

NG 99-002

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JUN 01 1999

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

**STATE OF SOUTH DAKOTA
BEFORE THE
PUBLIC UTILITIES COMMISSION**

In the matter of:)
NORTHWESTERN PUBLIC SERVICE)
a division of NorthWestern Corporation, Applicant) Docket No. NG99-____

**Application of NorthWestern Public Service
a division of NorthWestern Corporation**

For Increased Natural Gas Rates

December 31, 1998 Test Year

**Data Filed Pursuant to
Public Utilities Rate Filing Rules**

Chapter 20:10:13

Original



Russell C. Molstad, Jr.
Corporate Attorney
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Sioux Falls, SD 57104
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Internet: www.northwestern.com

May 28, 1999

Mr. William Bullard, Jr.
Executive Secretary
S. D. Public Utilities Commission
500 East Capitol Ave
Pierre SD 57501

Re: NorthWestern Public Service
Application for Authority to Increase Gas Rates

Dear Mr. Bullard

Enclosed you will find for filing 12 sets of Volumes I and II consisting of NorthWestern's rate application and accompanying testimony and exhibits together with a separate confidential envelope.

Included with this filing are revised natural gas rate schedules of NorthWestern Public Service. These schedules are designed to produce an additional \$2,108,112 in revenues applicable to the NorthWestern South Dakota service area.

Also included are all supporting schedules required by Commission Rules and the prefiled direct testimony and exhibits of supporting witnesses.

NorthWestern will notify customers of the proposed increase by posting the enclosed Notice of Change in Rates at all of its business offices. NorthWestern will also file a press release concurrently with the filing of the application for rate increase. NorthWestern will notify customers in person after conclusion of this proceeding by mailing to them notices advising them of the final Commission approved rates.

According to its Rule 20:10:01:39-42, NorthWestern requests that the enclosed information be designated as **confidential** in Commission files. In accordance with Rule 20:10:01:41, the following information regarding this request is provided:

- (1) Description of Information: Statement P - required by Rule 20:10:13:100. Cost of gas adjustment clause.
- (2) Length of Time: Fifteen (15) years
- (3) Identification of Contract Person: Russell C. Molstad, Jr.
Corporate Attorney
600 Market Street W
Huron, SD 57350

Page two

The grounds upon which confidential treatment is sought are Sections 4 and 5 of Rule 20:10:01:39. Confidential information (12 copies) is enclosed and marked (CONFIDENTIAL)

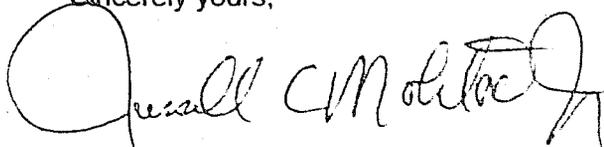
We request that communications to the Petition concerning this application be directed to:

Russell C. Molstad, Jr.
Corporate Attorney
NorthWestern Public Service
600 Market Street W
Huron, SD 57350

Thomas P. Hitchcock
Executive Vice President
NorthWestern Energy Corporation
33 Third Street SE
Huron, SD 57350

One complete set of the filing has been marked "File Stamp Copy". Please stamp and return this set. We have returned enclosed postage for your convenience.

Sincerely yours,



Russell C. Molstad, Jr.
Corporate Attorney

ss
enclosures

NorthWestern Public Service
NOTICE OF PROPOSED CHANGE
IN GAS RATES

In compliance with the regulations of the South Dakota Public Utilities Commission, NorthWestern Public Service hereby gives notice to its customers that on June 1, 1999, the Company filed with the Commission an Application for an increase in rates for gas service. The change in rates is proposed to become effective July 1, 1999.

Under South Dakota law, the Commission may suspend the implementation of the proposed rates pending its decision. The Company cannot implement a suspended rate for a period of six months after the date of filing of the Application. South Dakota law gives the Company's customers the right to join with 24 other customers and file a written objection with the Commission asking that it suspend the rates and hold a public hearing to determine whether the increase should be allowed.

A copy of the proposed schedule of gas rates is available in this office for inspection by customers of NorthWestern Public Service. If you would like to review the proposed schedule of rates, please ask any of the Company's office personnel for assistance.



Michael J. Hanson
President & CEO
NorthWestern Public Service

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN RE:)
NORTHWESTERN PUBLIC SERVICE,)
a division of NorthWestern Corporation)

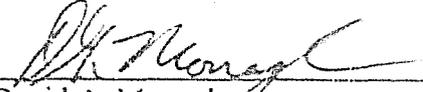
Docket No. NG99-_____

AFFIDAVIT OF DAVID A. MONAGHAN

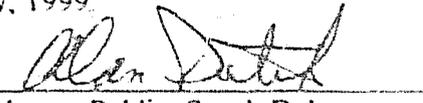
STATE OF SOUTH DAKOTA)
COUNTY OF MINNEHAHA) SS

David A. Monaghan, being first duly sworn, deposes and says:

- (1) He is the Controller and Treasurer of NorthWestern Corporation ("NorthWestern"), and in such capacity serves as its Chief Accounting Officer;
- (2) As such Chief Accounting Officer, he has responsibility for all accounting records of NorthWestern, including its utility division NorthWestern Public Service;
- (3) He has reviewed all cost statements, working papers, and other supporting data submitted as part of this filing or maintained by NorthWestern and NorthWestern Public Service, and such cost statements, working papers, and other supporting data accurately set forth the books of NorthWestern and NorthWestern Public Service


David A. Monaghan

Subscribed and sworn to this 27th day of May, 1999.


Notary Public, South Dakota
My Commission Expires: 3/6/2001

(Notary Seal)

**NorthWestern Public Service Company
South Dakota Gas Rate Case
Report of Tariff Schedule Change
Test Year Ending December 31, 1998**

Name of Utility:	NorthWestern Public Service
Utility Address:	600 Market Street West Huron, SD 57350
Description of Change:	General Rate Increase
Reason for Change:	Revenue Deficiency
Proposed Effective Date of Modified Rate:	July 1, 1999
Approximate Annual Change in Revenue	
Residential	\$1,285,687
Small Commercial	494,413
Large Commercial	75,843
Interruptible	54,922
Transport	<u>197,247</u>
	\$2,108,112
Communities Affected:	All South Dakota Communities served by NorthWestern Public Service
Approximate Number of Customers Affected:	
Residential	33,404
Small Commercial	4,907
Large Commercial	166
Interruptible	115
Transport	<u>78</u>
	38,670
Present Rate:	\$33,657,074
Proposed Rate:	\$35,765,186
Approximate Annual Increase in Revenue:	\$2,108,112
Number of Customers Whose Cost of Service will be Affected:	All South Dakota Natural Gas Customers
Submitted by:	Thomas P. Hitchcock Executive Vice President NorthWestern Energy Corporation

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE
 HURON
 SOUTH DAKOTA

Section No. 2
Pro Forma Sheet No. 1
 Canceling _____ Sheet No. 1

PRELIMINARY STATEMENT

Territory Served

Northwestern Public Service Company ("Company") provides gas service at retail to the following communities and their immediate environs in eastern South Dakota.

Aberdeen	Dimock	Lake Norden	Redfield
Alexandria	Doland	Lake Preston	Reville
Altamont	Estelline	Madison	Scotland
Arlington	Ethan	Marion	Spencer
Aurora	Ferney	Mellette (N)	Tripp
Big Stone City	Frankfort	Menno	Turton
Bristol	Goodwin	Milbank	Verdon
Brookings	Groton	Mitchell	Vienna
Bryant	Hayti (N)	Monroe	Volga
Canistota	Hazel	Mt. Vernon	Warner
Castlewood	Holmquist	Oldham	Webster
Clark	Howard	Olivet	Willow Lake
Clear Lake	Huron	Parker	Wolsey (N)
Conde	Kranzburg	Parkston	Yale
DeSmet	Labolt	Raymond	

A map showing communities served with gas service at retail follows this sheet.

Types and Classes of Service

1. Residential Gas Service
2. General Gas Service
3. Commercial and Industrial Firm Sales Service
4. Commercial and Industrial Interruptible Sales Service
5. Transportation Service, including Customer Balancing and Standby Service Options

All service is furnished under the provisions of the Company's General Terms and Conditions set forth in Section No. 5 of these tariff schedules.

(continued)

Date Filed: June 1, 1999

Effective Date: July 1, 1999

Michael J. Hanson
 Issued By: President & CEO

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE
 HURON
 SOUTH DAKOTA

Section No. 3
Pro Forma Sheet No. 1
 Canceling 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:	\$ 6.00	(I)
<i>Non-Gas Commodity Charge:</i>		
First 30 therms. per therm	\$ 0.2474	(I)
Over 30 therms. per therm	\$ 0.1320	(I)
<i>Standby Capacity Charge - December through March:</i>	\$ 12.00	

Minimum Monthly Bill: \$ 6.00 (I)

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. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

4. Other Provisions

The Standby Charge is applicable to customers using service pursuant to this schedule as a backup fuel source to an alternately fueled heating system. This charge is not applicable where natural gas service is the primary heating fuel source.

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

Date Filed: June 1, 1999

Service on and after
 Effective Date: July 1, 1999

Michael J. Hanson
 Issued By: President & CEO

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE
 HURON
 SOUTH DAKOTA

Section No. 3
 Sheet No. 2
 Pro Forma
 Canceling 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:	\$ 7.00	(I)
<i>Non-Gas Commodity Charge:</i>		
First 400 therms. per therm	\$ 0.1471	(I)
Next 1,600 therms. per therm	\$ 0.0941	(I)
Over 2,000 therms. per therm	\$ 0.0591	(I)
<i>Standby Capacity Charge - December through March:</i>	\$ 37.00	

Minimum Monthly Bill: \$ 7.00 (I)

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. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

4. Other Provisions

The Standby Charge is applicable to customers using service pursuant to this schedule as a backup fuel source to an alternately fueled heating system. This charge is not applicable where natural gas service is the primary heating fuel source.

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

Date Filed: June 1, 1999

Service on and after
 Effective Date: July 1, 1999

Michael J. Hanson

General Manager, President & CEO

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN PUBLIC SERVICE
HURON
SOUTH DAKOTA**

Section No. 3
Sheet No. 3.1
Pro Forma
Canceling _____ Sheet No. 3.1

**CLASS OF SERVICE: Commercial and Industrial
RATE DESIGNATION: Firm Sales Service**

Rate No. 84

1. Applicability

This rate is available for firm gas volumes, on a contract basis, to commercial and industrial customers whose maximum requirements for natural gas are greater than 200 therms per day, and who may also require volumes of interruptible gas in excess of firm demand volumes for which they have contracted. 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.

2. Territory

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

3. Rates

Customer may choose the rate option, and level of daily contract demand (never less than 50 therms), 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:	<u>\$ 80.00</u>	<u>\$280.00</u>	(I)
<i>Non-Gas Commodity Charge</i> , all use, per therm:	<u>\$0.0462</u>	<u>\$0.0225</u>	(I)
<i>Demand Charge</i> per therm of daily contract demand as shown on Sheet 9a.			

Gas Demand Payment Elections

- A. Annually - in advance, with 5% discount
- B. Seasonally profiled
 - January & February 20% of annual charge per month
 - March & December 15% of annual charge per month
 - April & November 10% of annual charge per month
 - May & October 5% of annual charge per month
 - June through September 0% of annual charge per month
- C. Monthly - 12 equal billings

In the absence of an appropriate election by customer Election "C" will be automatically assigned. Unless otherwise mutually agreed upon between the Company and customer all elections must be for a minimum period of twelve consecutive months.

Date Filed: June 1, 1999

Service on and after
Effective Date: July 1, 1999

Michael J. Hanson
Issued By: President & CEO

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN PUBLIC SERVICE
HURON
SOUTH DAKOTA**

Section No. 3
Pro Forma Sheet No. 4.1
Canceling Sheet No. 4.1

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.

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 per Meter:</i>	<u>\$ 80.00</u>	<u>\$280.00</u>	(I)
<i>Non-Gas Commodity Charge, all use, per therm:</i>	<u>\$0.0462</u>	<u>\$0.0225</u>	(II)

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. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

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.

Date Filed: June 1, 1999

Service on and after
Effective Date: July 1, 1999

Michael J. Hanson
Issued By: President & CEO

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE
 HURON
 SOUTH DAKOTA

Section No. 3
 Sheet No. 6.1
 Canceling Pro Forma Sheet No. 6.1

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Transportation Service

Rate No. 87

1. Applicability and Character of Service

This Transportation Service Tariff shall apply to gas purchased by Customer from a third-party supplier, or through an agency relationship with the Company, delivered to Company's system by an interstate pipeline, and received, transported, and delivered, on a firm basis, by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

2. Availability

This service is available to any Customer with facilities served by the Company in South Dakota who has Company installed telemetric equipment in place to monitor daily usage. Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services that may be offered. In the event that a Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

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:	<u>\$130.00</u>	<u>\$330.00</u>	(I)
<i>Commodity Charge</i> , all use, per therm:	<u>\$0.0462</u>	<u>\$0.0225</u>	(II)

Fuel Retention. a Customer or Group Customer, if applicable, shall have the option to choose either an indexed based or inkind method to apply retention, as provided in the Gas Transportation General Terms and Conditions in Section No. 5 of this tariff.

One-Time Charges:

Application Charge: \$50.00 with each request for service.
 Telemetry: Standard cost of telemetry, installation and hardware, including appropriate tax gross-up, shall be \$2.100 per unit installed.

Minimum Monthly Bill:

The Customer Charge.

Date Filed: June 1, 1999

Service on and after
 Effective Date: July 1, 1999

Michael J. Hanson
 Issued By: President & CEO

Name of Respondent Northwestern Public Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year of Report Dec 31, 1998
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	428,950,557	435,593,765
3	Construction Work in Progress (107)	200-201	12,529,151	15,704,915
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		441,479,708	451,298,680
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	171,808,953	181,107,119
6	Net Utility Plant (Enter Total of line 4 less 5)		269,670,755	270,191,561
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203	0	0
8	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
9	Net Nuclear Fuel (Enter Total of line 7 less 8)		0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)		269,670,755	270,191,561
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored Underground - Noncurrent (117)		0	0
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221	0	0
15	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
16	Investments in Associated Companies (123)		0	0
17	Investment in Subsidiary Companies (123.1)	224-225	80,709,504	93,820,396
18	(For Cost of Account 123.1. See Footnote Page 224, line 42)			
19	Noncurrent Portion of Allowances	228-229	0	0
20	Other Investments (124)		590,403	506,765
21	Special Funds (125-128)		0	0
22	TOTAL Other Property and Investments (Total of lines 14 thru 17,19,21)		81,299,907	94,327,161
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		3,749,599	979,323
25	Special Deposits (132-134)		0	0
26	Working Fund (135)		28,581	32,351
27	Temporary Cash Investments (136)		0	3,063,122
28	Notes Receivable (141)		0	0
29	Customer Accounts Receivable (142)		10,840,772	11,670,642
30	Other Accounts Receivable (143)		6,000,068	3,915,157
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		500,000	400,000
32	Notes Receivable from Associated Companies (145)		0	0
33	Accounts Receivable from Assoc. Companies (146)		32,772,127	276,772,044
34	Fuel Stock (151)	227	1,830,197	1,979,197
35	Fuel Stock Expenses Undistributed (152)	227	0	0
36	Residuals (Elec) and Extracted Products	227	0	0
37	Plant Materials and Operating Supplies (154)	227	3,878,027	3,562,051
38	Merchandise (155)	227	222,395	22,910
39	Other Materials and Supplies (156)	227	183,884	183,884
40	Nuclear Materials Held for Sale (157)	202-203/227	0	0
41	Allowances (158.1 and 158.2)	228-229	0	0
42	(Less) Noncurrent Portion of Allowances		0	0
43	Stores Expense Undistributed (163)	227	755,112	1,313,196
44	Gas Stored Underground - Current (164.1)		1,753,789	2,056,392
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
46	Prepayments (165)		5,849,135	6,777,487
47	Advances for Gas (166-167)		0	0
48	Interest and Dividends Receivable (171)		0	0
49	Rents Receivable (172)		0	0
50	Accrued Utility Revenues (173)		3,085,959	3,648,805
51	Miscellaneous Current and Accrued Assets (174)		3,404,573	5,586,751
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		73,854,318	317,589,312

Name of Respondent Northwestern Public Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year of Report Dec. 31, 1998
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock issued (201)	250-251	31,224,417	40,279,474
3	Preferred Stock Issued (204)	250-251	3,750,000	3,750,000
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	56,590,924	158,529,650
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	45,550,146	42,825,029
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	27,365,095	38,274,957
13	(Less) Required Capital Stock (217)	250-251	0	0
14	TOTAL Proprietary Capital (Enter Total of lines 2 thru 13)		164,480,582	283,659,110
15	LONG-TERM DEBT			
16	Bonds (221)	256-257	140,000,000	240,000,000
17	(Less) Required Bonds (222)	256-257	0	0
18	Advances from Associated Companies (223)	256-257	0	0
19	Other Long-Term Debt (224)	256-257	54,855,154	111,556,184
20	Unamortized Premium on Long-Term Debt (225)		0	0
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
22	TOTAL Long-Term Debt (Enter Total of lines 16 thru 21)		194,855,154	351,556,184
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases - Noncurrent (227)		0	0
25	Accumulated Provision for Property Insurance (228.1)		0	0
26	Accumulated Provision for Injures and Damages (228.2)		349,232	350,000
27	Accumulated Provision for Pensions and Benefits (228.3)		126,005	315,965
28	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
29	Accumulated Provision for Rate Refunds (229)		0	0
30	TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 24 thru 29)		475,237	665,965
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)		0	0
33	Accounts Payable (232)		8,755,941	8,923,982
34	Notes Payable to Associated Companies (233)		0	0
35	Accounts Payable to Associated Companies (234)		4,461,781	6,558,433
36	Customer Deposits (235)		415,783	305,720
37	Taxes Accrued (236)	262-263	8,142,094	6,125,372
38	Interest Accrued (237)		4,017,823	5,011,486
39	Dividends Declared (238)		0	0
40	Matured Long-Term Debt (239)		0	0
41	Matured Interest (240)		0	0
42	Tax Collections Payable (241)		1,092,297	650,206
43	Miscellaneous Current and Accrued Liabilities (242)		2,774,800	4,683,503
44	Obligations Under Capital Leases-Current (243)		0	0
45	TOTAL Current & Accrued Liabilities (Enter Total of lines 32 thru 44)		29,660,519	32,271,707

Name of Respondent Northwestern Public Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 11	Year of Report Dec. 31, 1998
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		0	0
48	Accumulated Deferred Investment Tax Credits (255)	266-267	8,901,069	8,339,469
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	20,621,958	14,990,692
51	Other Regulatory Liabilities (254)	278	0	0
52	Unamortized Gain on Reacquired Debt (257)		0	0
53	Accumulated Deferred Income Taxes (281-283)	272-277	27,690,185	28,098,572
54	TOTAL Deferred Credits (Enter Total of lines 47 thru 53)		57,213,212	51,428,733
55			0	0
56			0	0
57			0	0
58			0	0
59			0	0
60			0	0
61			0	0
62			0	0
63			0	0
64			0	0
65			0	0
66			0	0
67			0	0
68	TOTAL Liab and Other Credits (Enter Total of lines 14,22,30,45,54)		446,684,704	719,581,699

Name of Respondent Northwestern Public Service Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 1998
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STATEMENT OF INCOME FOR THE YEAR

- Report amounts for accounts 412 and 413. Revenue and Expenses from Utility Plant Leased to Others, in another Utility column (i, k, m, o) in a similar manner to a utility department. Spread the amount(s) over Lines 02 thru 24 as appropriate. include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating income, in the same manner as accounts 412 and 413 above.
- Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
- Use pages 122-123 for important notes regarding the statement of income or any account thereof.
- Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
- Give concise explanations concerning significant amounts of any refunds made or received during the year.

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	138,253,165	150,588,259
3	Operating Expenses			
4	Operation Expenses (401)	320-323	82,166,011	90,855,451
5	Maintenance Expenses (402)	320-323	6,298,852	5,881,135
6	Depreciation Expense (403)	336-337	13,861,917	13,490,813
7	Amort. & Depl. of Utility Plant (404-405)	336-337	777,678	294,468
8	Amort. of Utility Plant Acq. Adj. (406)	336-337		
9	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263	6,245,725	6,870,252
14	Income Taxes - Federal (409.1)	262-263	2,433,575	11,335,545
15	- Other (409.1)	262-263	132,897	136,230
16	Provision for Deferred Income Taxes (410.1)	234, 272-277	3,135,299	-5,501,045
17	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	1,065,700	299,997
18	Investment Tax Credit Adj. - Net (411.4)	266	-561,600	-559,172
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 22)		113,474,654	122,403,680
24	Net Util Oper Inc (Enter Tot line 2 less 23) Carry fwd to P117, line 25		24,778,511	28,184,579

Name of Respondent Northwestern Public Service Company	This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) / /	Year of Report Dec. 31, 1998
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STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

B. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
78,414,964	76,726,821	59,838,201	73,861,438			2
						3
30,260,333	27,882,936	51,905,678	62,972,515			4
5,322,110	4,978,029	976,742	903,106			5
11,362,911	11,105,123	2,499,006	2,385,690			6
506,605	200,188	271,073	94,280			7
						8
						9
						10
						11
						12
5,355,701	5,383,199	890,024	1,487,063			13
3,313,145	8,645,665	-829,570	2,589,880			14
28,783	56,688	104,114	79,542			15
726,114	-3,340,618	2,409,185	-2,160,427			16
966,100	200,397	99,600	99,600			17
-513,600	-511,869	-48,000	-47,303			18
						19
						20
						21
						22
55,396,002	54,198,934	58,078,552	68,204,746			23
23,018,962	22,527,887	1,759,549	5,656,692			24

Statement B

Name of Respondent		This Report Is:		Date of Report		Year of Report	
Northwestern Public Service Company		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /		Dec 31, 1998	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
Line No	Account (a)	(Ref.) Page No. (b)	TOTAL				
			Current Year (c)	Previous Year (d)			
25	Net Utility Operating Income (Carried forward from page 114)		24,778,511	28,184,579			
26	Other Income and Deductions						
27	Other Income						
28	Nonutility Operating Income						
29	Revenues From Merchandising, Jobbing and Contract Work (415)			1,076,659			
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)			767,777			
31	Revenues From Nonutility Operations (417)			9,396,703			
32	(Less) Expenses of Nonutility Operations (417.1)			9,379,070			
33	Nonoperating Rental Income (418)						
34	Equity in Earnings of Subsidiary Companies (418.1)	119	10,909,862	12,549,445			
35	Interest and Dividend Income (419)		1,090,964	721,200			
36	Allowance for Other Funds Used During Construction (419.1)		23,564	-27,650			
37	Miscellaneous Nonoperating Income (421)		235,677	36,948			
38	Gain on Disposition of Property (421.1)			600			
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		12,260,067	13,607,258			
40	Other Income Deductions						
41	Loss on Disposition of Property (421.2)			-70			
42	Miscellaneous Amortization (425)	340					
43	Miscellaneous Income Deductions (426.1-426.5)	340	430,431	558,508			
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		430,431	558,438			
45	Taxes Applic. to Other Income and Deductions						
46	Taxes Other Than Income Taxes (408.2)	262-263					
47	Income Taxes-Federal (409.2)	262-263	5,535,771	4,161,393			
48	Income Taxes-Other (409.2)	262-263					
49	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-1,841,214	-1,453,317			
50	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277					
51	Investment Tax Credit Adj.-Net (411.5)						
52	(Less) Investment Tax Credits (420)						
53	TOTAL Taxes on Other Income and Deduct. (Total of 46 thru 52)		3,694,557	2,722,076			
54	Net Other Income and Deductions (Enter Total lines 39, 44, 53)		8,135,079	10,326,744			
55	Interest Charges						
56	Interest on Long-Term Debt (427)		15,316,507	14,697,233			
57	Amort. of Debt Disc. and Expense (428)		239,513	247,184			
58	Amortization of Loss on Required Debt (428.1)						
59	(Less) Amort. of Premium on Debt-Credit (429)						
60	(Less) Amortization of Gain on Required Debt-Credit (429.1)						
61	Interest on Debt to Assoc. Companies (430)	340					
62	Other Interest Expense (431)	340	-9,872,902	-97,617			
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		47,841	-61,544			
64	Net Interest Charges (Enter Total of lines 56 thru 63)		5,635,277	14,908,344			
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		27,278,313	23,602,979			
66	Extraordinary Items						
67	Extraordinary Income (434)						
68	(Less) Extraordinary Deductions (435)						
69	Net Extraordinary Items (Enter Total of line 67 less line 68)						
70	Income Taxes-Federal and Other (409.3)	262-263					
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)						
72	Net Income (Enter Total of lines 65 and 71)		27,278,313	23,602,979			

Statement C

Name of Respondent Northwestern Public Service Company	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	1 /	Dec 31, 1998

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Year		45,550,146
2	Changes		
3	Adjustments to Retained Earnings (Account 216)		
4			
5			
6			
7			
8			
9	TOTAL Credits to Retained Earnings (Acct. 439)		
10			
11			
12			
13			
14			
15	TOTAL Debits to Retained Earnings (Acct. 439)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		16,366,451
17	Appropriations of Retained Earnings (Acct. 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)		
23	Dividends Declared-Preferred Stock (Account 437)		
24	4 1/2% Series		-117,000
25	6 1/2% Series		-74,750
26			
27			
28			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-191,750
30	Dividends Declared-Common Stock (Account 438)		
31	\$.99 Per Share		-18,901,818
32			
33			
34			
35			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-18,901,818
37	Transfers from Acct 216.1, Unappropriated Undistributed Subsid Earngs		
38	Balance-End of Year		42,825,029

Name of Respondent Northwestern Public Service Company	This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) / /	Year of Report Dec. 31, 1998
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 435 - 439 inclusive). Show the contra primary account affected in column (b)
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
39			
40			
41			
42			
43			
44			
45	TOTAL Appropriated Retained Earnings (Account 215)		
46	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal		
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)		
48	TOTAL Retained Earnings (Account 215, 215.1, 216)		42,825,029
49	Balance-Beginning of Year (Debit or Credit)		27,365,095
50	Equity in Earnings for Year (Credit) (Account 418.1)		10,909,852
51	(Less) Dividends Received (Debit)		
52			
53	Balance-End of Year		38,274,957

Notes to Consolidated Financial Statements

1. Significant Accounting Policies

Nature of Operations:

NorthWestern Corporation (the Corporation) is a service and solutions company providing energy, communications and related services to customers throughout North America. A division of the Corporation is engaged in the regulated energy business of production, purchase, transmission, distribution and sale of electricity and the delivery of natural gas to Midwestern customers. Through CornerStone Propane Partners, L.P. (CornerStone), the Corporation is engaged in retail and wholesale propane distribution business located throughout North America. CornerStone is a publicly traded Delaware limited partnership, formed to acquire and operate propane businesses and assets. A wholly owned subsidiary of the Corporation serves as the general partner of CornerStone and manages and operates CornerStone's business. (For a detailed description of the Partnership Formation and related transactions, see Note 2.) At December 31, 1998, the Corporation owns a combined 30% effective interest in the Partnership. Through Blue Dot Services Inc. (Blue Dot, formerly ServiCenter USA), the Corporation has become a national provider of heating, ventilating, air conditioning, plumbing and related services (HVAC) by acquiring existing companies throughout the U.S. Through Expanets, Inc. (Expanets, formerly Communication Systems USA), the Corporation has become a national provider of integrated communications, data solutions and network services to business customers by acquiring companies throughout the U.S.

