



Request for Proposals

Request for Proposals to Provide Expert Testimony in Montana Electric Rate Case Regarding Net Energy Metering

RFP Issued: June 4, 2018

Deadline for Submission: June 11, 2018

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Appendix A: Consulting Agreement

1. Introduction

NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) is issuing this Request for Proposals (“RFP”) seeking proposals for providing expert testimony regarding the establishment of a separate customer rate class for net energy metering (“NEM”) customers, and as requested by NorthWestern, consulting on the development of and testimony supporting, a rate design for the separate rate class. NorthWestern’s current NEM tariff is included in Rule 16 – Electric Net Metering (“Rule 16”).

NorthWestern’s representative for this RFP is:

Sarah Norcott
(406) 443-8996
sarah.norcott@northwestern.com

NorthWestern is a public utility engaged in the generation, transmission, and distribution of electricity and the supply and transportation of natural gas. While NorthWestern is classified as a mid-size utility by most industry standards, our service territory is one of the largest in the nation. Our electric system serves communities and surrounding rural areas covering two-thirds of Montana, eastern South Dakota, and Yellowstone National Park in Wyoming. In Montana, NorthWestern is a transmission owner/operator and Balancing Authority within the Western Electricity Coordinating Council. In South Dakota, NorthWestern Energy is a transmission owner within the Southwest Power Pool, Inc. (“SPP”) and has transferred functional control of a large portion of its electric transmission facilities there to SPP. This RFP pertains to NorthWestern’s Montana electric operations.

To learn more about our company and review Rule 16, visit our website at www.northwesternenergy.com.

2. General Description and RFP Schedule

2.1 Background

NorthWestern provides electric supply, transmission, and delivery service to retail and wholesale customers in Montana. NorthWestern intends to make a general electric rate filing with the Montana Public Service Commission (“MPSC”) by September 30, 2018. Montana law required NorthWestern, by April 1, 2018, to conduct a study that analyzes the costs and benefits associated with NEM (hereafter referred to as “NEM Study”). Montana law also provides that the MPSC may establish a separate customer rate class for NEM customers. The MPSC makes that determination as part of NorthWestern’s electric rate case. See Mont. Code Annotated, §69-8-610 through § 69-8-612.

Pursuant to Section 69-8-610, MCA, NorthWestern filed its NEM Study with the MPSC on March 30, 2018. A copy of this study can be located at the following website:
<http://psc2.mt.gov/Docs/ElectronicDocuments/pdfFiles/NorthWesternNEMReport3-29-2018-FINAL.pdf>.

As indicated above, NorthWestern will be making a general electric rate case filing by the end of September, 2018, and in that filing, will be seeking to establish a separate NEM customer rate class, and anticipates proposing a rate design for the separate class.

2.2 Scope

The selected respondent will provide expert written and live testimony and analysis supporting NorthWestern's proposal to establish a separate customer rate class for NEM customers in its upcoming 2018 MPSC general electric rate filing and, as requested by NorthWestern, will provide such testimony related to a rate design for the separate class. Among other things, this work should include consideration of NorthWestern's NEM Study and cost allocation studies to be completed for the 2018 general electric rate filing, coupled with separate analyses performed by the selected respondent, concerning NorthWestern's NEM customers and establishment of separate customer rate class for NEM customer and associated rate design. The selected respondent should expect to respond to extensive discovery requests regarding his or her analysis and testimony.

2.3 RFP Schedule Summary

The outline for the RFP process is provided in the following table. The dates and times are subject to change by NorthWestern. Any change will be communicated to respondents by email.

Milestone	Target Date
RFP issued	Monday, June 4, 2018
Proposals due	Monday, June 11
Selection of respondent for contract negotiations	By Monday, June 18
Target contract execution	By Friday, June 22
Anticipated project start	Upon contract execution

In NorthWestern's discretion, prior to selection of the winning respondent, it may schedule short telephone interviews with those respondents that it has selected as finalists. These interviews would occur the week of June 11, 2018.

2.4 Proposal Summary

Respondents must submit proposals to the NorthWestern representative listed above as well as Gwen Vashro (gwen.vashro@northwestern.com) in electronic PDF format via email. Complete electronic proposals must be delivered to NorthWestern prior to the deadline of June 11, 2018, at midnight MST. Please contact NorthWestern's representative with any questions.

