facilities at Townsend, Montana from June 1, 2019 at 8:00 A.M. Mountain Time through May 31, 2020 at 8:00 A.M. Mountain Time ("Initial Term"). After the Initial Term, the Agreement may be extended upon mutual written agreement of the Parties, but in no event shall such extended term be for more than two months.
Article 3 – Seller’s Representations & Warranties

Seller hereby represents and warrants as follows:

3.1 **Existence and Authorization:** Seller is an entity in good standing and validly existing under the laws of the State of _____, is duly registered, licensed, and authorized to conduct business in the State of Montana, and Seller (i) has all power and authority to execute, deliver and perform this Agreement; and (ii) has all requisite power and authority to own its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted.

3.2 **Consents; No Violation:** The execution, delivery and performance of obligations under this Agreement by Seller do not:

3.2.1 require any consent or approval of Seller’s board, members, managers or guarantors which has not been obtained and each such consent or approval that has been obtained is in full force and effect;

3.2.2 violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award applicable to Seller or any provision of the organizational documents of Seller; the violation of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement;

3.2.3 result in a breach of, or constitute a default under, any provision of the organizational documents of Seller;

3.2.4 result in a breach of, or constitute a default under, any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have an adverse effect on the ability of Seller to perform its obligations under this Agreement; and

3.2.5 result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a materially adverse effect on the ability of Seller to perform its obligations under this Agreement.

3.3 **No Litigation:** There is no pending or, to the best of Seller’s knowledge, threatened action or proceeding affecting Seller before any Governmental Agency that could reasonably be expected to materially and adversely affect the financial condition or operations of Seller or the ability of Seller to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Agreement.

3.4 **Binding Obligation:** This Agreement constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms, subject to applicable law.
3.5 **No Reliance:** That in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of NorthWestern in connection with its obligations under this Agreement.

**Article 4 – NorthWestern’s Representations, Warranties and Disclaimers**

NorthWestern hereby represents and warrants as follows:

4.1 **Existence and Authorization:** NorthWestern is a duly authorized and validly existing Delaware corporation in good standing and registered, licensed, and authorized to do business in Montana, and that it is authorized to enter into and perform its obligations under this Agreement.

4.2 **No Violation:** The execution and performance of its obligations under this Agreement by NorthWestern do not:

    4.2.1 violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award applicable to NorthWestern or any provision of the organizational documents of NorthWestern, the violation of which could reasonably be expected to have a material adverse effect on the ability of NorthWestern to perform its obligations under this Agreement;

    4.2.2 result in a breach of or constitute a default under any provision of the organizational documents of NorthWestern; and

    4.2.3 result in a breach of or constitute a default under any agreement relating to the management or affairs of NorthWestern or any indenture or loan or credit agreement or any other agreement, lease, or instrument to which NorthWestern is a party or by which NorthWestern or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of NorthWestern to perform its obligations under this Agreement.

4.3 **Disclaimers:** Any review, acceptance or failure by NorthWestern to review Seller’s design, specifications, equipment or facilities does not constitute an endorsement or confirmation by NorthWestern, and NorthWestern makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, without limitation, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

**Article 5 – Quality of Liquid Propane**

Seller’s deliveries of liquid propane provided shall strictly comply with the quality requirements set out in Exhibit A, Propane Specifications.

**Article 6 – Quantity & Delivery**

6.1 Seller shall deliver liquid propane FOB destination to NorthWestern’s liquid propane storage facilities located at Townsend, Montana during NorthWestern’s normal business hours. The quantity of the deliveries will be determined by Seller’s evaluation of the daily system SCADA information emailed to Seller by NorthWestern. Seller shall monitor the daily storage tank levels to ensure delivery of such volume amounts required for adequate system capacity.
During the months of November through March Seller shall make a delivery of liquid propane within 48 hours of receipt of information allowing for Seller’s standard supply tankers to deliver a full load of liquid propane (adjusted to 60 degrees Fahrenheit and not to exceed the maximum fill of the storage facilities). Deliveries before or after normal business hours are not permitted unless NorthWestern has consented to such abnormal deliveries.

6.2 NorthWestern does not guarantee that it will purchase any specific quantity of liquid propane from Seller during the Initial Term. Historical monthly usage volumes of liquid propane needed for NorthWestern’s Townsend, Montana, storage facility are attached as Exhibit B. Exhibit B is merely a statement of prior usage, and in no way acts as a limitation upon the liquid propane volume required by NorthWestern or guarantees that NorthWestern will purchase any specified minimum liquid propane volume under this Agreement.

Article 7 – Price

7.1 For the Initial Term, the Agreement price shall be a seasonal fixed price for HD-5 liquid propane. All fees and charges including, without limitation, any mandated charge of the Propane Education & Research Council, operator’s margins, and transportation costs for propane to be delivered to NorthWestern’s Townsend, Montana facilities are included in the below stated prices, which shall not be exceeded.

7.1.1 From June 1, 2019 through September 30, 2019 inclusive, the price per gallon of liquid propane is $0.80 delivered.

7.1.2 From October 1, 2019 through March 31, 2020 inclusive, the price per gallon of liquid propane shall be $ delivered.

7.1.3 From April 1, 2020 through May 31, 2020 inclusive, the price per gallon of liquid propane shall be $ delivered.

7.2 Seller shall provide NorthWestern with every invoice for deliveries from an alternate source of supply, documentation from the source of supply indicating, at a minimum: volumes, mileage, and the supply location. The payment request invoice must clearly show the additional per mileage charge separate from the price per gallon fee. Invoices not properly detailed will be returned to Seller without payment and no interest or late payment penalties shall accrue on any late payments until NorthWestern has received a valid detailed invoice for the alternate source.

Article 8 – Invoice/Bill of Lading and Measurement

After each delivery of liquid propane, Seller shall provide NorthWestern with an invoice and bill of lading. The invoice and bill of lading shall be mailed to NorthWestern Energy, Attn.: Kevin Shattlesworth, 11 East Park, Butte, MT 59701-9394, or emailed to Resource.AccountsPayable@northwestern.com and cc to Kevin.Shattlesworth@northwestern.com. Seller shall invoice for the volumes in each transport truck at the time of unloading, corrected to 60 degrees Fahrenheit. The bill of lading is conclusive as to the net gallons of liquid propane delivered.
Article 9 — Payment

9.1 NorthWestern shall pay Seller within thirty (30) days of NorthWestern’s receipt of a valid invoice. NorthWestern shall make payment to:

INSERT ADDRESS OR WIRE INSTRUCTIONS

9.2 If a dispute arises regarding an invoice, the undisputed amount will be paid and Seller shall be notified of the amount(s) in dispute and the basis of the dispute within ten (10) Business Days of NorthWestern’s receipt of the invoice. No interest or other late payment fees shall be applied to any disputed invoice or portion thereof, unless such invoice was found to be disputed unreasonably by NorthWestern.

Article 10 — Termination and Remedies

10.1 Seller shall be in breach of this Agreement if it has not delivered the liquid propane, in whole or in part, upon the terms and conditions identified herein.

10.2 In addition to remedies available at law or in equity, if Seller fails to deliver, notifies NorthWestern that it cannot deliver liquid propane as specified in Article 6 or fails to comply with the quality requirements identified in Article 5 and Exhibit A, NorthWestern may secure its propane supply from third parties during the term of such non-performance. NorthWestern may recover from Seller any costs or expenses related to the acquisition of the liquid propane from the alternate source procured to remedy Seller’s non-delivery or failure to provide liquid propane in accordance with the quality requirements of Exhibit A.

10.3 NorthWestern may terminate this Agreement if Seller fails to meet its material obligations under this Agreement. Prior to termination, NorthWestern must send written notice of the default to Seller, providing Seller ten (10) Business Days to cure such breach. If Seller fails to cure the default, and NorthWestern terminates the Agreement pursuant to this Section 10.3, Seller shall reimburse NorthWestern for all reasonable costs associated with the replacement of all remaining liquid propane supply covered by the term of this Agreement. Seller shall make payment to NorthWestern within twenty (20) calendar days of receiving statements verifying the replacement costs, and for all damages arising from Seller’s breach.

Article 11 — Title

Transfer of title from Seller to NorthWestern for liquid propane under this Agreement shall be effective upon Seller’s delivery to NorthWestern’s storage facility in Townsend, Montana as set forth in Article 6 of this Agreement. If delivery is by tank truck, delivery is complete when the liquid propane has passed through the tank truck’s delivery equipment into NorthWestern’s property. Prior to any such transfer of title to NorthWestern, Seller shall possess title to the liquid propane and, except to the extent of NorthWestern’s negligence, Seller shall be responsible for any loss or accident and all liability and damages associated therewith and shall bear all risk of loss, including, but not limited to, any loss of damage occurring during the transfer of the liquid propane from Seller to NorthWestern into NorthWestern’s storage facility.
Article 12 – Warranty of Title

Seller warrants title to all liquid propane sold and delivered and represents that the liquid propane, when delivered, shall be free and clear of all taxes, liens, royalties, claims and other charges.

