



March 22, 2021

RE: NorthWestern Energy Cobb Firm Gas Storage – Open Season

NorthWestern Energy is offering up to 16,260 dekatherms per day of firm storage Maximum Daily Delivery Quantity (MDDQ) and 1,350,000 dekatherms of firm storage capacity at Cobb Storage. Daily storage injection will be scheduled in accordance with the “Allocation of Injection Capacity” described in Section 4 of the Special Terms and Conditions contained in the Firm Storage tariff T-FSG-1. Estimated injection capacity pursuant to the “Allocation of Injection Capacity” provision is attached as Exhibit 1. Exhibit 1 is for illustrative purposes only and actual daily injection will be based on actual daily injection capacity and actual daily storage injection nominations. The details for submitting bids for this service are described on the attached Bid Form. Under this service, NorthWestern will have the right to curtail storage withdrawals from November 1, 2021 through March 31, 2022 on 20 hours notice. The maximum curtailment from November 1 through March 31 will not exceed the MDDQ multiplied by 18. Injections must be sourced north of NorthWestern’s Mainline #3 Compressor Station.

In order to determine the Shipper or Shippers that will be allocated this firm storage service, NorthWestern will accept bids and allocate capacity based on the bid or bids that creates the highest net present value for NorthWestern. The variables considered in the calculation will be the requested MDDQ, currently effective reservation rate, and a discount rate of 6.96%. Firm storage service will be allocated in order of priority from highest value to lowest value. If the offers of two or more Shippers produce the same value, they will be offered a pro rata share of the storage service based upon the applicable MDDQ bid by the respective Shippers. NorthWestern reserves the right to reject requests at less than the maximum rate. NorthWestern will not enter into agreements for this service that contain right of first refusal provisions. The term for this service will be May 1, 2021 through April 30, 2022.

If the Shipper fails to execute the firm storage service agreement within 10 business days of the date tendered, Shipper’s allocation shall be deemed null and void and its allocated storage service shall be reallocated to those requesting Shippers that participated in the bidding process and have requests which are either partially or fully unsatisfied. Shipper will be subject to the Creditworthiness provisions in section 18.6 of NorthWestern’s On-System General Terms and Operating Conditions.

The current storage rates that apply to this service are noted below. Rates are subject to change as approved by the Montana Public Service Commission (MPSC).

Withdrawal Reservation Rate:	\$4.9263650 per dekatherm of MDDQ per month
Injection Commodity Rate:	\$0.0254600 per dekatherm on quantities injected
Withdrawal Commodity Rate:	\$0.0254600 per dekatherm on quantities withdrawn
Capacity Commodity Rate:	\$0.0241850 per dekatherm on the end of the month storage balance
Fuel Reimbursement:	1.14% on injected quantities



This service will be provided pursuant to NorthWestern's On-System General Terms and Operating Conditions and Firm Storage Rate Schedule T-FSG-1.

NorthWestern is committed to adhering to principles of openness and transparency in its open season process. Similarly, NorthWestern is committed to awarding any available capacity in a non-discriminatory basis. In making its award selection, NorthWestern will consider applicable regulation, including but not limited to any regulation intended to prevent affiliate abuses by bidders, in awarding any available capacity.

If you are interested in bidding for this capacity, please complete the attached bid form and email it to transportgas@northwestern.com. **Bids must be received by Monday, April 5, 2021 at 5:00 p.m. MST to be considered.** This Open Season Notice is also posted at NorthWestern's website www.northwesternenergy.com.

There is a frequently asked question section at the end of this Open Season package. If you have any questions, please contact Dean Vesco at (406) 497-2208 or Julia Goroski at (406) 497-2649. We appreciate your interest in using NorthWestern's firm gas storage service.