3. Proposal Requirements

Proposals must be submitted in the format and order indicated below using the appropriate section headers and section numbering. Additional information may be appended to the proposal. Upon request, alternative proposal requirements may be approved in advance by NorthWestern's representative. Proposals that do not contain all information as required in this RFP shall be deemed non-responsive and will not be considered by NorthWestern unless NorthWestern's representative has approved alternative proposal requirements prior to the proposal deadline.

3.1 Cover Letter

The proposal must include a cover letter summarizing the key terms of the proposal that provides a brief, concise summation of the response. It must also include a commitment from the respondent to meet the deadlines set forth in the RFP, including that found in Section 3.3.

3.2 Section 1: Experience and Team

The proposal must contain a description of the experience and qualifications of the respondent, including the following:

- General overview of the respondent, his or her company, and the scope of offered services.
- Qualifications and experience in NEM issues, including establishment of separate customer rate classes for NEM customers and associated rate design.
- Testimony history of the person who will serve as the expert witness for NorthWestern, including the regulatory agency, docket number, date, general substance of testimony, and the outcome.
- Names, phone numbers, and email addresses for three utility client references for whom you have provided similar services.
- Curriculum vitae of the person who will testify for NorthWestern and any other personnel who will work on this project, including specific information regarding their experience

on projects similar to this one and the result of that project, and a description of each person's role for this project.

- Anticipated staffing levels and billing rates of all timekeepers who will work on this project.
- Proposals, if any, for alternative fee arrangements, as discussed in Section 4.2, below.
- Proposed method of reimbursement for expenses incidental to the services.
- Any other information that you feel would be helpful to us in making our selection.
- Name, phone number, and email address of contact person for questions regarding your proposal.

3.3 Section 2: Schedule

The selected respondent must be able to commence service immediately upon contract execution. NorthWestern intends to work with the selected respondent to complete any necessary analysis and testimony for the 2018 MPSC general electric rate case filing as described under Section 2.2, above. The selected respondent's final written testimony must be completed and delivered to NorthWestern's representative no later than September 4, 2018. Proposals must identify any concerns as to respondent's availability to meet this schedule.

3.4 Section 3: Contract Document Exceptions

NorthWestern anticipates entering into a consulting agreement with the successful respondent similar to the contract attached to the RFP as Appendix A.

Respondents must submit detailed exceptions and clarifications to the commercial terms and conditions governing the services as part of the proposal. Respondents must also specifically identify any objections to the insurance requirements of the draft contract in Appendix A. Respondents may either attach a redlined version of the draft contract to its proposal or specifically identify any exceptions and clarifications. Commercial terms and conditions are subject to negotiation and mutual agreement. If the respondent fails to detail any exceptions or clarifications to the contract attached to this RFP as Appendix A, in its proposal, the respondent waives the right to later request changes to the agreement if it is selected as the winning respondent.

4. Evaluation Criteria

The following criteria will be used to evaluate the responses to this RFP:

4.1 Experience and Performance Record

- Qualifications, experience, and witness credibility of the personnel who would provide services to NorthWestern;
- Quality and depth of the company's expertise, resources, and experience; and
- Interviews, if conducted.

4.2 Pricing

The services will be provided on a time and materials basis unless (i) otherwise agreed to by NorthWestern and the selected respondent during the course of the work and/or (ii) NorthWestern accepts respondent's alternative fee arrangement proposal, if any, below.

NorthWestern is interested in proposals in which the respondent agrees to absorb a certain amount of fees up front for time spent learning NorthWestern and its business, or any other additions that would make a respondent's proposal the most cost effective, such as a willingness to bear any travel costs. NorthWestern is also interested in alternative fee arrangements that are not based on the number of billable hours.

4.3 Presentation and Completeness of Proposal

NorthWestern reserves the right to exercise reasonable and prudent judgment in evaluating proposals and may modify the criteria at its sole discretion.

5. Additional Provisions

5.1 Right to Take No Action

NorthWestern reserves the right to enter into negotiations with more than one respondent or take no action at its sole discretion.