Article 13 – Force Majeure

13.1 Force Majeure: Notwithstanding anything else contained herein, Seller is not responsible or liable for a delay in performance of its obligation to deliver liquid propane as required by the terms and conditions of this Agreement, or in breach of such obligation if delay or failure to perform is due solely to circumstances which are beyond the reasonable control of Seller and by which, the exercise of due diligence could not have been prevented or overcome, including but not limited to acts of nature; unusually severe weather conditions; war; riots; requirements, actions or failures to act on the part of any Governmental Agency; or fire (which circumstances shall constitute “Force Majeure”); provided that:

13.1.1 Seller must give NorthWestern prompt written notice describing the particulars of the occurrence;

13.1.2 The Force Majeure event was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance or for any breach or default of this Agreement by Seller; and

13.1.3 The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure event.

13.2 Best Efforts: Seller shall use commercially reasonable efforts to remedy its inability to perform and keep NorthWestern fully informed as to such efforts during the continuance of the Force Majeure event.

13.3 Resumption of Performance: When Seller is able to resume full performance of its obligations under this Agreement, Seller shall give NorthWestern prompt written notice to that effect.

13.4 Exclusions: The term “Force Majeure” shall not include changes in market conditions or Governmental Agency action that affect the demand for Seller’s liquid propane. In addition, Force Majeure does not include lack of funds, unavailability of equipment, inability to obtain Governmental Agency approvals, labor strikes or slowdowns following the execution of this Agreement, unless same is caused by an occurrence which would otherwise constitute Force Majeure under this Article 13.

13.5 No Extension of Term: In no event will any condition of Force Majeure extend the term of this Agreement. If any condition of Force Majeure delays Seller’s performance for a time period greater than thirty (30) days, NorthWestern may terminate this Agreement, without further obligation, or extend such period at its sole discretion if Seller is exercising due diligence in its efforts to cure the condition of Force Majeure.

13.6 Supply During Force Majeure: During the duration of any event constituting Force Majeure, NorthWestern may purchase its supply of liquid propane from third parties.
Article 14 – Liability/Indemnification

14.1 Each Party hereto shall indemnify, defend and save harmless the other Party, their officers, directors, shareholders, agents and employees, against and from all demands, suits, judgments, fees, expenses (including reasonable attorneys' fees and costs), any and all claims to the extent that they arise from the performance of the obligations under this Agreement, including but not limited to, liability brought or asserted for injuries to, or death of any person or persons (including that Party's employees), damages to property, contamination of or adverse effects on the environment, or any violation of laws, regulations or orders, resulting from that Party, or those persons for whom that Party is responsible, breach of this Agreement or their negligent or willful act or omission or other breach of legal duty to the extent that it arises from that Party's performance of its obligations under this Agreement. The indemnification obligation survives the completion, expiration or termination of this Agreement.

14.2 Warranties: Seller warrants that propane supplied hereunder shall meet the specifications set forth in Exhibit A. EXCEPT FOR THE WARRANTIES MADE IN THIS SECTION 14, SELLER MAKES NO ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE PROPANE SOLD HEREUNDER INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

14.3 Consequential Damage Waiver. NorthWestern is not responsible for any anticipated profits, special, consequential, incidental, indirect, punitive, or exemplary damages in any way arising from the performance of this Agreement.

Article 15 – Dispute Resolution

15.1 Either Party may give the other Party written notice of any dispute related to this Agreement. In the event such notice is given, the Parties shall attempt to resolve the dispute promptly by negotiations between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter. Within ten (10) business days after delivery of the notice, the receiving Party shall submit to the other a written response. Thereafter, the representatives shall confer in person or by telephone promptly to attempt to resolve the dispute. All commercially reasonable, relevant, non-confidential or non-privileged requests for information made by one Party to the other will be honored. All negotiations and proceedings pursuant to this Article are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence and any additional confidentiality protections provided by applicable law.

15.2 Should the negotiation not lead to settlement of the dispute, then either Party may file a complaint in a court of competent jurisdiction.

Article 16 – DOT Drug and Alcohol Regulations

Seller shall comply with all Federal Department of Transportation and Montana Department of Transportation regulations governing the transportation of liquid propane as well as all regulations governing anti-drug and alcohol misuse prevention plans and related testing. NorthWestern may request proof of such compliance, and Seller shall furnish the proof upon request.
Article 17 – Safety and Property Damage

17.1 Seller is responsible for the safety of its employees and contractors involved in delivering liquid propane under this Agreement. Seller shall comply with the Occupational Safety and Health Act of 1970, the Montana Safety Culture Act of 1993, and all applicable laws, ordinances, rules and regulations bearing on the safety of persons or property or their protection from damage, injury or loss, and will take or cause to be taken such additional measures as reasonably necessary to protect the life and health of all employees engaged in the performance of this Agreement and work required hereunder.

17.2 Seller shall immediately notify NorthWestern in the event of any accident or incident involving personal injury, property damage of any kind or any violation of safety rules and regulations occurring at NorthWestern's facilities during the performance of this Agreement.

17.3 Seller shall be accountable for any damages arising from the delivery of liquid propane to NorthWestern's facilities. Seller shall restore or replace in a suitable manner all public and private property damaged by Seller during the performance of the delivery services required by this Agreement, and shall leave NorthWestern's facilities free and clear from all obstructions, hindrances and safety hazards.

Article 18 – Insurance

18.1 Required Coverages: Seller, at its own expense, shall maintain in force throughout the period of this Agreement the following minimum insurance coverages that are placed with an insurer that has an A.M. Best rating of A- or better:

18.1.1 Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of Montana.

18.1.2 Employer's Liability - $1,000,000 each accident; $1,000,000 disease - policy limit; and $1,000,000 disease - each employee.

18.1.3 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, and a cross liability endorsement, with minimum limits of one million dollars ($1,000,000) per Occurrence Limit and two million dollars ($2,000,000) General Aggregate Limit. One million dollars ($1,000,000) Products/Completed Operations Aggregate Limit.

18.1.4 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.1.5 Umbrella/Excess Liability insurance at a minimum of five million dollars ($5,000,000).

18.1.6 Sudden and Accidental Insurance with a minimum amount of two million dollars ($2,000,000) per occurrence.

Page 13 of 20
Propane Supply Agreement, Dated March 1, 2019
18.2 **Additional Insured:** The Commercial General Liability Insurance, Comprehensive Automobile Insurance, and Umbrella/Excess Liability Insurance policies shall name NorthWestern and its directors, officers, representatives and employees as additional insureds. Before commencing any deliveries under this Agreement, Seller shall deliver to NorthWestern in accordance with this Article 18, an insurance certificate evidencing the required coverage, limits and additional insured provisions as required by this Agreement. All General & Excess Liability policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against NorthWestern and its directors, officers, representatives and employees, insurance coverage shall be primary and non-contributory, and when available provide thirty (30) calendar days advance written notice to NorthWestern prior to the anniversary date of cancellation in coverage. Additional insured and waiver of subrogation will only be granted with respect to Commercial General Liability and Umbrella Liability coverage.

18.3 **Continuing Coverage:** The Commercial General Liability Insurance and Comprehensive Automobile Liability insurance policies, if written on a Claims Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.4 **Proof of Insurance:** Within ten (10) days following execution of this Agreement, Seller shall provide certification of all insurance required in this Agreement, executed by the insurer or by an authorized representative.

18.5 **Self-Insurance:** Notwithstanding the foregoing, Seller may self-insure to meet the minimum insurance requirements of Sections 18.1.1 through 18.1.6, to the extent it maintains a self-insurance program; any self-insured retention over One Million Dollars ($1,000,000) must be preapproved by NorthWestern.

**Article 19 — Laws and Regulations**

19.1 The operations of the Parties to this Agreement are subject to and controlled by all applicable State of Montana and Federal laws and operations.

19.2 The Parties hereby incorporate 41 C.F.R. 60-1.4(a)(7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R. 60-300.5(a)ii; and 41 C.F.R. 60-741.5(a), if applicable. Seller shall abide by the requirements of 41 C.F.R. 60-300.5(a) and 41 C.F.R. 741.5(a). These regulations prohibit discrimination against qualified protected veterans, and qualified individuals on the basis of disability, respectively, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities, respectively.