Basis of Consolidation:

The accompanying consolidated financial statements include the accounts of the Corporation and all wholly and majority-owned or controlled subsidiaries, including CornerStone, Blue Dot, and Expanets. All significant intercompany balances and transactions have been eliminated from the consolidated financial statements. The Corporation's regulated businesses are subject to various state and federal agency regulation. The public unitholders' interest in CornerStone's net assets subsequent to the Partnership Formation is reflected as a minority interest in the consolidated financial statements. Equity interest of the former owners of companies acquired by Blue Dot, and Expanets who continue to hold an interest in Blue Dot, and Expanets are reflected as minority interests in the consolidated financial statements.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents:

The Corporation generally considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable, net:

Accounts receivable is stated net of allowance for doubtful accounts of \$6.1 million and \$3.6 million at December 31, 1998 and 1997.

Investments and Fair Value of Financial Instruments:

The Corporation's investments consist primarily of short-maturity, fixed-income securities and corporate preferred and common stocks. In addition, the Corporation has investments in privately held entities and ventures, safe harbor leases and various money market and tax exempt investment programs. These investments are accounted for in accordance with Statement of Financial Accounting Standards No. 115 (SFAS 115), "Accounting for Certain Investments in Debt and Equity Securities." SFAS 115 requires that certain investments in debt and equity securities be reported at fair value.

The Corporation's securities are classified under the provisions of SFAS 115 as follows (in thousands):

	Fair Value	Cost	Unrealized Gain
December 31, 1998:			
Preferred Stocks	\$41,547	\$39,560	\$1,987
Marketable Securities	30,945	27,376	2,669
December 31, 1997:			
Preferred Stocks	\$64,549	\$62,197	\$2,652
Marketable Securities	29,470	23,094	6,376

The combined unrealized gain, net of tax, at December 31, 1998 and 1997, was \$3.0 million and \$5.9 million. Held to maturity securities are reported at cost, which approximated fair value and at December 31, 1998 and 1997, was \$80.9 million and \$27.3 million.

The Corporation uses the specific identification method for determining the cost basis of its investments in available for sale securities. Gross proceeds and realized gains and losses on sales of its available for sale securities were not material in 1998, 1997 and 1996.

Based on current market rates for debt of similar credit quality and remaining maturities or quoted market prices for certain issues, the face value of the Corporation's long-term debt approximates its market value.

CornerStone routinely uses commodity futures contracts to reduce the risk of future price fluctuations for natural gas

Notes to Consolidated Financial Statements (continued)

and liquefied petroleum gas (LPG) inventories and contracts. Gains and losses on futures contracts purchased as hedges are deferred and recognized in cost of sales as a component of the product cost for the related hedged transaction. Net realized gains and losses on these contracts are generally not material.

Revenue Recognition:

Electric and natural gas revenues are based on billings rendered to customers rather than on meters read or energy delivered. Customers are billed monthly on a cycle basis. Revenues from propane sales are recognized principally when fuel products are shipped or delivered to customers. HVAC and communication revenues are recognized as goods are delivered to customers or services are performed.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost of acquisition less a depreciation reserve. Depreciation is computed using the straight-line method based on the estimated useful lives of the various classes of property. Depreciable property has estimated useful lives which range from 3 to 40 years.

Depreciation rates include a provision for the Corporation's share of the estimated costs to decommission three coal-fired generating plants at the end of the useful life of each plant. The annual provision for such costs is included in depreciation expense, while the accumulated provisions are included in other noncurrent assets.

When property for the propane, HVAC or communications interests are retired or otherwise disposed, the cost and related accumulated depreciation is removed from the accounts, and the resulting gain or loss is credited or charged to operations. No profit or loss is recognized in connection with ordinary retirements of depreciable electric and natural gas property. Maintenance and repairs are expensed as incurred, while replacements and betterments that extend estimated useful lives are capitalized. Property, plant and equipment at December 31 consisted of the following (in thousands):

	1998	1997
Land and improvements	\$ 19,871	\$ 15,808
Building and improvements	60,941	63,658
Storage, distribution, transmission and generation	611,052	567,514
Other equipment	128,002	73,912
	825,866	720,892
Less accumulated depreciation	(196,588)	(175,270)
	\$629,278	\$545,622

Computer Software Costs:

The Corporation includes in property, plant and equipment external and incremental internal costs associ-

ated with computer software we develop for use in our businesses. Capitalization begins when the costs of the preliminary stage of the project is completed. These costs are amortized on a straight-line basis over an estimated useful life once the installed software is ready for its intended use.

Goodwill and Other Intangibles:

The excess of the cost of businesses acquired over the fair market value of all tangible and intangible assets acquired, net of liabilities assumed, has been recorded as goodwill. Other intangibles consists principally of costs of covenants not to compete. Intangibles and goodwill are being amortized over the estimated periods benefited, which range from 3 to 40 years. Financing costs are amortized over the term of the applicable debt.

The Corporation's policy is to review property, goodwill and other intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such review indicates that the carrying amount is not recoverable, the Corporation's policy is to reduce the carrying amount of these assets to fair value.

(in thousands)

	1998	1997
Goodwill	\$611,847	\$231,459
Noncompete agreements	17,585	4,260
Financing costs	21,936	7,949
	651,368	243,674
Less accumulated amortization	(20,339)	(6,630)
	\$631,029	\$237,044

Income Taxes:

Deferred income taxes relate primarily to the difference between book and tax methods of depreciating property, the difference in the recognition of revenues for book and tax purposes, and natural gas costs, which are deferred for book purposes but expensed currently for tax purposes.

For book purposes, investment tax credits were deferred and are being amortized as a reduction of income tax expense over the useful lives of the property which generated the credits.

Regulatory Assets and Liabilities:

The regulated operations of the Corporation are subject to the provisions of Statement of Financial Accounting Standards No. 71 (SFAS 71), "Accounting for the Effects of Certain Types of Regulations." Regulatory assets represent probable future revenue to the Corporation associated with certain costs, which will be recovered from customers through the ratemaking process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are to be credited to customers through the ratemaking process.

Notes to Consolidated Financial Statements (continued)

If all or a separable portion of the Corporation's operations becomes no longer subject to the provisions of SFAS 71, an evaluation of future recovery from related regulatory assets and liabilities would be necessary. In addition, the Corporation would determine any impairment to the carrying costs of deregulated plant and inventory assets.

New Accounting Standards:

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities." The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments imbedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS 133 is effective for fiscal years beginning after June 15, 1999. The Corporation is evaluating the impacts of adopting SFAS 133 on its financial statements. The impact of SFAS 133 will likely depend upon the extent of use of derivative instruments and their designation and effectiveness as hedges of market risk.

Reclassifications:

Certain 1997 and 1996 amounts have been reclassified to conform to the 1998 presentation. Such reclassifications had no impact on net income or shareholders' equity as previously reported. Shares outstanding and earnings per share amounts have been adjusted to reflect the May 1997 stock split.

Supplemental Cash Flow Information:

(in thousands)	1998	1997	1996
Cash paid during the year for:			
Income taxes	\$17,629	\$ 8,940	\$ 6,271
Interest	35,162	30,090	18,645
Noncash transactions during the year for:			
Assumption of debt as part of acquisitions	28,572	1,551	149,516

2. Business Combinations and Acquisitions

Master Limited Partnership Offering and Acquisitions:

On December 17, 1996, a wholly owned subsidiary of NorthWestern Growth Corporation acquired CGI Holdings, Inc. (Coast). Immediately after the acquisition, the Corporation combined the propane distribution businesses of

Coast, Empire Energy Corporation (Energy), Myers Propane Gas Corporation (Myers), and Synergy Group Incorporated (Synergy) into CornerStone. As part of an IPO on the same date, CornerStone sold a total of 9,821,000 Common Units at a price to the public of \$21 a Unit. In January 1998, CornerStone sold an additional 1,960,000 Common Units at a price to the public of \$22.125 per Unit.

The net proceeds of \$191.8 million from the sale of 9,821,000 Common Units of CornerStone and the net proceeds from the issuance of \$220 million face value of CornerStone Senior Notes were used to repay term and revolving debt of Coast, Energy and Synergy, including accrued interest and any prepayment premiums which were assumed by the Partnership. In addition, the preferred stock of Synergy was redeemed at a premium. As a result of these repayments, the Corporation recorded a one-time, after-tax gain of \$.09 per share from the prepayment of the term debt and redemption of preferred stock investment in Synergy.

On December 11, 1998, the Partnership acquired the operations of Propane Continental, Inc. (PCI), a retail and wholesale propane distributor for approximately \$121 million, including debt to be refunded. The acquisition was financed with Common Unit equity and long-term debt. The acquisition was accounted for under the purchase method of accounting. PCI operates 34 retail propane customer service centers in 11 states. Through Tri Power Fuels, PCI's wholesale business, PCI distributes propane and other natural gas liquids to independent dealers, resellers and end users predominately in the West, Midwest and Northeast sections of the country.

On December 31, 1998, the Partnership acquired the operations of ERI Services Canada, Ltd. and ERI Services, Inc. for approximately \$4.5 million. Both of these entities are engaged in wholesale natural gas purchases and sales. The majority of their business is in Canada with a limited amount of business in the northeastern U.S.

At December 31, 1998, CornerStone's capital consisted of 16,444,096 Common Units, 6,597,619 Subordinated Units representing limited partner interests and a 2% aggregate general partner interest. At December 31, 1998, the Corporation's wholly and majority-owned subsidiaries owned all 6,597,619 Subordinated Units and an aggregate 2% general partner interest in the Partnership, or a combined 30% effective interest in the Partnership.

Blue Dot Services Inc.:

In 1997, NorthWestern formed Blue Dot, to acquire and operate HVAC companies in the U.S. At December 31, 1998, Blue Dot had acquired 23 companies in 13 states with a total NorthWestern investment of \$87.0 million. At December 31,

Notes to Consolidated Financial Statements (continued)

1998, NorthWestern owned a 94.8% voting interest in Blue Dot, through common and preferred stock ownership.

Expanets, Inc.:

In 1997, NorthWestern formed Expanets to acquire and operate communication companies in the U.S. At December 31, 1998, Expanets had acquired 18 companies in 25 states with a total NorthWestern investment of \$108.3 million. At December 31, 1998, NorthWestern owned a 93.8% voting interest in Expanets through common and preferred stock ownership.

The acquisitions made by Blue Dot, and Expanets were effected utilizing cash or stock (of Blue Dot, or Expanets) and generally with a combination of both. In connection with certain acquisitions where the merger consideration included stock, both Blue Dot, and Expanets entered into exchange agreements with the sellers that typically do not exceed two years. Under such agreements, the seller can elect to exchange the stock of Blue Dot, or Expanets that they received in connection with the acquisition back to the Corporation for, at the Corporation's option, either stock of the Corporation or cash at a predetermined exchange rate.

All acquisitions of CornerStone, Blue Dot, and Expanets were accounted for under the purchase method of accounting with the excess of the purchase price over the fair value of assets acquired recorded as goodwill based upon the preliminary estimates of fair value and are subject to further changes. Had the acquisitions of CornerStone, Blue Dot, and Expanets occurred on January 1, 1997, combined unaudited pro forma results for the year ended December 31, 1997, as prescribed under Accounting Principles Board Opinion No. 16 (APB 16), "Business Combinations," would have been: revenues \$1.8 billion, net income \$37.7 million and diluted earnings per share \$1.34. The combined unaudited pro forma results for the year ended December 31, 1998, would have been: revenues \$2.0 billion, net income \$41.1 million and diluted earnings per share \$1.48. The pro forma disclosures required under APB 16 are not indicative of past or future operating results.

3. Short-Term Borrowings

The Corporation may issue short-term debt in the form of bank loans and commercial paper as interim financing for general corporate purposes. The bank loans may be obtained under short-term lines of credit. At December 31, 1998, the Corporation's aggregate lines of credit available were \$75 million. The Corporation pays an annual fee generally equivalent to .1% to .25% of the unused lines. There were no line of credit borrowings or commercial paper outstanding at December 31, 1998 and 1997.

Expanets entered into a Bank Credit Facility in December 1998 with a commercial bank. The Bank Credit Facility consists of a \$15 million Working Capital Facility. There were \$11.0 million of borrowings outstanding under the Working Capital Facility at December 31, 1998. The Bank Credit Facility bears interest at a variable rate tied to the Eurodollar or prime rate plus a stated margin for each rate. The Bank Credit Facility matures in June 1999. The Facility is not secured, however, Expanets is subject to restrictive covenants which include a) restrictions on other indebtedness, b) limits on mergers, acquisitions and dispositions, and c) minimum investment in Expanets by the Corporation.

4. Long-Term Debt

Substantially all of the Corporation's electric and natural gas utility plant is subject to the lien of the indentures securing its general mortgage bonds and pollution control obligations. General mortgage bonds of the Corporation may be issued in amounts limited by property, earnings and other provisions of the mortgage indenture. In March 1997, the Corporation retired early the \$7.5 million outstanding of the 8.9% series general mortgage bonds. In July 1997, the Corporation retired early the \$15 million outstanding of the 8.824% series general mortgage bonds. As part of a financing transaction in November 1998, the Corporation issued \$105 million of 6.95%, 30-year senior unsecured debt. The proceeds were used to repay short-term indebtedness and for general corporate purposes. The following tables summarize the Corporation's long-term obligations at December 31 (in thousands):

	Due	1998	1997
Long-Term Debt:			
Senior Unsecured Debt - 6.95%	2028	\$105,000	\$ -
General mortgage bonds -			
6.99%	2002	20,000	25,000
7.10%	2005	60,000	60,000
7%	2023	35,000	35,000
Pollution control obligations -			
5.85%, Mercer Co., ND	2023	7,550	7,550
5.90%, Salix, IA	2023	4,000	4,000
5.90%, Grant Co., SD	2023	9,800	9,800
Less current maturities		(5,000)	(5,000)
		<u>\$256,350</u>	<u>\$156,350</u>
Long-Term Debt of Subsidiaries - nonrecourse:			
Senior Secured Debt -			
7.53%	2010	\$220,000	\$220,000
7.33%	2010	85,000	-
Bank Credit Facility	1999	1,700	36,000
Other term debt		40,885	15,745
Less current maturities		(15,060)	(2,314)
		<u>\$332,525</u>	<u>\$268,931</u>

In conjunction with the Partnership Formation in December 1996, the Partnership issued \$220 million in First Mortgage Notes (Mortgage Notes). These Mortgage Notes are

Notes to Consolidated Financial Statements (continued)

collateralized by substantially all of the assets of the Partnership and rank pari passu with the Bank Credit Facility. The Mortgage Notes bear interest at a fixed rate of 7.53% payable semi-annually and mature in the year 2010 with eight equal annual installments beginning in the year 2003. The Partnership may, at its option and under certain circumstances following the disposition of assets, be required to offer to prepay the Mortgage Notes in whole or in part. The Mortgage Notes agreement contains restrictive covenants applicable to the Partnership including a) restrictions on the incurrence of additional indebtedness, b) restrictions on the ratio of consolidated cash flow to consolidated interest expense of the Partnership, as defined, and c) restrictions on certain liens, loans and investments, payments, mergers, consolidations, sales of assets and other transactions. Generally, as long as no default exists or would result, the Partnership is permitted to make cash distributions not more frequently than quarterly in an amount not to exceed available cash, as defined, for the immediately preceding calendar quarter.

As part of a financing transaction in December 1998, the Partnership issued \$85 million of Senior Secured Notes (Senior Notes). These Senior Notes are collateralized by substantially all of the assets of the Partnership and ranks pari passu with existing notes and borrowings under the Bank Credit Facility. The Senior Notes bear interest at a fixed rate of 7.33% payable semi-annually and mature in the year 2010 with eight annual installments beginning in the year 2003. The Senior Notes agreement contains the same restrictive covenants as those associated with the 1996 Mortgage Notes.

The Partnership also has a Bank Credit Facility with a group of commercial banks. The Bank Credit Facility consists of a combined \$110 million Working Capital and Acquisition Facilities to finance propane business acquisitions. There were \$1.7 million of combined borrowings outstanding under the Working Capital and Acquisition Facilities. There were \$56.0 million of combined borrowings outstanding under the Working Capital and the Acquisition Facilities at December 31, 1997. The Bank Credit Facility bears interest at a variable rate tied to a certain Eurodollar index or prime rate plus a variable margin for either rate which depends upon the Partnership's ratio of consolidated debt to consolidated cash flow. The Bank Credit Facility matures in December 1999. The Bank Credit Facility is collateralized by substantially all of the assets of the Partnership and ranks pari passu with the Mortgage Notes. The Bank Credit Facility contains restrictive covenants applicable to the Partnership including a) restrictions on the incurrence of additional indebtedness, b) restrictions on the ratio of consolidated cash flow to consolidated interest

expense of the Partnership, as defined, and c) restrictions on certain liens, loans and investments, payments, mergers, consolidations, sales of assets and other transactions. They also require that the Partnership maintain a ratio of total funded indebtedness to consolidated cash flow, as defined. Generally, as long as no default exists or would result, the Partnership is permitted to make cash quarterly distributions in an amount not to exceed Available Cash, as defined.

The balance of other nonrecourse debt is generally comprised of the debt assumed and issued in conjunction with acquisitions of \$40.9 million and \$15.3 million at December 31, 1998 and 1997.

Annual scheduled consolidated retirements of long-term debt during the next five years are \$20.1 million in 1999, \$10.2 million in 2000, \$8.9 million in 2001, \$3.0 million in 2002 and \$40.2 million in 2003.

5. Income Taxes

Income tax expense is comprised of the following (in thousands):

	1998	1997	1996
Federal income:			
Current tax expense	\$12,945	\$ 4,620	\$ 9,174
Deferred tax expense	(1,069)	6,512	5,330
Investment tax credit	(562)	(559)	(561)
State income	1,382	533	972
	\$13,196	\$11,111	\$15,415

The following table reconciles the Corporation's effective income tax rate to the federal statutory rate:

	1998	1997	1996
Federal statutory rate	35%	35%	35%
State income, net of federal benefit	2	1	2
Amortization of investment tax credit	(1)	(2)	(1)
Dividends received deduction	(7)	(2)	(1)
Other, net	1	1	2
	30%	33%	37%

The components of the net deferred income tax liability recognized in the Corporation's Consolidated Balance Sheets are related to the following temporary differences at December 31 (in thousands):

	1998	1997
Excess tax depreciation	\$80,556	\$79,366
Safe harbor loss	(4,192)	(4,514)
Property basis and life differences	(11,027)	(12,902)
Asset value	(3,967)	(4,273)
Regulatory assets	(2,732)	(3,057)
Regulatory liabilities	4,125	4,512
Unsettled income	2,940	3,746
Unsettled investment tax credit	3,365	3,491
Unsettled state income taxes	1,332	1,179
Other, net	21,340	20,576
	\$74,972	\$72,534

Notes to Consolidated Financial Statements (continued)

6. Team Member Benefit Plans

The Corporation maintains a noncontributory defined benefit pension plan. The benefits to which a team member is entitled under the plan are derived using a formula based on the number of years of service and compensation levels, as defined. The Corporation determines the annual funding for its plan using the frozen initial liability cost method. The Corporation's annual contribution is funded in accordance with the requirements of ERISA. Assets of the plan consist primarily of debt and equity securities.

Following is a reconciliation of the changes in the plan's benefit obligations and fair value of assets over the two-year period ending December 31, 1998, and a statement of the funded status as of December 31 of both years (in thousands):

	1998	1997
Reconciliation of benefit obligation:		
Obligation at January 1	\$54,656	\$50,058
Service cost	1,012	981
Interest cost	3,689	3,499
Participant contributions	—	—
Amendments	—	1,779
Actuarial (gain) loss	1,009	1,712
Acquisition	—	—
Benefits paid	(3,649)	(3,373)
Benefit obligation at end of year	\$6,717	\$4,656
Reconciliation of fair value of plan assets:		
Fair value of plan assets at January 1	64,389	56,507
Actual return on plan assets	12,707	10,024
Acquisition	—	—
Employer contributions	—	1,231
Participant contributions	—	—
Benefits paid	(3,649)	(3,373)
Fair value of plan assets at end of year	\$73,447	\$64,389
Funded status:		
Funded status at December 31	16,730	9,734
Unrecognized transition amount	1,083	1,237
Unrecognized net actuarial loss	(16,755)	(10,665)
Unrecognized prior service cost	3,320	3,820
Prepaid (accrued) benefit cost	\$ 4,378	\$ 4,126

The following table provides the components of net periodic benefit cost for the plans for 1998, 1997 and 1996 (in thousands):

	1998	1997	1996
Service cost	\$ 1,012	\$ 981	\$ 958
Interest cost	3,689	3,499	3,506
Expected return on plan assets	(5,307)	(4,681)	(4,377)
Amortization of transition (asset) obligation	155	155	155
Amortization of prior service cost	500	278	278
Amortization of net (gain) loss	(302)	(106)	(193)
Net periodic benefit cost	\$ (253)	\$ 126	\$ 327

The prior service costs are amortized on a straight-line basis over the average remaining service period of active

participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the market-related value of assets are amortized over the average remaining service period of active participants.

The assumptions used in calculating the projected benefit obligation for 1998, 1997 and 1996 were as follows:

	1998	1997	1996
Discount rate	6.75%	7.00%	7.25%
Expected rate of return on assets	8.50%	8.50%	8.50%
Long-term rate of increase in compensation levels	3.00%	3.00%	3.00%

The Corporation provides a team member savings plan, which permits a team member to defer receipt of compensation as provided in Section 401(k) of the Internal Revenue Code. Under the plan, a team member may elect to direct up to 12 percent of their gross compensation be contributed to the plan (subject to a maximum dollar amount as specified by applicable regulations). The Corporation contributes 50 cents for every one dollar contributed by the team member, up to a maximum Corporation contribution of 3% of the team member's gross compensation. The Corporation also provides an Employee Stock Ownership Plan (ESOP) for full-time team members. The ESOP is funded primarily with federal income tax savings, which arise from tax laws applicable to such team member benefit plans. Certain Corporation contributions and shares of stock acquired by the ESOP are allocated to participants' accounts in proportion to the compensation of team members during the particular year for which allocation is made. Costs incurred under the plan were \$1.6 million, \$1.5 million and \$1.4 million in 1998, 1997 and 1996.

The Corporation also has various supplemental retirement plans for outside directors and selected management team members. The plans are nonqualified defined benefit plans that provide for certain amounts of salary continuation in the event of death before or after retirement or certain supplemental retirement benefits in lieu of any death benefits. In addition, the Corporation provides life insurance benefits to beneficiaries of eligible team members who represent a reasonable insurable risk. To minimize the overall cost of plans providing life insurance benefits, the Corporation has obtained life insurance coverage that is sufficient to fund benefit obligations. Costs incurred under the plans were \$1.5 million, \$1.2 million and \$1.3 million in 1998, 1997 and 1996.

CornerStone has a Restricted Unit Plan (the "Restricted Unit Plan") which authorizes the issuance of Common Units with an aggregate value of \$17.5 million to directors, executives, managers and selected supervisors of the Partnership. The value of the Restricted Common Unit is

Notes to Consolidated Financial Statements (continued)

established by the market price of the Common Unit at the date of grant. As of December 31, 1998, Restricted Common Units with a value of \$13.8 million have been awarded.

CornerStone, Blue Dot, and Expanets provide various team member savings plans, which permit team members to defer receipt of compensation as provided in Section 401(k) of the Internal Revenue Code. Under the plans, the team member may elect to direct a percentage of their gross compensation be contributed to the plans. CornerStone, Blue Dot, and Expanets, at their discretion, may match a portion of the team member contribution.

7. Jointly Owned Plants

The Corporation has an ownership interest in three major electric generating plants, all of which are operated by other utility companies. The Corporation has an undivided interest in these facilities and is responsible for its proportionate share of the capital and operating costs while being entitled to its proportionate share of the power generated. The Corporation's interest in each plant is reflected in the Consolidated Balance Sheets on a prorate basis, and its share of operating expenses is reflected in the Consolidated Statements of Income. The participants each finance their own investment.

Information relating to the Corporation's ownership interest in these facilities at December 31, 1998, is as follows (in thousands):

	Big Stone	Neal #4	Coyote 1
Plant in service	\$46,313	\$33,711	\$46,646
Accumulated depreciation	\$26,444	\$13,059	\$21,467

8. Operating Leases

The Corporation leases office, office equipment and warehouse facilities under various long-term operating leases. At December 31, 1998, future minimum lease payments under noncancelable lease agreements are as follows:

1999	\$3,456
2000	7,204
2001	5,723
2002	4,037
2003	2,337
Thereafter	3,734

9. Stock Options and Warrants

In May 1998, the Corporation adopted the NorthWestern Stock Option and Incentive Plan (the "Plan"). Under the Plan, the Corporation has reserved 1,338,189 shares for issuance to officers, key team members and directors as either incentive-based options or nonqualified options.

The Nominating and Compensation Committee of the Corporation's Board of Directors administers the Plan. Unless established differently by the Committee, the per share option exercise price shall be the fair market value of the Corporation's common stock at the grant date. The options are outstanding for 10 years following the date of grant. In addition, the Corporation issued 1,279,476 warrants to purchase shares of NorthWestern common stock in connection with a previous acquisition. A summary of the activity of stock options and warrants are as follows:

	Stock Options	
	Shares	Exercise Price
Outstanding at December 31, 1997	—	—
Issued	188,500	\$23.00
Exercised	—	—
Outstanding at December 31, 1998	188,500	\$23.00

	Stock Warrants	
	Shares	Exercise Price
Outstanding at December 31, 1997	—	—
Issued	1,279,476	\$18.225
Exercised	174,318	\$18.225
Outstanding at December 31, 1998	1,105,158	\$18.225

The Corporation follows Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees," to account for stock option plans. No compensation cost is recognized because the option exercise price is equal to the market price of the underlying stock on the date of grant.

