

NorthWestern[™] Energy

600 Market Street W
Huron, SD 57350
Telephone: (800) 245-6977
Facsimile: (605) 353-7560
www.northwesternenergy.com

March 31, 2009

Ms. Patricia VanGerpen, Executive Director
S.D. Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501

Re: Sample Forms Revisions

Dear Ms. VanGerpen:

With this letter, NorthWestern Corporation ("NorthWestern" or the "Company"), doing business as NorthWestern Energy, is filing with the Commission revisions to its Electric Tariff. NorthWestern respectfully requests Commission approval of these proposed revisions.

Pursuant to ARSD 20:10:13:39, the Company states:

1. The documents submitted with this filing include:

Rate No. 15	Section No. 3, 9 th revised Sheet No. 4
Rate No. 23	Section No. 3, 10 th Revised Sheet No. 10
Rate No. 25	Section No. 3, 11 th Revised Sheet No. 12
General Terms	Section No. 5, 1 st Revised Sheet No. 1b
General Terms	Section No. 5, 3 rd revised Sheet No. 6

2. The proposed effective date for the tariff revisions is June 1, 2009.

3. Brief description of the tariff changes:

The language added to the tariff addresses tankless water heaters.

Regarding the individual tariff sheets, the following changes are proposed.

In Section 3, sheet 4, the language "excludes tankless water heaters" was added. This is a controlled rate and some form of water storage is required as stated on sheet 4.1

In Section 3, sheet 10, tankless water heaters are excluded. Due to the demand requirements of tankless water heaters, NorthWestern desires to exclude them from this water heater only rate.

In Section 3, sheet 12, tankless water heaters are excluded. Due to the demand requirements of tankless water heaters, NorthWestern desires to exclude them from this rate.

In Section 5, sheet 1b language is added to clarify that a residential customer may be responsible for the costs to upgrade transformers, wire etc, if they choose to install a tankless water heater.

In Section 5, Sheet 6, the residential water heater restriction language is removed as it is repetitive of Section 5, Sheet 1b.

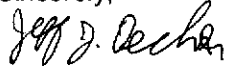
4. Reasons for the proposed tariff changes:

With the peak demand requirement of a tankless water heater, the additional costs incurred to serve such load need to be addressed. A tankless water heater can easily double the demand requirement of a home. In most cases, this will often require the upgrade of transformers and other equipment so the lights do not blink in neighboring houses when the tankless water heater turns on. Since very little additional energy use is seen with tankless water heaters, the additional costs are not recovered through revenue. This leaves the other customers responsible for the costs to upgrade the service for a single customer.

5. Number of customers whose cost of service will be affected and annual changes in cost of service to such customers.

This change will affect any NorthWestern customer, who in the future, considers installing a tankless water heater. At this point in time we are aware of only one tankless water heater on our system. The cost will be determined in each instance.

Sincerely,



Jeff Decker

Regulatory Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

**NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA**

Section No. 3
Sheet No. 4
Sheet No. 4

9th Revised
Canceling 8th Revised

CLASS OF SERVICE: Residential Dual-Fuel and
Controlled Service

RATE NO. 15

APPLICABILITY

This schedule is available to urban and rural residential customers for electric service used for space heating, water heating (excludes tankless water heaters), and other approved controllable loads. All other electric usage by the customer must be separately metered and billed pursuant to another Company filed tariff schedule. Customers shall agree to allow Company to interrupt service at any time without notice. Service under this schedule shall be single phase or three phase where three phase is available.

C

TERRITORY

Company's Assigned Service Area

RATE

	Per Meter <u>Per Month</u>
Customer Charge	\$1.40
Energy Charge (to be added to the Customer Charge):	
All Kwh:	
Summer Period (June 1 - September 30)	\$0.02246
Winter Period (October 1 - May 31)	\$0.00746
Minimum Charge	\$1.40
Adjustment Clauses	
a. Adjustment Clause shall apply	
b. Tax Adjustment Clause shall apply.	
c. Bill Crediting Program shall apply.	

OTHER PROVISIONS

Service will be furnished under the Company's General Terms and Conditions and the following provisions:

1. Water heating
 - a) Water heating equipment shall be an approved installation and shall not be used to supplement any other system of providing hot water service.

(Continued)

Date Filed: <u>March 31, 2009</u>	Service on or after Effective Date: <u>June 1, 2009</u>
	<u>Jeff Decker</u> Issued by: Regulatory Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No. 10
Canceling 10th Revised
9th Revised Sheet No. 10

CLASS OF SERVICE: Commercial Water Heating

RATE NO. 23

APPLICABILITY

This rate schedule is available for separately metered commercial water heating (excluding tankless water heaters) service to customers being furnished service pursuant to another Company filed rate schedule.

C

TERRITORY

Company's Assigned Service Area.

RATE

Per Meter
Per Month

Customer Charge \$1.75

Energy Charge (to be added to the Customer Charge):

Per kilowatt hour for all energy used\$0.03310

Minimum Charge \$1.75

Adjustment Clauses

- a. Adjustment Clause shall apply.
- b. Tax Adjustment Clause shall apply.
- c. Bill Crediting Program shall apply.