**Article 20 — Hazard Communication and Spills**

20.1 In complying with the provisions required by the Environmental Protection Agency, the Montana Department of Agriculture, the US Department of Transportation and Occupational Safety and Health Act, Hazard Communications Standard, 29 CFR 1910.1233, Seller shall supply the associated material safety data sheets (MSDS) for chemicals NorthWestern and Seller employees may be exposed to while working on NorthWestern’s property. One copy of this documentation must be delivered to NorthWestern Energy, Safety Department, 11 East
Park, Butte, Montana, 59701, and one copy must be provided to the Northwestern Representative identified in Article 21. This documentation must be delivered before commencement of performance of this Agreement.

20.2. Contractor shall immediately notify Northwestern in the event of a release of propane during deliveries to Northwestern that could impact the public or the environment. Contractor shall immediately notify Northwestern of a reportable release of any chemical, petroleum product or other hazardous substance during deliveries at Northwestern’s facilities. Seller shall provide for secondary containment or have established a spill contingency plan for deliveries of liquid propane. Seller shall provide for secondary containment or have established a spill contingency plan that addresses deliveries of propane.

Article 21 – Notice

21.1 Except as provided in Articles 6 and 8 of this Agreement, any notice provided for in this Agreement, or served, given or made in connection with this Agreement, shall be in writing and shall be deemed properly served, given or made, if delivered in person or sent by courier service, email, or registered, first class certified U.S. mail, postage prepaid, addressed to the intended recipient at the address set forth below. Except as provided for in Article 6, telephone conversations do not constitute notice under this Agreement.

To Seller:

INSERT ADDRESS
Phone: (000)
Fax: (000)
Email:

To Northwestern:

Northwestern Energy
Luke Hansen
Energy Supply
11 East Park
Butte, MT 59701-9394
Phone: (406) 497-3193
Email: luke.hansen@northwestern.com

Article 22 – Assignment and Ownership

22.1 Assignment Prohibited: Neither Party shall either voluntarily or by operation of law assign or transfer its rights nor delegate its duties under this Agreement, or any part of such rights or duties, without the written consent of the other Party. Consent to assignment will not be unreasonably withheld.

22.2 Assumption of Liabilities: No assignment by Seller shall be effective, notwithstanding Northwestern’s consent thereto, unless the assignee under such assignment agrees in writing to unconditionally assume all of the duties, liabilities, and obligations of Seller under this Agreement.

22.3 Northwestern’s Obligations to Assignee: No assignment by Seller shall be effective, notwithstanding Northwestern’s consent thereto, to the extent that such assignment purports
to extend, increase, or otherwise alter the obligations of NorthWestern under this Agreement, other than the substitution of the assignee for Seller.

22.4 **Indemnity:** Seller shall save, indemnify, and hold harmless NorthWestern for any and all losses resulting from assignee's failure to effectively assume all of the duties, liabilities and obligations of Seller under this Agreement.

22.5 **Validity:** Any attempted or purported assignment, assumption or transfer by a Party made other than in accordance with this Article 22, whether made voluntarily or by operation of law, shall be void and of no effect.

**Article 23 - General Provisions**

23.1 **Choice of Law:**

23.1.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Montana or the United States, as applicable, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

23.1.2 Venue for any claim or action arising from this Agreement shall be determined in a manner consistent with the applicable Montana or Federal law.

23.2 **Entire Agreement:** This Agreement, including all Exhibits hereto constitutes the entire understanding between the Parties and supersedes any and all previous understandings or agreements between the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

23.3 **No Third Party Beneficiaries; No Dedication to Public Use:** Nothing in this Agreement shall be construed to create any rights in, or grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or understanding established under this Agreement. This Agreement shall not affect the status of NorthWestern as an independent public utility corporation, or Seller as an individual or entity.

23.4 **Several Liability:** Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective.

23.5 **No Partnership:** Nothing contained herein shall be deemed to create an association, joint venture, partnership or principal/agent relationship between the Parties hereto or to impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.

23.6 **Modification or Amendment:** No modification, amendment or waiver of any provision of this Agreement shall be valid unless it is in writing and signed by both Parties.

23.7 **Severability:** If any term or provision of this Agreement or the application thereof to any person or circumstance is held to be illegal, invalid or unenforceable under any present or future Law or by any Governmental Agency, then (i) such term or provision shall be fully
severable; (ii) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (iv) the Parties shall negotiate in good faith to enter into such modifications of this Agreement as may be necessary to preserve the economic and other benefits of this Agreement to the affected Party to the greatest extent possible and permissible.

23.8 Captions: All indexes, titles, subject headings, Article titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this Agreement.

23.9 Exhibits: This Agreement includes Exhibits A and B which are attached, and incorporated by reference herein. Exhibits may from time to time be changed in writing upon mutual agreement of the Parties and in accordance with Article 23.6.

Article 24 – Regulation by the Montana Public Service Commission

Seller acknowledges that NorthWestern, as a public utility, is subject to regulation by the MPSC and that NorthWestern is required, pursuant to Order No. 6968b in Docket No. D2008.12.142, to submit information, data or documents regarding this Agreement including, but not limited to, a copy of this Agreement, together with any other documentation associated herewith, to the MPSC as part of regulatory proceedings. To the extent Seller wishes to seek a protective order for this Agreement or any other of its information that may be submitted to the MPSC, Seller shall be solely responsible for preparing and otherwise requesting any such protective order from the MPSC. At the time of signing this Agreement, Seller shall notify NorthWestern in writing if it intends to file such a motion with the MPSC and no later than the date NorthWestern files its annual Application for Propane Supply Cost Account Balance and Rate Adjustment, Seller shall file its motion with the MPSC. Seller acknowledges that until such time as a protective order is issued NorthWestern is not relieved of its legal obligations to provide the information requested by the MPSC; however, if notified by Seller as required by this Article, NorthWestern will not disclose the alleged confidential information until the MPSC has acted on Seller’s motion. NorthWestern shall have no obligation to participate in, cooperate with, or in any way assist Seller in seeking any protective order.

**********************************************************

IN WITNESS WHEREOF, this Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a "pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "pdf" signature page were an original thereof. Seller shall mail an original signature page to NorthWestern following any email or PDF copy.
NorthWestern Energy

By: ____________________________
Title: Director, Marketing Operations
Date: 3/26/2019

By: ____________________________
Title: Branch Manager
Date: 3-12-19
EXHIBIT A

This is Exhibit A attached to and made part of that certain Agreement between NorthWestern and Seller dated March 1, 2019.

PROPAANE SPECIFICATIONS

The Liquid Propane delivered hereunder shall meet the following specifications:

GPA LIQUIFIED PETROLEUM GAS SPECIFICATIONS

<table>
<thead>
<tr>
<th>Liquid Propane Characteristics</th>
<th>Liquid Propane Designation Propane HD-5</th>
<th>Test Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>not less than 90 liquid volume percent propane; not more than 5 liquid volume percent propylene</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Vapor Pressure at 100°F, psig, max.</td>
<td>208</td>
<td>ASTM D-1267-79</td>
</tr>
<tr>
<td>Volatile residue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temperature at 95% evaporation, degree F, max.</td>
<td>37°</td>
<td>ASTM D-1837-64</td>
</tr>
<tr>
<td>or butane and heavier, liquid volume percent max.</td>
<td>2.5</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Residual matter:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residue on evaporation of 100 ml, max. oil stain observation</td>
<td>0.05 ml pass(1)</td>
<td>ASTM D-2158-65</td>
</tr>
<tr>
<td>Corrosion, copper strip, max.</td>
<td>No. 1</td>
<td>ASTM D-1838-74</td>
</tr>
<tr>
<td>Volatile sulfur, grains per 100 cu ft, max.</td>
<td>10</td>
<td>ASTM D-2784-70</td>
</tr>
<tr>
<td>Moisture Content</td>
<td>Pass</td>
<td>GPA Propane Dryness Test (Cobalt Bromide) or D-2713-76</td>
</tr>
<tr>
<td>Free water content</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) An acceptable product shall not yield a persistent oil ring when 0.3 ml of solvent residue mixture is added to a filter paper in 0.1 ml increments and examined in daylight after 2 minutes as described in ASTM D-2158.
EXHIBIT B

This is Exhibit B attached to and made part of that certain Agreement between NorthWestern and Seller dated March 1, 2019.