An alternative method of accounting for stock options is SFAS 123, "Accounting for Stock-Based Compensation." Under SFAS 123, team member stock options are valued at grant date using the Black-Scholes valuation model and compensation cost is recognized ratably over the vesting period. Had compensation cost for the Corporation's stock option plan been determined based on the Black-Scholes value at the grant dates for awards as prescribed by SFAS 123, the pro forma information for 1998 would have been as follows (in thousands except per share amounts):

Earnings on common stock:	
As reported	\$27,036
Pro forma	\$26,607
Diluted earnings per share:	
As reported	\$1.44
Pro forma	\$1.41

The weighted average Black-Scholes value of options granted under the stock option plan during 1998 was \$3.91. The 1998 value was estimated using an expected life of eight years, 3.3% dividend yield, volatility of 16.9% and risk-free interest rate of 5.98%.

Notes to Consolidated Financial Statements (continued)

10. Earnings Per Share

In 1998, the Corporation adopted SFAS No. 128, "Earnings Per Share," which establishes two methods for calculating earnings per share, basic and diluted, and simplifies the previous standards for computing earnings per share. Basic earnings per share is computed on the basis of the weighted average number of common shares outstanding. Diluted earnings per share is computed on the basis of the weighted average number of common shares outstanding plus the effect of the outstanding stock options and warrants. The following table presents the shares used in computing the basic and diluted earnings per share for 1998, 1997 and 1996 (in thousands):

	1998	1997	1996
Average common shares outstanding for basic computation	18,060	17,843	17,840
Dilutive effect of:			
Stock options	5	—	—
Stock warrants	151	—	—
Average common shares outstanding for diluted computation	18,816	17,843	17,840

11. Partnership Distributions

The Partnership makes distributions to its partners with respect to each fiscal quarter of the Partnership in an aggregate amount equal to its Available Cash for such quarter. Available Cash generally means, with respect to any fiscal quarter of the Partnership, all cash on hand at the end of such quarter plus all additional cash on hand as of the date of determination resulting from borrowings subsequent to the end of such quarter less the amount of cash reserves established by the General Partner in its reasonable discretion for future cash requirements. These reserves are retained for the proper conduct of the Partnership's business, for the payment of debt principal and interest, and for distributions during the next four quarters.

Distributions by the Partnership, in an amount equal to 100% of its Available Cash, will generally be made 98% to the Common and Subordinated Unitholders and 2% to the General Partner. Distributions are subject to the payment of incentive distributions in the event Available Cash exceeds the Quarterly Distribution of \$,594 on all Units. To the extent there is sufficient Available Cash, the holders of Common Units have the right to receive the Minimum Quarterly Distribution, plus any arrearages, prior to the distribution of Available Cash to holders of Subordinated Units. Common Units will not accrue arrearages for any quarter after the Subordination Period (as defined below), and Subordinated Units will not accrue any arrearages with respect to distributions for any quarter.

The Subordination Period will generally extend until the first day of any quarter beginning on or after December 31, 2001, in respect of which a) distributions of Available Cash from operating surplus equal or exceed the Minimum Quarterly Distribution on each of the outstanding Common and Subordinated Units for each of the three consecutive four-quarter periods immediately preceding such date, b) the adjusted operating surplus generated during each of the three consecutive four-quarter periods immediately preceding such date equals or exceeds the Minimum Quarterly Distribution on each of the Common and Subordinated Units and the related distribution on the General Partner interests in the Partnership during such periods, and c) there are no outstanding Common Unit arrearages.

In addition, 1,649,405 Subordinated Units will convert into Common Units for any quarter ending on or after December 31, 1999, and an additional 1,649,405 Subordinated Units will convert into Common Units for any quarter ending on or after December 31, 2000, if a) distributions of Available Cash from operating surplus on each of the outstanding Common and Subordinated Units equal or exceed the Minimum Quarterly Distribution for each of the three consecutive four-quarter periods immediately preceding such date, b) the adjusted operating surplus generated during the immediately preceding two consecutive four-quarter periods equals or exceeds the Minimum Quarterly Distribution on all of the Common and Subordinated Units outstanding during that period and c) there are no arrearages on the Common Units.

The Partnership will make distributions of its Available Cash approximately 45 days after the end of each quarter ending March, June, September and December to holders of record on the applicable record dates. For the quarter ended December 31, 1997, and year ended December 31, 1998, the Partnership and the Corporation elected to forgo the Subordinated Unit distributions continuing the support for the Common Unitholders.

12. Environmental Matters

The Corporation is subject to environmental regulations from numerous entities. The Clean Air Act Amendments of 1990 (the Act) stipulate limitations on sulfur dioxide and nitrogen oxide emissions from coal-fired power plants. The Corporation believes it can economically meet such sulfur dioxide emission requirements at its generating plants by the required compliance dates and that it is in compliance with all presently applicable environmental protection requirements and regulations. The Corporation is also subject to

Notes to Consolidated Financial Statements (continued)

other environmental regulations including matters related to former manufactured gas plant sites. In 1995, the Corporation remediated a site located at Huron, South Dakota, through thermal desorption of residues in the soil. Adjustments of the Corporation's natural gas rates to reflect the costs associated with the remediation were approved through the regulatory process. The Corporation is pursuing recovery from insurance carriers. No administrative or judicial proceedings involving the Corporation are now pending or known by the Corporation to be contemplated under present environmental protection requirements.

13. Capital Stock

In December 1996, the Corporation's Board of Directors declared, pursuant to a shareholders' rights plan, a dividend distribution of one Right on each outstanding share of the Corporation's common stock. Each Right becomes exercisable, upon the occurrence of certain events, at an exercise price of \$50 per share, subject to adjustment. The Rights are currently not exercisable and will be exercisable only if a person or group of affiliated or associated persons (Acquiring Person) either acquires ownership of 15% or more of the Corporation's common stock or commences a tender or exchange offer that would result in ownership of 15% or more. In the event the Corporation is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earnings power are sold, each Right entitles the holder to receive such number of shares of common stock of the Acquiring Person having a market value of two times the then current exercise price of the Right. The Rights, which expire in December 2006, are redeemable in whole, but not in part, at a price of \$,005 per Right, at the Corporation's option at any time until any Acquiring Person has acquired 15% or more of the Corporation's common stock.

The Corporation is authorized to issue 1,000,000 shares of \$100 par cumulative preferred stock. As of December 31, 1998 and 1997, there were 37,500 shares outstanding of which 26,000 were 6 1/2% Series and 11,500 were + 1/2% Series. The provisions of the 6 1/2% Series stock contain a five-year put option exercisable by the holders of the securities and a 10-year redemption option exercisable by the Corporation. In any event, redemption will occur at par value. The + 1/2% Series may be redeemed in whole or in

part at the option of the Board of Directors at any time upon at least 30 days notice at \$110.00 per share plus accrued dividends.

In the event of involuntary dissolution, all Corporation preferred stock outstanding would have a preferential interest of \$100 per share, plus accumulated dividends, before any distribution to common shareholders.

There were 2,500 shares of subsidiary preferred stock outstanding at December 31, 1996. The subsidiary preferred stock was redeemed in January 1997.

The Corporation is also authorized to issue a maximum of 1,000,000 shares of preference stock at a par value of \$50 per share. No preference shares have ever been issued.

As of December 31, 1998 and 1997, the Corporation had 3,500,000 and 1,300,000 shares of preferred securities outstanding. The 1,300,000 outstanding at December 31, 1997, were issued in 1995 at 8 1/8% with a \$25 par value. The additional 2,200,000 shares were issued as part of a financing transaction in November 1998 when the Corporation sold \$55,000,000 of its 7.2% preferred capital securities at \$25 par value. The proceeds were used for general corporate purposes.

14. Segment and Related Information

In 1998, the Corporation adopted Statement of Financial Accounting Standards No. 131 (SFAS 131), "Disclosures About Segments of an Enterprise and Related Information," which requires the reporting of certain financial information by business segment. For the purpose of providing segment information, the Corporation's six principal business segments are its electric, natural gas, retail propane, wholesale propane, HVAC and communications operations. All other includes the results of the manufacturing operations, activities and assets of the parent, any reconciling or eliminating amounts and amortization of purchase accounting adjustments of \$3.8 million in 1998 related to the acquisitions of HVAC and communication companies.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that the parent allocates some of its operating expenses and interest expense to the operating segments according to a methodology designed by management for internal reporting purposes and involves estimates and assumptions. Financial data for the business segments are as follows (in thousands):

Notes to Consolidated Financial Statements (continued)

	Total Electric and Natural Gas	Total Propane	HVAC	Communi- cations	All Other	Total
1998						
Operating revenues	\$145,645	\$767,735	\$126,510	\$127,398	\$ 19,399	\$1,187,187
Cost of sales	62,595	618,754	77,045	71,214	10,179	839,787
Gross margins	83,050	148,981	49,465	56,684	9,220	347,400
Selling, general and administrative	37,445	105,520	36,690	42,964	8,214	230,833
Depreciation and amortization	14,759	20,154	1,659	1,701	4,353	42,626
Operating income	30,846	23,307	11,116	12,019	(3,347)	73,941
Interest expense	(12,059)	(20,321)	(25)	(561)	(2,766)	(35,732)
Investment income and other	1,261	—	208	(17)	4,693	6,145
Income before taxes and minority interests	20,048	2,986	11,299	11,441	(1,420)	44,354
Provision for taxes	(7,379)	(999)	(4,301)	(3,523)	3,006	(13,196)
Income before minority interest	\$ 12,669	\$ 1,987	\$ 6,998	\$ 7,918	\$ 1,586	\$ 31,158
Total assets	\$321,847	\$759,232	\$ 57,035	\$ 77,418	\$520,684	\$1,736,216
Maintenance capital expenditures	\$ 14,366	\$ 2,898	\$ 2,641	\$ 2,161	\$ 559	\$ 22,625
1997						
Operating revenues	\$154,288	\$743,038	—	—	\$ 20,744	\$ 918,070
Cost of sales	69,595	612,305	—	—	13,145	695,045
Gross margins	84,693	130,733	—	—	7,599	223,025
Selling, general and administrative	36,384	90,344	—	—	6,065	132,793
Depreciation and amortization	13,901	16,784	—	—	550	31,235
Operating income	34,408	23,605	—	—	984	58,997
Interest expense	(12,186)	(18,980)	—	—	(310)	(31,476)
Investment income and other	689	—	—	—	10,875	11,564
Income before taxes and minority interests	22,911	4,625	—	—	11,549	39,085
Provision for taxes	(8,334)	(1,283)	—	—	(1,494)	(11,111)
Income before minority interest	\$ 14,577	\$ 3,342	—	—	\$ 10,055	\$ 27,974
Total assets	\$306,930	\$622,077	—	—	\$177,116	\$1,106,123
Maintenance capital expenditures	\$ 18,210	\$ 4,056	—	—	\$ 134	\$ 22,400
1996						
Operating revenues	\$145,686	\$175,102	—	—	\$ 23,221	\$ 344,009
Cost of sales	64,518	101,360	—	—	14,548	180,426
Gross margins	81,168	73,742	—	—	8,673	163,583
Selling, general and administrative	37,897	49,065	—	—	6,789	93,751
Depreciation and amortization	13,112	5,730	—	—	572	19,414
Operating income	30,159	18,947	—	—	1,312	50,418
Interest expense	(13,611)	(13,085)	—	—	8,028	(18,668)
Investment income and other	850	—	—	—	3,869	4,719
Income before taxes and minority interests	17,398	5,862	—	—	18,209	41,469
Provision for taxes	(5,741)	(2,879)	—	—	(6,795)	(15,415)
Income before minority interest	\$ 11,657	\$ 2,983	—	—	\$ 11,414	\$ 26,054
Total assets	\$289,475	\$611,707	—	—	\$212,534	\$1,113,716
Maintenance capital expenditures	\$ 27,770	\$ 7,349	—	—	\$ 51	\$ 35,170

Notes to Consolidated Financial Statements (continued)

	1998		1997		1996	
	Electric	Natural Gas	Electric	Natural Gas	Electric	Natural Gas
Operating revenues	\$78.401	\$67.244	\$76.727	\$77.561	\$73.417	\$72.269
Cost of sales	15.390	47.205	14.560	55.035	13.347	51.171
Gross margins	63.011	20.039	62.167	22.526	60.070	21.098
Selling, general and administrative	25.534	11.911	23.685	12.699	24.801	13.096
Depreciation and amortization	11.870	2.889	11.305	2.596	10.794	2.318
Operating income	\$25.607	\$ 3.239	\$27.177	\$ 7.231	\$24.475	\$ 5.684

	1998		1997		1996	
	Retail Propane	Wholesale Propane	Retail Propane	Wholesale Propane	Retail Propane	Wholesale Propane
Operating revenues	\$297.779	\$469.956	\$243.589	\$499.449	\$153.571	\$ 21.531
Cost of sales	165.526	453.228	127.529	484.776	80.264	21.096
Gross margins	\$132.253	\$ 16.728	\$116.060	\$ 14.673	\$ 73.307	\$ 435

15. Quarterly Financial Data (Unaudited)

(In Thousands, Except Per Share Amounts)

	First	Second	Third	Fourth
1998				
Operating revenues*	\$298.964	\$233.145	\$276.896	\$378.182
Operating income*	\$ 29.836	\$ 6.938	\$ 11.545	\$ 25.622
Net income	\$ 11.004	\$ 3.355	\$ 4.582	\$ 11.450
Average common shares outstanding	17.843	17.843	17.860	21.068
Basic earnings per average common share**	\$.58	\$.15	\$.21	\$.49
Diluted earnings per average common share**	\$.58	\$.15	\$.20	\$.48
1997				
Operating revenues	\$284.406	\$165.451	\$185.084	\$283.129
Operating income	\$ 27.932	\$ 4.497	\$ 4.033	\$ 22.535
Net income	\$ 10.523	\$ 3.158	\$ 3.722	\$ 8.861
Average common shares outstanding	17.842	17.843	17.843	17.843
Basic earnings per average common share	\$.55	\$.14	\$.17	\$.45
Diluted earnings per average common share	\$.55	\$.14	\$.17	\$.45

* Operating revenues and operating income for the first, second and third quarters have been restated to reflect the consolidation of Blue Dot and Expanset effective January 1, 1998. There was no impact upon net income and earnings per share from these restated periods.

** The 1998 quarterly earnings per average common share do not total to the 1998 annual earnings per average common share due to the effect of common stock issuances during the year.

NWPS CO.
 COST OF PLANT - GAS - SOUTH DAKOTA
 SUMMARY OF ADDITIONS AND REDUCTIONS DURING TEST PERIOD
 DECEMBER 31, 1998 TEST YEAR
 STATEMENT D

NO.	ACCOUNT DESCRIPTION	BEGINNING	ADDITIONS	REDUCTIONS	ENDING
		BALANCE			BALANCE
		1-1-98			12-31-98
101	GAS PLANT IN SERVICE	39,037,178.44	3,042,632.03	(369,319.18)	41,710,491.29
102	GAS PLANT PURCHASED OR SOLD	0.00			0.00
103	EXPERIMENTAL GAS PLANT UNCLASSIFIED	0.00			0.00
104	GAS PLANT LEASED TO OTHERS	0.00			0.00
105	GAS PLANT HELD FOR FUTURE USE	0.00			0.00
106	COMPLETED CONSTRUCTION NOT CLASSIFIED - GAS	745,185.72	0.00	(745,185.72)	0.00
107	CONSTRUCTION WORK IN PROGRESS - GAS	1,838,732.51	4,585,180.13	(2,293,766.06)	4,130,146.58
118	OTHER UTILITY PLANT	39,951,643.42	4,037,263.39	(3,501,480.92)	40,487,425.89

NWPS CO.
 DETAIL PLANT ACCOUNTS - GAS - SOUTH DAKOTA
 SUMMARY OF ADDITIONS AND REDUCTIONS DURING TEST PERIOD
 DECEMBER 31, 1998 TEST YEAR
 SCHEDULE D-1

NO.	ACCOUNT DESCRIPTION	BEGINNING BALANCE 1-1-98	ADDITIONS	REDUCTIONS	ENDING BALANCE 12-31-98
PRODUCTION					
3040	LAND AND LAND RIGHTS	71,235.92	0.00	(31,179.35)	40,056.57
3050	STRUCTURES AND IMPROVEMENTS	263,049.53	0.00	0.00	263,049.53
3110	LIQUEFIED PETROLEUM GAS EQUIPMENT	1,495,716.06	0.00	0.00	1,495,716.06
3200	OTHER EQUIPMENT	11,565.54	0.00	0.00	11,566.54
	TOTAL PRODUCTION PLANT	1,841,568.05	0.00	(31,179.35)	1,810,388.70
DISTRIBUTION					
3740	LAND AND LAND RIGHTS	190,890.66	16,563.92	0.00	207,454.58
3750	STRUCTURES AND IMPROVEMENTS	62,095.10	0.00	0.00	62,095.10
3760	MAINS	18,634,902.36	1,183,091.25	(35,852.68)	19,782,140.93
3780	MEASURING & REGULATING STATION EQUIP-GENERAL	438,356.73	82,221.93	59,691.04	580,269.70
3790	MEASURING & REGULATING STATION EQUIP-CITY	605,490.08	236,751.23	0.00	842,241.31
3800	SERVICES	8,142,318.45	588,055.01	(37,257.64)	8,693,115.82
3810	METERS	3,656,607.02	445,929.95	(38,307.91)	4,064,229.06
3820	METER INSTALLATION	1,280,458.44	293,144.80	(35,929.31)	1,537,673.93
3830	REGULATORS	788,765.67	31,153.13	(8,994.00)	810,924.80
3840	REGULATOR INSTALLATION	509,634.94	25,812.18	(11,045.69)	524,401.43
TOTAL	TOTAL DISTRIBUTION PLANT	34,309,519.45	2,902,723.40	(107,696.19)	37,104,546.66
GENERAL					
3030	MISCELLANEOUS INTANGIBLE PLANT	2,930.90	4,396.35	0.00	7,327.25
3890	LAND AND LAND RIGHTS	42,184.10	450.00	0.00	42,634.10
3900	STRUCTURES AND IMPROVEMENTS	344,712.71	28,866.55	(1,020.00)	372,559.26
3910	OFFICE FURNITURE AND EQUIPMENT	39,603.41	1,345.77	0.00	40,949.18
3920	TRANSPORTATION EQUIPMENT	1,029,730.22	79,342.60	(189,550.11)	919,522.71
3930	STORES EQUIPMENT	7,608.81	0.00	0.00	7,608.81
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	436,565.12	19,570.80	0.00	456,135.92
3950	LABORATORY EQUIPMENT	225,951.79	2,882.67	0.00	228,834.46
3960	POWER OPERATED EQUIPMENT	673,145.79	1,009.98	0.00	674,155.77
3970	COMMUNICATION EQUIPMENT	82,444.32	2,043.91	(39,873.53)	44,614.70
3980	MISCELLANEOUS EQUIPMENT	1,213.77	0.00	0.00	1,213.77
	TOTAL GENERAL PLANT	2,886,090.94	139,908.63	(230,443.64)	2,795,555.93
	TOTAL 101	39,037,178.44	3,042,632.03	(369,319.18)	41,710,491.29
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	745,185.72	0.00	(745,185.72)	0.00
	TOTAL GAS PLANT-SOUTH DAKOTA	39,782,364.16	3,042,632.03	(1,114,504.90)	41,710,491.29

NWPS
 PLANT ACCOUNT FOR TEST YEAR - GAS - SOUTH DAKOTA
 1998 CALENDAR YEAR
 DECEMBER 31, 1998 TEST YEAR
 SCHEDULE D-2

NO.	WORK ORDER DESCRIPTION	AMOUNT ADDITION	RETIREMENT	OTHER TRANSACTION	BALANCE	MAJOR ADDITIONS AND RETIREMENTS		
						CONSTRUCTION PERIOD BEGINNING	CONSTRUCTION PERIOD ENDING	IN (OUT) SERVICE DATE
	BALANCE JANUARY 1, 1998				39,782,364.18			
	MAJOR ADDITIONS							
6563	AB-Random main and service installations	169,746.14				3-97	12-97	12-97
6571	AB-Replace bare main on 6th Ave from Main to Penn & 8th to 8th	114,422.83				2-97	12-97	12-97
6575	BG-Random main and service installations	265,358.05				1-97	12-97	6-97
6587	MI-Random main and service installations	204,044.55				1-97	12-97	1-97
6653	Purchase meters for South Dakota	205,104.07				2-97	12-97	Various
7087	Purchase meters for South Dakota	407,605.19				1-98	12-98	Various
	MAJOR RETIREMENTS							
	MINOR ADDITIONS							
	SPECIFIC WORK ORDERS (33)	744,159.32				Various	Various	Various
	PERMANENT WORK ORDERS	182,415.91				Various	Various	Various
	MINOR RETIREMENTS							
	SPECIFIC WORK ORDERS (11)		(81,229.16)			Various	Various	Various
	PERMANENT WORK ORDERS		(288,090.00)			Various	Various	Various
	CORRECTIONS OR TRANSFERS							
				3,680.25				
106	COMPLETED CONSTRUCTION NOT CLASSIFIED							
	DECEMBER 31, 1998 TEST YEAR TOTALS							
		2,293,788.08	(369,310.16)	3,680.25				
	BALANCE DECEMBER 31, 1998							
					41,710,491.29			

NWPS CO.
MONTHLY BOOK BALANCES OF PLANT ACCOUNTS - GAS - SOUTH DAKOTA
DURING TEST PERIOD AND THIRTEEN MONTH AVERAGE BALANCES
DECEMBER 31, 1998 TEST YEAR
SCHEDULE D-3
PAGE 1 OF 2

ACCOUNT NO.	DESCRIPTION	1997			1998			
		DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
	PRODUCTION							
3040	LAND AND LAND RIGHTS	71,235.92	71,235.92	71,235.92	71,235.92	40,056.57	40,056.57	40,056.57
3050	STRUCTURES AND IMPROVEMENTS	263,049.53	263,049.53	263,049.53	263,049.53	263,049.53	263,049.53	263,049.53
3110	LIQUEFIED PETROLEUM GAS EQUIPMENT	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06
3200	OTHER EQUIPMENT	11,566.54	11,566.54	11,566.54	11,566.54	11,566.54	11,566.54	11,566.54
	TOTAL PRODUCTION PLANT	1,841,568.05	1,841,568.05	1,841,568.05	1,841,568.05	1,810,388.70	1,810,388.70	1,810,388.70
	DISTRIBUTION							
3740	LAND AND LAND RIGHTS	190,890.66	190,440.66	190,440.66	190,440.66	196,576.41	207,454.58	207,454.58
3750	STRUCTURES AND IMPROVEMENTS	62,095.10	62,095.10	62,095.10	62,095.10	62,095.10	62,095.10	62,095.10
3760	MAINS	18,634,902.36	18,749,257.73	18,750,829.32	18,759,040.10	19,173,556.84	19,819,375.06	19,820,030.10
3780	MEASURING & REGULATING STATION EQUIP-GENERAL	438,356.73	438,356.73	438,356.73	438,356.73	438,356.73	504,122.05	504,756.99
3790	MEASURING & REGULATING STATION EQUIP-CITY	605,490.08	604,792.00	604,792.00	605,839.00	725,524.55	842,241.31	842,241.31
3800	SERVICES	8,142,318.45	8,143,901.51	8,144,446.58	8,144,115.82	8,519,557.95	8,729,000.41	8,729,657.89
3810	METERS	3,656,607.02	3,824,908.61	3,824,908.61	3,824,908.61	3,825,215.81	3,923,848.98	3,923,848.98
3820	METER INSTALLATION	1,280,458.44	1,300,306.66	1,300,306.66	1,300,306.66	1,392,069.53	1,499,586.39	1,499,586.39
3830	REGULATORS	788,765.67	799,745.03	799,745.03	799,745.03	803,325.13	812,340.87	812,340.87
3840	REGULATOR INSTALLATION	509,634.94	513,134.12	513,134.12	513,134.12	526,192.47	530,395.10	530,395.10
TOTAL	TOTAL DISTRIBUTION PLANT	34,309,519.45	34,626,938.15	34,629,054.81	34,637,981.83	35,662,470.52	36,930,459.85	36,932,407.31
	GENERAL							
3030	MISCELLANEOUS INTANGIBLE PLANT	2,930.90	2,930.90	2,930.90	2,930.90	2,930.90	2,930.90	2,930.90
3890	LAND AND LAND RIGHTS	42,184.10	42,634.10	42,634.10	42,634.10	42,634.10	42,634.10	42,634.10
3900	STRUCTURES AND IMPROVEMENTS	344,712.71	344,712.71	344,712.71	346,754.26	346,754.26	372,559.26	372,559.26
3910	OFFICE FURNITURE AND EQUIPMENT	39,603.41	39,603.41	39,603.41	40,154.66	40,154.66	40,154.66	40,154.66
3920	TRANSPORTATION EQUIPMENT	1,029,730.22	957,736.19	915,234.59	915,234.59	900,150.69	973,163.04	973,163.04
3930	STORES EQUIPMENT	7,608.81	7,608.81	7,608.81	7,608.81	7,608.81	7,608.81	7,608.81
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	436,565.12	443,626.03	444,398.77	444,398.77	444,398.77	444,398.77	444,398.77
3950	LABORATORY EQUIPMENT	225,951.79	225,951.79	225,951.79	225,951.79	228,834.46	228,834.46	228,834.46
3960	POWER OPERATED EQUIPMENT	673,145.79	673,145.79	673,145.79	674,155.77	674,155.77	674,155.77	674,155.77
3970	COMMUNICATION EQUIPMENT	82,444.32	82,444.32	82,444.32	82,444.32	82,444.32	84,488.23	84,488.23
3980	MISCELLANEOUS EQUIPMENT	1,213.77	1,213.77	1,213.77	1,213.77	1,213.77	1,213.77	1,213.77
	TOTAL GENERAL PLANT	2,886,090.94	2,821,607.82	2,779,878.96	2,783,481.74	2,771,280.51	2,872,141.77	2,872,141.77
	TOTAL 101	39,037,178.44	39,290,114.02	39,250,501.82	39,263,031.62	40,244,139.73	41,612,990.32	41,614,937.78
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	745,185.72	745,185.72	745,185.72	745,185.72	745,185.72	0.00	0.00
	TOTAL GAS PLANT-	39,782,364.16	40,035,299.74	39,995,687.54	40,008,217.34	40,989,325.45	41,612,990.32	41,614,937.78

NWPS CO.
MONTHLY BOOK BALANCES OF PLANT ACCOUNTS - GAS - SOUTH DAKOTA
DURING TEST PERIOD AND THIRTEEN MONTH AVERAGE BALANCES
DECEMBER 31, 1998 TEST YEAR
SCHEDULE D-3
PAGE 2 OF 2