5.2 Confidentiality and Nondisclosure

The successful respondent will be required to enter into a commercially reasonable nondisclosure agreement prior to receipt of confidential or proprietary data required for the performance of the services.

NorthWestern will maintain the confidentiality of any proprietary and confidential information contained in a proposal, provided that such information is clearly marked as "Confidential Information" at the time of initial disclosure. However, NorthWestern, as a public utility, is subject to regulation by the Federal Energy Regulatory Commission ("FERC"), the South Dakota

Public Utilities Commission, and the MPSC. NorthWestern may be required to submit information it receives related to this RFP to a regulatory commission and any intervening parties as part of a regulatory proceeding. To the extent a respondent desires a protective order for any information to be submitted to a commission, the respondent is solely responsible for preparing and requesting any such protective order. NorthWestern shall notify respondent of any pending disclosure, but is not obligated to participate in or reimburse costs for any protective order process.

5.3 Authority to Commit

A duly authorized representative of the respondent's company must sign the cover letter. The position held by the signatory must be included, and upon request respondent shall provide evidence of the authority of the individual signing the cover letter and the contractual documents.

5.4 Ownership and Return of Proposals

All materials submitted as part of this RFP shall become the property of NorthWestern and will not be returned.

5.5 Cost of Responding

A response to this RFP will be prepared at the sole cost and expense of respondent and with the express understanding that there will be no claims whatsoever for reimbursement from NorthWestern.

5.6 Potential Conflicts of Interest

NorthWestern anticipates that intervenors in NorthWestern's filings before the MPSC may include, for example, the Montana Consumer Counsel, independent power producers, the Sierra Club, the Montana Environmental Information Center, Human Resource Council District XI, Natural Resource Defense Council, Montana Renewable Energy Association, and the Montana Large Customer Group ("LCG"). The LCG is an informal coalition of industrial energy customers which, among other activities, participate selectively in proceedings before FERC and the MPSC that may affect electric or natural gas prices and service within Montana. Participating entities in prior LCG interventions include: Ash Grove Cement West; CRH US; Calumet Montana Refining, LLC; Enbridge (U.S.), Inc.; ExxonMobil Corporation; Oldcastle Materials Cement Holdings, Inc. (formerly Holcim (US) Inc.); Phillips 66 (formerly ConocoPhillips Company); REC Advanced Silicon Materials; Idaho Forest Group; and Stillwater Mining Company.

In NorthWestern's last MPSC rate case (MPSC Docket No. D2009.9.129), the following additional entities or their successors intervened: Energy West Montana and Colstrip Energy Limited Partnership.

Proposals must identify any concerns as to respondent's potential conflicts of interest.

5.7 Subcontractors

Any portion of the services performed by subcontractors other than respondent must be clearly defined. Respondents must prepare and submit, as part of its proposal, a list of anticipated subcontractors and the services they will provide. NorthWestern will not accept proposals that identify a subcontractor as the testifying expert. Any changes or additions to the list of subcontractors before or after the award of services must be approved by NorthWestern.

CONSULTING AGREEMENT

This Consulting Agreement (“*Agreement*”) is entered into as of the ____ day of _____, 20____, by and between _____, a _____, with a principal place of business at _____ (“*Consultant*”), organized under the State of _____, and NorthWestern Corporation d/b/a NorthWestern Energy (“*NorthWestern*”).

NorthWestern and Consultant agree as follows:

1. Services. This Agreement is for services in connection with NorthWestern’s general electric rate case before the Montana Public Service Commission, Docket No. D2018.2.12 (“Rate Case”). Consultant shall perform services, upon written order of NorthWestern, in accordance with the Statement of Services attached hereto as Exhibit 1 (“Services”) and incorporated herein by this reference. Unless specifically agreed by NorthWestern in writing, Consultant shall furnish all necessary personnel for the performance of the Services.

This Agreement does not commit NorthWestern to order any Services. However, all services performed by Consultant for NorthWestern pursuant to this Agreement, whether or not the subject of a specific Statement of Services, are subject to the conditions of this Agreement unless specifically governed by another written contract between the parties.