### Historical and Estimated Monthly Usage

Townsend, Montana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>20,328</td>
<td>10,552</td>
<td>11,700</td>
<td>21,306</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>9,552</td>
<td>11,515</td>
<td>10,552</td>
<td>10,780</td>
<td>10,002</td>
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<tr>
<td>August</td>
<td>10,002</td>
<td>11,700</td>
<td>10,002</td>
<td>9,699</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>9,904</td>
<td>10,500</td>
<td>10,752</td>
<td>22,423</td>
<td>20,751</td>
</tr>
<tr>
<td>October</td>
<td>39,615</td>
<td>23,404</td>
<td>28,757</td>
<td>32,810</td>
<td>52,365</td>
</tr>
<tr>
<td>November</td>
<td>47,462</td>
<td>76,735</td>
<td>69,373</td>
<td>56,568</td>
<td>75,673</td>
</tr>
<tr>
<td>December</td>
<td>89,935</td>
<td>93,200</td>
<td>90,226</td>
<td>102,413</td>
<td>108,379</td>
</tr>
<tr>
<td>January</td>
<td>77,594</td>
<td>69,179</td>
<td>80,925</td>
<td>125,796</td>
<td>86,158</td>
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<tr>
<td>February</td>
<td>80,152</td>
<td>58,351</td>
<td>70,270</td>
<td>68,902</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>69,041</td>
<td>57,047</td>
<td>50,514</td>
<td>56,834</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>28,712</td>
<td>46,252</td>
<td>30,806</td>
<td>34,390</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>30,663</td>
<td>20,384</td>
<td>19,920</td>
<td>23,045</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>512,980</td>
<td>478,287</td>
<td>482,349</td>
<td>545,651</td>
<td>384,333</td>
</tr>
</tbody>
</table>

### Customers Served

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Average</td>
<td>503</td>
<td>507</td>
<td>510</td>
<td>506</td>
<td>520</td>
</tr>
<tr>
<td>Retail Average</td>
<td>69</td>
<td>71</td>
<td>70</td>
<td>68</td>
<td>73</td>
</tr>
</tbody>
</table>

Townsend is approximately 34 miles SE of Helena, MT or approximately 206 miles W of Billings, MT

Townsend 2-30,000 gal tanks 51,000 total propane gal

Contract purchases will be based on actual use within the Townsend, MT system
Attachment 3

PROPANE SUPPLY AGREEMENT

by and between

NORTHWESTERN ENERGY

and

Midstream LPG Inc.

as Seller

dated as of March 13, 2019
Propane Supply Agreement

This Propane Supply Agreement ("Agreement") is entered into this 13th day of March 2019 between Midstream LPG Inc., a Delaware Corporation organized under the laws of Delaware ("Seller") and NorthWestern Corporation d/b/a NorthWestern Energy, a Delaware Corporation, authorized to do business in Montana ("NorthWestern"). Seller and NorthWestern are sometimes referred to in this Agreement collectively as “Parties” and individually as a "Party".

RECITALS

A: Seller desires to provide and deliver liquid propane to NorthWestern’s storage facilities located at Townsend, MT.

B: NorthWestern desires to purchase liquid propane supply based on NorthWestern’s needs.

In consideration of the promises, mutual covenants, and agreements herein contained, as well as other good and valuable consideration the sufficiency of which is expressly acknowledged and accepted, the Parties agree as follows:

Article 1 – Definitions

As used in this Agreement and the Exhibits attached hereto, the following terms, whether in the singular or plural, shall have the following meanings:

1.1 Business Day means a day other than Saturday, Sunday or any other day on which banks located in Montana are authorized or obligated to close.

1.2 Force Majeure has the meaning set forth in Article 13.1.

1.3 Governmental Agency means the MPSC and any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or of any state, county, city or other political subdivision thereof, in each case having legal jurisdiction over the matter or person in question.

1.4 Initial Term means the one-year period mentioned in Article 2 of this Agreement for the anticipated delivery of liquid propane.

1.5 MPSC means the Montana Public Service Commission.

Article 2 – Supply of Propane and Term

NorthWestern shall purchase and receive, and Seller shall deliver, liquid propane to NorthWestern’s storage facilities at Townsend, Montana from June 1, 2019 at 8:00 A.M. Mountain Time through May 31, 2020 at 8:00 A.M. Mountain Time ("Initial Term"). After the Initial Term, the Agreement may be extended upon mutual written agreement of the Parties, but in no event shall such extended term be for more than two months.
**Article 3 – Seller’s Representations & Warranties**

Seller hereby represents and warrants as follows:

3.1 **Existence and Authorization:** Seller is an entity in good standing and validly existing under the laws of the State of Delaware, is duly registered, licensed, and authorized to conduct business in the State of Montana, and Seller (i) has all power and authority to execute, deliver and perform this Agreement; and (ii) has all requisite power and authority to own its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted.

3.2 **Consents; No Violation:** The execution, delivery and performance of obligations under this Agreement by Seller do not:

   3.2.1 require any consent or approval of Seller’s board, members, managers or guarantors which has not been obtained and each such consent or approval that has been obtained is in full force and effect;

   3.2.2 violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award applicable to Seller or any provision of the organizational documents of Seller; the violation of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement;

   3.2.3 result in a breach of, or constitute a default under, any provision of the organizational documents of Seller;

   3.2.4 result in a breach of, or constitute a default under, any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have an adverse effect on the ability of Seller to perform its obligations under this Agreement; and

   3.2.5 result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a materially adverse effect on the ability of Seller to perform its obligations under this Agreement.

3.3 **No Litigation:** There is no pending or, to the best of Seller’s knowledge, threatened action or proceeding affecting Seller before any Governmental Agency that could reasonably be expected to materially and adversely affect the financial condition or operations of Seller or the ability of Seller to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Agreement.

3.4 **Binding Obligation:** This Agreement constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms, subject to applicable law.
3.5 **No Reliance:** That in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of NorthWestern in connection with its obligations under this Agreement.

**Article 4 – NorthWestern’s Representations, Warranties and Disclaimers**

NorthWestern hereby represents and warrants as follows:

4.1 **Existence and Authorization:** NorthWestern is a duly authorized and validly existing Delaware corporation in good standing and registered, licensed, and authorized to do business in Montana, and that it is authorized to enter into and perform its obligations under this Agreement.

4.2 **No Violation:** The execution and performance of its obligations under this Agreement by NorthWestern do not:

4.2.1 violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award applicable to NorthWestern or any provision of the organizational documents of NorthWestern, the violation of which could reasonably be expected to have a material adverse effect on the ability of NorthWestern to perform its obligations under this Agreement;

4.2.2 result in a breach of or constitute a default under any provision of the organizational documents of NorthWestern; and

4.2.3 result in a breach of or constitute a default under any agreement relating to the management or affairs of NorthWestern or any indenture or loan or credit agreement or any other agreement, lease, or instrument to which NorthWestern is a party or by which NorthWestern or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of NorthWestern to perform its obligations under this Agreement.

4.3 **Disclaimers:** Any review, acceptance or failure by NorthWestern to review Seller’s design, specifications, equipment or facilities does not constitute an endorsement or confirmation by NorthWestern, and NorthWestern makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, without limitation, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

**Article 5 – Quality of Liquid Propane**

Seller’s deliveries of liquid propane provided shall strictly comply with the quality requirements set out in Exhibit A, Propane Specifications.

**Article 6 – Quantity & Delivery**

6.1 Seller shall deliver liquid propane FOB destination to NorthWestern’s liquid propane storage facilities located at Townsend, Montana during NorthWestern’s normal business hours. The quantity of the deliveries will be determined by Seller’s evaluation of the daily system SCADA information emailed to Seller by NorthWestern. Seller shall monitor the daily storage tank levels to ensure delivery of such volume amounts required for adequate system capacity.
During the months of November through March Seller shall make a delivery of liquid propane within 48 hours of receipt of information allowing for Seller's standard supply tankers to deliver a full load of liquid propane (adjusted to 60 degrees Fahrenheit and not to exceed the maximum fill of the storage facilities). Deliveries before or after normal business hours are not permitted unless NorthWestern has consented to such abnormal deliveries.

6.2 NorthWestern does not guarantee that it will purchase any specific quantity of liquid propane from Seller during the Initial Term. Historical monthly usage volumes of liquid propane needed for NorthWestern’s Townsend, Montana, storage facility are attached as Exhibit B. Exhibit B is merely a statement of prior usage, and in no way acts as a limitation upon the liquid propane volume required by NorthWestern or guarantees that NorthWestern will purchase any specified minimum liquid propane volume under this Agreement.

**Article 7 – Price**

7.1 For the Initial Term, the Agreement price shall be a seasonal fixed price for HD-5 liquid propane. All fees and charges including, without limitation, any mandated charge of the Propane Education & Research Council, operator’s margins, and transportation costs for propane to be delivered to NorthWestern’s Townsend, Montana facilities are included in the below stated prices, which shall not be exceeded.