ACCOUNT NO.	DESCRIPTION	1998						THIRTEEN MONTH TOTAL	THIRTEEN MONTH AVERAGE
		JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
	PRODUCTION								
3040	LAND AND LAND RIGHTS	40,056.57	40,056.57	40,056.57	40,056.57	40,056.57	40,056.57	645,452.81	49,650.22
3050	STRUCTURES AND IMPROVEMENTS	263,049.53	263,049.53	263,049.53	263,049.53	263,049.53	263,049.53	3,419,643.89	263,049.53
3110	LIQUEFIED PETROLEUM GAS EQUIPMENT	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06	1,495,716.06	19,444,308.78	1,495,716.06
3200	OTHER EQUIPMENT	11,566.54	11,566.54	11,566.54	11,566.54	11,566.54	11,566.54	150,365.02	11,566.54
	TOTAL PRODUCTION PLANT	1,810,388.70	1,810,388.70	1,810,388.70	1,810,388.70	1,810,388.70	1,810,388.70	23,659,770.50	1,819,982.35
	DISTRIBUTION								
3740	LAND AND LAND RIGHTS	207,454.58	207,454.58	207,454.58	207,454.58	207,454.58	207,454.58	2,618,425.69	201,417.36
3750	STRUCTURES AND IMPROVEMENTS	62,095.10	62,095.10	62,095.10	62,095.10	62,095.10	62,095.10	807,236.30	62,095.10
3760	MAINS	19,803,587.24	19,792,943.86	19,796,702.99	19,775,163.19	19,775,649.94	19,782,140.93	252,433,179.66	19,417,936.90
3780	MEASURING & REGULATING STATION EQUIP-GENERAL	511,337.58	512,266.06	510,265.34	576,140.96	580,401.95	580,269.70	6,471,344.28	497,795.71
3790	MEASURING & REGULATING STATION EQUIP-CITY	842,241.31	842,241.31	842,241.31	842,241.31	842,241.31	842,241.31	9,884,368.11	760,336.01
3800	SERVICES	8,737,140.16	8,725,055.19	8,723,445.19	8,700,103.87	8,696,943.41	8,693,115.82	110,826,812.25	8,525,293.25
3810	METERS	3,923,848.98	4,016,893.81	4,014,846.37	4,017,609.93	4,015,850.83	4,064,229.06	50,857,515.60	3,912,116.58
3820	METER INSTALLATION	1,499,586.39	1,532,473.34	1,532,473.34	1,499,963.50	1,507,618.93	1,537,673.93	18,682,410.16	1,437,108.47
3830	REGULATORS	812,340.87	819,654.11	819,654.11	810,924.80	810,924.80	810,924.80	10,500,431.12	807,725.47
3840	REGULATOR INSTALLATION	530,395.10	535,363.10	535,363.10	524,401.43	524,401.43	524,401.43	6,810,345.56	523,872.74
TOTAL	TOTAL DISTRIBUTION PLANT	36,930,027.31	37,046,440.46	37,044,541.43	37,016,098.67	37,023,582.28	37,104,546.66	469,894,068.73	36,145,697.59
	GENERAL								
3030	MISCELLANEOUS INTANGIBLE PLANT	7,327.25	7,327.25	7,327.25	7,327.25	7,327.25	7,327.25	64,479.80	4,959.98
3890	LAND AND LAND RIGHTS	42,634.10	42,634.10	42,634.10	42,634.10	42,634.10	42,634.10	553,793.30	42,599.48
3900	STRUCTURES AND IMPROVEMENTS	372,559.26	372,559.26	372,559.26	372,559.26	372,559.26	372,559.26	4,708,120.73	362,163.13
3910	OFFICE FURNITURE AND EQUIPMENT	40,154.66	40,949.18	40,949.18	40,949.18	40,949.18	40,949.18	524,329.43	40,333.03
3920	TRANSPORTATION EQUIPMENT	893,631.28	874,912.16	910,341.91	920,552.96	923,202.96	919,522.71	12,106,576.34	931,275.10
3930	STORES EQUIPMENT	7,608.81	7,608.81	7,608.81	7,608.81	7,608.81	7,608.81	98,914.53	7,608.81
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	444,398.77	456,135.92	456,135.92	456,135.92	456,135.92	456,135.92	5,827,263.37	448,251.03
3950	LABORATORY EQUIPMENT	228,834.46	228,834.46	228,834.46	228,834.46	228,834.46	228,834.46	2,963,317.30	227,947.48
3960	POWER OPERATED EQUIPMENT	674,155.77	674,155.77	674,155.77	674,155.77	674,155.77	674,155.77	8,760,995.07	673,922.70
3970	COMMUNICATION EQUIPMENT	84,488.23	84,488.23	84,488.23	84,488.23	84,488.23	44,614.70	1,048,253.91	80,634.92
3980	MISCELLANEOUS EQUIPMENT	1,213.77	1,213.77	1,213.77	1,213.77	1,213.77	1,213.77	15,779.01	1,213.77
	TOTAL GENERAL PLANT	2,797,006.36	2,790,818.91	2,826,248.66	2,836,459.71	2,839,109.71	2,795,555.93	36,671,822.79	2,820,909.45
	TOTAL 101	41,537,422.37	41,647,648.07	41,681,178.79	41,662,947.08	41,673,080.69	41,710,491.29	530,225,662.02	40,788,589.39
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	0.00	0.00	0.00	0.00	0.00	0.00	3,725,928.60	286,609.89
	TOTAL GAS PLANT-	41,537,422.37	41,647,648.07	41,681,178.79	41,562,947.08	41,673,080.69	41,710,491.29	533,951,590.62	41,073,199.28

NWPS
 PLANT ACCOUNT FOR TEST YEAR - GAS - SOUTH DAKOTA
 1997 CALENDAR YEAR
 DECEMBER 31, 1998 TEST YEAR
 SCHEDULE D-4
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NO.	WORK ORDER DESCRIPTION	AMOUNT ADDITION	RETIREMENT	OTHER TRANSACTION	BALANCE	MAJOR ADDITIONS AND RETIREMENTS		
						CONSTRUCTION PERIOD BEGINNING	ENDING	IN (OUT) SERVICE DATE
	BALANCE JANUARY 1, 1997				37,308,522.62			
	MAJOR ADDITIONS							
0134	AB-Random main and service installations	183,052.78				4-96	12-96	4-96
0144	BG-Random main and service installations	227,870.08				2-96	12-96	2-96
0158	HU-Random main and service installations	134,746.77				1-96	12-96	1-96
0188	MI-Random main and service installations	188,038.91				2-96	12-96	4-96
0222	Purchase meters and regulators for South Dakota & Nebrask	460,456.73				1-96	12-96	Various
0303	MI-Extend main to Universal Packaging	183,678.05				6-96	11-96	11-96
6653	Purchase meters for Nebraska and South Dakota	367,700.60				2-97	12-97	Various
	MAJOR RETIREMENTS							
6797	AB-Ret Propane Storage Tanks		(497,471.49)			12-97	12-97	12-97
	MINOR ADDITIONS							
	SPECIFIC WORK ORDERS (26)	588,886.58				Various	Various	Various
	PERMANENT WORK ORDERS	113,331.59				Various	Various	Various
	MINOR RETIREMENTS							
	SPECIFIC WORK ORDERS (14)		(64,566.83)			Various	Various	Various
	PERMANENT WORK ORDERS		(60,510.49)			Various	Various	Various
	CORRECTIONS OR TRANSFERS							
				(96,254.46)				
100	COMPLETED CONSTRUCTION NOT CLASSIFIED							
6585	BG-Ext Gas Serv-Hayti	153,849.51				5-97	9-97	7-97
3657	GO-Ext Serv to Hutterite	591,338.21				7-97	12-97	9-97
	DECEMBER 31, 1997 TEST YEAR TOTALS	3,102,644.81	(622,548.81)	(96,254.46)				
	BALANCE DECEMBER 31, 1997				39,732,384.16			

NWPS
 PLANT ACCOUNT FOR TEST YEAR - GAS - SOUTH DAKOTA
 1996 CALENDAR YEAR
 DECEMBER 31, 1998 TEST YEAR
 SCHEDULE D-4
 PAGE 2 OF 5

NO.	WORK ORDER DESCRIPTION	AMOUNT ADDITION	RETIREMENT	OTHER TRANSACTION	BALANCE	MAJOR ADDITIONS AND RETIREMENTS		
						CONSTRUCTION PERIOD BEGINNING	CONSTRUCTION PERIOD ENDING	IN (OUT) SERVICE DATE
	BALANCE JANUARY 1, 1996				36,061,587.43			
	MAJOR ADDITIONS							
5525	Extend Mains & Services - AB	100,665.77				4-95	12-95	6-95
5553	Install Random Services - BG	281,981.35				1-95	12-95	3-95
	MAJOR RETIREMENTS							
	MINOR ADDITIONS							
	SPECIFIC WORK ORDERS (55)	991,653.89				Various	Various	Various
	PERMANENT WORK ORDERS	79,769.48				Various	Various	Various
	MINOR RETIREMENTS							
	SPECIFIC WORK ORDERS (19)		(108,404.64)			Various	Various	Various
	PERMANENT WORK ORDERS		(74,506.85)			Various	Various	Various
	CORRECTIONS OR TRANSFERS							
				(24,223.81)				
106	COMPLETED CONSTRUCTION NOT CLASSIFIED							
	DECEMBER 31, 1998 TEST YEAR TOTALS	1,454,070.49	(182,911.49)	(24,223.81)				
	BALANCE DECEMBER 31, 1996				37,308,522.62			

NWPS
 PLANT ACCOUNT FOR TEST YEAR - GAS - SOUTH DAKOTA
 1995 CALENDAR YEAR
 DECEMBER 31, 1995 TEST YEAR
 SCHEDULE D-4
 PAGE 3 OF 5

NO.	WORK ORDER DESCRIPTION	AMOUNT ADDITION	RETIREMENT	OTHER TRANSACTION	BALANCE	MAJOR ADDITIONS AND RETIREMENTS		
						CONSTRUCTION PERIOD BEGINNING	ENDING	(IN/OUT) SERVICE DATE
	BALANCE JANUARY 1, 1995				33,938,744.33			
	MAJOR ADDITIONS							
4501	Purchase 10 1992 Chevy Floetside 3/4 ton CNG Pick-ups	130,108.55				12-93	2-95	Various
4816	Install Main/Services - Richmond Lake	214,158.73				6-94	11-94	11-94
4981	Install Main/Services - Revillo	153,709.02				4-94	12-94	7-94
4992	Install Main/Services - Good/Kranz	398,978.94				6-94	12-94	8-94
5710	Purchase Meters & Regs for SD	356,576.76				2-95	12-95	Various
5758	Purchase Vermeer Flextrac	109,710.00				1-95	1-95	1-95
	MAJOR RETIREMENTS							
4447	Huron Peaking Plant		(172,622.49)			5-94	10-94	6-95
	MINOR ADDITIONS							
	SPECIFIC WORK ORDERS (43)	950,802.70				Various	Various	Various
	PERMANENT WORK ORDERS	127,318.64				Various	Various	Various
	MINOR RETIREMENTS							
	SPECIFIC WORK ORDERS (6)		(47,717.34)			Various	Various	Various
	PERMANENT WORK ORDERS		(78,170.51)			Various	Various	Various
	CORRECTIONS OR TRANSFERS							
108	COMPLETED CONSTRUCTION NOT CLASSIFIED			(50,567.90)				
	DECEMBER 31, 1995 TEST YEAR TOTALS	2,471,921.34	(298,510.34)	(50,567.90)				
	BALANCE DECEMBER 31, 1995				36,061,587.43			

NWPS
 PLANT ACCOUNT FOR TEST YEAR - GAS - SOUTH DAKOTA
 1994 CALENDAR YEAR
 DECEMBER 31, 1994 TEST YEAR
 SCHEDULE D-4
 PAGE 4 OF 8

NO.	WORK ORDER DESCRIPTION	AMOUNT ADDITION	RETIREMENT	OTHER TRANSACTION	BALANCE	MAJOR ADDITIONS AND RETIREMENTS		
						CONSTRUCTION PERIOD BEGINNING	ENDING	IN (OUT) SERVICE DATE
	BALANCE JANUARY 1, 1994				\$30,402,242.00			
	MAJOR ADDITIONS							
3364	Install Main & Services Milbank Taps	213,141.81				9-92	12-93	9-92
4136	Install High Pressure Line to Scotland	1,105,385.91				3-93	11-93	7-93
4145	Install High Pressure Line to Parker	483,575.00				5-93	1-94	8-93
4538	Purchase Meters and Regulators	152,869.81				2-94	12-94	Various
	MAJOR RETIREMENTS							
	MINOR ADDITIONS							
	SPECIFIC WORK ORDERS (136)	1,322,886.19				Various	Various	Various
	PERMANENT WORK ORDERS	109,834.36				Various	Various	Various
	MINOR RETIREMENTS							
	SPECIFIC WORK ORDERS (22)		(78,051.46)			Various	Various	Various
	PERMANENT WORK ORDERS		(15,295.27)			Various	Various	Various
	CORRECTIONS OR TRANSFERS							
				67,197.98				
108	COMPLETED CONSTRUCTION NOT CLASSIFIED							
	MAJOR ADDITIONS							
4283	Install New Peaking Plant-Huron	195,159.00				6-93	12-93	11-93
	DECEMBER 31, 1994 TEST YEAR TOTALS							
		3,562,651.06	(93,346.73)	67,197.98				
	BALANCE DECEMBER 31, 1994							
					33,938,744.33			

NORTHWESTERN PUBLIC SERVICE COMPANY
PLANT ACCOUNT FOR TEST YEAR - GAS - SOUTH DAKOTA
DECEMBER 31, 1993 TEST YEAR

Line No.	Account No.	Work Order Description	Amount		Other Transactions	Balance	Major Additions and Retirements		
			Addition	Retirement			Construction Period Beginning	Construction Period Ending	In (Out) Service Date
1		Balance January 1, 1993				\$ 25,655,960			
2		Major Additions (4)							
3		High Pressure Expansion Pipeline-Mitchell to Parkston	\$ 600,266				6-91	10-91	12-93
4		Extend Main/Services to the Parkwood House Area-Aberdeen	134,747				6-92	11-93	12-93
6		Purchase Motors & Regulators for Expansion Projects	243,596				4-93	11-93	Various
6		Install Distribution System in Warner	210,499				4-93	11-93	12-93
7		Major Retirements							
8		None							
9		Minor Additions							
10		Specific Work Orders (66)	441,881				Various	Various	Various
11		Permanent Work Orders	124,871				Various	Various	Various
12		Minor Retirements							
13		Specific Work Orders (24)		\$ 83,613			Various	Various	Various
14		Permanent Work Orders		12,823			Various	Various	Various
15		Corrections or Transfers			\$ 644				
16	100	Completed Construction Not Classified							
17		Major Additions (11)							
18		High Pressure Expansion Pipeline to Castlewood and Estelline							
19		and Clear Lake Millbank-Big Stone City	125,924				1-92	12-93	12-93
20		Install Distribution System in Clear Lake	380,623				1-92	12-92	12-92
21		Install Distribution System in Mt Vernon	176,477				6-93	11-93	12-93
22		Install Distribution System in Tripp	207,326				4-93	11-93	12-93
23		Install Distribution System in Scotland	271,332				3-93	11-93	12-93
24		Install Distribution System in Menno	169,722				4-93	11-93	12-93
25		Install Distribution System in Parker	287,840				4-93	11-93	12-93
26		Install Distribution System in Merion	181,599				6-93	11-93	12-93
27		Install Distribution System in Canistota	141,287				5-93	11-93	12-93
28		Install New Peaking Plant-Huron	762,240				3-93	12-93	12-93
29		Install Distribution System in Glendale & Spink Counties	148,462				6-93	12-93	12-93
30		Minor Additions (17)	384,260				Various	Various	12-93
31		December 31, 1993 Test Year Totals	\$ 4,021,774	\$ 76,338	\$ 644				
32		Balance December 31, 1993				\$ 30,402,242			

**NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS ON CAPITALIZING INTEREST
AND OTHER OVERHEADS DURING CONSTRUCTION
DECEMBER 31, 1998 TEST YEAR**

Allowance for Funds Used During Construction (AFUDC)

AFUDC is computed on projects exceeding \$10,000 which are under construction more than thirty days with the exception of land and land rights and blanket or permanent work orders. AFUDC, when applicable, is computed on the previous month balance plus one half of the current month expenditures excluding AFUDC since last compounding date. At six month intervals AFUDC charged is added to the balance of the project and this becomes the basis for computing AFUDC for the next six months. The semi annual compounding is allowed under the same FERC order which prescribes the formula for computing the rate. Capitalization of AFUDC ceases when the project is placed in service. The rate of AFUDC applicable to debt and other funds is calculated in accordance with the formula prescribed by the FERC.

Engineering and Supervision

Engineering and supervision expense includes payroll costs, as determined by a periodic time study, applicable to operations, engineering and supervisory personnel, not directly chargeable to specific jobs; such as budget preparation and planning, material ordering, general supervision, completion reporting, etc. These expenses are capitalized in relationship to the amount of direct construction payroll charges on a monthly basis.

Administrative and General Expense

Administrative and general expense represents the amount of compensation and related expenses of administrative staff applicable to construction activity. Administrative and general salaries chargeable to construction are determined through a periodic time study. Administrative and general overheads are capitalized in relationship to the amount of direct construction payroll charges on a monthly basis.

The portion of employee benefit expenses (account 926) allocable to construction are capitalized in relationship to the amount of direct and supervisory labor charged to construction.

**NORTHWESTERN PUBLIC SERVICE COMPANY
CHANGES IN INTANGIBLE PLANT WORKING PAPERS
DECEMBER 31, 1998 TEST YEAR**

Line
No.

1

Changes in Intangible Plant

None

**NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS ON PLANT IN SERVICE NOT USED AND USEFUL
DECEMBER 31, 1998 TEST YEAR**

Line
No.

1

Plant in Service not Used and Useful

None

**NORTHWESTERN PUBLIC SERVICE COMPANY
ELECTRIC PROPERTY RECORDS WORKING PAPERS
DECEMBER 31, 1998 TEST YEAR**

Property Records and Retirement Procedures

Production: Detailed ledgers are maintained by plant, which show dates and cost of installations. When property constituting a retirement unit is removed or replaced, the original cost, as determined from the detail ledger record, is removed from plant and related accumulated depreciation accounts. Cost of removal, if any, and salvage are charged and credited respectively to the accumulated depreciation account. Salvageable materials are returned to stock at current market prices.

Transmission: Detailed ledgers are maintained by lines and substations. Such records and retirement procedures are the same as those applicable to production plant as explained above.

Distribution: Detailed ledgers are maintained for distribution lines and substations by location. Retirement procedures for lines and substations are the same as those applicable to production plant as explained above.

For mass distribution property, retirements for which installation dates are reasonably ascertainable, retirement prices are determined by reference to specific work order installations within the applicable location and time period. In the rare instances when installation dates cannot be reasonably ascertained, retirements are priced by engineering estimates. Recording procedures for retirements of such properties are the same as those applicable to plant within other functional classifications as previously explained.

General: Units of property included in general plant are identifiable on company plant records. Retirement accounting procedures are the same for general plant as previously explained as applicable to other functional classifications.

Retirement Units: The Company has adopted the list of units of property as prescribed by the Federal Energy Regulatory Commission effective January 1, 1961.

**NORTHWESTERN PUBLIC SERVICE COMPANY
GAS PROPERTY RECORDS WORKING PAPERS
DECEMBER 31, 1998 TEST YEAR**

Property Records and Retirement Procedures

Production: Detailed ledgers are maintained by plant, which show dates and cost of installations. When property constituting a retirement unit is removed or replaced, the original cost, as determined from the detail record, is removed from plant and related accumulated depreciation accounts. Cost of removal and salvage, if any, are charged and credited respectively to the accumulated depreciation account. Salvageable materials are returned to stock at current market prices.

Distribution: Detailed ledgers are maintained for regulator stations and town border stations by location. Detailed ledgers are maintained for distribution pipelines and customer services by town. Metering and regulating ledgers are maintained by Division identification. Retirement procedures for this type of plant are the same as those applicable to production plant as explained above.

For mass distribution property not detailed by ledger, retirements for which installation dates are reasonably ascertainable, retirement prices are determined by reference to specific work order installations within the applicable location and time period. Recording procedures for retirements of such properties are the same as those applicable to plant within other functional classifications as previously explained.

General: Units of property included in general plant are identifiable on company plant records. Retirement accounting procedures are the same for general plant as previously explained as applicable to other functional classifications.

Retirement Units: The Company has adopted the list of units of property as prescribed by the Federal Energy Regulatory Commission.

**NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR PLANT ACQUIRED FOR WHICH
REGULATORY APPROVAL HAS NOT BEEN OBTAINED
DECEMBER 31, 1998 TEST YEAR**

Line
No.

1
2

Operating Units or Systems Acquired
Without Regulatory Approval

None

THERE ARE MULTIPLE
WORKSHEETS IN B:A1,
C:A1, D:A1, E:A1,
F:A1, G:A1, H:A1,
I:A1, J:C1
K:C1, L:C1

NWPS CO.
ACCUMULATED DEPRECIATION - GAS - SOUTH DAKOTA
FUNCTIONAL ACCUMULATED DEPRECIATION
STATEMENT E
DECEMBER 31, 1998 TEST YEAR

ACCUMULATED DEPRECIATION					ACCUMULATE	
MONTH/YEAR	PRODUCTION	DISTRIBUTION	GENERAL	UNDISTRIBUTED	AMORTIZATIO	TOTAL
December, 1997	534,855	12,753,184	429,023	(72,171)	F	13,645,038
January, 1998	538,182	12,847,230	418,783	(14,724)	F	13,789,642
February	541,509	12,950,254	386,564	248	G	13,878,771
March	544,836	13,046,776	429,770	(43,982)	H	13,977,640
April	548,163	13,144,155	426,666	(89,800)	I	14,029,428
May	551,490	13,241,585	435,475	(103,264)	J	14,125,554
June	554,817	13,338,964	445,304	(42,365)	K	14,297,013
July	558,144	13,439,012	443,284	(114,024)	L	14,326,734
August	561,471	13,438,893	432,457	(81,103)	M	14,352,060
September	564,798	13,538,630	453,821	(76,853)	N	14,480,662
October	568,125	13,572,852	473,414	(84,147)	O	14,530,672
November	571,452	13,672,317	483,349	(86,695)	P	14,640,912
December, 1998	574,779	13,769,049	481,095	(92,977)	Q	14,732,494
TOTAL	7,212,621	172,752,800	5,739,005	(901,836)	R	184,806,619
THIRTEEN MONTH AVERAGE	554,817	13,288,677	441,462	(69,372)	S	14,215,894

Statement F

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING CAPITAL
DECEMBER 31, 1998 TEST YEAR

Line No.		Amount
1	Working Capital	
2	Cash Working Capital	None Claimed

NORTHWESTERN PUBLIC SERVICE COMPANY
MATERIALS AND SUPPLIES - GAS - SOUTH DAKOTA
MONTHLY BALANCES FOR TWO YEARS PRECEDING TEST YEAR
DECEMBER 31, 1998 TEST YEAR

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	January, 1996	\$ 425,628
2	February	461,938
3	March	459,701
4	April	487,177
5	May	498,877
6	June	506,016
7	July	499,385
8	August	508,369
9	September	485,476
10	October	505,889
11	November	499,044
12	December	530,890
13	January, 1997	\$ 442,111
14	February	460,460
15	March	477,153
16	April	508,915
17	May	512,484
18	June	524,131
19	July	564,837
20	August	581,072
21	September	598,984
22	October	586,768
23	November	568,805
24	December	548,566

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING CAPITAL
DATA USED IN COMPUTING WORKING CAPITAL
DECEMBER 31, 1998 TEST YEAR

No study made to support claim for cash working capital.

NORTHWESTERN PUBLIC SERVICE COMPANY
RATE OF RETURN
DECEMBER 31, 1998 TEST YEAR

Line
No.

1 Refer to Exhibit_(RFL-2)

NORTHWESTERN PUBLIC SERVICE COMPANY
 DEBT CAPITAL
 WEIGHTED AVERAGE COST OF DEBT CAPITAL
 DECEMBER 31, 1998 TEST YEAR

Line No.	Title or Series	Date Of Issuance	Date Of Maturity	Interest Rate	Principal Amount Of Issue	Net Proceeds	Net Proceeds Per Unit	Amount Currently Outstanding	Net Proceeds Applicable To Amount Currently Outstanding	Cost Of Money	Annual Interest Cost	Weighted Average Cost	
1	POLLUTION CONTROL OBLIGATIONS:												
2	GRANT COUNTY, SD	6/1/93	6/1/2023	5.90%	\$ 6,400,000	\$ 6,179,805	96.56%	\$ 6,400,000	\$ 6,179,805	6.11%	\$ 377,600		
3	CITY OF SALIX, IA	6/1/93	6/1/2023	5.90%	4,000,000	3,779,805	94.50%	4,000,000	3,779,805	6.24%	236,000		
4	MERCER COUNTY, ND	6/1/93	6/1/2023	5.85%	7,550,000	7,329,805	97.08%	7,550,000	7,329,805	6.03%	441,675		
4	GRANT COUNTY, SD	6/1/93	6/1/2023	5.90%	3,400,000	3,179,805	93.52%	3,400,000	3,179,805	6.31%	200,600		
5	CAPITAL TRUST:												
6	8.125%	8/1/95	8/1/2023	8.125%	33,505,154	33,505,154	100.00%	33,505,154	33,505,154	8.12%	2,722,232		
	SUB DEBENTURES:												
7	7.200%	11/18/98	11/18/2028	7.200%	56,701,030	55,000,000	97.00%	56,701,030	55,000,000	7.42%	4,082,474		
	GENERAL MORTGAGE BONDS:												
8	6.99%	9/18/92	9/01/2002	6.99%	25,020,000	24,932,419	99.73%	20,000,000	24,932,419	7.01%	1,747,500		
10	7.10%	8/1/95	9/1/2005	7.10%	60,000,000	60,000,000	100.00%	60,000,000	60,000,000	7.10%	4,260,000		
10	7.00%	8/15/93	8/15/2023	7.00%	55,000,000	53,845,720	97.90%	55,000,000	53,845,720	7.15%	3,850,000		
10	6.95%	11/12/98	11/12/2028	6.95%	105,000,000	99,021,300	94.31%	105,000,000	99,021,300	7.37%	7,297,500		
11	TOTAL AT DECEMBER 31, 1993								\$ 351,556,184	\$ 346,773,813		\$ 25,215,581	7.27%

NORTHWESTERN PUBLIC SERVICE COMPANY
DEBT CAPITAL

BOND INDENTURE PROVISIONS RELATED TO MINIMUM
INTEREST COVERAGE REQUIREMENTS
31-Dec-98

<u>Line No.</u>		<u>Interest Coverage</u>
1	1993 General Mortgage Indenture	
2	Interest Coverage (Minimum Requirements - 1 3/4x)	5.4

The Company currently has outstanding bonds issued under the 1993 General Mortgage Indenture.