2. Term and Schedule.

2.1 Term. The term of this Agreement begins on the date first written above and ends on the issuance of the Final Order in the Rate Case, unless otherwise extended or terminated in accordance with this Agreement.

2.2 Schedule. Consultant will commence Services upon execution of this Agreement, and shall complete the Services within the time schedule set forth in the Statement of Services, or such other period which is authorized by a Change Order. Time is of the essence in the performance of each and every obligation by Consultant.

3. Compensation and Invoicing.

3.1 Compensation. NorthWestern shall compensate Consultant as full payment for Services performed and for all costs and expenses incurred in the performance of the Services in accordance with the payment terms and conditions set forth in the Statement of Services.

3.2 Invoicing. All invoices shall be sent to:

**NorthWestern Corporation
Attn: Accounts Payable
11 E Park St.
Butte, MT 59701
Email invoices to: accountspayable@northwestern.com.**

All invoices shall reference Agreement # CLM000XXXX and name the NorthWestern representative identified in the Statement of Services. The invoice shall provide such detail as to allow NorthWestern to compute the amount due for Services performed. In the event of a dispute regarding an invoice, NorthWestern shall pay the undisputed portion and notify Consultant of the amount in dispute and the basis for the withholding. Payment shall be made within 30 days of receipt of an undisputed invoice for completed Services.

4. Quality of Service and Correction of Defects. Consultant shall perform the Services in accordance with the standards of care and diligence practiced by recognized consulting firms and professionals in performing services of a similar nature ("*Standard of Care*"). Consultant's employees, agents, representatives and subcontractors shall have the qualifications to proficiently perform the Services in accordance with current industry standards and required by all applicable governmental regulations. Consultant and each of its employees, agents, representatives and subcontractors shall conduct themselves in a professional, ethical, moral and legal manner.

If Consultant fails to satisfy the Standard of Care, Consultant shall correct the defective Services at no additional cost to NorthWestern. If the Services are of such nature that the defect cannot be corrected by re-performance, NorthWestern may reduce the compensation owed to Consultant to reflect the diminished value of Services performed. The remedies provided herein shall be in addition to any other remedies that NorthWestern may have at law or in equity.

5. Termination.

5.1 Termination for Convenience. NorthWestern may, in its sole discretion, terminate this Agreement for its convenience in whole or in part upon 10 days written notice. In the event of such termination for convenience, NorthWestern shall pay Consultant for Services rendered through the termination date and direct costs (excluding any anticipated or lost profits) incurred by Consultant as a result of the termination. Such payment is Consultant's sole right and remedy.

5.2 Termination of Services for Cause. NorthWestern may terminate this Agreement, without prejudice to any right or remedy if NorthWestern determines Consultant has breached any of its obligations under this Agreement or Consultant is failing to perform the Services in a timely manner or with the quality required by this Agreement. NorthWestern shall provide written notice to Consultant stating the nature of the breach or unsatisfactory condition. Within 10 days after receipt of this written notice, Consultant shall remedy the breach or unsatisfactory condition or provide evidence, acceptable to NorthWestern, that: (i) proper corrective action is being taken to remedy the condition; or (ii) that no breach has occurred. If Consultant fails to remedy or to commence and thereafter with due diligence pursue resolution of the breach unsatisfactory condition, then NorthWestern may terminate this Agreement without further notice. If this Agreement is terminated for cause, NorthWestern shall pay Consultant for Services satisfactorily performed through the date of termination but will not be liable for any further payment to Consultant. In addition to any other remedies it may have under this Agreement or under the law, Consultant is liable for any direct costs incurred by NorthWestern as a result of the termination.

6. Indemnification. Consultant shall indemnify, hold harmless and defend NorthWestern, its officers, directors and employees from any and all claims, demands, litigation, fines, expenses

or liabilities (including costs and attorneys' fees) of every kind and character arising from or incident to the performance of the Services by Consultant for injuries to or death of any person, damages to property, infringement of copyright, trademark, patent or other intellectual property rights, violation of federal, state or local governmental laws, or other breach of legal duty arising from performance of the Services, the work products resulting from the Services and the use thereof or Consultant's breach of any term or obligation of this Agreement. In the event the claims, demands, litigation, fines, expenses or liabilities are caused by the joint or concurrent negligence of NorthWestern and Consultant, the loss shall be borne by each party in proportion to its degree of negligence.