7.1.1 From June 1, 2019 through September 30, 2019 inclusive, the price per gallon of liquid propane is $0.7825 delivered.

7.1.2 From October 1, 2019 through March 31, 2020 inclusive, the price per gallon of liquid propane shall be $1.01 delivered.

7.1.3 From April 1, 2020 through May 31, 2020 inclusive, the price per gallon of liquid propane shall be $0.7750 delivered.

7.2 Seller shall provide NorthWestern with every invoice for deliveries from an alternate source of supply, documentation from the source of supply indicating, at a minimum: volumes, mileage, and the supply location. The payment request invoice must clearly show the additional per mileage charge separate from the price per gallon fee. Invoices not properly detailed will be returned to Seller without payment and no interest or late payment penalties shall accrue on any late payments until NorthWestern has received a valid detailed invoice for the alternate source.

**Article 8 – Invoice/Bill of Lading and Measurement**

After each delivery of liquid propane, Seller shall provide NorthWestern with an invoice and bill of lading. The invoice and bill of lading shall be mailed to NorthWestern Energy, Attn.: Kevin Shuttlesworth, 11 East Park, Butte, MT 59701-9394, or emailed to Resource.AccountsPayable@northwestern.com and cc to Kevin.Shuttlesworth@northwestern.com. Seller shall invoice for the volumes in each transport truck at the time of unloading, corrected to 60 degrees Fahrenheit. The bill of lading is conclusive as to the net gallons of liquid propane delivered.
Article 9 – Payment

9.1 Northwestern shall pay Seller within thirty (30) days of Northwestern’s receipt of a valid invoice. Northwestern shall make payment to:

INSERT ADDRESS OR WIRE INSTRUCTIONS

9.2 If a dispute arises regarding an invoice, the undisputed amount will be paid and Seller shall be notified of the amount(s) in dispute and the basis of the dispute within ten (10) Business Days of Northwestern’s receipt of the invoice. No interest or other late payment fees shall be applied to any disputed invoice or portion thereof, unless such invoice was found to be disputed unreasonably by Northwestern.

Article 10 – Termination and Remedies

10.1 Seller shall be in breach of this Agreement if it has not delivered the liquid propane, in whole or in part, upon the terms and conditions identified herein.

10.2 In addition to remedies available at law or in equity, if Seller fails to deliver, notifies Northwestern that it cannot deliver liquid propane as specified in Article 6 or fails to comply with the quality requirements identified in Article 5 and Exhibit A, Northwestern may secure its propane supply from third parties during the term of such non-performance. Northwestern may recover from Seller any costs or expenses related to the acquisition of the liquid propane from the alternate source procured to remedy Seller’s non-delivery or failure to provide liquid propane in accordance with the quality requirements of Exhibit A.

10.3 Northwestern may terminate this Agreement if Seller fails to meet its material obligations under this Agreement. Prior to termination, Northwestern must send written notice of the default to Seller, providing Seller ten (10) Business Days to cure such breach. If Seller fails to cure the default, and Northwestern terminates the Agreement pursuant to this Section 10.3, Seller shall reimburse Northwestern for all reasonable costs associated with the replacement of all remaining liquid propane supply covered by the term of this Agreement. Seller shall make payment to Northwestern within twenty (20) calendar days of receiving statements verifying the replacement costs, and for all damages arising from Seller’s breach.

Article 11 – Title

Transfer of title from Seller to Northwestern for liquid propane under this Agreement shall be effective upon Seller’s delivery to Northwestern’s storage facility in Townsend, Montana as set forth in Article 6 of this Agreement. If delivery is by tank truck, delivery is complete when the liquid propane has passed through the tank truck’s delivery equipment into Northwestern’s property. Prior to any such transfer of title to Northwestern, Seller shall possess title to the liquid propane and, except to the extent of Northwestern’s negligence, Seller shall be responsible for any loss or accident and all liability and damages associated therewith and shall bear all risk of loss, including, but not limited to, any loss of damage occurring during the transfer of the liquid propane from Seller to Northwestern into Northwestern’s storage facility.
Article 12 – Warranty of Title

Seller warrants title to all liquid propane sold and delivered and represents that the liquid propane, when delivered, shall be free and clear of all taxes, liens, royalties, claims and other charges.

Article 13 – Force Majeure

13.1 Force Majeure: Notwithstanding anything else contained herein, Seller is not responsible or liable for a delay in performance of its obligation to deliver liquid propane as required by the terms and conditions of this Agreement, or in breach of such obligation if delay or failure to perform is due solely to circumstances which are beyond the reasonable control of Seller and by which, the exercise of due diligence could not have been prevented or overcome, including but not limited to acts of nature; unusually severe weather conditions; war; riots; requirements, actions or failures to act on the part of any Governmental Agency; or fire (which circumstances shall constitute "Force Majeure"); provided that:

13.1.1 Seller must give NorthWestern prompt written notice describing the particulars of the occurrence;

13.1.2 The Force Majeure event was not caused by or connected with any negligent or intentional acts, errors, or omissions, or failure to comply with any law, rule, regulation, order or ordinance or for any breach or default of this Agreement by Seller; and

13.1.3 The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure event.

13.2 Best Efforts: Seller shall use commercially reasonable efforts to remedy its inability to perform and keep NorthWestern fully informed as to such efforts during the continuance of the Force Majeure event.

13.3 Resumption of Performance: When Seller is able to resume full performance of its obligations under this Agreement, Seller shall give NorthWestern prompt written notice to that effect.

13.4 Exclusions: The term "Force Majeure" shall not include changes in market conditions or Governmental Agency action that affect the demand for Seller’s liquid propane. In addition, Force Majeure does not include lack of funds, unavailability of equipment, inability to obtain Governmental Agency approvals, labor strikes or slowdowns following the execution of this Agreement, unless same is caused by an occurrence which would otherwise constitute Force Majeure under this Article 13.

13.5 No Extension of Term: In no event will any condition of Force Majeure extend the term of this Agreement. If any condition of Force Majeure delays Seller’s performance for a time period greater than thirty (30) days, NorthWestern may terminate this Agreement, without further obligation, or extend such period at its sole discretion if Seller is exercising due diligence in its efforts to cure the condition of Force Majeure.

13.6 Supply During Force Majeure: During the duration of any event constituting Force Majeure, NorthWestern may purchase its supply of liquid propane from third parties.
Article 14 – Liability/Indemnification

14.1 Each Party hereto shall indemnify, defend and save harmless the other Party, their officers, directors, shareholders, agents and employees, against and from all demands, suits, judgments, fees, expenses (including reasonable attorneys' fees and costs), any and all claims to the extent that they arise from the performance of the obligations under this Agreement, including but not limited to, liability brought or asserted for injuries to, or death of any person or persons (including that Party's employees), damages to property, contamination of or adverse effects on the environment, or any violation of laws, regulations or orders, resulting from that Party, or those persons for whom that Party is responsible, breach of this Agreement or their negligent or willful act or omission or other breach of legal duty to the extent that it arises from that Party's performance of its obligations under this Agreement. The indemnification obligation survives the completion, expiration or termination of this Agreement.

14.2 Warranties: Seller warrants that propane supplied hereunder shall meet the specifications set forth in Exhibit A. EXCEPT FOR THE WARRANTIES MADE IN THIS SECTION 14, SELLER MAKES NO ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, WITH RESPECT TO THE PROPANE SOLD HEREUNDER INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

14.3 Consequential Damage Waiver. NorthWestern is not responsible for any anticipated profits, special, consequential, incidental, indirect, punitive, or exemplary damages in any way arising from the performance of this Agreement.

Article 15 – Dispute Resolution

15.1 Either Party may give the other Party written notice of any dispute related to this Agreement. In the event such notice is given, the Parties shall attempt to resolve the dispute promptly by negotiations between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter. Within ten (10) business days after delivery of the notice, the receiving Party shall submit to the other a written response. Thereafter, the representatives shall confer in person or by telephone promptly to attempt to resolve the dispute. All commercially reasonable, relevant, non-confidential or non-privileged requests for information made by one Party to the other will be honored. All negotiations and proceedings pursuant to this Article are confidential and shall be treated as compromise and settlement negotiations for purposes of the applicable rules of evidence and any additional confidentiality protections provided by applicable law.

15.2 Should the negotiation not lead to settlement of the dispute, then either Party may file a complaint in a court of competent jurisdiction.