Sincerely,

Dean Vesco

Manager Gas Transportation, Measurement, & SCADA

○ 406-497-2208

○ 406-490-0391



NorthWestern Energy
 Open Season Bid Form – Cobb Firm Gas Storage Service

Shippers are required to bid the stated MDDQ range for a block of capacity. Bids must be based for one or more blocks of capacity, up to the total capacity offered herein. Please enter the desired MDDQ within the maximum and minimum range for each month noted below in the table.

MDDQ Maximum	5,420 Dkt	5,420 Dkt	5,420 Dkt
MDDQ Minimum	1,000 Dkt	1,000 Dkt	1,000 Dkt

	Withdrawal MDDQ	Withdrawal MDDQ	Withdrawal MDDQ
May 2021:	_____	_____	_____
June 2021:	_____	_____	_____
July 2021:	_____	_____	_____
August 2021:	_____	_____	_____
September 2021:	_____	_____	_____
October 2021:	_____	_____	_____
November 2021:	_____	_____	_____
December 2021:	_____	_____	_____
January 2022:	_____	_____	_____
February 2022:	_____	_____	_____
March 2022:	_____	_____	_____
April 2022:	_____	_____	_____
Capacity:	450,000 Dkt	450,000 Dkt	450,000 Dkt

Company Name: _____
 Contact Person: _____
 Phone: _____
 Agree to pay tariff rates: _____

Signed By: _____
 Title: _____
 Date: _____

Please email the completed form to transportgas@northwestern.com no later than Monday, April 5, 2021 at 5:00 p.m. MST.



NorthWestern Energy
Cobb Firm Storage Open Season

Exhibit 1
Estimated Injection Capacity and Allocation

Injection Allocation Schedule

	Average Daily Injection Capacity	1,000 MDDQ Injection Allocation	3,000 MDDQ Injection Allocation	5,420 MDDQ Injection Allocation
April	100,000	628	1,860	3,311
May	100,000	628	1,860	3,311
June	90,000	565	1,674	2,980
July	80,000	502	1,488	2,649
August	75,000	471	1,395	2,484
September	65,000	408	1,209	2,152
October	65,000	408	1,209	2,152



Frequently Asked Questions

Q. 1. How will NorthWestern determine the net present value of bids in order to award capacity under this Open Season?

A. 1. Each block will have a net present value based on the MDDQ bid. The monthly MDDQ bid will be multiplied by the current reservation rate of \$4.8081470. This will establish a monthly value that will be discounted at 6.96%. The blocks will be stacked in order of highest to lowest net present value. We will start at the top of the stack and work down block by block until the storage service is fully subscribed.

Q. 2. Is there a minimum bid volume?

A. 2. Yes. The minimum bid volume is 450,000 Dkt, which is one “block”.

Q. 3. Can I bid on more than one block?

A. 3. Yes. Shippers can bid on one or more blocks for up to all capacity offered herein.

Q. 4. How will NorthWestern compare bids on different blocks?

A. 4. Bids will be evaluated based on the highest net present value of each block of 450,000 Dkt bid.

Q. 5. How will storage be allocated if two or more shippers place winning bids that tie?

A. 5. NorthWestern will total the bid MDDQ to establish the denominator and the numerator will be the total MDDQ bid by each shipper. The percentage determined by this process will be applied to the applicable block or blocks of storage service. For example, if Shipper A has a 50% allocation and Shipper B has a 50% allocation, the storage service will be allocated by these percentages.

Q. 6. Is there a transportation charge associated with the storage service?

A. 6. No. Transportation is paid when the gas is withdrawn from storage and delivered to an end use customer under their transportation service or delivered to an off-system interconnect under the applicable transportation service. However, gas sourced at Carway for storage injection will be charged a Canadian Montana Pipeline transportation fee of \$.008 per Dkt.

Q. 7. What has been the frequency of storage interruptions in past heating seasons?

A. 7. 20/21 Heating Season – Service was interrupted for 6 days, 19/20 Heating Season – Service was interrupted for 1 day, 18/19 Heating Season – Service was interrupted for 5 days, 17/18 Heating Season – zero interruptions, 16/17 Heating Season – zero interruptions