The provisions of the 1993 indenture result in an increase in the amount of bonds that can be issued on the basis of bonded property as well as increased financing flexibility.

GENERAL MORTGAGE INDENTURE
AND
DEED OF TRUST

NORTHWESTERN PUBLIC SERVICE COMPANY

TO

THE CHASE MANHATTAN BANK (National Association)

Dated As Of
August 1, 1993

ARTICLE FOUR
ISSUANCE OF BONDS

Section 4.01. General

(a) Subject to the provisions of Section 4.02, 4.03, 4.04 or 4.05, whichever may be applicable, the Trustee shall authenticate and deliver Bonds of a series, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(i) if the terms of such series are established in an indenture supplemental hereto, the indenture supplemental hereto establishing such series;

(ii) a Company Order requesting the authentication and delivery of such Bonds and, to the extent that the terms of such Bonds shall not have been established in the indenture supplemental hereto which established such series or in a Board Resolution or in an Officer's Certificate pursuant to such supplemental indenture or Board Resolution, all as contemplated by Section 3.01, either establishing such terms or, in the case of Bonds of a series subject to a Periodic Offering, specifying procedures, acceptable to the Trustee, by which such terms are to be established (which procedures may provide for authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions are to be promptly confirmed electronically or in writing);

(iii) the Bonds of such series or Tranche, executed on behalf of the Company as provided herein;

(iv) a Net Earnings Certificate showing the Adjusted Net Earnings of the Company for the period therein specified to have been not less than an amount equal to one and three-fourths (1.75) times the Annual Interest Requirements therein specified, all in accordance with the provisions of Section 1.03; *provided, however*, that the Trustee shall not be entitled to receive a Net Earnings Certificate hereunder if the Bonds of such series are to have no Stated Interest Rate prior to Maturity; and *provided, further*, that, with respect to Bonds of a series subject to a Periodic Offering, other than Bonds theretofore authenticated and delivered, (A) it shall be assumed in such Net Earnings Certificate that none of such Bonds shall have a Stated Interest Rate in excess of a maximum rate to be stated therein, and no Bonds which would have a Stated Interest Rate at the time of the initial authentication and delivery thereof in excess of such maximum rate shall be authenticated and delivered under the authority of such Net Earnings Certificate, and (B) the Trustee shall be entitled to receive such Net Earnings Certificate only once, at or prior to the time of the first authentication and delivery of the Bonds of such series (unless the Company Order requesting the authentication and delivery of such Bonds is delivered on or after the date which is two years after the most recent Net Earnings Certificate with respect to such series was delivered pursuant to this clause (iv), in which case this subclause (B) shall not apply);

Section 1.03. Net Earnings Certificate; Adjusted Net Earnings; Annual Interest Requirements.

A "*Net Earnings Certificate*" means a certificate signed by an Authorized Executive Officer and an accountant (who may be an officer or employee of the Company), stating:

(a) the "*Adjusted Net Earnings*" of the Company for a period of twelve (12) consecutive calendar months within the eighteen (18) calendar months immediately preceding the first day of the month in which the Company Order requesting the authentication and delivery under this Indenture of Bonds is delivered to the Trustee, specifying:

(i) its operating revenues (which may include revenues of the Company subject when collected or accrued to possible refund at a future date);

(ii) its operating expenses, excluding (A) expenses for taxes on income or profits and other taxes measured by, or dependent on, net income, (B) provisions for reserves for renewals, replacements, depreciation, depletion or retirement of property (or any expenditures therefor), or provisions for amortization of property, (C) expenses or provisions for interest on any indebtedness of the Company, for the amortization of debt discount, premium, expense or loss on reacquired debt, for any maintenance and replacement, improvement or sinking fund or other device for the retirement of any indebtedness, or for other amortization, (D) expenses or provisions for any non-recurring charge to income or to retained earnings of whatever kind or nature (including without limitation the recognition of expense or impairment due to the non-recoverability of assets or expense), whether or not recorded as a non-recurring charge in the Company's books of account, and (E) provisions for any refund of revenues previously collected or accrued by the Company subject to possible refund;

(iii) the amount remaining after deducting the amount required to be stated in such certificate by clause (ii) above from the amount required to be stated therein by clause (i) above;

(iv) its other income, which amount may include any portion of the allowance for funds used during construction and other deferred costs (or any analogous amounts) which is not included in "other income" (or any analogous item) in the Company's books of account; and

(v) the Adjusted Net Earnings of the Company for such period of twelve (12) consecutive calendar months (being the sum of the amounts required to be stated in such certificate by clauses (iii) and (iv) above); and

(b) the "*Annual Interest Requirements*", being the interest requirements for one year, at the respective Stated Interest Rates, if any, borne prior to Maturity, upon:

(i) all Bonds Outstanding hereunder at the date of such certificate, except any for the payment or redemption of which the Bonds applied for are to be issued; *provided, however*, that, if Outstanding Bonds of any series bear interest at

a variable rate or rates, then the interest requirement on the Bonds of such series shall be determined by reference to the rate or rates in effect on the day immediately preceding the date of such certificate;

(ii) all Bonds then applied for in pending applications for new Bonds, including the application in connection with which such certificate is made; *provided, however,* that if Bonds of any series are to bear interest at a variable rate or rates, then the interest requirement on the Bonds of such series shall be determined by reference to the rate or rates to be in effect at the time of the initial authentication and delivery of such Bonds; and *provided, further,* that the determination of the interest requirement on Bonds of a series subject to a Periodic Offering shall be further subject to the provisions of clause (iv) of Section 4.01(a);

(iii) all Class "A" Bonds Outstanding under Class "A" Mortgages at the date of such certificate, except any Pledged Bonds and except any for the payment or redemption of which the Bonds applied for are to be issued; *provided, however,* that, if the Outstanding Class "A" Bonds of any series bear interest at a variable rate or rates, then the interest requirement on the Class "A" Bonds of such series shall be determined by reference to the rate or rates in effect on the day immediately preceding the date of such certificate; and

(iv) the principal amount of all other indebtedness (except (A) Pledged Bonds, (B) industrial development revenue bonds issued with respect to air or water pollution control, sewage or solid waste disposal, or other similar facilities of the Company to the extent that any other indebtedness of the Company issued to support the repayment of such indebtedness is included in Annual Interest Requirements pursuant to one of the other clauses of this definition, and (C) indebtedness for the payment of which the Bonds applied for are to be issued and indebtedness secured by a Prepaid Lien prior to the Lien of this Indenture upon property subject to the Lien of this Indenture), outstanding on the date of such certificate and secured by Lien prior to the Lien of this Indenture upon property subject to the Lien of this Indenture, if such indebtedness has been issued, assumed or guaranteed by the Company or if the Company customarily pays the interest upon the principal thereof; *provided, however,* that if any such indebtedness bears interest at a variable rate or rates, then the interest requirement on such indebtedness shall be determined by reference to the rate or rates in effect on the day immediately preceding the date of such certificate.

In any case where a Net Earnings Certificate is required as a condition precedent to the authentication and delivery of Bonds, such certificate shall be accompanied by a certificate signed by an Independent public accountant if the aggregate principal amount of Bonds then applied for plus the aggregate principal amount of Bonds authenticated and delivered hereunder since the commencement of the then current calendar year (other than those with respect to which a Net Earnings Certificate is not required, or with to which a Net Earnings Certificate accompanied by a certificate signed by an Independent public accountant has previously been furnished to the Trustee) is ten percent (10%) or more of the sum of (a) the principal amount of the Bonds at the time Outstanding, and (b) the principal amount of the Class "A" Bonds at the time Outstanding other than Pledged Bonds, which certificate shall provide that such Independent public accountant

has reviewed the Net Earnings Certificate and that such Independent public accountant has no knowledge that any statements in such Net Earnings Certificate are not true; but no such certificate need be signed by an Independent public accountant, as to dates or periods not covered by annual reports required to be filed by the Company, with respect to conditions precedent which depend upon a state of facts as of a date or dates or for a period or periods different from that required to be covered by such annual reports.

Section 1.04. Property Additions; Cost.

(a) "Property Additions" means, as of any particular time, any item, unit or element of property which at such time is owned by the Company and is subject to the Lien of this Indenture. Property Additions:

(i) need not consist of a specific or completed development, plant, betterment, addition, extension, improvement or enlargement, but may include construction work in progress and property in the process of purchase insofar as the Company shall have acquired legal title to such property, and may include the following:

(A) fractional and other undivided interests of the Company in property owned jointly or in common with other Persons, whether or not there are with respect to such property, other agreements or obligations on the part of the Company, if there is a bar against partition of such property which would preclude the sale of such property by any or all of such other Persons or the holder or holders of any lien or liens on the interest of any of such other Persons in such property, without the consent of the Company;

(B) engineering, economic, environmental, financial, geological and legal or other surveys, data processing equipment and software, preliminary to or associated with the acquisition or construction of property included or intended to be included in the Mortgaged Property, provided that any such property is not Excepted Property or, if it is Excepted Property, such property has been subjected to the Lien and operation of this Indenture as provided in Granting Clause Third;

(C) paving, grading and other improvements to, under or upon highways, bridges, parks or other public property of analogous character required for or in connection with the installation or repair of overhead, surface or underground facilities and paid for and used or to be used by the Company, notwithstanding that the Company may not hold legal title thereto;

(D) property located over, on or under property owned by other Persons, including governmental or municipal agencies, bodies or subdivisions, under permits, licenses, easements, franchises and other similar privileges, if the Company shall have the right to remove the same;

NORTHWESTERN PUBLIC SERVICE COMPANY
PREFERRED STOCK CAPITAL
WEIGHTED AVERAGE COST OF PREFERRED STOCK CAPITAL
DECEMBER 31, 1998 TEST YEAR

Line No.	Title	Date of Issuance	Call Price	Terms Of Conversion	Dividend Rate	Amount of Issue Par Or Stated Value	Price To Public Per Share	Gross Proceeds	Underwriters' Discount Or Commission	
									Amount	Percent of Gross Proceeds
1	Preferred Stock (1)									
2	4 1/2% Series	February 1947	\$100.00	None	4.5%	\$ 600,000	\$107.00	\$2,699,421	\$113,391	4.20%
3	6 1/2% Series	November 1995	100.00 (2)	None	6.50%	1,150,000	100.00 (3)	1,150,000	N/A	N/A
Line No.	Title	Issuance Expenses		Net Proceeds	Net Proceeds Per Unit	Cost of Money (Dividend Rate Divided By Net Proceeds Per Unit)	Amount Outstanding	Annual Cost	Weighted Average Cost	Issue Offered To Stockholders Through Rights Or To Public
		Amount	Percent of Gross Proceeds	Proceeds						
4	Preferred Stock									
5	4 1/2% Series	\$18,714	0.69	\$2,567,316	\$98.74	4.56%	\$2,600,000	\$117,000		Public Stockholders
6	6 1/2% Series	N/A	N/A	1,150,000	100.00	6.50%	1,150,000	74,750		
Total at December 31, 1998							\$3,750,000	\$191,750	3.25%	

Note:

- (1) No issue of the Company's Cumulative Preferred Stock is owned by an affiliate.
- (2) Non - callable for ten years from date of insurance.
- (3) Shares were issued to the former stockholders of Myers Propane.

NORTHWESTERN PUBLIC SERVICE COMPANY
COMMON STOCK CAPITAL
SALES OF COMMON STOCK DURING FIVE YEAR PERIOD
PRECEDING THE MOST RECENTLY AVAILABLE BALANCE SHEET
DECEMBER 31, 1998 TEST YEAR

Line
No.

1

None

NORTHWESTERN PUBLIC SERVICE COMPANY
STOCK DIVIDENDS, STOCK SPLITS OR CHANGES IN PAR OR
STATED VALUE TRANSACTIONS DURING FIVE YEAR PERIOD
PRECEDING THE DATE OF THE MOST RECENTLY AVAILABLE
BALANCE SHEET AND BY MONTHS FOR THE TEST PERIOD
PLUS SUBSEQUENT MONTHS AS AVAILABLE
DECEMBER 31, 1998 TEST YEAR

Line
No.

1

In May 1997, stockholders approved a two-for-one split in the Company's common stock effective May 19, 1997.

NORTHWESTERN PUBLIC SERVICE COMPANY
COMMON STOCK INFORMATION
DATA FOR FIVE CALENDAR YEARS PRECEDING THE
END OF THE TEST PERIOD AND BY MONTH
FOR THE TWELVE MONTHS OF THE TEST PERIOD
DECEMBER 31, 1998 TEST YEAR

Line No.		Average Number of Shares Outstanding*	Earnings Per Average Share for Five Years Preceding the Test Year*	Annual Earnings Per Share for the Latest Reported Twelve Month Average	Annual Dividend Rate Per Share*	Dividends as a Percent of Earnings	Average Market Price Based on Monthly High and Low*	Price Earnings Ratio	Price Dividend Ratio
1	1994	15,354,464	\$1.00		\$0.85	85.00%	\$13.53	13.53	15.92
2	1995	16,261,162	1.11		0.88	79.20%	13.16	11.86	14.95
3	1996	17,840,244	1.28		0.92	71.08%	15.82	12.36	17.20
4	1997	17,842,511	1.31		0.97	74.05%	20.22	15.44	20.85
5	1998	18,659,818	1.45		1.03	71.03%	23.82	16.43	23.13
6	January, 1998	17,842,704	-	\$1.28	0.97	75.78%	22.63	17.68	23.33
7	February, 1998	17,842,742	-	1.28	0.97	75.78%	22.41	17.51	23.10
8	March, 1998	17,842,524	-	1.34	0.97	72.39%	23.25	17.35	23.97
9	April, 1998	17,842,524	-	1.39	0.97	69.78%	21.75	15.65	22.42
10	May, 1998	17,842,524	-	1.40	0.97	69.20%	23.47	16.76	24.20
11	June, 1998	17,842,524	-	1.35	0.97	71.25%	24.22	17.94	24.97
12	July, 1998	17,842,633	-	1.40	0.97	69.20%	25.85	18.48	26.55
13	August, 1998	17,842,320	-	1.42	0.97	68.31%	24.82	17.48	25.59
14	September, 1998	17,846,944	-	1.40	0.97	69.45%	26.07	18.62	26.81
15	October, 1998	17,854,891	-	1.38	1.03	74.64%	25.00	18.12	24.27
16	November, 1998	18,222,104	-	1.38	1.03	74.84%	23.85	17.28	23.16
17	December, 1998	18,659,818	-	1.45	1.03	70.64%	25.00	17.22	24.27

* Adjusted for the two-for-one stock split in May 1997

SCHEDULE G-3

NORTHWESTERN PUBLIC SERVICE COMPANY
REACQUISITION OF BONDS OR PREFERRED STOCK
DATA FOR EIGHTEEN MONTHS PRIOR TO FILING
DECEMBER 31, 1998 TEST YEAR

Line
No.

1

None

NORTHWESTERN PUBLIC SERVICE COMPANY
EARNINGS PER SHARE FOR CLAIMED RATE OF RETURN
DECEMBER 31, 1998 TEST YEAR

<u>Line No.</u>		<u>Total Company (Per Books)</u>	<u>Pro Forma Adjustments (TPH-1) Sch No. 1</u>	<u>Total Company (Adjusted)</u>
1	Consolidated Earnings to Common	<u>\$ 27,086,563</u>	<u>\$ 2,295,237</u>	<u>\$ 29,381,800</u>
2	Average Common Shares Outstanding	18,659,818	-	18,659,818
3	Earnings Per Share of Common Stock	<u>\$ 1.45</u>	<u>\$ -</u>	<u>\$ 1.57</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
 OPERATION AND MAINTENANCE EXPENSES - GAS - SOUTH DAKOTA
 TWELVE MONTHS ENDED DECEMBER 31, 1998 TEST YEAR

		1998								
Line No.	No.	Description	January	February	March	April	May	June	July	August
1		<u>MANUFACTURED GAS PRODUCTION</u>								
2		Operation:								
3	710	Supervision & Engineering	\$ 1,040	\$ 1,052	\$ 1,243	\$ 1,039	\$ 1,041	\$ 1,109	\$ 1,202	\$ 1,136
4	717	Liquefied Petroleum Gas Expenses	17	0	0	0	22	0	19	253
5	723	Fuel for Liquefied Petroleum Gas Process	508	460	276	938	0	0	0	0
6	728	Liquefied Petroleum Gas	0	132	0	0	0	0	0	0
7	735	Miscellaneous Production Expenses	253	252	143	103	70	367	168	153
8		Total Operation	1,818	1,906	1,667	2,080	1,133	1,476	1,389	1,542
9		Maintenance:								
10	740	Maintenance Supervision & Engineering	756	920	890	755	759	805	897	821
11	741	Maintenance of Structures	0	0	0	0	0	0	0	26
12	742	Maintenance of Production Equipment	129	821	901	613	234	173	0	344
13		Total Maintenance	885	1,741	1,657	1,368	993	978	897	1,191
14		Total Manufactured Gas Production	2,703	3,647	3,524	3,448	2,126	2,454	2,286	2,733
15		<u>OTHER GAS SUPPLY</u>								
16	804	Natural Gas City Gate Purchases *	3,750,064	3,194,435	2,933,933	2,397,395	892,300	489,299	402,628	306,920
17		<u>DISTRIBUTION</u>								
18		Operation:								
19	870	Supervision & Engineering	88,795	64,592	36,425	60,583	72,228	60,605	37,466	37,849
20	871	Load Dispatching	8,964	12,014	10,491	10,042	11,755	4,347	7,683	10,150
21	874	Mains & Services Expenses	26,007	36,990	49,811	30,090	31,079	40,608	38,514	41,452
22	875	Measuring & Regulating Station Expenses - General	1,372	994	1,320	1,135	3,071	1,331	2,115	777
23	877	Measuring & Regulating Station Expenses - City Gate	3,816	3,662	4,171	3,801	2,841	4,795	3,232	2,371
24	878	Meters & House Regulator Expenses	21,014	7,267	35,418	31,246	17,866	(2,547)	22,300	20,265
25	879	Customers Installation Expenses	(18,517)	(27,568)	(10,793)	(2,510)	(39,902)	11,229	(13,826)	(7,048)
26	880	Other Expenses	27,458	35,815	34,836	24,430	20,247	22,708	18,768	20,273
27	881	Rents	124	109	1,631	110	109	109	109	109
28		Total Operation	161,034	133,874	163,310	158,927	119,294	143,386	116,361	126,198
29		Maintenance:								
30	885	Maintenance Supervision & Engineering	5,721	5,559	5,492	5,292	5,062	4,862	5,073	4,764
31	886	Maintenance of Structures	6	0	0	0	0	0	84	0
32	887	Maintenance of Mains	1,417	4,304	5,482	2,559	2,340	3,042	3,429	2,437
33	889	Maintenance of Measuring & Reg Sta Equip - General	2,581	773	1,215	2,165	3,523	278	226	215
34	891	Maintenance of Measuring & Reg Sta Equip - City Gate	241	150	77	65	0	623	60	118
35	892	Maintenance of Services	2,367	4,890	4,031	4,715	5,720	3,411	3,862	2,536
36	893	Maintenance of Meters & House Regulators	15,442	13,365	17,117	10,903	6,561	7,131	7,771	7,673
37		Total Maintenance	27,775	29,041	33,414	25,659	23,206	19,347	20,505	17,743
38		Total Distribution Expenses	\$ 188,809	\$ 162,915	\$ 196,724	\$ 184,625	\$ 142,500	\$ 162,733	\$ 136,866	\$ 143,941

* Includes Deferred Gas Cost Adjustments

NORTHWESTERN PUBLIC SERVICE COMPANY
OPERATION AND MAINTENANCE EXPENSES - GAS - SOUTH DAKOTA
TWELVE MONTHS ENDED DECEMBER 31, 1988 TEST YEAR

Statement H
Page 2 of 4

Line No.	No.	Description	1988				Total	Pro Forma Adjustments	Adjusted Amount
			September	October	November	December			
1		MANUFACTURED GAS PRODUCTION							
2		Operation:							
3	710	Supervision & Engineering	\$ 1,232	\$ 1,173	\$ 1,174	\$ 957	\$ 13,403	\$ 144	\$ 13,547
4	717	Liquefied Petroleum Gas Expenses	0	0	134	0	445	13	458
5	723	Fuel for Liquefied Petroleum Gas Process	0	0	0	474	2,656	0	2,656
6	728	Liquefied Petroleum Gas	0	0	0	0	132	(132)	0
7	735	Miscellaneous Production Expenses	71	224	28	116	1,958	28	1,986
8		Total Operation	<u>1,303</u>	<u>1,397</u>	<u>1,336</u>	<u>1,547</u>	<u>18,594</u>	<u>53</u>	<u>18,647</u>
9		Maintenance:							
10	740	Maintenance Supervision & Engineering	889	850	850	939	10,137	122	10,259
11	741	Maintenance of Structures	42	0	0	0	68	2,237	2,305
12	742	Maintenance of Production Equipment	0	0	179	128	3,582	(2,171)	1,411
13		Total Maintenance	<u>931</u>	<u>850</u>	<u>1,029</u>	<u>1,067</u>	<u>13,787</u>	<u>188</u>	<u>13,975</u>
14		Total Manufactured Gas Production	<u>2,234</u>	<u>2,247</u>	<u>2,365</u>	<u>2,614</u>	<u>32,381</u>	<u>241</u>	<u>32,622</u>
15		OTHER GAS SUPPLY							
16	804	Natural Gas City Gate Purchases *	292,776	657,551	1,756,195	2,232,441	19,215,937	3,578,969	22,794,906
17		DISTRIBUTION							
18		Operation:							
19	870	Supervision & Engineering	48,420	57,144	(164,528)	32,511	432,091	4,620	436,711
20	871	Load Dispatching	13,015	10,814	10,429	11,277	120,981	(5,736)	115,245
21	874	Mains & Services Expenses	19,527	44,132	31,281	33,534	423,225	3,324	426,549
22	875	Measuring & Regulating Station Expenses - General	578	599	857	1,371	15,520	386	15,906
23	877	Measuring & Regulating Station Expenses - City Gate	3,506	3,289	3,212	4,146	42,842	1,036	43,878
24	878	Meters & House Regulator Expenses	22,226	37,563	8,527	22,870	244,015	14,073	258,088
25	879	Customers Installation Expenses	(7,596)	(20,439)	(22,530)	(17,224)	(174,725)	15,685	(159,040)
26	880	Other Expenses	15,553	10,063	10,772	16,888	257,812	4,477	262,289
27	881	Rents	1,702	109	109	497	4,827	(326)	4,501
28		Total Operation	<u>116,931</u>	<u>143,274</u>	<u>(121,871)</u>	<u>105,870</u>	<u>1,366,588</u>	<u>37,539</u>	<u>1,404,127</u>
29		Maintenance:							
30	885	Maintenance Supervision & Engineering	4,923	5,392	5,130	5,380	62,650	(503)	62,147
31	886	Maintenance of Structures	0	0	0	0	90	0	90
32	887	Maintenance of Mains	1,493	1,511	1,644	3,042	32,700	494	33,194
33	889	Maintenance of Measuring & Reg. Sta. Equip. - General	854	221	90	23	12,164	333	12,497
34	891	Maintenance of Measuring & Reg. Sta. Equip. - City Gate	0	199	109	74	1,716	40	1,756
35	892	Maintenance of Services	1,469	1,770	2,156	3,270	40,197	918	41,115
36	893	Maintenance of Meters & House Regulators	6,576	9,583	6,616	(21,255)	87,483	(3,047)	84,436
37		Total Maintenance	<u>15,315</u>	<u>18,676</u>	<u>15,745</u>	<u>(9,466)</u>	<u>237,000</u>	<u>(1,765)</u>	<u>235,235</u>
38		Total Distribution Expenses	<u>\$ 132,246</u>	<u>\$ 161,950</u>	<u>\$ (106,126)</u>	<u>\$ 96,404</u>	<u>\$ 1,603,588</u>	<u>\$ 35,774</u>	<u>\$ 1,639,362</u>

* Includes Deferred Gas Cost Adjustments and MGP Removal Cost Adjustment Amortization.