OTHER PROVISIONS

Service will be furnished under the Company's General Terms and Conditions and the following provisions:

1. Service will be provided to the electric water heater through a separate metered 240 volt single phase circuit to which no other equipment will be connected.

Date Filed: March 31, 2009

Service on or after
Effective Date: June 1, 2009

Jeff Decker
Issued by: Rates Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 3
 Sheet No. 12
 Sheet No. 12

11th Revised
 Canceling 10th Revised

CLASS OF SERVICE : All-Inclusive Commercial Service RATE NO. 25

APPLICABILITY

This rate schedule is available to commercial customers for all use through one meter provided that the use includes any or all of the following services: (1) space heating, (2) cooking, (3) water heating(excluding tankless water heaters), and provided further that any one or all of the above uses represents the major portion of the connected load and annual consumption.

C

TERRITORY

Company's Assigned Service Area

RATE

	<u>Per Meter</u>	
	<u>Summer</u>	<u>Winter</u>
Energy Charge		
Per KWH for the first 100 hours of the maximum demand	\$0.08710	\$0.06710
Per KWH for the next 100 hours of the maximum demand	\$0.04010	\$0.01910
Per KWH for the next 100 hours of the maximum demand	\$0.02910	\$0.01010
Per KWH for all use in excess of 300 hours maximum demand	\$0.01910	\$0.00710
Summer Period	June 1 - Sept. 30,	
Winter Period	Oct. 1 - May 31,	
Minimum Charge	\$10.00	\$10.00

Adjustment Clauses

- a. Adjustment Clause shall apply.
- b. Tax Adjustment Clause shall apply.
- c. Bill Crediting Program shall apply.

OTHER PROVISIONS

Service will be furnished under the Company's General Terms and Conditions and the following provisions:

1. If space heating is used to qualify under this rate, electric energy must be the primary source of the total space heating.

Date Filed: March 31, 2009

Service on or after
 Effective Date: June 1, 2009

Jeff Decker
 Issued by: Rates Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY
HURON
SOUTH DAKOTA

Section No. 5
Sheet No. 1b
1st Revised
Canceling Original Sheet No. 1b

GENERAL TERMS AND CONDITIONS

(Continued)

RESIDENTIAL WATER HEATER RESTRICTION

Residential water heater installation shall be equipped with thermostatically controlled noninductive heating elements designed for a nominal voltage of 240 volts single phase service. Water heaters shall have an electric capacity of not more than 5000 watts at 240 volts. If two elements are used, interlocking controls are required to prevent simultaneous operation. Tankless water heaters are permitted only with prior approval of NorthWestern and may require a Contribution in Aid of Construction, for required system upgrades.

N
N
N

CONTINUITY OF SERVICE AND VOLTAGE REGULATION

The Company will endeavor to provide continuous service but does not guarantee an uninterrupted or undisturbed supply of electric service. The Company will not be responsible for any loss or damage resulting from the interruption or disturbance of service for any cause other than gross negligence of the Company. The Company will not be liable for any loss of profits or other consequential damages resulting from the use of service or any interruption or disturbance of service. The Company will furnish electric service within normal voltage and frequency limits, provided, however, if the normal voltage regulation furnished customers is unsatisfactory for special apparatus requiring close regulation, or if the customer's electrical appliances are subject to damage due to high or low voltage, the single phasing of three-phase service, phase reversals, or other fluctuations in the quality of service furnished by the Company, then the customer shall install regulative apparatus and protective devices at his own expense.

Date Filed: March 31, 2009

Effective Date: June 1, 2009

Jeff Decker
Issued By: Rates Specialist

SOUTH DAKOTA ELECTRIC RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

**Section No. 5
Sheet No. 6
Sheet No. 6**

4th Revised
Canceling 3rd Revised

GENERAL TERMS AND CONDITIONS

(Continued)

Budget Bill Payment Plan

The Company's Budget Bill Plan (BBP) is available to residential and commercial customers. It may be initiated for a customer at any time during the year, provided that the customer has paid all outstanding utility charges due the Company.

The company will have a billing practice under which a Customer may be billed monthly for a percentage or portion of the Customer's total annual consumption as estimated by the Utility. The purpose of such budget billing is to provide, insofar as it is practicable to do so, a uniform monthly bill.

Each BBP account will be reviewed by the Company at least semi-annually, based on their Budget Billing start date, to determine if an adjustment to the budget amount is necessary, to minimize annual over/under collection balances. The new BPP will be determined by adding the customers actual debit or credit balance, at the time of review, to the customer's prior 12 months billings under current tariff rates, adjusted for normal weather, known changes in consumption, and projected Adjustment Clause price increases or decreases, the sum of which is divided by twelve. Where prior billings are not available, the Company will estimate billings using the best available information of customer's consumption.

Should a customer request that the Company not take the actual debit or credit balance into consideration when calculating a revised budget amount, the Company will issue a check to a customer with a credit balance or bill the customer for any debit balance.

Service to customers participating in the BPP shall be pursuant to the General Terms and Conditions of service including the Terms of Payment provisions contained therein, provided, however, that service to a BBP customer will not be disconnected for non-payment if the customer has a credit balance in his account. A customer may discontinue participation in the BBP at any time.

D

(Continued)

Date Filed: March 31, 2009

Effective Date: June 1, 2009

Jeff Decker
Issued By: Rates Specialist