Whenever any suit or other proceeding which involves any matter for which the indemnification provisions of this Agreement are applicable, Consultant shall, upon receipt of timely notice of the institution of such suit or other proceedings, assume the defense thereof and defend the same at its own expense and shall pay any and all costs, charges, attorneys' fees and other expenses and any and all judgments that may be incurred by or obtained against NorthWestern in such suits or other proceedings, and if any judgment or other lien is placed upon or obtained against the property of NorthWestern as a result of such suits or other proceedings, Consultant shall at once cause the same to be released and discharged by giving bond or otherwise.

7. **Limitation.** NorthWestern is not liable to Consultant for any indirect, incidental, consequential, special, exemplary or punitive damages arising from or related to this Agreement, its performance, enforcement, breach or termination, such as, but not limited to, loss of revenue, anticipated profits, or loss of business. Notwithstanding any provisions in this agreement to the contrary, in no event shall the liability of NorthWestern exceed the actual amount paid for the services that gave or allegedly gave rise to damages claimed regardless of the form of action.

8. **Confidentiality.** Consultant shall not, without the prior written permission of NorthWestern, use, disclose, or permit to be disclosed, or, in the case of documents, reproduce or permit to be reproduced to any third party or entity any Confidential Information acquired from or given by NorthWestern to Consultant in the course of preparing for and performing Services under this Agreement. For the purpose of this Agreement, the term "Confidential Information" includes designs, drawings, plans, calculations, formulae, techniques and/or trade secrets or like information and any other written information, data, correspondence or other tangible materials disclosed orally, electronically or in any other intangible form, by NorthWestern as well as data, findings, results, or recommendations developed by Consultant in connection with the Services under this Agreement. Confidential Information includes all information as described herein, whether or not it is marked "Confidential" or "Proprietary".

All Confidential Information disclosed by NorthWestern remains the property of NorthWestern and, upon request, will be returned at termination or upon the expiration of the term of this Agreement. Confidential Information must be used by Consultant strictly for the performance of this Agreement and for no other purpose. Consultant's confidentiality obligation hereunder does not extend to information which: (i) is already public or becomes available to the public through no fault of Consultant; (ii) was in the possession of Consultant prior to receipt from NorthWestern; or (iii) Consultant can demonstrate that such information was independently developed by Consultant without reference to NorthWestern's information.

If compelled by a requirement of a government agency, a court, or by law or discovery to disclose any Confidential Information, Consultant shall make reasonable efforts to resist disclosure and shall notify NorthWestern in writing prior to making any disclosure in order to provide NorthWestern a reasonable opportunity to either waive any objection to such disclosure or

request a remedy from the appropriate authority. Consultant shall cooperate with NorthWestern in efforts to obtain such a remedy. If NorthWestern waives its objections or is unsuccessful in its request for a remedy or fails to make such a request, Consultant will only furnish that portion of the Confidential Information that is legally required.

Consultant acknowledges the importance of protecting the security and confidentiality of NorthWestern's non-public customer information in accordance with state and federal customer privacy laws. Consultant shall maintain policies and procedures to: (a) insure the security and confidentiality of customer information, (b) protect against any anticipated threats or hazards to the security or integrity of such information, and (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to NorthWestern's customers. Consultant shall implement and maintain necessary administrative, technical and physical safeguards to insure the security and confidentiality of customer information.

9. Ownership of Documents. All technical or business information, documents, and reports, in whatever medium or format, including but not limited to, data, specifications, drawings, artwork, sketches, designs, plans, records, reports, proposals prepared by Consultant in the course of the Services performed hereunder ("*Prepared Information*"), shall be promptly furnished by Consultant to NorthWestern in accordance with the terms of this Agreement or upon NorthWestern's request. All such Prepared Information shall be the exclusive property of NorthWestern and shall be deemed to be works for hire. To the extent the Services incorporate Consultant's proprietary or protected intellectual property, Consultant hereby grants NorthWestern an irrevocable, nonexclusive, royalty-free license for use of the same solely in connection with the operation, maintenance, repair, or alteration of Owner's facilities and business operations.