NORTHWESTERN PUBLIC SERVICE COMPANY
 OPERATION AND MAINTENANCE EXPENSES - GAS - SOUTH DAKOTA
 TWELVE MONTHS ENDED DECEMBER 31, 1998 TEST YEAR

Line No.	No.	Description	1998							
			January	February	March	April	May	June	July	August
1		<u>CUSTOMER ACCOUNTS EXPENSE</u>								
2		Operation:								
3	901	Supervision	\$ 13,290	\$ 12,261	\$ 13,185	\$ 13,648	\$ 13,081	\$ 13,987	\$ 10,123	\$ 12,591
4	902	Meter Reading Expenses	23,132	19,029	20,764	21,029	18,966	20,691	20,916	21,232
5	903	Customer Records & Collection Expenses	33,807	34,532	37,215	33,148	31,185	39,373	39,357	36,192
6	904	Uncollectible Accounts	10,728	10,621	8,984	7,353	5,831	4,819	5,227	5,157
7	905	Miscellaneous Customer Accounts Expenses	2,342	732	1,036	4,884	1,523	1,194	(86)	687
8		Total Customer Accounts Expense	<u>83,299</u>	<u>77,175</u>	<u>81,184</u>	<u>80,062</u>	<u>70,586</u>	<u>80,064</u>	<u>75,537</u>	<u>75,859</u>
9		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSE</u>								
10		Operation:								
11	907	Supervision	508	693	512	566	523	566	596	594
12	908	Customer Assistance Expense	92,164	90,713	90,369	90,104	89,273	89,649	89,374	89,398
13	909	Informational & Instructional Advertising Expense	3,281	2,096	3,289	1,078	989	1,075	860	1,123
14	910	Misc. Customer Service & Informational Expense	971	3,257	825	1,148	1,395	834	905	1,540
15		Total Customer Services & Informational Expense	<u>96,924</u>	<u>96,759</u>	<u>94,995</u>	<u>92,896</u>	<u>92,180</u>	<u>92,124</u>	<u>91,735</u>	<u>92,655</u>
16		<u>SALES EXPENSE</u>								
17		Operation:								
18	911	Supervision	0	0	0	0	0	0	0	0
19	912	Demonstrating & Selling Expenses	0	0	0	0	0	0	0	0
20	913	Advertising Expenses	(380)	(721)	(702)	(700)	(666)	912	51	56
21	916	Miscellaneous Sales Expenses	0	0	0	0	0	0	0	0
22		Total Sales Expense	<u>(380)</u>	<u>(721)</u>	<u>(702)</u>	<u>(700)</u>	<u>(666)</u>	<u>912</u>	<u>51</u>	<u>56</u>
23		<u>ADMINISTRATIVE AND GENERAL EXPENSES</u>								
24		Operation:								
25	920	Administrative & General Salaries	69,388	67,202	66,007	65,544	65,584	91,991	79,585	82,571
26	921	Office Supplies & Expenses	35,505	45,188	48,476	59,838	54,452	59,902	43,545	59,040
27	922	Administrative Expenses Transferred - Cr.	(32,843)	(95,709)	(48,501)	(92,443)	(73,847)	(70,560)	(46,403)	(70,777)
28	923	Outside Services Employed	23,016	31,090	28,808	28,030	26,662	19,038	17,393	20,018
29	924	Property Insurance	2,171	2,237	2,171	2,171	2,171	2,171	1,690	1,916
30	925	Injuries & Damages	9,147	8,308	7,119	6,970	6,287	7,638	6,510	6,828
31	926	Employee Pensions & Benefits	19,426	62,282	83,634	55,570	62,762	49,715	51,673	95,121
32	928	Regulatory Commission Expenses	0	0	0	0	0	0	0	0
33	930 1	General Advertising Expenses	2,888	3,110	12,816	3,071	18,997	9,450	7,510	7,696
34	930 2	Miscellaneous General Expenses	25,899	18,404	48,136	9,501	42,963	14,937	8,468	11,579
35	931	Rents	12,364	24,826	6,867	32,439	19,784	19,209	22,866	11,738
36		Total Operation	<u>166,961</u>	<u>166,938</u>	<u>255,533</u>	<u>170,691</u>	<u>225,815</u>	<u>203,491</u>	<u>192,837</u>	<u>225,730</u>
37		Maintenance:								
38	932	Maintenance of General Plant	26,696	24,135	21,124	22,523	20,928	26,911	22,756	24,982
39		Total Administrative & General Expenses	<u>193,657</u>	<u>191,073</u>	<u>276,657</u>	<u>193,214</u>	<u>246,743</u>	<u>230,402</u>	<u>215,593</u>	<u>250,712</u>
40		Total Gas Operation & Maintenance Expenses	<u>\$ 4,315,076</u>	<u>\$ 3,635,283</u>	<u>\$ 3,586,315</u>	<u>\$ 2,950,941</u>	<u>\$ 1,445,769</u>	<u>\$ 1,057,988</u>	<u>\$ 924,696</u>	<u>\$ 872,376</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
 OPERATION AND MAINTENANCE EXPENSES - GAS - SOUTH DAKOTA
 TWELVE MONTHS ENDED DECEMBER 31, 1998 TEST YEAR

Line No.	No.	Description	1998				Total	Pro Forma Adjustments	Adjusted Amount
			September	October	November	December			
1		<u>CUSTOMER ACCOUNTS EXPENSE</u>							
2		Operation:							
3	901	Supervision	\$ 12,141	\$ 12,358	\$ 11,685	\$ 10,229	\$ 148,579	\$ 5,478	\$ 154,057
4	902	Meter Reading Expenses	20,668	21,459	19,615	25,291	252,792	6,700	259,492
5	903	Customer Records & Collection Expenses	31,181	35,773	39,576	32,880	424,219	9,372	433,591
6	904	Uncollectible Accounts	5,060	4,927	6,571	15,334	90,612	(2,018)	88,594
7	905	Miscellaneous Customer Accounts Expenses	662	383	161	1,916	15,434	(1)	15,433
8		Total Customer Accounts Expense	<u>69,712</u>	<u>74,900</u>	<u>77,608</u>	<u>85,650</u>	<u>931,636</u>	<u>19,531</u>	<u>951,167</u>
9		<u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSE</u>							
10		Operation:							
11	907	Supervision	594	594	595	595	6,936	230	7,166
12	908	Customer Assistance Expense	89,133	89,318	89,289	89,276	1,078,060	(310,973)	767,087
13	909	Informational & Instructional Advertising Expense	1,136	1,147	1,141	5,986	23,201	469	23,670
14	910	Misc. Customer Service & Informational Expense	1,575	837	827	1,045	15,159	336	15,495
15		Total Customer Services & Informational Expense	<u>92,438</u>	<u>91,896</u>	<u>91,852</u>	<u>96,902</u>	<u>1,123,356</u>	<u>(309,938)</u>	<u>813,418</u>
16		<u>SALES EXPENSE</u>							
17		Operation:							
18	911	Supervision	0	0	0	0	0		0
19	912	Demonstrating & Selling Expenses	0	0	0	0	0		0
20	913	Advertising Expenses	50	51	32	59	(1,958)	1,958	0
21	916	Miscellaneous Sales Expenses	0	0	0	0	0		0
22		Total Sales Expense	<u>50</u>	<u>51</u>	<u>32</u>	<u>59</u>	<u>(1,958)</u>	<u>1,958</u>	<u>0</u>
23		<u>ADMINISTRATIVE AND GENERAL EXPENSES</u>							
24		Operation:							
25	920	Administrative & General Salaries	82,021	85,060	35,582	85,448	875,992	(76,766)	799,226
26	921	Office Supplies & Expenses	42,883	43,944	29,497	57,377	579,847	(53,785)	525,862
27	922	Administrative Expenses Transferred - Cr.	(59,805)	(75,810)	(67,616)	(87,017)	(821,221)	64,839	(756,382)
28	923	Outside Services Employed	18,278	17,429	14,140	17,597	259,497	(31,031)	228,466
29	924	Property Insurance	1,916	1,916	1,916	1,916	24,362	(1,532)	22,830
30	925	Injuries & Damages	6,550	8,891	7,819	8,105	88,172	(5,390)	82,782
31	926	Employee Pensions & Benefits	61,753	68,442	92,734	74,810	775,922	(104,882)	671,060
32	928	Regulatory Commission Expenses	0	0	0	0	0	50,000	50,000
33	930.1	General Advertising Expenses	1,289	9,966	1,833	29,535	108,161	(108,161)	0
34	930.2	Miscellaneous General Expenses	5,694	3,873	9,717	12,555	211,726	(24,821)	186,905
35	931	Rents	16,794	27,456	29,156	26,186	249,685	(13,314)	236,371
36		Total Operation	<u>175,481</u>	<u>187,176</u>	<u>154,778</u>	<u>226,512</u>	<u>2,351,943</u>	<u>(304,823)</u>	<u>2,047,120</u>
37		Maintenance:							
38	932	Maintenance of General Plant	23,410	28,869	20,552	21,021	283,907	(31,442)	252,465
39		Total Administrative & General Expenses	<u>198,891</u>	<u>216,045</u>	<u>175,330</u>	<u>247,533</u>	<u>2,635,850</u>	<u>(336,265)</u>	<u>2,299,585</u>
40		Total Gas Operation & Maintenance Expenses	<u>\$ 695,909</u>	<u>\$ 1,204,640</u>	<u>\$ 1,997,256</u>	<u>\$ 2,761,603</u>	<u>\$ 25,540,790</u>	<u>\$ 2,990,270</u>	<u>\$ 28,531,060</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
 ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
 DECEMBER 31, 1998 TEST YEAR

Line No.	Description	Total	Pro Forma Adjustments	Adjusted Amount
1	<u>Production Expenses</u>			
2	Operation:			
3	Labor	\$ 13,287	\$ 190	\$ 13,477
4	Other	5,308	(138)	5,170
5	Maintenance:			
6	Labor	11,178	197	11,375
7	Other	2,610	(10)	2,600
8	Total	<u>\$ 32,383</u>	<u>\$ 239</u>	<u>\$ 32,622</u>
9	<u>Distribution Expenses</u>			
10	Operation:			
11	Labor	\$ 994,703	\$ 22,084	\$ 1,016,787
12	Other	371,886	15,454	387,340
13	Maintenance:			
14	Labor	201,550	(1,011)	200,539
15	Other	35,455	(759)	34,696
16	Total	<u>\$ 1,603,594</u>	<u>\$ 35,768</u>	<u>\$ 1,639,362</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
ADJUSTMENTS TO OPERATION AND MAINTENANCE EXPENSES
DECEMBER 31, 1993 TEST YEAR

Line No.	Description	Total	Pro Forma Adjustments	Adjusted Amount
1	<u>Customer Accounts Expense</u>			
2	Operation:			
3	Labor	\$ 674,258	\$ 20,988	\$ 695,246
4	Other	257,375	(1,454)	255,921
5	Total	<u>\$ 931,633</u>	<u>\$ 19,534</u>	<u>\$ 951,167</u>
6	<u>Customer Service & Informational Expenses</u>			
7	Operation:			
8	Labor	\$ 88,827	\$ 2,921	\$ 91,748
9	Other	1,034,531	(312,861)	721,670
10	Total	<u>\$ 1,123,358</u>	<u>\$ (309,940)</u>	<u>\$ 813,418</u>
11	<u>Sales Expenses</u>			
12	Operation:			
13	Labor	\$ (2,227)	\$ 2,227	\$ 0
14	Other	269	(269)	0
15	Total	<u>\$ (1,958)</u>	<u>\$ 1,958</u>	<u>\$ 0</u>
16	<u>Administrative & General Expenses</u>			
17	Operation:			
18	Labor	\$ 1,238,469	\$ (123,645)	\$ 1,114,824
19	Other	1,113,450	(231,183)	882,297
20	Maintenance:			
21	Labor	23,458	(1,227)	22,231
22	Other	260,450	(30,217)	230,233
23	Total	<u>\$ 2,635,857</u>	<u>\$ (386,272)</u>	<u>\$ 2,249,585</u>

Schedule H-2

NORTHWESTERN PUBLIC SERVICE COMPANY
PURCHASED GAS COST
DECEMBER 31, 1998 TEST YEAR

Please Refer to Exhibit _ (TPH-1) Schedules Nos. 2 and 2.1

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR LISTED EXPENSE ACCOUNTS - GAS - SOUTH DAKOTA
ADMINISTRATION EXPENSES TRANSFERRED - CREDIT
DECEMBER 31, 1998 TEST YEAR

<u>Line No.</u>		<u>Per Books</u>	<u>Pro Forma Adjustment</u>	<u>Adjusted Amount</u>
1	<u>Account 922 Administrative Expenses Transferred - Credit</u>			
2	Payroll and Expenses	<u>\$ (821,221)</u>	<u>\$ 64,839</u>	<u>\$ (756,382)</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR LISTED EXPENSE ACCOUNTS - GAS - SOUTH DAKOTA
EMPLOYEE PENSIONS AND BENEFITS
DECEMBER 31, 1998 TEST YEAR

<u>Line No.</u>		<u>Per Books</u>	<u>Pro Forma Adjustment</u>	<u>Adjusted Amount</u>
1	<u>Account 926 Employee Pensions and Benefits</u>			
2	Pension Expense	\$ 64,621	\$ (8,733)	\$ 55,888
3	VIP Plan Expense	122,211	(16,516)	105,695
4	ESOP	45,387	(6,134)	39,253
5	Health Plan Expense	237,691	(32,123)	205,568
6	Group Life Insurance	470,007	(63,519)	406,488.00
7	Transferred - Credit	(207,876)	28,093	(179,783.00)
8	Other	43,881	(5,930)	37,951
9	Total	<u>\$ 775,922</u>	<u>\$ (104,862)</u>	<u>\$ 671,060</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR LISTED EXPENSE ACCOUNTS - GAS - SOUTH DAKOTA
REGULATORY COMMISSION EXPENSE
DECEMBER 31, 1998 TEST YEAR

Line No.		Per Books	Pro Forma Adjustment	Adjusted Amount
1	<u>Account 928 Regulatory Commission Expense</u>			
2	Miscellaneous Expense	\$ 0	\$ 50,000	\$ 50,000
3				
4	Total	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR LISTED EXPENSE ACCOUNTS - GAS - SOUTH DAKOTA
DUPLICATE CHARGES - CREDIT
DECEMBER 31, 1998 TEST YEAR

<u>Line No.</u>		<u>Per Books</u>	<u>Pro Forma Adjustment</u>	<u>Adjusted Amount</u>
1	<u>Account 929 Duplicate Charges - Credit</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR LISTED EXPENSE ACCOUNTS - GAS - SOUTH DAKOTA
MISCELLANEOUS GENERAL EXPENSES
DECEMBER 31, 1998 TEST YEAR

Line No.		Per Books	Pro Forma Adjustment	Adjusted Amount
1	<u>Account 930.2 Miscellaneous General Expense</u>			
2	Industry Association Dues	\$ 25,960	(3,043)	22,917
3	Research	0	0	0
4	Reports	23,508	(2,756)	20,752
5	Stockholder's Services	46,052	(5,399)	40,653
6	Director's Expense	108,771	(12,752)	96,019
7	Development Expense	7,437	(872)	6,565
8	Other	0		0
9	Total	<u>\$ 211,728</u>	<u>\$ (24,822)</u>	<u>\$ 186,906</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR LISTED EXPENSE ACCOUNTS - GAS - SOUTH DAKOTA
ADVERTISING EXPENSE RECORDED IN ACCOUNTS 909, 913, AND 930
DECEMBER 31, 1998 TEST YEAR

Line No.		Per Books	Pro Forma Adjustment	Adjusted Amount
1	<u>Classification</u>			
2	Conservation	\$ 0	\$	\$ 0
3	Safety	12,189		12,189
4	Informational	7,447		7,447
5	Required By Law	3,565		3,565
6	Promotional	(1,958)	1,958	0
7	Institutional	103,160	(108,160)	0
8	Rate Justification	0		0
11	Other			
12	Total	<u>\$ 129,403</u>	<u>\$ (106,202)</u>	<u>\$ 23,201</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
 OPERATING REVENUES PER BOOKS - GAS - SOUTH DAKOTA
 DECEMBER 31, 1998 TEST YEAR

REVENUE AND MCF SALES PER BOOKS

Line No.		1998												Total Year Total Operating Revenues	
		January	February	March	April	May	June	July	August	September	October	November	December		
1	Operating Revenues -														
2	Sales of Gas														
3	Residential-General	\$ 3,276,222	\$ 2,734,704	\$ 2,644,085	\$ 2,190,111	\$ 980,595	\$ 582,653	\$ 493,727	\$ 429,059	\$ 418,450	\$ 695,755	\$ 1,538,693	\$ 2,221,054	\$	18,107,008
4	Commercial & Industrial-Small General	1,698,310	1,629,057	1,311,971	1,037,511	483,249	255,372	259,059	197,646	199,795	307,793	752,289	1,121,591		9,133,640
5	Commercial & Industrial-Large Firm	0	271	66,990	75,532	12,134	2,083	1,854	1,820	1,876	2,081	2,683	3,267		170,570
6	Commercial & Industrial-Firm-Agency	0	0	0	0	0	0	0	0	0	0	0	0		0
7	Commercial & Industrial-Interruptible	134,757	125,825	117,963	81,948	33,766	23,298	22,447	26,349	23,448	93,052	282,442	251,878		1,197,169
8	Commercial & Industrial-Interup-Agency	0	0	0	0	0	0	0	0	0	0	0	0		0
9	Total Sales of Gas	<u>5,111,298</u>	<u>4,389,857</u>	<u>4,040,979</u>	<u>3,385,102</u>	<u>1,489,741</u>	<u>883,306</u>	<u>777,087</u>	<u>654,883</u>	<u>643,687</u>	<u>1,098,681</u>	<u>2,558,107</u>	<u>3,597,788</u>		<u>28,608,366</u>
10	Other Operating Revenues-														
11	Forfeited Discounts	8,234	9,518	11,252	7,762	6,034	4,529	2,989	2,144	1,943	1,482	1,661	3,711		61,856
12	Misc. Service Revenues	3,731	3,416	5,804	2,389	4,820	5,103	5,178	6,375	6,377	9,738	8,121	6,203		66,255
13	Transport Gas Billed	66,162	100,849	87,165	105,249	86,981	77,050	73,261	71,473	73,002	79,434	106,408	119,804		1,066,888
14	Other Gas Revenues	6	11	86	138	94	121	85	83	103	117	128	314		1,296
15	Total Other Operating Revenues	<u>98,133</u>	<u>113,794</u>	<u>104,307</u>	<u>116,538</u>	<u>93,629</u>	<u>88,803</u>	<u>81,510</u>	<u>79,075</u>	<u>81,425</u>	<u>90,321</u>	<u>116,326</u>	<u>130,032</u>		<u>1,166,295</u>
16	Total Operating Revenues	<u>\$ 5,209,431</u>	<u>\$ 4,503,651</u>	<u>\$ 4,145,286</u>	<u>\$ 3,500,640</u>	<u>\$ 1,583,370</u>	<u>\$ 972,109</u>	<u>\$ 858,597</u>	<u>\$ 733,958</u>	<u>\$ 725,112</u>	<u>\$ 1,189,002</u>	<u>\$ 2,674,433</u>	<u>\$ 3,727,820</u>		<u>\$ 29,804,661</u>
17	MMBTU Sales														
18	Residential-General	581,131	478,620	427,851	364,727	144,824	73,891	58,988	48,758	47,300	95,750	238,791	344,344		2,885,073
19	Commercial & Industrial-Small-General	260,532	245,123	213,072	169,575	61,175	32,203	28,537	26,066	24,350	40,982	112,284	168,724		1,383,203
20	Commercial & Industrial-Large-Firm	101,008	87,283	75,920	62,013	34,164	8,345	20,628	11,357	10,947	19,344	36,833	52,607		520,747
21	Commercial & Industrial-Firm-Agency	0	0	0	0	0	0	0	0	0	0	0	0		0
22	Commercial & Industrial-Interruptible	41,179	41,544	37,545	24,458	8,717	5,726	4,940	6,197	6,482	29,568	87,700	90,356		384,481
23	Commercial & Industrial-Interup-Agency	0	0	0	0	0	0	0	0	0	0	0	0		0
24	Total MMBTU Sales	<u>983,848</u>	<u>852,570</u>	<u>754,998</u>	<u>620,773</u>	<u>248,930</u>	<u>120,165</u>	<u>113,093</u>	<u>92,378</u>	<u>88,059</u>	<u>185,654</u>	<u>475,608</u>	<u>656,370</u>		<u>5,173,484</u>
25	Gas Transported - MMBTU	<u>257,522</u>	<u>269,208</u>	<u>252,784</u>	<u>307,187</u>	<u>250,836</u>	<u>224,846</u>	<u>211,102</u>	<u>190,185</u>	<u>186,521</u>	<u>207,508</u>	<u>281,688</u>	<u>424,737</u>		<u>3,077,508</u>

NORTHWESTERN PUBLIC SERVICE COMPANY

DECEMBER 31, 1998 TEST YEAR

Reference is made to Exhibit _ (TPH-1), Schedule Nos. 2,2.1,2.1a

NORTHWESTERN PUBLIC SERVICE COMPANY
DEPRECIATION EXPENSE-GAS-SOUTH DAKOTA
DECEMBER 31, 1998 TEST YEAR

Reference is made to Exhibit __ (TPH-1), Schedule No. 5

NORTHWESTERN PUBLIC SERVICE COMPANY
 EXPENSE CHARGED OTHER THAN PRESCRIBED DEPRECIATION-GAS-SOUTH DAKOTA
 DECEMBER 31, 1998 TEST YEAR
 SCHEDULE J-1

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RECONCILIATION OF PLANT BALANCES ON WHICH DEPRECIATION IS CALCULATED TO PLANT IN SERVICE BALANCES 1/	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
	DECEMBER 1997 BALANCE	MARCH 1998 BALANCE	JUNE 1998 BALANCE	SEPTEMBER 1998 BALANCE
BALANCE ON WHICH STATEMENT J DEPRECIATION IS CALCULATED	38,437,129	38,777,478	40,348,699	40,473,355
ADD: NON DEPRECIABLE PROPERTY	1,342,304	1,227,808	1,263,308	1,200,487
MISCELLANEOUS INTANGIBLE PLANT	2,931	2,931	2,931	7,327
LIMITED TERM INVESTMENT AMORTIZED	0	0	0	0
TOTAL PLANT IN SERVICE BALANCE PER SCHEDULE D-3	<u>39,782,364</u>	<u>40,008,217</u>	<u>41,614,938</u>	<u>41,681,179</u>

1/ BALANCES ARE NOT RECONCILED TO STATEMENT D AS PER FILING INSTRUCTIONS AS THE COMPANY'S PROCEDURE IS TO BASE DEPRECIATION FOR A CALENDAR QUARTER UPON DEPRECIABLE PLANT IN SERVICE BALANCES AS OF THE BEGINNING OF THE QUARTER.

NOTE: DEPRECIATION CHARGED TO OTHER THAN PRESCRIBED EXPENSE ACCOUNTS IS DETAILED ON STATEMENT J.

Northwestern Public Service Company
Income Taxes as Recorded and as Adjusted
December 31, 1998 Test Year

Line No.		As Recorded			Pro Forma Adjustments	SD Adjusted
		South Dakota		Nebraska		
		Electric	Gas			
1	Operating Revenue	\$ 78,414,964	\$ 29,804,685	\$ 30,033,515	\$ 5,960,501	\$ 35,765,186
2	Operating Expenses:					
3	Operation & Maintenance	35,582,443	25,540,795	27,341,633	2,990,265	28,531,060
4	Depreciation & Amortization	11,869,516	1,665,371	1,104,708	(48,581)	1,616,790
5	Taxes Other Than Income Taxes	5,355,701	715,772	174,252	261,247	977,019
6	Total	<u>52,807,660</u>	<u>27,921,938</u>	<u>28,620,593</u>	<u>3,202,931</u>	<u>31,124,669</u>
7	Operating Income Before Income Taxes	<u>25,607,304</u>	<u>1,882,747</u>	<u>1,412,922</u>	<u>2,757,570</u>	<u>4,640,317</u>
8	Other Income - Net Before Income Taxes					
9	And Excluding AFUDC					0
10	Interest Charges:					
11	Long-Term	12,644,987	1,576,197	1,095,323	(427,924)	1,148,273
12	Amortization of Debt Discount & Expense	254,396	28,399	19,735		28,399
13	Commercial Paper	683,336	94,570	65,718		94,570
14	Customer Deposits	32,652	4,519	3,140		4,519
15	Refunds	-	0	0		0
16	Other	(25,478)	(106,957)	(74,326)		(106,957)
17	Total	<u>13,589,893</u>	<u>1,596,728</u>	<u>1,109,590</u>	<u>(427,924)</u>	<u>1,168,804</u>
18	Book Taxable Income	<u>\$ 12,017,411</u>	<u>\$ 286,019</u>	<u>\$ 303,332</u>	<u>\$ 3,185,494</u>	<u>\$ 3,471,513</u>

Northwestern Public Service Company
Income Taxes as Recorded and as Adjusted
December 31, 1998 Test Year

Line No.		As Recorded		Nebraska Gas	Pro Forma Adjustments	SD Adjusted
		South Dakota Electric	Gas			
1	Adjustments For Federal Tax Purposes:					
2	Depreciation	636,308	211,175	146,749		211,175
3	Non-deductible SISP premiums	416,004	138,061	95,941		138,061
4	Environmental Clean-up Amortization Reversal	351,288	116,583	81,016		116,583
5	Spousal Travel Disallowance	12,800	4,248	2,952		4,248
6	FPCSSP Premiums	446,746	148,264	103,030		148,264
7	Lobbying Expense Disallowance	44,800	14,868	10,332		14,868
8	Municipal Bond Interest					-
9	State Income Taxes - NE			(123,335)		-
10	State Income Taxes - ND	(59,618)				-
11	SISP Retirement/Death Benefit Payments	(67,046)	(22,251)	(15,462)		(22,251)
12	FPCSSP Death Benefit Payments	91,500	30,367	21,102		30,367
13	Deferred Power Costs	(1,648,709)				-
14	Deferred Gas Costs		(332,079)	(230,767)		(332,079)
15	Non-qualified Retirement Plan Costs (Payments)					-
16	Travel & Entertainment Expense Disallowance	64,000	21,240	14,760		21,240
17	Contribution in Aid of Construction	58,358	19,367	13,459		19,367
18	Preferred Stock Dividend Paid Deduction	(29,952)	(9,940)	(6,908)		(9,940)
19	Net Tax Deduction (income) From Safe Harbor Lease					-
20	Amortization of Syn Financing Costs					-
21	Capital Trust Dividend Income					-
22	Non-taxable Insurance Proceeds	(234,852)	(77,942)	(54,163)		(77,942)
23	Additional ESOP Contributions	(501,876)	(166,560)	(115,745)		(166,560)
24	ESOP Dividends Paid Deduction	(913,620)	(303,208)	(210,704)		(303,208)
25	Long-term Disability Benefit Payments	(48,707)	(16,165)	(11,233)		(16,165)
26	Total	(1,382,577)	(223,972)	(278,977)	0	(223,972)
27	Federal Taxable Income	10,634,833	62,047	24,354	0	62,047

Northwestern Public Service Company
Income Taxes Recorded and as Adjusted
December 31, 1998 Test Year

Line No.		As Recorded				SD Gas Adjustments	SD Gas As Adjusted
		Electric	Gas		Other		
			South Dakota	Nebraska			
1	Federal Income Tax Before Adjustments	\$3,722,192	\$21,716	\$8,524	\$4,053,249	\$7,805,681	\$21,716
2	Adjustments						
3	Deferred Tax Credit					0	
4	Normalizing Timing Difference (See Detail following)	577,048	116,228	80,768	0	774,044	0
5	True-up Adjustment to 1997 Tax Return	(1,901,838)	(631,173)	(438,611)	(1)	(2,971,623)	(2,971,623)
6	Federal Income Tax Adjustment	293,566	97,421	67,699		458,686	
7	ESOP Tax Entry	501,876	166,560	115,745		784,181	
9	Safe Harbor Lease Deferred Tax Benefit				1,680,115	1,680,115	
10	Non-Qual Retirement Plan Costs				27,232	27,232	
11	Miscellaneous				(200,287)	(200,287)	
12	Total	(529,348)	(250,964)	(174,390)	1,507,059	552,349	0
13	Federal Income Taxes - Current	3,192,844	(229,248)	(165,875)	5,560,308	8,358,029	0
14	Normalization of Current Timing Differences						
16	Deferred Power Costs	577,048				577,048	577,048
17	Deferred Gas Costs		116,228	80,768		196,996	196,996
19	Total	577,048	116,228	80,768	0	774,044	0

Note: Allocations are made on the following basis:

- (1) Direct
- (2) "F" Basis, Net Plant in Service at December 31, 1998
- (3) Four Factor

Northwestern Public Service Company
Adjustments - Statement K
December 31, 1998 Test Year

Line No.		Electric	Gas		Total
			South Dakota	Nebraska	
1	Allocation of True-Up Adjustment Components				
2	Deferred Income Taxes	1,923,163	638,250	443,529	3,004,942
3	Deferred ITC				0
4	Current Taxes From Previous Calculation	(1,931,478)	(613,685)	(426,459)	(2,971,622)
5	Rounding				0
6	Total	<u>(8,315)</u>	<u>24,565</u>	<u>17,070</u>	<u>33,320</u>

Northwestern Public Service Company
Adjustments - Statement K
December 31, 1998 Test Year