Article 16 – DOT Drug and Alcohol Regulations

Seller shall comply with all Federal Department of Transportation and Montana Department of Transportation regulations governing the transportation of liquid propane as well as all regulations governing anti-drug and alcohol misuse prevention plans and related testing. NorthWestern may request proof of such compliance, and Seller shall furnish the proof upon request.
Article 17 – Safety and Property Damage

17.1 Seller is responsible for the safety of its employees and contractors involved in delivering liquid propane under this Agreement. Seller shall comply with the Occupational Safety and Health Act of 1970, the Montana Safety Culture Act of 1993, and all applicable laws, ordinances, rules and regulations bearing on the safety of persons or property or their protection from damage, injury or loss, and will take or cause to be taken such additional measures as reasonably necessary to protect the life and health of all employees engaged in the performance of this Agreement and work required hereunder.

17.2 Seller shall immediately notify NorthWestern in the event of any accident or incident involving personal injury, property damage of any kind or any violation of safety rules and regulations occurring at NorthWestern’s facilities during the performance of this Agreement.

17.3 Seller shall be accountable for any damages arising from the delivery of liquid propane to NorthWestern’s facilities. Seller shall restore or replace in a suitable manner all public and private property damaged by Seller during the performance of the delivery services required by this Agreement, and shall leave NorthWestern’s facilities free and clear from all obstructions, hindrances and safety hazards.

Article 18 – Insurance

18.1 Required Coverages: Seller, at its own expense, shall maintain in force throughout the period of this Agreement the following minimum insurance coverages that are placed with an insurer that has an A.M. Best rating of A- or better:

18.1.1 Workers’ Compensation Insurance providing statutory benefits in accordance with the laws and regulations of Montana.

18.1.2 Employer’s Liability - $1,000,000 each accident; $1,000,000 disease - policy limit; and $1,000,000 disease – each employee.

18.1.3 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, and a cross liability endorsement, with minimum limits of one million dollars ($1,000,000) per Occurrence Limit and two million dollars ($2,000,000) General Aggregate Limit. One million dollars ($1,000,000) Products/Completed Operations Aggregate Limit.

18.1.4 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.1.5 Umbrella/Excess Liability insurance at a minimum of five million dollars ($5,000,000).

18.1.6 Sudden and Accidental Insurance with a minimum amount of two million dollars ($2,000,000) per occurrence.
18.2 **Additional Insured:** The Commercial General Liability Insurance, Comprehensive Automobile Insurance, and Umbrella/Excess Liability Insurance policies shall name NorthWestern and its directors, officers, representatives and employees as additional insureds. Before commencing any deliveries under this Agreement, Seller shall deliver to NorthWestern in accordance with this Article 18, an insurance certificate evidencing the required coverage, limits and additional insured provisions as required by this Agreement. All General & Excess Liability policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against NorthWestern and its directors, officers, representatives and employees, insurance coverage shall be primary and non-contributory, and when available provide thirty (30) calendar days advance written notice to NorthWestern prior to the anniversary date of cancellation in coverage. Additional insured and waiver of subrogation will only be granted with respect to Commercial General Liability and Umbrella Liability coverage.

18.3 **Continuing Coverage:** The Commercial General Liability insurance and Comprehensive Automobile Liability insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.4 **Proof of Insurance:** Within ten (10) days following execution of this Agreement, Seller shall provide certification of all insurance required in this Agreement, executed by the insurer or by an authorized representative.

18.5 **Self-Insurance:** Notwithstanding the foregoing, Seller may self-insure to meet the minimum insurance requirements of Sections 18.1.1 through 18.1.6, to the extent it maintains a self-insurance program; any self-insured retention over One Million Dollars ($1,000,000) must be preapproved by NorthWestern.

**Article 19 – Laws and Regulations**

19.1 The operations of the Parties to this Agreement are subject to and controlled by all applicable State of Montana and Federal laws and operations.

19.2 The Parties hereby incorporate 41 C.F.R. 60-1.4(a)(7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R. 60-300.5(a)(i); and 41 C.F.R. 60-741.5(a), if applicable. Seller shall abide by the requirements of 41 C.F.R. 60-300.5(a) and 41 C.F.R. 741.5(a). These regulations prohibit discrimination against qualified protected veterans, and qualified individuals on the basis of disability, respectively, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities, respectively.

**Article 20 – Hazard Communication and Spills**

20.1 In complying with the provisions required by the Environmental Protection Agency, the Montana Department of Agriculture, the US Department of Transportation and Occupational Safety and Health Act, Hazard Communications Standard, 29 CFR 1910.1233, Seller shall supply the associated material safety data sheets (MSDS) for chemicals NorthWestern and Seller employees may be exposed to while working on NorthWestern's property. One copy of this documentation must be delivered to NorthWestern Energy, Safety Department, 11 East
Park, Butte, Montana, 59701, and one copy must be provided to the NorthWestern Representative identified in Article 21. This documentation must be delivered before commencement of performance of this Agreement.

20.2. Contractor shall immediately notify NorthWestern in the event of a release of propane during deliveries to NorthWestern that could impact the public or the environment. Contractor shall immediately notify NorthWestern of a reportable release of any chemical, petroleum product or other hazardous substance during deliveries at NorthWestern’s facilities. Seller shall provide for secondary containment or have established a spill contingency plan for deliveries of liquid propane. Seller shall provide for secondary containment or have established a spill contingency plan that addresses deliveries of propane.

Article 21 – Notice

21.1 Except as provided in Articles 6 and 8 of this Agreement, any notice provided for in this Agreement, or served, given or made in connection with this Agreement, shall be in writing and shall be deemed properly served, given or made, if delivered in person or sent by courier service, email, or registered, first class certified U.S. mail, postage prepaid, addressed to the intended recipient at the address set forth below. Except as provided for in Article 6, telephone conversations do not constitute notice under this Agreement.

To Seller:
Midstream LPG Inc.
Donna Smith
2824 Billings Avenue
Helena, MT 59601
Phone: (406) 442-1739
Fax: (406) 442-1748
Email: dsmith@midstreamlpg.com

To NorthWestern:
NorthWestern Energy
Luke Hansen
Energy Supply
11 East Park
Butte, MT 59701-9394
Phone: (406) 497-3193
Email: luke.hansen@northwestern.com

Article 22 – Assignment and Ownership

22.1 Assignment Prohibited: Neither Party shall either voluntarily or by operation of law assign or transfer its rights nor delegate its duties under this Agreement, or any part of such rights or duties, without the written consent of the other Party. Consent to assignment will not be unreasonably withheld.

22.2 Assumption of Liabilities: No assignment by Seller shall be effective, notwithstanding NorthWestern’s consent thereto, unless the assignee under such assignment agrees in writing
to unconditionally assume all of the duties, liabilities, and obligations of Seller under this Agreement.

22.3 **NorthWestern's Obligations to Assignee:** No assignment by Seller shall be effective, notwithstanding NorthWestern's consent thereto, to the extent that such assignment purports to extend, increase, or otherwise alter the obligations of NorthWestern under this Agreement, other than the substitution of the assignee for Seller.

22.4 **Indemnity:** Seller shall save, indemnify, and hold harmless NorthWestern for any and all losses resulting from assignee's failure to effectively assume all of the duties, liabilities and obligations of Seller under this Agreement.

22.5 **Validity:** Any attempted or purported assignment, assumption or transfer by a Party made other than in accordance with this Article 22, whether made voluntarily or by operation of law, shall be void and of no effect.

**Article 23 - General Provisions**

23.1 **Choice of Law:**

23.1.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Montana or the United States, as applicable, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

23.1.2 Venue for any claim or action arising from this Agreement shall be determined in a manner consistent with the applicable Montana or Federal law.

23.2 **Entire Agreement:** This Agreement, including all Exhibits hereto constitutes the entire understanding between the Parties and supersedes any and all previous understandings or agreements between the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

23.3 **No Third Party Beneficiaries; No Dedication to Public Use:** Nothing in this Agreement shall be construed to create any rights in, or grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or understanding established under this Agreement. This Agreement shall not affect the status of NorthWestern as an independent public utility corporation, or Seller as an individual or entity.

23.4 **Several Liability:** Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective.

23.5 **No Partnership:** Nothing contained herein shall be deemed to create an association, joint venture, partnership or principal/agent relationship between the Parties hereto or to impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.
23.6 **Modification or Amendment:** No modification, amendment or waiver of any provision of this Agreement shall be valid unless it is in writing and signed by both Parties.

23.7 **Severability:** If any term or provision of this Agreement or the application thereof to any person or circumstance is held to be illegal, invalid or unenforceable under any present or future Law or by any Governmental Agency, then (i) such term or provision shall be fully severable; (ii) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (iv) the Parties shall negotiate in good faith to enter into such modifications of this Agreement as may be necessary to preserve the economic and other benefits of this Agreement to the affected Party to the greatest extent possible and permissible.

