

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

**Section No. 1
Sheet No. 1
Sheet No. 1**
31st Revised
Canceling 30th Revised

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HURON	20 th Revised Sheet No. 1
SOUTH DAKOTA	Canceling 19 th Revised Sheet No. 1

CLASS OF SERVICE: Residential Gas Service **Rate No. 81**
RATE DESIGNATION: Firm Sales

1. Applicability

This rate is available to domestic customers whose maximum requirements for natural gas are not more than 200 therms per day. The name plate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirements, based on 10 hours use per day.

2. Territory

The area served with natural gas by the Company in South Dakota.

3. Rates

Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 8.00
<i>Non-Gas Commodity Charge:</i>	
First 30 therms, per therm	\$ 0.3788
Over 30 therms, per therm	\$ 0.1700

Minimum Monthly Bill: \$ 8.00

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Demand Side Management Program shall apply.

N

4. Other Provisions

Service will be furnished under the Company's General Terms and Conditions.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY Section No. 3
HURON 6th Revised Sheet No. 2
SOUTH DAKOTA Canceling 5th Revised Sheet No. 2

CLASS OF SERVICE: General Gas Service **Rate No. 82**
RATE DESIGNATION: Firm Sales

1. Applicability

This rate is available to non-residential customers whose maximum requirements for natural gas are not more than 200 therms per day. If no historical peak day usage is available, the name plate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirements.

2. Territory

The area served with natural gas by the Company in South Dakota.

3. Rates

Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 10.00
<i>Non-Gas Commodity Charge:</i>	
First 400 therms, per therm	\$ 0.1728
Next 1,600 therms, per therm	\$ 0.1100
Over 2,000 therms, per therm	\$ 0.0865

Minimum Monthly Bill: \$ 10.00

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Demand Side Management Program shall apply.

N

4. Other Provisions

Service will be furnished under the Company's General Terms and Conditions.

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CLASS OF SERVICE: Commercial and Industrial	Rate No. 84
RATE DESIGNATION: Firm Sales Service	

(Con't.)

Released Capacity and Balancing Services Surcharge:

For all therms taken during a month in excess of the product of the daily contract demand times the number of days in the billing period an additional \$0.0170 per therm shall be assessed and added to the Gas Commodity Charge shown on Sheet No. 9a. Costs collected will be credited to expense in Adjustment Clause filings.

Minimum Monthly Bill:

The Customer Charge plus the amount for therms of contract demand (never less than 50 therms).

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9.1, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Demand Side Management Program shall apply.

N

4. Penalty Provision

If customer fails to comply with Company's request to curtail or in any way fails to limit the use of gas to the volume of Contract Demand specified in the contract, then all unauthorized gas in excess of Contract Demand so used shall be "Penalty Gas" and be paid by the Customer at a rate which is the greater of \$3.00 per therm or the maximum penalty charges permitted to be made by the Company's upstream service providers for takes of natural gas in excess of authorized limitations, in addition to the regular Commodity Charge for such gas. All costs collected will be credited to expense in Adjustment Clause filings.

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NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	11 th Revised <hr style="width: 100%;"/> Canceling 10 ^h Revised	Section No. 3 Sheet No. 4.1 Sheet No. 4.1
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CLASS OF SERVICE: Commercial and Industrial **Rate No. 85**
RATE DESIGNATION: Interruptible Sales Service

1. Applicability

Gas service under this rate schedule is available on an interruptible basis to any customer for commercial and industrial purposes, whose maximum requirements for natural gas are greater than 200 therms per day, provided that the customer’s premises are adjacent to the Company’s mains and that the capability of the Company’s system and the supply of gas available from its suppliers is in excess of the requirements of its existing customers. If no historical peak day usage is available, the name plate input ratings of all gas burning equipment shall be used to determine a customer’s maximum requirement. All Grain Dryer Customers with a connected load greater than 20 Mmbtu per hour will be required to obtain service under Rate No. 86.

2. Territory

The area served with natural gas by the Company in South Dakota.

3. Rates

Customer may choose the rate option which best fits the customer’s needs.

<u>Monthly Charges:</u>	<u>Option A</u>	<u>Option B</u>
<i>Customer Charge</i> per Meter:	\$ 100.00	\$300.00
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0662	\$0.0335

Minimum Monthly Bill:

The Customer Charge.

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Demand Side Management Program shall apply.

N

4. Penalty Provision

If customer fails to comply with Company’s request to curtail the use of gas, then all unauthorized gas so used shall be “Penalty Gas” and be paid by the Customer at a rate which is the greater of \$3.00 per therm or the maximum penalty charges permitted to be made by the Company’s upstream service providers for takes of natural gas in addition to the regular Commodity Charge for such gas. All costs collected will be credited to expense in PGA true-up filings.

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CLASS OF SERVICE: Commercial and Industrial	Rate No. <u>86</u>
RATE DESIGNATION: Contract Sales Service	

(Con't.)

Minimum Monthly Bill:

The Customer Charge plus the amount for therms of contract demand.

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9.1, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Demand Side Management Program shall apply.

N

4. Surcharge Provision

During curtailment of service, upstream service providers may have available to the Company gas under a different and higher-priced rate than the cost of gas on which this rate is based. In addition, the Company may have propane peak shaving gas available. The surcharge rate per therm for propane peak shaving will be based on beginning of month average propane inventory cost in South Dakota. Should such higher-priced gas be available, the Company may offer it to customers served by this rate schedule with an appropriate surcharge to recover the Company's additional costs in lieu of curtailing service under this rate schedule. All surcharge gas charges collected will be in addition to the regular Commodity Charge for such gas. Costs collected will be credited to expense in the Company's Adjustment Clause filings.

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HURON 5th Revised **Sheet No. 11**
SOUTH DAKOTA Canceling 4th Revised **Sheet No. 11**

DEMAND SIDE MANAGEMENT ADJUSTMENT

APPLICABILITY

This Demand Side Management Adjustment (DSMA) applies to retail customers rates 81, 82, 84, 85 and 86 as authorized by the South Dakota Public Utilities Commission (Commission).

The DSMA shall be calculated annually based on actual versus forecasted DSM program costs and residential therm sales for the applicable rate schedules for the twelve months of June through May, and shall include an over or under recovery from prior years' adjustments through the Balancing Account. NorthWestern Energy (the Company) will update and make a DSMA filing with the Commission on an annual basis no later than August 1. The first year rate recovery period will be from June 1, 2014 through May 31, 2015. The 2nd year filing will be made by August 1, 2015 with an effective date of October 1, 2015. A filing will be made by August 1 each year thereafter.

DEMAND SIDE MANAGEMENT ADJUSTMENT RATE

A DSMA rate shall be determined by dividing the DSM program costs and the forecasted balance of the DSMA Balancing Account by the forecasted sales volumes for the upcoming year. The DSMA rate shall be rounded to the nearest \$0.0001 per therm.

The DSMA rate may be adjusted annually with approval of the Commission. The DSMA rate for the applicable rate schedules is \$0.0167 per therm.

DSM Program Costs shall include all expenses associated with DSM programs and an incentive approved by the Commission. All revenues recovered pursuant to the DSMA shall be credited to the Balancing Account.

DSMA Balancing Account amount is the DSM program costs incurred, less all revenues recovered pursuant to the DSMA for the annual year, as adjusted for applicable interest. The Balancing Account shall have interest applied or credited monthly at the rate of return from the Company's last approved natural gas rate case. The DSMA revenues will be applied monthly to the Balancing Account for each customer class.

Forecasted Sales Volumes shall be the estimated natural gas sales for the applicable rate schedules for the designated recovery period.

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