Line No.		Electric	Gas		Total
			South Dakota	Nebraska	
1	Adjustment Consists of				
2	Normalize ESOP Dividends Paid Deduction	501,876	166,560	115,745	784,181
3	True-Up Adjustment Applicable to 1997 Tax Return	(1,931,478)	(613,685)	(426,459)	(2,971,622)
4	Federal Tax Adjustment	293,566	97,421	67,699	458,686
5	Normalize Timing Differences	577,048	116,228	80,768	774,044
6	Rounding				0
7	Total	<u>(558,988)</u>	<u>(233,476)</u>	<u>(162,246)</u>	<u>(954,711)</u>

Northwestern Public Service Company
Adjustments - Statement K
December 31, 1998 Test Year

Breakdown of Current Tax Provision in True-Up Adjustment Between Neb-SD

Line No.		South Dakota	Nebraska	Total
1	Add (Deduct):			
2	Current Provision of Tax Dep Less Than (In Excess of) Book	(\$22,389.32)	(\$15,558.68)	(\$37,948)
3	Deferred Directors' Fees	(2,623)	(1,822)	(4,445)
4	DRIP Administrative Expense	6,452	4,483	10,935
5	N/Q Retirement Plan Payment Costs, Net	353	246	599
6	Meals & Entertainment Disallowance	609	423	1,032
7	Long-Term Disability Benefit Liability	487	324	791
8	Overaccrual of Property Taxes	(11,465)	(7,968)	(19,433)
9	Overaccrual of Pension Expense	9,107	6,329	15,436
10	Underaccrual of Partnership Income	(4,113)	(2,859)	(6,972)
11	Bad Debts	(14,455)	(10,045)	(24,500)
12	General Reserves	(445,983)	(309,920)	(755,903)
13	Penalties	1,129	784	1,913
14	Lobbying Expense Disallowance	96	67	163
15	Deferred Interest	822	571	1,393
16	Tax Revenue Greater (Less) Than Book	(302,321)	(210,088)	(512,409)
17	Retirement/Death Benefits Paid Out (FPCCSP & SISF)	145	100	245
18	Amortization of Loss on Reacquired Debt	7,124	4,951	12,075
19	Environmental Clean-Up	26,669	18,533	45,202
20	Non-Taxable Insurance Proceeds	3,704	2,574	6,278
21	Long-Term Disability Benefit Payments	(607)	(421)	(1,028)
22	Capital Trust Dividend Income	5,903	4,102	10,005
23	Phantom Stock	30,225	21,003	51,228
24	Loss on Retirement of Fixed Assets	14,122	9,813	23,935
25	ADR Dismantling Costs	(36,174)	(25,138)	(61,312)
26	Vacation Pay	5,467	3,799	9,266
27	Adjustment for Graduated Rates	(18,146)	(12,610)	(30,756)
28	AMT	130,645	90,787	221,432
29	Low-Income Housing Credit	1,554	1,080	2,634
		(613,685)	(426,459)	(1,040,144)

Northwestern Public Service Company
Income Taxes - Gas - South Dakota
As Recorded and as Adjusted
December 31, 1998 Test Year

Line No.		Debit	Credit	Provision (Amortization) During Test Year	Adjustments	As Adjusted
1	Provision for Deferred Income Taxes	\$1,421,419		\$1,421,419		\$1,421,419
2	Provision for Deferred Income Taxes-Credit		58,764	(58,764)		(\$58,764)
3	Net Provision for Deferred Income Taxes	<u>\$1,421,419</u>	<u>\$58,764</u>	<u>\$1,362,655</u>	<u>\$0</u>	<u>\$1,362,655</u>
4	Investment Tax Credit Adjustment, Net		<u>\$28,320</u>	<u>(\$28,320)</u>		<u>(\$28,320)</u>

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1994
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated	
1	Net Income Per Books	\$12,411,832	\$3,028,375	\$15,440,207	
2	Federal Income Taxes	6,295,474	1,573,869	7,869,343	
3	Income Subject to Tax Not Recorded on Books This Year:				
4	Tax Dividends Greater Than Book		12,573	12,573	
5	Safe Harbor Lease Income	2,923,082		2,923,082	
6	Contribution in Aid of Construction	163,325		163,325	
7	Dividends		66,956	66,956	
8	Emission Allowance	22,275		22,275	3,188,211
9	Expenses Recorded on Books This Year Not Deduction In This Return:				
10	DRIP Administration Expense	64,935		64,935	
11	Safe Harbor Lease Amortization	322,468		322,468	
12	Insurance Premiums	594,004		594,004	
13	Deferred Director Fees	56,030		56,030	
14	Deferred Power Costs	250,728		250,728	
15	Accrued Vacation Pay	9,157	59,826	68,983	
16	Penalties	3,002		3,002	
17	Long-Term Disability Liability	165,188		165,188	
18	Amortization of Loss on Reacquired Debt	140,569		140,569	
19	Death Benefit Liability	72,817		72,817	
20	Overaccrued State Income Taxes	82,244		82,244	
21	Deferred Gas Costs	1,091,903		1,091,903	
22	Lobbying Expense	62,845		62,845	
23	Deferred Interest Costs	10,560		10,560	
24	Meals and Entertainment Disallowance	64,702	62,833	127,535	
25	Spousal Travel Disallowance	10,000		10,000	
26	Prov in Excess of Charges - Bad Debts		27,466	27,466	
27	UNICAP Adjustment		3,433	3,433	3,154,710
28	Total	\$6,109,834	\$233,087	\$6,342,921	

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1994
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated	
1	Income Recorded on Books This Year Not Included in This Return:				
2	Tax-Exempt Interest	\$102,663	\$65,269	\$167,932	
3	Insurance Proceeds	47,331.00		47,331	
4	Amortization of Gain From Asset Retirement	925,644.00		925,644	
5	Tax Revenue Less Book	70,841.00		70,841	\$1,211,748
6	Deductions in This Return Not Charged Against Book Income This Year:				
7	Depreciation	2,409,978.00		2,409,978	
8	Tax Less Than Book Partnership Income	20.00		20	
9	Accrued State Income Taxes	381,582.00	50,000.00	431,582	
10	ESOP Dividends Paid	1,004,969.00		1,004,969	
11	Additional ESOP Contribution	541,136.00		541,136	
12	Death Benefit Payments	81,060.00		81,060	
13	Retirement Benefit Payments	399,648.00		399,648	
14	ADR Dismantling Costs	106,810.00		106,810	
15	Pension Expense	837,903.00		837,903	
16	Environmental Tax	25,710.00		25,710	
17	Loss on Fixed Asset Retirements	830,772.00		830,772	
18	CNG Expense	150,874.00		150,874	
19	Environmental Clean-Up Expense	865,274.00		865,274	
20	General Reserve Charges	788,511.00	423,650.00	1,212,161	
21	General Reserve - Other	110,902.00		110,902	
22	Nonqualified Deferred Comp Payments	24,047.00		24,047	
23	Nonqualified Retirement Plan Payments	8,090.00		8,090	
24	Prepaid Insurance Costs		74,725.00	74,725	
25	FSC Commission		207,314.00	207,314	
26	Warranty Charges Greater Than Provision		24,637.00	24,637	
27	Advertising Expense		83,592.00	83,592	
28	Inventory Adjustment		61,821.00	61,821	9,493,025
29	Total	<u>9,713,765.00</u>	<u>991,008.00</u>	<u>10,704,773.00</u>	
30	Taxable Income	<u>\$15,103,375</u>	<u>\$3,844,323</u>	<u>\$18,947,698</u>	

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1995
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated	
1	Net Income Per Books	\$18,108,694	\$1,160,890	\$19,269,584	
2	Federal Income Taxes	8,249,902	528,500	8,776,492	
3	Income Subject to Tax Not Recorded on Books This Year:				
4	Safe Harbor Lease Income	3,353,806		3,353,806	
5	Contribution in Aid of Construction	130,898		130,898	
6	Dividends		16,294	16,294	
7	Emission Allowance	11,085		11,085	
8	Minority Interest		21,304	21,304	
9	NGC Management Fee	1,240,000		1,240,000	4,773,387
10	Expenses Recorded on Books This Year Not Deduction In This Return:				
11	Depreciation	17,815		17,815	
12	Travel & Entertainment	79,102	73,008	152,110	
13	Over Accrued Property Taxes	582,650		582,650	
14	DRIP Administration Expense	68,410		68,410	
15	Safe Harbor Lease Amortization	289,636		289,636	
16	Insurance Premiums	647,792	108,910	756,702	
17	Deferred Director Fees	11,121		11,121	
18	Deferred Power Costs	87,709		87,709	
19	Accrued Vacation Pay	6,511		6,511	
20	Penalties	718		718	
21	Long-Term Disability Liability			0	
22	Amortization of Loss on Reacquired Debt	112,600		112,600	
23	Nonqualified Deferred Compensation Plan	45,517		45,517	
24	Death Benefit Liability	519,637		519,637	
25	Nonqualified Retirement Plan Benefits			0	
26	Overaccrued State Income Taxes			0	
27	Deferred Gas Costs	103,823		103,823	
28	Lobbying Expense	60,901		60,901	
29	Deferred Interest Costs	10,560		10,560	
30	Spousal Travel Disallowance	10,000		10,000	
31	Prov in Excess of Charges - Bad Debts		50,663	50,663	
32	UNICAP Adjustment		7,872	7,872	
33	Inventory Adjustment		145,288	145,288	
34	NRT Warranty Charge		54,886	54,886	
35	Amortization		8,167	8,167	3,103,296
36	Total	\$7,390,291	\$486,392	\$7,876,683	

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1995
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated
1	Income Recorded on Books This Year Not Included in This Return:			
2	Tax-Exempt Interest	\$179,225	\$105,250	\$284,475
3	Tax Revenue Less Than Book	746,757		746,757
4	Tax Dividends Less Than Book		87,793	87,793
5	Insurance Proceeds	337,764		337,764
6	Tax Less Than Book Partnership Income		6,603	6,603
7	Amortization of ESP Sale Gain	501,390		501,390
8	Book Gain on Sale in Excess of Tax		262,702	262,702
9	Management Fee Income		1,240,000	1,240,000
10	Equity in Subsidiaries	2,405,892	551,472	2,957,364
11	Miscellaneous Inc Rec on Bks Not Inc Ret - Other		13,310	13,310
				\$6,438,158
12	Deductions in This Return Not Charged Against Book Income This Year:			
13	Depreciation	1,906,574		1,906,574
14	Tax Less Than Book Partnership Income	45,043		45,843
15	Accrued State Income Taxes	382,792	52,847	435,639
16	ESOP Dividends Paid	1,077,040		1,077,040
17	Additional ESOP Contribution	579,943		579,943
18	Long-Term Disability Payments	93,819		93,819
19	Death Benefit Payments	74,935		74,935
20	Retirement Benefit Payments	403,872		403,872
21	ADR Dismantling Costs	51,959		51,959
22	Pension Expense	987,566		987,566
23	Environmental Tax	26,875		26,875
24	Loss on Fixed Asset Retirements	439,270		439,270
25	Under Accrued State Income Taxes	74,981		74,981
26	Accrued Vacation Pay		90,183	90,183
27	Environmental Clean-Up Expense	3,741,361		3,741,361
28	General Reserve Charges	239,724	55,936	295,660
29	Nonqualified Retirement Plan Payments	463		463
30	Convention Prepaid		16,170	16,170
31	Goodwill W/O		26,402	26,402
32	FSC Commission		65,624	65,624
				10,434,179
33	Total	<u>14,298,045</u>	<u>2,574,292</u>	<u>16,872,337</u>
34	Taxable Income	<u>\$19,450,842</u>	<u>(\$400,420)</u>	<u>\$19,050,422</u>

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1996
December 31, 1996 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated
1	Net Income Per Books	\$32,252,837	\$3,876,166	\$36,129,003
2	Federal Income Taxes	9,190,451	4,410,170	13,609,621
3	Income Subject to Tax Not Recorded on Books This Year:			
4	Tax Revenue Greater Than Book	4,968,601	309,056	5,277,657
5	Safe Harbor Lease Income	3,847,832		3,847,832
6	Contribution in Aid of Construction	123,915		123,915
7	Tax Exceeds Book Partnership Income	14,203		14,203
8	NGC Management Fee	3,162,500		3,162,500
9	Gain on Redemption of Syn Inc. Preferred Stock	10,634,158		10,634,158
10	Interest Income SYN, Inc.		43,228	43,228
11	Deferred Tank Rent		1,425,210	1,425,210
12	Gain on Redemption of CGI Holdings PS		232,917	232,917
13	CGI Partnership Income Tax Greater Than Book		850	850
14	Miscellaneous Adjustments		(856,194)	(856,194)
				23,906,276
15	Expenses Recorded on Books This Year Not Deduction In This Return:			
16	Depreciation	603,527		603,527
17	Travel & Entertainment	92,740	97,327	190,067
18	General Reserve Charge	6,270,837		6,270,837
19	Over Accrued Property Taxes	399,229		399,229
20	DRIP Administration Expense	76,907		76,907
21	Safe Harbor Lease Amortization	243,683		243,683
22	Insurance Premiums	1,290,867		1,290,867
23	Deferred Director Fees	56,424		56,424
24	Penalties		35,136	35,136
25	Long-Term Disability Liability	170,852		170,852
26	Amortization of Loss on Recquired Debt	98,569		98,569
27	Death Benefit Liability	47,993		47,993
28	Nonqualified Retirement Plan Benefits	3,571		3,571
29	Overaccrued State Income Taxes		112,575	112,575
30	Lobbying Expense	66,611		66,611
31	Deferred Interest Costs	10,579		10,579
32	Spousal Travel Disallowance	10,000	2,000	12,000
33	Bad Debt Expense	300,000	623,640	923,640
34	Increase in Pension Liability	326,540		326,540
35	Inventory Adjustment		251,078	251,078
36	Miscellaneous Adjustment		140,006	140,006
37	Officers Bonus		94,586	94,586
38	Fixed Asset Retirements		99,457	99,457
39	Goodwill		243,289	243,289
40	Contributions		4,035	4,035
41	Miscellaneous Exp Rec on Bks Not Ded Ret - Other		12,685	12,685
42	Amortization		41,494	41,494
				11,826,237
43	Total	32,820,138	2,012,375	35,732,513

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1998
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated
1	Income Recorded on Books This Year Not Included in This Return:			
2	Tax-Exempt Interest	\$88,819	\$102,315	\$191,134
3	Tax Dividends Less Than Book	7,603,483	495,562	8,159,045
4	Insurance Proceeds	31,195		31,195
5	Equity in Subsidiaries	6,790,209	1,121,878	7,912,087
6	Tax Revenue Less Book		394,256	394,256
7	Tax Less Than Book Partnership Income		16,241,865	16,241,865
8	Book Gain on Sale in Excess of Tax		370,471	370,471
9	Management Fee Income		3,162,500	3,162,500
				\$36,462,553
10	Deductions in This Return Not Charged Against Book Income This Year:			
11	Depreciation	8,259,646		8,259,646
12	Accrued State Income Taxes	434,863	277,313	712,176
13	ESOP Dividends Paid	1,076,982		1,076,982
14	Additional ESOP Contribution	579,912		579,912
15	Death Benefit Payments	132,720		132,720
16	Retirement Benefit Payments	403,872		403,872
17	ADR Dismantling Costs	286,004		286,004
18	Deferred Gas Costs	4,080,580		4,080,580
19	Loss on Fixed Asset Retirements	57,926		57,926
20	Accrued Vacation Pay	15,775	27,767	43,542
21	Environmental Clean-Up Expense	260,661		260,661
22	Nonqualified Deferred Comp Payments	143,410		143,410
23	Acquisition Costs	6,360	1,628,798	1,635,158
24	Deferred Power Costs	518,188		518,188
25	Prepaid Insurance Costs		16,938	16,938
26	FSC Commission		221,387	221,387
27	Warranty Charges Greater Than Provision		10,067	10,067
28	General Reserve Charges		25,414	25,414
29	Other		43,684	43,684
30	Inventory Adjustment		320,000	320,000
31	Convention Prepaid		55,683	55,683
32	Goodwill W/O		2,454	2,454
33	UNICAP Adjustment		12,970	12,970
34	Insurance Premiums		663,000	663,000
35	Credit Balance A/R		182,557	182,557
36	Franchise Taxes		14,063	14,063
37	Sec 179(A) Clean Fuel Vehicles		125,000	125,000
38	Legal A/R Bad Debt Allowance		4,821,098	4,821,098
39	Bank Fees		87,259	87,259
				24,792,351
40	Total	<u>\$30,830,605</u>	<u>\$30,424,299</u>	<u>\$61,254,904</u>
41	Taxable Income	<u>\$43,441,821</u>	<u>(\$19,225,588)</u>	<u>\$24,216,233</u>

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1997
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated
1	Net Income Per Books	\$31,336,616	\$11,702,636	\$43,039,152
2	Federal Income Taxes	7,733,637	3,230,150	10,063,787
3	Income Subject to Tax Not Recorded on Books This Year:			
4	Interest Income Previously Taxed	828		828
5	Safe Harbor Lease Income	4,112,234		4,112,234
6	Contribution in Aid of Construction	128,231		128,231
7	Gain on Disposition of Property	195,391		195,391
8	Gain on Redemption CGI Holdings PS		47,822	47,822
9	Tax Less Than Book Partnership Income		5,818,021	5,818,021
10	Tax Revenue Greater Than Book		3,719,917	3,719,917
				14,022,444
11	Expenses Recorded on Books This Year Not Deduction In This Return:			
12	Depreciation	763,003		763,003
13	Travel & Entertainment	98,423	39,321	137,744
14	DRIP Administration Expense	89,263		89,263
15	Safe Harbor Lease Amortization	191,154		191,154
16	Insurance Premiums	1,158,543		1,158,543
17	Deferred Director Fees			0
18	Deferred Power Costs	623,278		623,278
19	Accrued Vacation Pay	75,643		75,643
20	Penalties	44,589	8,509	53,098
21	Long-Term Disability Liability	6,461		6,461
22	Amortization of Loss on Reacquired Debt	98,589		98,589
23	Nonqualified Deferred Compensation Plan	418,189		418,189
24	Death Benefit Liability	708,583		708,583
25	Nonqualified Retirement Plan Benefits	4,996		4,996
26	Overaccrued State Income Taxes			0
27	Deferred Gas Costs	3,920,486	(3,613,979)	306,507
28	Lobbying Expense	68,333		68,333
29	Deferred Interest Costs	10,540		10,540
30	Spousal Travel Disallowance	15,000		15,000
31	Prov in Excess of Charges - Bad Debts			0
32	UNICAP Adjustment		20,006	20,006
33	Increase in Pension Liability	126,005		126,005
34	Environmental Clean-Up Expenses	633,105		633,105
35	Inventory Adjustment		293,202	293,202
36	Amortization		15,822	15,822
37	Miscellaneous Adjustment		(59,999)	(59,999)
38	Miscellaneous Exp Rec on Bks Not Ded Ret - Other		(83,818)	(83,818)
39	Over Accrued Property Taxes		8,204	8,204
				5,681,431
40	Total	\$13,480,647	\$8,213,028	\$19,703,975

Northwestern Public Service Company
Working Papers for Federal Income Taxes
Reconciliation of Income Per Books With
Income Per Return for the Calendar Year 1997
December 31, 1998 Test Year

Line No.	Description	NWPS	Subsidiaries	Consolidated
1	Income Recorded on Books This Year Not Included in This Return:			
2	Tax-Exempt Interest	\$172,486	\$455,115	\$627,601
3	Insurance Proceeds	591,600		591,600
4	Tax Revenue Less Book	4,182,933		4,182,933
5	Tax Less Than Book Partnership Income	56,916	14,575,479	14,632,395
6	Equity in Subsidiaries	12,549,445	6,774,262	19,323,707
7	Interest Income Previously Taxed		43,228	43,228
8	Tax Dividends Less Than Book		557,810	557,810
9	Book Gain on Sale in Excess of Tax		867,902	867,902
10	Other		1,862,163	1,862,163
				\$42,689,339
11	Deductions in This Return Not Charged Against Book Income This Year:			
12	Depreciation	67,732		67,732
13	Accrued State Income Taxes	(82,250)	411,893	349,643
14	ESOP Dividends Paid	1,273,356		1,273,356
15	Additional ESOP Contribution	685,651		685,651
16	Long-Term Disability Payments	108,490		108,490
17	Charges Greater Than Provision for Injuries & Damages			0
18	Death Benefit Payments	162,330		162,330
19	Retirement Benefit Payments	436,032		436,032
20	Loss on Reacquired Debt			0
21	ADR Dismantling Costs	500,510		500,510
22	General Reserve Charges	6,170,835	(36,462)	6,134,173
23	Acquisition Costs	36,948		36,948
24	Legal A/R Bad Debt Allowance	200,000		200,000
25	Deferred Director Fees	36,289		36,289
26	Under Accrued Property Tax	158,640		158,640
27	Accrued Vacation Pay		(15,169)	(15,169)
28	Convention Prepaid		(133,669)	(133,669)
29	Goodwill W/O		28,402	28,402
30	Other		21,607	21,607
31	UNICAP Adjustment		(1,073)	(1,073)
32	Insurance Premiums		(8,361)	(8,361)
33	Terminated Acquisition Costs		154,507	154,507
34	Contract Termination Fees		7,817,834	7,817,834
35	FSC Commission		77,510	77,510
36	Warranty Charges Greater Than Provision		29,973	29,973
				18,119,355
37	Total	<u>\$27,327,743</u>	<u>\$33,480,951</u>	<u>\$80,808,694</u>
38	Taxable Income	<u>\$25,233,357</u>	<u>(\$12,335,237)</u>	<u>\$12,898,120</u>

Northwestern Public Service Company
Working Papers For Claiming Allowance For State
Income Taxes Paid Each State In The Current Or Previous
Year Covered By The Test Period Including The Effect
Of Liberalized Depreciation On Such Taxes Paid
December 31, 1998

Line No.	Description	Electric	Gas Nebraska
1	Federal Taxable income Per Statement K	\$23,880,084	\$23,880,084
2	Add: ACRS to ADR Adjustment	(1,594,370)	
3	Applicable Adjustments	677,093	2,745,872
4	Total Adjustments	(917,277)	2,745,872
5	Adjusted Federal Taxable Income	22,962,807	26,625,956
6	Apportionment Factor	0.039517	0.068012
7	Taxable Income	907,421	1,810,885
8	Tax on First \$50,000	3,585	2,375
9	10.5% and 7.8% Respectively on Excess over \$50,000	90,029	184,893
10	State Income Tax Allowance Per Statement K, p.1	93,614	187,268
11	Effect of Liberalized Depreciation		
12	Adjusted Federal Taxable Income Per Above	22,962,807	26,625,956
13	Add: Tax Depreciation Over Book From Statement K, p.1	(636,308)	(146,749)
14	ProForma Adjusted Federal Taxable Income	22,326,499	26,479,208
15	Apportionment Factor	0.039517	0.068012
16	ProForma Taxable Income	882,276	1,800,904
17	Tax on First \$50,000	3,585	2,375
18	10.5% and 7.8% Respectively on Excess over \$50,000	87,389	183,845
19	ProForma State Income Tax Allowance	90,974	186,220

Northwestern Public Service Company
Working Papers Accumulated Deferred ITC
December 31, 1998 Test Year

Line No.	Month	Electric	Gas Total	59% South Dakota	41% Nebraska
1	December 1997	\$8,144,828	\$758,241	\$448,182	\$310,059
2	January 1998	8,102,028	752,241	443,822	308,419
3	February 1998	8,059,228	748,241	441,462	306,779
4	March 1998	8,016,428	744,241	439,102	305,139
5	April 1998	7,973,628	740,241	436,742	303,499
6	May 1998	7,930,828	736,241	434,382	301,859
7	June 1998	7,888,028	732,241	432,022	300,219
8	July 1998	7,845,228	728,241	429,662	298,579
9	August 1998	7,802,428	724,241	427,302	296,939
10	September 1998	7,759,628	720,241	424,942	295,299
11	October 1998	7,716,828	716,241	422,582	293,659
12	November 1998	7,674,028	712,241	420,222	292,019
13	December 1998	<u>7,631,228</u>	<u>708,241</u>	<u>417,862</u>	<u>290,379</u>
14	Total	<u>\$102,544,384</u>	<u>\$9,519,133</u>	<u>\$5,616,288</u>	<u>\$3,902,845</u>
15	13 Month Average	\$7,888,028	\$732,241	\$432,022	\$300,219

Note: Gas allocation based on Four Factor allocation

Northwestern Public Service Company
Differences In Book And Tax Depreciation
December 31, 1998 Test Year

Line No.	Description	1994	1995	1996	1997
1	Depreciation Per Tax Return-				
2	Computed on a Straight Line Basis	105,019	181,960	193,354	441,972
3	Depreciation Computed Under Guideline Class Life System	530,836	451,650	384,529	306,612
4	Depreciation Computed Under ADR System	2,131,620	1,794,441	1,546,166	1,256,515
5	Depreciation Computed Under ACR System	4,447,868	4,426,627	1,716,975	1,398,766
6	Depreciation Computed Under MACR System	7,860,343	8,342,020	9,272,811	10,463,932
7	Total Depreciation Per Tax Return	<u>15,075,686</u>	<u>15,196,698</u>	<u>13,113,835</u>	<u>13,867,797</u>
8	Depreciation Per Books-				
9	Charged to Depreciation Expense	12,127,061	12,691,908	13,111,588	13,785,281
10	Charged to Other Accounts-				
11	Transportation Equipment	450,759	475,869	492,624	508,137
12	Coal Train Equipment	129,540	129,540	113,150	31,200
13	Miscellaneous				250,000
14	Total Depreciation Per Books	<u>12,707,360</u>	<u>13,297,317</u>	<u>13,717,362</u>	<u>14,574,618</u>
14	Additional (Less) Tax Depreciation Due to Application of				
15	Liberalized Methods for Tax Purposes	<u>2,368,326</u>	<u>1,899,381</u>	<u>(603,527)</u>	<u>(706,821)</u>

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR CLAIMED ALLOWANCES FOR STATE INCOME TAXES
INCOME TAX PAID EACH STATE IN THE CURRENT OR PREVIOUS YEAR
COVERED BY TEST PERIOD INCLUDING THE EFFECT
OF LIBERALIZED DEPRECIATION ON SUCH TAXES PAID
DECEMBER 31, 1998 TEST YEAR

Line

No.

1 None

NORTHWESTERN PUBLIC SERVICE COMPANY
WORKING PAPERS FOR CONSOLIDATED FEDERAL INCOME TAX
DECEMBER 31, 1998 TEST YEAR

Statement Re Information Required By Schedule K-3 and K-4

As indicated on Schedule K-1, 1 of 4 through 4 of 4, the Company files a consolidated Federal Income Tax return. A tax sharing agreement was executed among all members of the consolidated group whereby total tax liability or benefit has been allocated to each member on a separate return basis as permitted under the applicable consolidated return treasury regulations. Under this agreement, each member subsidiary remits to or receives from the parent company its allocated portion of consolidated tax liability or benefit.