10. Insurance. Consultant shall satisfy the insurance requirements set forth in Exhibit 2, attached hereto and incorporated herein by reference. Before commencing Services, Consultant shall deliver to NorthWestern's Contract Administration Department, 11 E Park St. Butte, MT 59701, an insurance certificate evidencing the required coverage.

11. Performance of Services.

11.1 Laws and Regulations. Consultant shall comply fully with all applicable workers' compensation requirements and all other applicable federal, state and local laws, regulations, and ordinances. 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. Consultant 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.

11.2 Taxes. Consultant shall obtain all necessary tax licenses and is responsible for payment of all taxes, assessments, and contributions, whether local, state, or federal in nature, in connection with the performance of the Services, including without limitation, contractor's excise tax, and all sales and use tax with respect to labor and materials used to provide the Services, and all social security, Medicare and Medicaid, unemployment insurance, and workers' compensation, and other payroll taxes required to be paid with respect to employees, representatives and direct and indirect agents of Consultant.

Consultant shall hold NorthWestern harmless from any and all liability on account of any such taxes or assessments.

- 11.3 **Changes.** NorthWestern may, by written order to Consultant, make changes within the general scope of the Services. If such change increases or decreases the cost of or time for performing the Services hereunder, then NorthWestern shall make an equitable adjustment in the payment to Consultant and/or the time for performance hereunder.
- 11.4 **Independent Contractor.** It is specifically agreed and acknowledged that in the performance of the Services, Consultant is an independent contractor and not the employee, agent or representative of NorthWestern.
- 11.5 **Subcontractors.** Consultant may employ subcontractors to perform any Services hereunder only with the prior written consent of NorthWestern. Consultant shall be as fully responsible for the acts or omissions of any subcontractor as it is for its own acts or omissions.
- 11.6 **Removal of Personnel.** NorthWestern may require Consultant to remove individual personnel from performing Services for any lawful reason.
- 11.7 **Nonexclusive.** This Agreement is not exclusive. NorthWestern may retain the services of other consultants for this and similar work and Consultant may perform services for third parties.
- 11.8 **Conflicts of Interest.** In consideration of the mutual covenants contained in this Agreement, Consultant knowingly and voluntarily agrees that during the term of this Agreement, Consultant will not, except as otherwise expressly permitted herein, consult with, render services to, or become employed by any person or entity which was the subject or beneficiary of any Services Consultant provided to or on behalf of NorthWestern pursuant to this Agreement.
- 12. Force Majeure.** If either party is prevented in whole or in part from performing its obligations under this Agreement by unforeseeable causes beyond its reasonable control and without its fault or negligence, then the party so prevented shall be excused from performance, to the extent performance is actually affected; provided that the affected party delivers written notice to the other party of the force majeure condition within a reasonable time after the onset of such condition.
- 13. Examination of Consultant's Records.** Upon reasonable notice, NorthWestern or its third party representative may examine any books, records, or other documents of Consultant directly relating to the performance of the Services and the costs thereof. Consultant shall cooperate in this effort and make employees and records reasonably available.
- 14. Applicable Law, Forum and Disputes.**
- 14.1 **Law and Venue.** This Agreement shall be governed in all respects by the laws of the State of Montana. Any action arising out of this Agreement must be brought in state or federal courts of the State of Montana and Consultant consents to the jurisdiction of such courts in any such action or proceeding and waives any objection to venue therein. Process in any action or proceeding referred to in the preceding sentence may be served on either party electronically.

14.2 **Dispute Resolution.** When a dispute has arisen and negotiations between the parties have reached an impasse, either party may give the other party written notice of the dispute. 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. The representatives shall confer in person or by telephone promptly to attempt to resolve the dispute. If the dispute has not been resolved by negotiation between the representatives within 30 days of the notice, then either party may proceed to a court of competent jurisdiction.

