

NorthWestern Corporation, dba NorthWestern Energy
South Dakota Electric
Test Year Ended September 30, 2014
Derivation of Increased Rates and Proof of Revenue

Line	Description	----- Present Rates -----			----- Proposed Rates -----			Revenue Change	
		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	All-Inclusive Commercial Service Rate 25								
2	<u>Summer Rate</u>								
3	Minimum Charge	277	\$10.00	\$2,768	277	\$14.02	\$3,881	\$1,113	40.20%
4	First 100 kWh per kW	4,287,367	\$0.08710	373,430	4,287,367	\$0.12214	523,659	150,229	40.23%
5	Next 100 kWh per kW	3,264,263	\$0.04010	130,897	3,264,263	\$0.05623	183,550	52,653	40.22%
6	Next 100 kWh per kW	2,124,690	\$0.02910	61,828	2,124,690	\$0.04084	86,772	24,944	40.34%
7	Over 300 kWh per kW	1,521,472	\$0.01910	29,060	1,521,472	\$0.02678	40,745	11,685	40.21%
8	Power Factor Charge			15,906			22,305	6,399	40.23%
9	Sub-total Summer Rate	11,197,792		\$613,889	11,197,792		\$860,912	\$247,022	40.24%
10	Booked to Billed Revenue Ratio			98.889%			98.889%		
11	Booked Base Rate Revenue			\$607,067			\$851,344	\$244,277	40.24%
12	<u>Off-Peak Rate</u>								
13	Minimum Charge	176	\$10.00	\$1,762	176	\$14.02	\$2,471	\$708	40.20%
14	First 100 kWh per kW	12,181,886	\$0.06710	817,405	12,181,886	\$0.09409	1,146,194	328,789	40.22%
15	Next 100 kWh per kW	10,208,257	\$0.01910	194,978	10,208,257	\$0.02678	273,377	78,399	40.21%
16	Next 100 kWh per kW	6,997,258	\$0.01010	70,672	6,997,258	\$0.01416	99,081	28,409	40.20%
17	Over 300 kWh per kW	4,770,832	\$0.00710	33,873	4,770,832	\$0.00996	47,517	13,645	40.28%
18	Power Factor Charge			16,108			22,589	6,480	40.23%
19	Sub-total Off-Peak Rate	34,158,233		\$1,134,798	34,158,233		\$1,591,229	\$456,431	40.22%
20	Booked to Billed Revenue Ratio			99.524%			99.524%		
21	Booked Base Rate Revenue			\$1,129,398			\$1,583,657	\$454,259	40.22%
22									
23	Subtotal Rate 25			\$1,748,688			\$2,452,141	\$703,453	40.23%
24	Booked to Billed Revenue Ratio			99.301%			99.301%		
25	Total Adjusted Annual Commercial Rate 25 Revenue	45,356,025		\$1,736,465	45,356,025		\$2,435,001	\$698,536	40.23%

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1	All-Inclusive Commercial Service Rate 25YS								
2	<u>Summer Rate</u>								
3	Minimum Charge	1	\$10.00	\$9	1	\$14.02	\$14	\$5	52.391%
4	First 100 kWh per kW	43,550	\$0.08710	3,793	43,550	\$0.12214	5,319	1,526	40.230%
5	Next 100 kWh per kW	27,078	\$0.04010	1,086	27,078	\$0.05623	1,523	437	40.224%
6	Next 100 kWh per kW	2,839	\$0.02910	83	2,839	\$0.04084	116	33	40.344%
7	Over 300 kWh per kW	0	\$0.01910	0	0	\$0.02678	0	0	0.000%
8	YS Discount			645			645	0	
9	Power Factor Charge			313			439	126	40.229%
10	Sub-total Summer Rate	73,467		\$5,284	73,467		\$7,411	\$2,127	40.252%
11				96.934%			96.934%		
12				\$5,122			\$7,184	\$2,061.706	40.252%
13	<u>Off-Peak Rate</u>								
14	Minimum Charge	0	\$10.00	\$0	0	\$14.02	\$0	\$0	0.000%
15	First 100 kWh per kW	174,500	\$0.06710	11,709	174,500	\$0.09409	16,419	4,710	40.224%
16	Next 100 kWh per kW	108,073	\$0.01910	2,064	108,073	\$0.02678	2,894	830	40.209%
17	Next 100 kWh per kW	64,644	\$0.01010	653	64,644	\$0.01416	915	262	40.198%
18	Over 300 kWh per kW	15,847	\$0.00710	113	15,847	\$0.00996	158	45	40.282%
19	YS Discount			3,187			3,187	0	0.000%
20	Power Factor Charge			2,835			3,976	1,141	40.229%
21	Sub-total Off-Peak Rate	363,064		\$17,374	363,064		\$24,362	\$6,988	40.222%
22	Booked to Billed Revenue Ratio			100.758%			100.758%		
23	Booked Base Rate Revenue before YS Discount			\$17,506			\$24,547	\$7,041	40.222%
24	Annual Total Rate 25YS Before YS Discount			\$22,658			\$31,773	\$9,115	40.229%
25	Booked to Billed Revenue Ratio			99.866%			99.866%		
26	Annual Commercial Rate 25YS Revenue before YS Discot	436,531		\$22,628	436,531		\$31,730	\$9,103	40.229%

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1	All-Inclusive Commercial Service Rate 25X								
2	<u>Summer Rate</u>								
3	Minimum Charge	4	\$0.00	\$0	4	\$0.00	\$0	\$0	0.000%
4	First 100 kWh per kW		\$0.01146	0		\$0.01527	0	0	0.000%
5	Next 100 kWh per kW		\$0.01146	0		\$0.01527	0	0	0.000%
6	Next 100 kWh per kW		\$0.01146	0		\$0.01527	0	0	0.000%
7	Over 300 kWh per kW	12,254	\$0.01146	140	12,254	\$0.01527	187	47	33.283%
8	Sub-total Summer Rate	12,254		\$140	12,254	0	\$187	\$47	33.283%
9	Booked to Billed Revenue Ratio			127.837%			127.837%		
10	Booked Base Rate Revenue			\$180			\$239.272	\$60	33.283%
11									
12	<u>Off-Peak Rate</u>								
13	Minimum Charge	8	\$0.00	\$0	8	\$0.00	\$0	\$0	0.000%
14	First 100 kWh per kW		\$0.01146	0		\$0.01527	0	0	0.000%
15	Next 100 kWh per kW		\$0.01146	0		\$0.01527	0	0	0.000%
16	Next 100 kWh per kW		\$0.01146	0		\$0.01527	0	0	0.000%
17	Over 300 kWh per kW	49,458	\$0.01146	567	49,458	\$0.01527	755	189	33.283%
18	Sub-total Off-Peak Rate	49,458		\$567	49,458		\$755	\$189	33.283%
19	Booked to Billed Revenue Ratio			83.873%			83.873%		
20	Booked Base Rate Revenue			\$475			\$634	\$158	33.283%
21									
22	Subtotal Rate 25X			\$707			\$943	\$235	33.283%
23	Booked to Billed Revenue Ratio			92.602%			92.602%		
24	Total Adjusted Annual Commercial Rate 25X Revenue	61,712		\$655	61,712		\$873	\$218	33.283%