23.8 **Captions:** All indexes, titles, subject headings, Article titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this Agreement.

23.9 **Exhibits:** This Agreement includes Exhibits A and B which are attached, and incorporated by reference herein. Exhibits may from time to time be changed in writing upon mutual agreement of the Parties and in accordance with Article 23.6.

**Article 24 — Regulation by the Montana Public Service Commission**

Seller acknowledges that NorthWestern, as a public utility, is subject to regulation by the MPSC and that NorthWestern is required, pursuant to Order No. 6968b in Docket No. D2008.12.142, to submit information, data or documents regarding this Agreement including, but not limited to, a copy of this Agreement, together with any other documentation associated herewith, to the MPSC as part of regulatory proceedings. To the extent Seller wishes to seek a protective order for this Agreement or any other of its information that may be submitted to the MPSC, Seller shall be solely responsible for preparing and otherwise requesting any such protective order from the MPSC. At the time of signing this Agreement, Seller shall notify NorthWestern in writing if it intends to file such a motion with the MPSC and no later than the date NorthWestern files its annual Application for Propane Supply Cost Account Balance and Rate Adjustment, Seller shall file its motion with the MPSC. Seller acknowledges that until such time as a protective order is issued NorthWestern is not relieved of its legal obligations to provide the information requested by the MPSC; however, if notified by Seller as required by this Article, NorthWestern will not disclose the alleged confidential information until the MPSC has acted on Seller's motion. NorthWestern shall have no obligation to participate in, cooperate with, or in any way assist Seller in seeking any protective order.

*******************************

IN WITNESS WHEREOF, this Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a "pdf" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "pdf" signature page were an original thereof. Seller shall mail an original signature page to NorthWestern following any email or PDF copy.
EXHIBIT A

This is Exhibit A attached to and made part of that certain Agreement between NorthWestern and Seller dated March 1, 2019.

PROPAINE SPECIFICATIONS

The Liquid Propane delivered hereunder shall meet the following specifications:

GPA LIQUIFIED PETROLEUM GAS SPECIFICATIONS

<table>
<thead>
<tr>
<th>Liquid Propane Characteristics</th>
<th>Liquid Propane Designation Propane HD-5</th>
<th>Test Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition</td>
<td>not less than 90 liquid volume percent propane; not more than 5 liquid volume percent propylene</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Vapor Pressure at 100°F, psig, max.</td>
<td>208</td>
<td>ASTM D-1267-79</td>
</tr>
<tr>
<td>Volatile residue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temperature at 95% evaporation, degree F, max.</td>
<td>37°</td>
<td>ASTM D-1837-64</td>
</tr>
<tr>
<td>or butane and heavier, liquid volume percent max.</td>
<td>2.5</td>
<td>ASTM D-2163-77</td>
</tr>
<tr>
<td>Residual matter:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residue on evaporation of 100 ml, max. oil stain observation</td>
<td>0.05 ml pass(1)</td>
<td>ASTM D-2158-65</td>
</tr>
<tr>
<td>Corrosion, copper strip, max.</td>
<td>No. 1</td>
<td>ASTM D-1838-74</td>
</tr>
<tr>
<td>Volatile sulfur, grains per 100 cu ft, max.</td>
<td>10</td>
<td>ASTM D-2784-70</td>
</tr>
<tr>
<td>Moisture Content</td>
<td>Pass</td>
<td>GPA Propane Dryness Test (Cobalt Bromide) or D-2713-76</td>
</tr>
<tr>
<td>Free water content</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) An acceptable product shall not yield a persistent oil ring when 0.3 ml of solvent residue mixture is added to a filter paper in 0.1 ml increments and examined in daylight after 2 minutes as described in ASTM D-2158.
EXHIBIT B

This is Exhibit B attached to and made part of that certain Agreement between NorthWestern and Seller dated March 1, 2019.

### Historical and Estimated Monthly Usage

Townsend, Montana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>June</td>
<td>20,328</td>
<td>10,562</td>
<td>11,700</td>
<td>21,306</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>9,552</td>
<td>11,515</td>
<td>10,552</td>
<td>10,780</td>
<td>10,002</td>
</tr>
<tr>
<td>August</td>
<td>10,002</td>
<td>11,700</td>
<td>10,002</td>
<td>9,699</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>9,904</td>
<td>10,500</td>
<td>10,752</td>
<td>22,423</td>
<td>20,751</td>
</tr>
<tr>
<td>October</td>
<td>30,615</td>
<td>23,404</td>
<td>23,757</td>
<td>32,810</td>
<td>52,365</td>
</tr>
<tr>
<td>November</td>
<td>47,482</td>
<td>76,735</td>
<td>68,373</td>
<td>56,558</td>
<td>75,673</td>
</tr>
<tr>
<td>December</td>
<td>89,935</td>
<td>93,200</td>
<td>90,226</td>
<td>102,413</td>
<td>106,379</td>
</tr>
<tr>
<td>January</td>
<td>77,594</td>
<td>69,179</td>
<td>80,825</td>
<td>125,796</td>
<td>86,158</td>
</tr>
<tr>
<td>February</td>
<td>80,152</td>
<td>59,351</td>
<td>70,270</td>
<td>69,902</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>69,041</td>
<td>57,047</td>
<td>50,514</td>
<td>56,834</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>26,712</td>
<td>45,252</td>
<td>30,606</td>
<td>34,380</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>30,663</td>
<td>29,384</td>
<td>19,920</td>
<td>23,045</td>
<td></td>
</tr>
</tbody>
</table>

Totals: 512,980  478,267  492,349  545,651  384,333

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Average</td>
<td>503</td>
<td>507</td>
<td>510</td>
<td>506</td>
<td>520</td>
</tr>
<tr>
<td>Retail Average</td>
<td>69</td>
<td>71</td>
<td>70</td>
<td>68</td>
<td>73</td>
</tr>
</tbody>
</table>

Townsend is approximately 34 miles SE of Helena, MT or approximately 206 miles W of Billings, MT.

Townsend 2-30,000 gal tanks 51,000 total propane gal

Contract purchases will be based on actual use within the Townsend, MT system.
NOTICE: This message has been sent by an EXTERNAL sender outside of NorthWestern Energy. Please use caution when clicking on links, opening attachments, or replying to this email.

Luke,
We will definitely be returning a bid this year. I ran into a couple snags last year that prevented me from bidding. Thank you for checking and I look forward to the opportunity.

Valeri Milburn/Branch Manager
Farstad Oil Inc.
A Brand of Parkland USA
PO Box 31195
Billings, MT 59101
O-406-259-2264|M-406-208-3758|F-406-259-5334
Valeri.Milburn@parklandusa.com

Sent: Thursday, February 21, 2019 3:32 PM
To: Valeri Milburn
Subject: RE: PROPOSAL FOR TOWNSEND

Valeri,
NorthWestern will be submitting the RFP for Townsend propane supply within a couple weeks. I noticed that last year Farstad Oil didn’t return a bid. Is Farstad Oil planning on returning a bid this year or is there something that NorthWestern can do differently that would make it easier for you to submit a bid? Please advise.
Thanks,
Luke Hansen
406-497-3193

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Luke,
I think why we stepped away from it last year was for several reasons. The last time we had this bid we went well over the projected volumes and we had to source product from places that were a lot more expensive than we had bid on the original volumes. With no ability to increase our pricing on the bid we lost quite a bit of money. Its left very open ended on volumes. I think we addressed that in the year after and you guys had no interest in accepting a bid that didn’t remain open ended in volume.
If we submit a bid based on projections and we go well over that we have to have the ability to source that product for source that could possibly be more expensive. Wholesale margins are very small $0.03 so going out to bid something that has open ended volumes exposes us. Especially if it is a fixed price.
Please send to us again this year and I will look at it but I cannot promise that we will bid the volume until I sit down with our risk management team to go over it with them.
I am open to discussing this further if you have a minute to chat tomorrow.
Thanks,
Jamie L. Bakondy
Wholesale Sale Manager
800-448-4888

WARNING: This message came from an external source. Please exercise caution when opening any attachments or clicking on links.

Jamie,
NorthWestern will be submitting the RFP for Townsend propane supply within a couple weeks. I noticed that last year AmeriGas didn’t return a bid. Is AmeriGas planning on returning a bid this year or is there something that NorthWestern can do differently that would make it easier for AmeriGas to submit a bid?
Please advise.
Thanks,
Luke Hansen
406-497-3193

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the right to monitor all e-mail communications through its network.
PREFILED DIRECT TESTIMONY

OF TESS A. FREY

ON BEHALF OF NORTHWESTERN ENERGY

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<tr>
<td>Unreflected Propane Supply Cost Account</td>
<td>3</td>
</tr>
<tr>
<td>Unit Rate Adjustments/Proposed Rates</td>
<td>5</td>
</tr>
</tbody>
</table>

Exhibit

| Unreflected Propane Supply Cost Account Balance  | Exhibit__(TAF-1)  |

TAF-1
Witness Information

Q. Please state your name and business address.
A. My name is Tess A. Frey and my business address is 11 East Park, Butte, Montana 59701.