15. **Notices.** Notices required or permitted to be given under this Agreement will be in writing and deemed to be properly given if (i) delivered in person, (ii) sent by electronically with confirmation, (iii) deposited in the United States mail with first class postage prepaid certified mail, return receipt requested, or (iv) delivered by private, prepaid courier and addressed to the appropriate party representative at the address set forth below:

 Attn: _____
 Phone: _____
 Email: _____

NorthWestern Energy
 208 N. Montana Ave, Ste. 205
 Helena, MT 59601
 Attn: Sarah Norcott
 Phone: (406) 443-8996
 Email: sarah.norcott@northwestern.com

16. **Survival.** Each of the terms, conditions and obligations set forth in Sections 4, 6, 7, 8, 9, 10, 13 and 14 shall survive the termination or expiration of this Agreement for the maximum period allowed under applicable law.

17. **Miscellaneous.** Consultant shall not assign this Agreement, in whole or in part, without the prior written consent of NorthWestern, which consent will not be unreasonably withheld. A waiver by either party of any default or breach by the other party of any covenants, terms or conditions of this Agreement will not limit the right of a party to enforce such covenants, terms or conditions or to pursue rights in the event of any subsequent default or breach. If any portion of this Agreement is held to be void or unenforceable, the balance will continue to be effective. This Agreement is binding upon and inures to the benefit of the heirs, legal representatives, successors and assigns of the parties. This Agreement will not be modified, amended or changed in any respect except by a written document signed by the parties. This Agreement is for the exclusive benefit of the parties and does not constitute a third party beneficiary agreement and may not be relied upon or enforced by a third party. Each party represents that it has full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party has been properly authorized and empowered to sign this Agreement. This Agreement constitutes the entire agreement of the parties. Covenants or representations not contained or incorporated therein are not binding upon the parties. This Agreement may be executed in counterparts, which together constitute one instrument. Copies of this fully executed instrument have the same force and effect as the original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective the day and year first above written.

NORTHWESTERN ENERGY

(signature)

(signature)

(printed name)

(printed name)

(title)

(title)

(date)

(date)

