



March 1, 2024

via Email to financeofficer@milbanksd.com

City of Milbank
Attn: Cynthia Schumahcer, Finance Officer
1001 East 4th Avenue, Suite 301
Milbank, SD 57252

Re: Ordinance No. 773

Cynthia:

Thank you for speaking with me about NorthWestern Corporation's reorganization and the natural gas franchise agreement/ordinance with Milbank.

As we discussed, on January 1, 2024, NorthWestern Corporation's Montana and South Dakota-Nebraska utility operations separated into two companies. Service to communities in South Dakota and Nebraska is now provided by *NorthWestern Energy Public Service Corporation d/b/a NorthWestern Energy*. This change was approved by the South Dakota Public Utilities Commission and the Nebraska Public Service Commission. We will continue to conduct business across all service territories under the name *NorthWestern Energy*.

In 2011, Milbank passed Ordinance No. 773, which allows our company to own and operate a natural gas distribution system within Milbank. NorthWestern Corporation's obligations and liabilities under Ordinance No. 773 transferred to NorthWestern Energy Public Service Corporation on January 1, 2024. We are asking the City of Milbank to update Ordinance No. 773 to reflect this transfer.

Provided with this letter is a draft resolution for your consideration. If the resolution meets your satisfaction, please submit it to the City Council for approval at the next meeting. If you would like to have a NorthWestern Energy representative present at the meeting, please let me know. Otherwise, please send a copy of the signed resolution to me.

If you have any questions, please feel free to contact me.

Best regards,

/s/ Aaron Fox

Aaron A. Fox

Corporate Counsel

(605) 978-2971 | Aaron.Fox@northwestern.com

RESOLUTION NO. 3-11-24

*Resolution acknowledging the assignment of Ordinance No. 773 from
NorthWestern Corporation to NorthWestern Energy Public Service Corporation*

WHEREAS, the City of Milbank adopted Ordinance No. 773 dated 5/10/2011 (the "Franchise Ordinance") authorizing Northwestern Corporation to operate a gas distribution system within the City of Milbank; and

WHEREAS, as of January 1, 2024, NorthWestern Corporation's South Dakota and Nebraska assets and related contractual obligations transferred to a new entity named NorthWestern Energy Public Service Corporation d/b/a NorthWestern Energy consistent with a corporate reorganization authorized by the South Dakota Public Utilities Commission (Docket No. GE22-002) and the Nebraska Public Service Commission (Docket No. NG-114); and

WHEREAS, other than the above-referenced transfer there is no change to the terms or conditions of the Franchise Ordinance or performance thereto;

NOW, THEREFORE, BE IT RESOLVED that the City of Milbank hereby acknowledges and accepts the assignment of Ordinance 773 from NorthWestern Corporation to NorthWestern Energy Public Service Corporation d/b/a NorthWestern Energy.

Passed and approved this ____ day of _____, 2024.

City of Milbank

Pat Raffety, Mayor

ATTEST:

Cynthia Schumacher, Finance Officer

(SEAL)

City of Milbank

1001 E. 4th Ave. Suite 301, Milbank, SD 57252

605-432-9575 • Fax: 605-432-9576

ORDINANCE #773

An ordinance granting to NorthWestern Corporation, its successors and assigns, the right to occupy any of the streets, alleys, or public places of the City of Milbank, South Dakota, for the purpose of transmitting or distributing natural gas.

Be it ordained by the City of Milbank, South Dakota:

Section 1. The right is hereby granted to NorthWestern Corporation, its successors and assigns, to occupy any of the streets, alleys, or public places of the City of Milbank, South Dakota, for the purpose of transmitting or distributing natural gas for a period of 20 years from the 10th day of May, 2011, provided, however, that the right herein granted will not be exclusive.

Section 2. NorthWestern Corporation will be liable for all damages due to its negligence in constructing, operating, or maintaining its natural gas system with the City of Milbank, and shall at all times hold the City of Milbank harmless from any and all liability arising out of NorthWestern Corporation's negligence.


Section 3. This ordinance shall not be effective unless NorthWestern Corporation files its unconditional acceptance of this ordinance with the Finance Officer of the City of Milbank within 45 days after the publication of this ordinance.

Dated this 11th day of April, 2011.

Aye: 6 Nay: 0 Absent: —


Dale Aesoph, Mayor

ATTEST:


Cynthia Schumacher, Finance Officer

Passed First Reading: 3/14/11

Passed Second Reading: 4/11/11

Adopted and Approved: 4/11/11

Published: 4/20/11

Publish once at the approximate cost of \$ _____.

The City of Milbank is an equal opportunity provider and employer. ♿