Q. By whom and in what capacity are you employed?
A. I am employed by NorthWestern Energy ("NorthWestern") as a Regulatory Analyst in the Regulatory Affairs Department.

Q. Please summarize your education and employment experience.
A. I graduated from Montana Tech with a Bachelor of Science degree in Business and Information Technology with an option in Accounting in 2016. Prior to joining NorthWestern, I worked in public accounting. In September 2017, I joined the Regulatory Affairs Department and have actively assisted in the preparation of statements, workpapers, and exhibits for various NorthWestern rate filings before the Montana Public Service Commission ("Commission").

Q. What are your responsibilities as Regulatory Analyst in the Regulatory Affairs Department?
A. I assist in the development, analysis, and review of information and studies related to rates, revenues, tariff schedules, service, and customer data. I am the analyst primarily responsible for the annual Competitive Transition
Charge – Qualifying Facility filings, monthly Natural Gas Tracker filings, monthly Deferred Natural Gas Revenue filings, as well as the annual Structure Move compliance filings for NorthWestern in Montana.

**Purpose of Testimony**

Q. What is the purpose of your testimony?

A. My testimony presents the propane supply cost revenues and propane supply cost expenses for the period June 1, 2018 to May 31, 2019, including the Unreflected Propane Supply Cost Account (“UPSCA”) details. The amounts presented are actual through March 2019 and estimated for April and May 2019. The proposed propane supply rates for the period from June 1, 2019 through May 31, 2020 and the change from current rates are shown on Appendix A to the Application. Typical residential bill impacts by heating season are shown on Appendix B.

**Unreflected Propane Supply Cost Account**

Q. What is the UPSCA Balance for the 12-month period ending May 2019?

A. The UPSCA Balance for the 12-month period ending May 2019, recorded on NorthWestern’s books and records, is an under-collection of $47,359 shown on Exhibit__(TAF-1), page 1. This exhibit is a summary table that presents, on a monthly basis, the actual propane supply cost revenues and the corresponding propane supply cost expenses commencing June
1, 2018 and ending May 31, 2019. The balance for each month and the
total for the 12-month period ending May 2019 are reported in the column
titled “Deferred Propane Supply Cost.” This table reflects the amounts
recorded in the UPSCA (Account No. 191) for the noted period and is a
summary of the totals taken from the individual monthly propane supply
cost revenue and propane supply cost expense reports. The months of
April and May 2019 are estimated and will be trued-up to actuals as part of
next year’s filing.

Q. What is the source of propane supply cost revenues and expenses?
A. Each month, NorthWestern calculates and records the revenues by
applying Commission-approved unit propane supply rates to the recorded
consumption. Expenses are actual costs recorded on NorthWestern’s
books and records.

Q. What is the total UPSCA adjustment proposed for amortization in
this filing?
A. The total UPSCA under-collection adjustment proposed for amortization in
this filing is $24,253 shown on Exhibit__(TAF-1), page 2. As shown
below, this adjustment is the total of the deferred account balance over-
collection of $(23,105) after amortization of the deferred account balance
from the tracker period June 2017 through May 2018 and the deferred
account balance under-collection from the tracker period June 2018
through May 2019 of $47,359.

Total UPSCA Balance

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2019 UPSCA Balance</td>
<td>$ 47,359</td>
</tr>
<tr>
<td>Less: 2017-2018 Tracker Period UPSCA Balance</td>
<td>($23,105)</td>
</tr>
<tr>
<td>Total Under/(Over) Recovery (including rounding)</td>
<td>$ 24,253</td>
</tr>
</tbody>
</table>

This $24,253 under-collected balance is the starting point for the 2019
amortization as shown on Exhibit__(LPH-3)19-20 attached to the Prefiled
Direct Testimony of Luke P. Hansen and discussed in his testimony.

Unit Rate Adjustments/Proposed Rates

Q. Have you provided a summary of the unit rate adjustments and
resulting rates proposed in this filing?

A. Yes, Appendix A to the Application includes a table that reflects the rates
that result from the adjustments included in this filing and the change from
current rates. Appendix B reflects the current tariffed residential rates, the
proposed rates, and resulting typical bill impacts by heating season.

1 Exhibit__(TAF-1), page 1.
2 Exhibit__(TAF-1), page 2.
Q. What is NorthWestern’s proposal for rate implementation?
A. NorthWestern proposes that the Commission approve an interim rate effective for service on and after June 1, 2019 until finalized by a subsequent final order.

Q. Does this complete your testimony?
A. Yes, it does.
<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>NorthWestern Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Unreflected Propane Supply Cost Account Balance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>June 2018 - May 2019</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
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<td>5</td>
<td>Propane</td>
<td>Propane</td>
<td>Deferred</td>
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<tr>
<td>6</td>
<td>Supply Cost</td>
<td>Supply Cost</td>
<td>Propane</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Month</td>
<td>Revenues</td>
<td>Expense</td>
<td>Supply Cost</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>June-18</td>
<td>$12,383</td>
<td>$6,675</td>
<td>($5,708)</td>
</tr>
<tr>
<td>10</td>
<td>July-18</td>
<td>$10,916</td>
<td>$12,522</td>
<td>$1,606</td>
</tr>
<tr>
<td>11</td>
<td>August-18</td>
<td>$8,276</td>
<td>$9,703</td>
<td>$1,427</td>
</tr>
<tr>
<td>12</td>
<td>September-18</td>
<td>$7,965</td>
<td>$14,687</td>
<td>$6,722</td>
</tr>
<tr>
<td>13</td>
<td>October-18</td>
<td>$16,554</td>
<td>$35,234</td>
<td>$18,680</td>
</tr>
<tr>
<td>14</td>
<td>November-18</td>
<td>$41,060</td>
<td>$70,095</td>
<td>$29,035</td>
</tr>
<tr>
<td>15</td>
<td>December-18</td>
<td>$74,137</td>
<td>$84,075</td>
<td>$9,938</td>
</tr>
<tr>
<td>16</td>
<td>January-19</td>
<td>$80,154</td>
<td>$88,228</td>
<td>$8,075</td>
</tr>
<tr>
<td>17</td>
<td>February-19</td>
<td>$86,626</td>
<td>$100,922</td>
<td>$14,296</td>
</tr>
<tr>
<td>18</td>
<td>March-19</td>
<td>$115,038</td>
<td>$95,251</td>
<td>($19,786)</td>
</tr>
<tr>
<td>19</td>
<td>April-19 (estimated)</td>
<td>$38,740</td>
<td>$22,868</td>
<td>($15,872)</td>
</tr>
<tr>
<td>20</td>
<td>May-19 (estimated)</td>
<td>$27,000</td>
<td>$25,946</td>
<td>($1,054)</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>$518,848</td>
<td>$566,207</td>
<td>$47,359</td>
</tr>
</tbody>
</table>
## NorthWestern Energy
### Deferred Propane Supply Cost Account Balance
#### June 2018 - May 2019

<table>
<thead>
<tr>
<th>Month</th>
<th>Monthly Collection to-date</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun17-May18</td>
<td>$29,108</td>
<td></td>
</tr>
</tbody>
</table>

### Prior Period Tracker Year True-up:

<table>
<thead>
<tr>
<th>Month</th>
<th>Estimated as filed in D2018.4.28</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr18</td>
<td>$6,885</td>
<td>$16,271</td>
</tr>
<tr>
<td>May18</td>
<td>$73</td>
<td>$15,247</td>
</tr>
</tbody>
</table>

### Actual Jun17-May18 under collected balance

- **June 2018**: $278
- **July 2018**: $778
- **August 2018**: $595
- **September 2018**: $573
- **October 2018**: $1,173
- **November 2018**: $2,428
- **December 2018**: $4,383
- **January 2019**: $4,739
- **February 2019**: $5,120
- **March 2019**: $6,799
- **April 2019 (estimated)**: $377
- **May 2019 (estimated)**: $263

### Deferred Estimated Balance @ May 31, 2019

- **Reference**: Exhibit__(TAF-1), Page 1
- **Total Under/(Over) Recovery**: $24,253

- **Deferred Estimated Balance**: $47,359

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**Notes:**
- The table above represents the monthly collection balance from June 2017 to May 2018. The remaining balance as of May 2019 is $24,253.