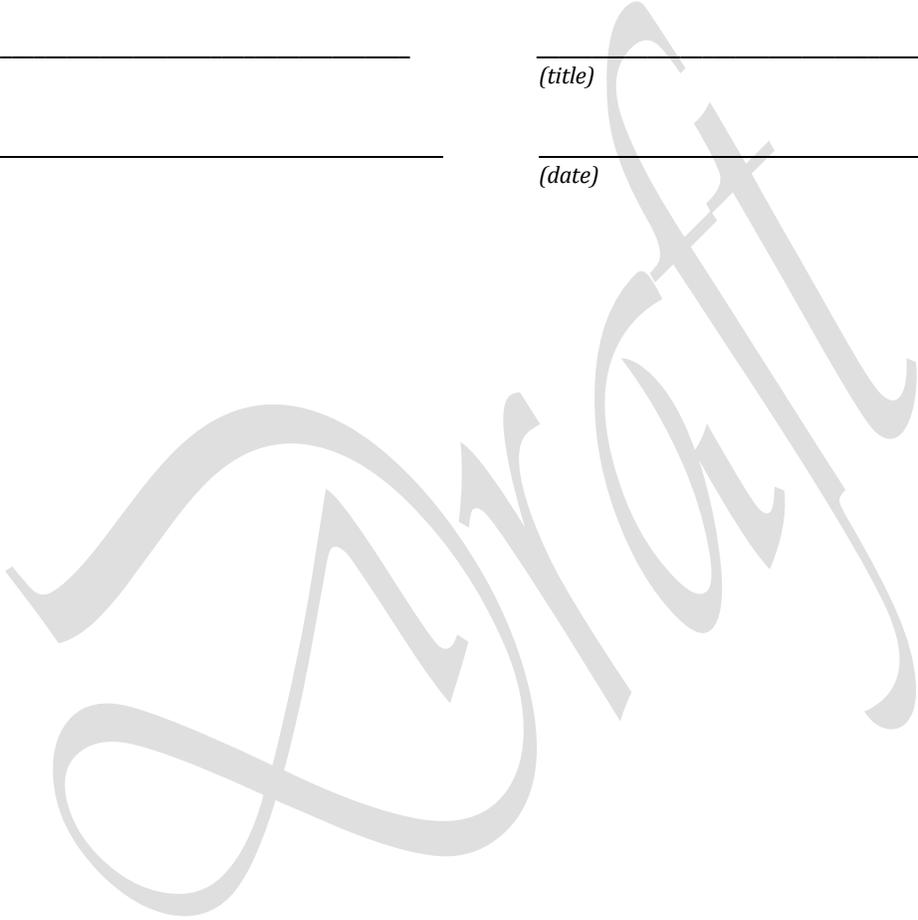


EXHIBIT 1**FORM STATEMENT OF SERVICES**

Pursuant to the terms and conditions of the Consulting Agreement dated effective as of the ___ day of ____, 20__, by and between NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) and _____ (“Consultant”), the parties hereby agrees as follows:

1. **Services:** Consultant shall provide expert written and live testimony and analysis supporting NorthWestern’s proposal to establish a separate customer rate class for NEM customers in NorthWestern’s 2018 MPSC general electric rate filing (Docket No. D2018.2.12) and, as requested by NorthWestern, will provide such testimony related to a rate design for the separate class. Among other things, this work should include consideration of NorthWestern’s NEM Benefit and Cost Study and cost allocation studies to be completed for the 2018 general electric rate filing, coupled with separate analyses performed by the selected respondent, concerning NorthWestern’s NEM customers and establishment of separate customer rate class for NEM customer and associated rate design. Consultant shall be required to respond to discovery requests regarding analysis provided and testimony.
2. **Schedule:** Services shall commence on the date the Consulting Agreement is executed and Consultant shall complete all analysis supporting the Services and provide a copy of written testimony to NorthWestern no later than September 4, 2018. Consultant shall also participate in any deadlines established in the procedural schedule set by the MPSC in Docket No. D2018.2.12, including a hearing likely scheduled in the first half of 2019, discovery, and written rebuttal testimony, if necessary.
3. **Payment Terms:** TBD
4. **Representatives:**
 NorthWestern’s Representative for this Statement of Services is Sarah Norcott. The contact information for NorthWestern’s Representative is sarah.norcott@northwestern.com and (406) 443-8996.
 Consultant’s Representative for this Statement of Services is _____. The contact information for Consultant’s Representative is: _____.
5. **Entire Agreement:** This Statement of Services and the above-referenced Agreement constitute the complete understanding of the parties with respect to the Services specified herein.

The parties have executed this Statement of Services on the date(s) indicated below.

NORTHWESTERN:

CONSULTANT:

(signature)

(signature)

(name printed)

(name printed)

(title)

(title)

(date)

(date)

Signature

EXHIBIT 2
INSURANCE REQUIREMENTS

1. Coverage: Consultant shall secure and maintain at its own cost and expense the following minimum insurance coverage:
 - 1.1 Commercial General Liability: \$2,000,000
 - 1.2 Automobile Liability: \$1,000,000
 - 1.3 Worker's Compensation: Statutory
 - 1.4 Employer's Liability: \$1,000,000 each accident; \$1,000,000 disease - policy limit; and \$1,000,000 disease - each employee
 - 1.5 Professional Liability: \$5,000,000

2. Policy Requirements: All policies must:
 - 2.1 be placed with such insurers having an A.M. Best rating of A-VII or better (not applicable to professional liability);
 - 2.2 be endorsed to name NorthWestern as an additional insured with respect to any liabilities assumed under the Agreement (not applicable to workers' compensation, employers' liability and professional liability);
 - 2.3 apply severally and not collectively to each insured against whom claim is made or suit is brought;
 - 2.4 be primary with respect to the interest of NorthWestern as additional insured and any insurance maintained by NorthWestern is excess and not contributory insurance with the insurance required hereunder;
 - 2.5 include a waiver of the right of subrogation against NorthWestern;
 - 2.6 include within automobile coverage(s), owned, non-owned, hired and borrowed vehicles; and
 - 2.7 not be canceled or have limits or coverage reduced or restricted without Consultant providing at least 30 days prior written notice to the Contract Administration Department, NorthWestern Energy, 11 E Park St. Butte, Montana 59701.

3. Evidence of Insurance. The completed insurance certificate form and a copy of the policy endorsement must be delivered to the NorthWestern Energy Contract Administration Department, 11 E Park St. Butte, Montana 59701.