Northwestern Public Service Company
Other Taxes Classified Under Heading of
Federal, State and Local With Appropriate
Subclassifications for the Test Period-Gas-South Dakota

Reference is made to Exhibit_ (TPH-1), Schedule No. 6

NORTHWESTERN PUBLIC SERVICE COMPANY
OVERALL COST OF SERVICE - PER BOOKS
DECEMBER 31, 1998 TEST YEAR

Reference is made to Exhibit_(TPH-1), Schedule No. 1

NORTHWESTERN PUBLIC SERVICE COMPANY
ALLOCATED COST OF SERVICE
DECEMBER 31, 1998 TEST YEAR

Line
No.

1 Reference is made to Exhibit_(TPH-1) - Revenue Requirements Study and Exhibit_(TPH-2) -
Class Cost of Service Study.

NORTHWESTERN PUBLIC SERVICE COMPANY
COMPARISON OF COST OF SERVICE
DECEMBER 31, 1998 TEST YEAR

Line
No.

1 Reference is made to Exhibit_(TPH-1).

NORTHWESTERN PUBLIC SERVICE COMPANY
DERIVATION OF INCREASED RATES
DECEMBER 31, 1998 TEST YEAR

Line
No.

1 Reference is made to Exhibit_(TPH-1).

NORTHWESTERN PUBLIC SERVICE COMPANY
FUEL COST ADJUSTMENT FACTOR
DECEMBER 31, 1998 TEST YEAR

Line
No.

1 The Purchased Gas Adjustment filed for the month of May 1999 is also filed confidentially as part of this rate case. NorthWestern is not filing for any changes in calculating the Purchased Gas Adjustment as it is currently being calculated. The filing of the May Purchased Gas Adjustment is to comply to the procedural rule in Chapter 20:10:13:100.

**NORTHWESTERN PUBLIC SERVICE
DESCRIPTION OF UTILITY OPERATIONS
DECEMBER 31, 1998 TEST YEAR**

DESCRIPTION OF UTILITY OPERATIONS:

NorthWestern Public Service, a division of NorthWestern, provides competitive, reliable electric and natural gas service and value-added services to customers throughout the Midwest. As of December 31, 1998, NorthWestern Public Service provided retail electricity to 108 communities in South Dakota with a combined population of approximately 98,403 people. With regard to Natural Gas Operations, NorthWestern Public Service serves 61 retail communities, including 4 communities in Nebraska and 57 in South Dakota.

Electric Property

The Company's electric properties consist of an interconnected and integrated system. The Company, Otter Tail, and MDU jointly own Big Stone, a 455,783 kilowatt ("kw") nameplate capacity lignite-fueled electric generating plant and related transmission facilities. Big Stone is operated by Otter Tail for the benefit of the owners. The Company owns 23.4% of the Big Stone Plant.

The Company is one of four power suppliers, which jointly own Coyote I, a 455,783 kw nameplate capacity lignite-fueled electric generating plant and related transmission facilities located near Beulah, North Dakota. The Company has a 10% interest in Coyote I, which is operated by Otter Tail for the benefit of the owners.

The Company is one of the 14 power suppliers, which jointly own Neal #4, a 639,999 kw nameplate capacity coal-fueled electric generating plant and related transmission facilities located near Sioux City, Iowa. MidAmerican Energy is principal owner of Neal #4 and is the operator of the unit. The Company has an 8.7% interest in Neal #4.

In addition to its interest in Big Stone, Coyote I, and Neal #4, the Company owns and operates 19 oil and gas-fired units for peaking and reserve capacity.

As of December 31, 1993, the aggregate nameplate capacity of all Company-owned electric generating units is 327,419 kw, with an aggregate net summer peaking capacity of 308,289 kw and a net winter peaking capacity of 331,945 kw. The Company's maximum peak hourly demand of 276,976 kw occurred on July 14, 1998.

The Company's interconnected transmission system consists of 321.8 miles operating at 115 kilovolts ("kv") and 902.3 miles operating at 69 kv and 34.5 kv. The Company also owns three segments of transmission line, which are not tied to its internal system, in connection with its joint ownership in the three large steam generating plants. These lines consist of 18.2 miles of 230 kv line from Big Stone, 25.4 miles of 345 kv line from Neal #4, and 23.1 miles of 345 kv line from Coyote I. In addition to these lines, the Company owns 1,776.1 miles of distribution lines serving customers in more than 100 communities and adjacent rural areas. The Company owns 40 transmission substations with a total related capacity of 1,130,417 kilovolt amperes ("kva"), three mobile substations with a total capacity of 7,500 kva and 80 distribution substations with a total related capacity of 389,199 kva.

**NORTHWESTERN PUBLIC SERVICE
DESCRIPTION OF UTILITY OPERATIONS
DECEMBER 31, 1998 TEST YEAR**

Gas Property

On December 31, 1998, the Company owned 1,214 miles of distribution mains and appurtenant facilities in South Dakota. The Company also owns propane-air facilities in Brookings, Huron, and Mitchell, South Dakota, having a total related capacity of 10,140 MMBTU per day, which are operated for standby and peak shaving purposes only.

On December 31, 1998, the Company owned 692 miles of distribution mains and appurtenant facilities in Nebraska. The Company also owns propane-air facilities at Kearney and North Platte, Nebraska, having a total related capacity of 9,380 MMBTU per day, which are operated for standby and peak shaving purposes only.

BREAKDOWN OF SALES BETWEEN JURISDICTIONAL:

All of the Company's South Dakota gas sales revenue during the test year is under the jurisdiction of the South Dakota Public Utilities Commission.

STATUS OF LATEST RATE PROCEEDING:

The Company's most recent gas rate proceeding (Docket NG94-008) was filed with the South Dakota Public Utilities Commission on May 25, 1994. Said rates became effective November 15, 1994.



600 Market Street W
Huron, SD 57350-1500
Telephone 605-352-8411
Facsimile 605-353-7519
Internet www.northwestern.com

May 5, 1999

Mr. William Bullard Jr., Executive Director
South Dakota Public Utilities Commission
State Capitol Building
Pierre, South Dakota 57501

Dear Mr. Bullard:

Enclosed herein are three (3) copies of 153rd Revised Sheet No. 9a and 50th Revised Sheet No. 9b of Northwestern's Gas Tariff.

Sheet Nos. 9a and 9b reflect changes in the costs of purchased gas and ad valorem taxes paid to be effective May 2, 1999.

The effect of Sheet Nos 9a and 9b for a typical space heating customer using 150 therms per month would be an increase in the cost from \$82.53 to \$86.60, about 4 7/8%. Application of these new rates will begin with meter readings on and after May 2, 1999.

Should you have any questions regarding the above changes, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Jeff J. Decker".

Jeff J. Decker

JJD

Enclosures

CONFIDENTIAL

|

Line No.	Description / Month During Test Year	Total Company	Base Period		Test Period		Test Period Adjustment		
			Gas Factor	S. Dakota Factor	Gas Factor	S. Dakota Factor			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		\$			\$			\$	\$
1	CAPACITY PURCHASED FROM	Acct. No. 804							
2	NORTHWESTERN ENERGY								
3	January, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
4	February, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
5	March, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
6	April, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
7	May, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
8	June, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
9	July, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
10	August, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
11	September, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
12	October, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
13	November, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
14	December, 1998	48,000	1.0000	1.0000	48,000	1.0000	1.0000	48,000	0
15									
16		576,000			576,000			576,000	0
17									
18	MANAGEMENT FEE FROM	Acct. No. 923							
19	NORTHWESTERN ENERGY								
20	January, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
21	February, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
22	March, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
23	April, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
24	May, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
25	June, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
26	July, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
27	August, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
28	September, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
29	October, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
30	November, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
31	December, 1998	75,600	0.3600	0.5900	16,057	0.3400	0.5500	14,137	(1,920)
32									
33		907,200			192,684			169,644	(23,040)

Line No.	Description / Month During Test Year (a)	Total Company (b) \$	Base Period		Test Period			Test Period Adjustment (i) \$	
			Gas Factor (c)	S. Dakota Factor (d)	Allocated to South Dakota (e) \$	Gas Factor (f)	S. Dakota Factor (g)		Allocated to South Dakota (h) \$
1	MANAGEMENT FEE FROM	Acct. No. 932							
2	NORCOM ADVANCED TECHNOLOGIES								
3	January, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
4	February, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
5	March, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
6	April, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
7	May, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
8	June, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
9	July, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
10	August, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
11	September, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
12	October, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
13	November, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
14	December, 1998	51,093	0.3600	0.5900	10,852	0.3400	0.5500	9,554	(1,298)
15									
16		613,116			130,224			114,648	(15,576)
17									
18	MANAGEMENT FEE FROM	Acct. No. 908							
19	NORTHWESTERN SERVICES								
20	January, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
21	February, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
22	March, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
23	April, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
24	May, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
25	June, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
26	July, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
27	August, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
28	September, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
29	October, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
30	November, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
31	December, 1998	299,157	0.5846	0.4944	86,464	0.5854	0.4952	86,723	259
32									
33		3,589,884			1,037,568			1,040,676	3,108
34									
35	Total	5,686,200			1,936,476			1,900,968	(35,508)
36									
37	ADJUST NORTHWESTERN								
38	SERVICES MANAGEMENT FEE	(1,089,884)	0.0000	0.0000	0	0.5854	0.4952	(315,947)	(315,947)
39									
40	TOTALS	4,596,316			1,936,476			1,585,021	(351,455)

NG 99-002
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JUN 01 1999

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

STATE OF SOUTH DAKOTA
BEFORE THE
PUBLIC UTILITIES COMMISSION

In the matter of:)
NORTHWESTERN PUBLIC SERVICE)
a division of NorthWestern Corporation, Applicant) Docket No. NG99-___

Application of NorthWestern Public Service
a division of NorthWestern Corporation

For Increased Natural Gas Rates

December 31, 1998 Test Year

Testimony & Exhibits

NorthWestern Public Service

Original

NorthWestern
PUBLIC SERVICE

NorthWestern Public Service

Docket No. NG99-_____

Prepared Testimony Summary

Michael J. Hanson:

Describes NorthWestern's rate filing and the reasons why NorthWestern is proposing to increase its natural gas distribution rates. Explains what communities and industries NorthWestern has brought natural gas to since its last rate filing. States that due primarily to these expansions, test year weather adjusted therm throughput is 30% higher than therms used to design rates in the last rate proceeding.

David A. Monaghan:

Sets forth information concerning the accounting procedures of the Company. David is the Chief Accounting Officer, and therefore has responsibility for all accounting records of NorthWestern Corporation, including its utility division NorthWestern Public Service.

Rodney F. Leyendecker:

Sponsors the Company's capital structure, including the calculation of deriving the weighted average cost of capital to apply to the Company's rate base. Sponsors the requested 11.25% rate of return on common equity. In addition, he sets forth certain information relating to the determination of the South Dakota Gas Revenue Requirement.

Jeffrey J. Decker:

Provides information on the weather adjustment made to actual test year throughput. Test year heating degree-days were approximately 85% of normal. As a result, actual throughput during the test period has been adjusted upwards to derive test year adjusted billing and allocation units.

Thomas P. Hitchcock:

Sets forth information to determine the South Dakota Gas Revenue Requirement. In addition he sponsors a class cost of service study for gas utility operations within the South Dakota jurisdiction. He also supports NorthWestern's rate design and proposed rate tariff changes.

SOUTH DAKOTA FACT SHEET

Description	Last Rate Case	Current Rate Case
Date of Filing	05/25/94	06/01/99
Date Rates Became Effective	11/15/94	00/00/00
Test Year - 12 Months Ended	12/31/93	12/31/98
Requested Return on Equity %	11.75%	11.25%
Requested Overall Return %	9.33%	9.27%
Common Equity % of Overall Capital Structure	46.43%	49.65%
Allowed Return on Equity %	11.25%	Unknown
Allowed Overall Return %	9.09%	Unknown
Requested Increase in Revenues - \$	\$2,417,703	\$2,108,112
Requested Increase in Revenues - %	7.10%	6.26%
Allowed Increase in Revenues - \$	\$2,124,313	Unknown
Allowed Increase in Revenues - %	6.20%	Unknown
Requested Increase in Residential Revenues - %	12.90%	6.37%
Allowed Increase in Residential Revenues - %	11.33%	Unknown
Total Gas Customers		38,670
Total Residential Customers		33,404
Average Residential Consumption in Therms - Year		994
Average Residential Monthly Bill - Before Increase		\$50.37
Average Residential Monthly Bill - After Increase		\$53.57

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN RE:)
)
) **Docket No. NG99-_____**
NORTHWESTERN PUBLIC SERVICE,)
a division of NorthWestern Corporation)

**DIRECT TESTIMONY
OF
MICHAEL J. HANSON**

Q. Please state your name and business address for the record.

A. Michael J. Hanson, 600 Market Street West, Huron, South Dakota 57350.

Q. By whom are you employed and in what position?

A. I am employed by NorthWestern Public Service ("NorthWestern" or "Company") as President and Chief Executive Officer.

Q. Please describe your education and business experience.

A. I have been the President and Chief Executive Officer for the Company since May of 1998. I was employed seventeen years with Northern States Power in a variety of positions before coming to NorthWestern. I was General Manager and Chief Executive Officer of NSP – South Dakota from 1994-1998. I attended the United States Naval Academy from 1977-79 and graduated from the University of Wisconsin in 1982 with a Bachelor of Science in accountancy. I received a Juris Doctor degree from William Mitchell College of Law in 1989. Exhibit ___ (MJH-1) contains a listing of my education and business experience.

Q. What is the purpose of your prepared direct testimony?

A. In my prepared direct testimony, I will describe NorthWestern's rate filing and the reasons why NorthWestern is proposing to increase its natural gas distribution rates at this time.

Q. Please describe the organization and operation of NorthWestern.

A. NorthWestern is an electric and gas distribution utility. NorthWestern serves 137 South Dakota communities with approximately 38,670 gas and 55,965 electric customers in its South Dakota service territory. It also provides natural gas service to approximately 39,486 customers in four communities in Nebraska.

Q. What is the purpose of this rate filing?

A. The purpose of this filing is twofold. The first purpose is to request an appropriate return on the Company's natural gas operations in South Dakota. NorthWestern last filed for a rate increase in 1994. Since that filing, NorthWestern has experienced increased costs in operating its gas utility. Additionally, NorthWestern has expanded its distribution system to bring natural gas to several communities, colonies and agricultural businesses in South Dakota. The second purpose is to add Mellette and Wolsey to NorthWestern's service territory map.

Q. Please describe the rate increase request?

A. NorthWestern proposes an increase in natural gas distribution rates of \$2,108.112, or 6.26 percent. Details of the proposed rates and charges are shown in the filed revised tariff schedules as described in the direct testimony and exhibits of Thomas P. Hitchcock.

Q. Please describe NorthWestern's customer notification of the proposed increase.

A. On June 1, 1999, NorthWestern will post a notice of proposed increase in all of its

1 offices. On the same day, a release will be issued to the news media. At the conclusion
2 of this case, a notice will be mailed to all South Dakota natural gas customers informing
3 them of any rate changes granted by the Commission.

4 **Q. Please explain what communities and industries NorthWestern has brought natural
5 gas to since its last rate filing.**

6 A. NorthWestern is committed to meeting the natural gas needs of business and non-
7 business people in South Dakota. In its efforts to meet the ever expanding needs of the
8 people of South Dakota, NorthWestern has made natural gas available to the communities
9 of Wolsey, Hayti, Mellette and Reville. We also added the colonies of Elm Springs,
0 Claremont, Oaklane, Millbrook, Rockport, Rosedale, Hutterville, Mayfield, Clark,
1 Fordham, Hillside, Hillcrest, Orland and Graceville. Finally, NorthWestern has expanded
2 its gas distribution system to support South Dakota's agricultural economy. Major system
3 expansions have been made to help make possible the soybean processing plant in Volga,
4 the Ethanol plant in Huron and the South Dakota Wheat Growers expansions in Huron,
5 Wolsey, Aberdeen and Mellette. NorthWestern will continue to work with all customers
6 to add growth and value to their operations. This growth has helped to offset the loss of
7 its largest volume customer with the closing of Dakota Pork Industries in Huron in 1997.
8 Dakota Pork had accounted for 5% of the natural gas volume.

9 **Q. What affect have these expansions had on NorthWestern's South Dakota system
10 deliveries since its last rate filing?**

11 A. Total therms used to design rates in NorthWestern's last rate case were 75 million. Test
12 year weather adjusted throughput in this filing is over 99 million therms, a 30 percent

increase.

Q. In addition to the expansion of its distribution system, what other developments have taken place at NorthWestern to add value to the service provided by NorthWestern to its customers?

A. In 1995 a new operations center was completed in Huron. This building allowed NorthWestern to consolidate core departments in one building, instead of having the various departments located in several different buildings in Huron. Furthermore, a call center was established to improve customer service and understand customer expectations. A more efficient natural gas meter testing and repair facility was added. Although the construction of this facility was a significant undertaking, it has been and will continue to be an important part of NorthWestern's efforts to meet customer needs and maintain reliability of its natural gas distribution system in an ever-changing society.

Q. What is NorthWestern doing to improve customer service and increase system efficiency and reliability?

A. NorthWestern is constantly searching for ways to improve service to both its customers and team members. NorthWestern is implementing a program to enhance the work environment of its team members. An enhanced work environment will lead to innovations and efficiencies that will improve all aspects of customer service. Furthermore, NorthWestern continuously surveys its customers to determine what can be done to enhance the value of our services. Finally, NorthWestern is constantly reviewing its processes and procedures. This constant evolution will enable NorthWestern to anticipate and meet changes in the utility industry. These are ongoing efforts that will be

reviewed continually and enhanced with modern technology.

Q. Does that conclude your prepared direct testimony?

A. Yes, it does.

Biographical Data For

Exhibit ___(MJH-1)

MICHAEL J. HANSON

47258 272nd Street

Sioux Falls, South Dakota 57108

Position: President & CEO
NorthWestern Public Service, Huron, South Dakota

Date Effective: June 1, 1998

Job History: 1981-82 Northern States Power - Gas Operating Clerk
1981-83 Northern States Power - Accounting Coordinator
1983-84 Northern States Power - Accountant
1984-89 Northern States Power - Internal Auditor
1989-94 Northern States Power - Attorney
1994-98 Northern States Power - General Manager & Chief Executive
1998-Present NorthWestern Public Service - President & CEO

Birth: December 12, 1958
Sparta, Wisconsin

Military Service: Navy, 1977-1979
Midshipman Second Class (W-4)

Education: Sparta Senior High School, 1977
United States Naval Academy, 1977-79
University of Wisconsin, 1982, BS
William Mitchell College of Law, 1989, Juris Doctor

Family: Married Laura K. Eggers, Sparta, Wisconsin, February 16, 1980
Children - Justin M. Hanson - born May 25, 1982
Danielle M. Hanson - born March 19, 1985

Directorships: Sioux Council Boy Scouts Board (President)
Marquette Bank - Sioux Falls
Sioux Falls Development Foundation (Chairman) (1997-98)
Fargo Cass County Economic Development Corp (1997-98)
Sioux Vocational Services (1994-97)
Sioux Empire United Way (1994-97)

Club and Association Memberships:
Edison Electric Institute
South Dakota Electric Utility Companies (Chairman)
Minnesota State Bar Association
Hennepin County Bar Association
American Bar Association
Institute of Internal Auditors
South Dakota Rural Enterprises, Inc.
North East Council of Governments
Downtown Rotary Club, Sioux Falls
Gloria Dei Lutheran Church

Recognitions: Juris Doctor Magna Cum Laude (1989)
James R. Kelly Award (CIA Exam) (1984)
Certificate of Excellence - Certified Internal Auditor Exam (1984)
Daughters of the American Revolution Good Citizenship Award (1977)
Student Council President (1976-77)
Class President (1974-75)

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN RE:)
)
NORTHWESTERN PUBLIC SERVICE,) **Docket No. NG99-_____**
a division of North Western Corporation)

**DIRECT TESTIMONY
OF
DAVID A. MONAGHAN**

Q. Please state your name and business address for the record.

A. David A. Monaghan. My business address is NorthWestern Corporation, 125 S. Dakota Avenue, Suite 1100, Sioux Falls, South Dakota 57104.

Q. By whom are you employed and in what position?

A. I am employed by NorthWestern Corporation as Controller and Treasurer.

Q. Please describe your education and business experience.

A. I graduated from Southwest Missouri State University in 1989 with a Bachelor of Science degree in Accounting and received a Masters of Accountancy degree from the Southwest Missouri State University in 1990. After graduating in 1990, I became a staff auditor with Baird, Kurtz & Dobson Co. ("BK&D") an independent public accounting firm. While with BK&D, I was promoted several times and left the firm while in the position of manager. In 1996, I joined NorthWestern Public Service Company (the predecessor name of NorthWestern Corporation) as Controller. I was promoted to Controller and Treasurer in 1997. I have served in that capacity from 1997 until the present time.

1 Q. What is the purpose of your testimony?

2 A. The purpose of my prepared direct testimony is to set forth information concerning the
3 accounting procedures of NorthWestern Corporation and its NorthWestern Public Service
4 division.

5 Q. On what basis are the accounting records of NorthWestern maintained?

6 A. The accounting records of NorthWestern are maintained on the accrual basis in
7 accordance with generally accepted accounting principles. They are also maintained in
8 accordance with the Uniform System of Accounts prescribed by the Federal Energy
9 Regulatory Commission (FERC) for public utilities subject to the provisions of the
10 Federal Power Act and Natural Gas Act.

11 Q. Are the accounting procedures, controls, records and financial reporting techniques
12 of NorthWestern subject to periodic review and close scrutiny from sources
13 independent of those responsible for their preparations?

14 A. Yes. In addition to the review of accounting procedures and transactions on the part of
15 myself and the accounting staff of NorthWestern, NorthWestern accounting and reporting
16 procedures and documentation are subject to periodic independent review by various
17 organizations including:

- 18 1) Arthur Andersen LLP ("Andersen"), a firm of independent public accountants,
19 performs a quarterly review of NorthWestern's books and records. Andersen also
20 performs an annual audit of the books and records as part of the process of
21 certifying NorthWestern's annual financial statements.
- 22 2) The FERC performs periodic audits of NorthWestern's accounting and financial

records.

- 3) The Internal Revenue Service (IRS) performs an audit of all federal income tax returns that are filed by NorthWestern Corporation. The IRS reviews many aspects of NorthWestern's accounting and financial records in connection with these audits. State tax authorities, such as the South Dakota Department of Revenue, conduct audits of NorthWestern's accounting and financial records as well.
- 4) The South Dakota Public Utilities Commission may audit facets of NorthWestern's books and records, including various cost of service expenditures, energy cost adjustment factors, PGA factors and refunds. In Nebraska the municipalities served by NorthWestern, which regulate the charges for natural gas, may audit aspects of NorthWestern's books and records.
- 5) NorthWestern's Internal Audit Department performs audits of various accounting systems and records, including a comprehensive review of the system of internal accounting controls and procedures. In addition, the Audit Committee of NorthWestern's Board of Directors regularly reviews the financial reporting and confers both Andersen and the Internal Audit Department concerning NorthWestern's systems, controls and procedures.
- 6) There are other governmental agencies, such as the United States Securities and Exchange Commission, that also conduct periodic audits and review various aspects of NorthWestern's books and records.

Q. What is contained in Exhibit __ (DAM-1)?

A. Exhibit __ (DAM-1) is the affidavit signed by me as chief accounting officer of NorthWestern which states that the cost statements, working papers, and other supporting data submitted as part of this filing or maintained by NorthWestern in support of the filing accurately set forth the books of NorthWestern, pursuant to Administrative Rule 20:10:13:50. Many of these statements are also supported by the testimony of NorthWestern witnesses Leyendecker and Hitchcock.

Q. What is contained in Exhibit__ (DAM-2)?

A. A. Exhibit__ (DAM-2) is a report showing the allocations and direct billings of NorthWestern Corporation common costs to its various subsidiary and affiliate companies. Allocation of the NorthWestern Corporation common costs between NorthWestern's electric and natural gas businesses, and further allocation of the natural gas business common costs between South Dakota and Nebraska operations is provided by the testimony of NorthWestern witness Hitchcock.

Q. Does Exhibit __ (DAM-2) constitute a change from NorthWestern's 1994 rate filing and previous rate filings in South Dakota?

A. Yes. In 1998, NorthWestern reorganized its operations, accompanying its name change from Northwestern Public Service Company to NorthWestern Corporation. The utility portion of the business became an unincorporated division of the parent company, and the various non-utility business segments are being conducted in wholly-owned subsidiary companies and majority-owned affiliate entities. All of these entities were formed in 1994 or later. Some examples of the wholly-owned subsidiaries are:

(a) NorthWestern Energy Corporation engages in the non-regulated energy sales

and marketing business, with end-user customers in South Dakota.

- (b) NorthWestern Services Corporation delivers services and solutions to residential and business customer for their energy use systems and for a variety of other customer needs in seven states, including South Dakota.
- (c) NorCom Advanced Technologies, Inc. provides communications, data and networking solutions for small commercial businesses in South Dakota, North Dakota and Nebraska.
- (d) NorthWestern Growth Corporation researches and implements investment and acquisition strategies for NorthWestern Corporation, including NorthWestern's investments in affiliate companies CornerStone Propane, L.P., Blue Dot Services Inc. and Expanets, Inc.

Exhibit __ (DAM-2) provides a summary of the various cost items that are allocated or directly billed to these entities.

Q. Is NorthWestern pursuing any additional strategies that will affect the allocations used in arriving at the South Dakota operating income statement?

A. Yes, NorthWestern continues to refine its allocations and direct billings related to its business relationships among these various entities. To the extent possible, we will charge corporate costs to our business operations in place of allocations, and where allocations need to be used, to make these as reasonable as possible. Each time an organizational change is made, a whole new series of questions presents itself causing further focus and discussion of how costs flow. The guiding principle in all of these discussions is to increase direct assignment of costs and reduce allocations where

possible.

Q. Does this conclude your prepared direct testimony?

A. Yes, it does.

AFFIDAVIT

STATE OF SOUTH DAKOTA)
) ss
COUNTY OF BEADLE)

I, David A. Monaghan, being first duly sworn on oath, do depose and state that I have read this document and am familiar with the contents thereof and the same are true to the best of my knowledge and belief.

FURTHER THE AFFIANT SAYETH NOT.

David A. Monaghan
David A. Monaghan

Subscribed and sworn to before me this 27th day of May, 1999.

Stacie Dowling 9/24/04
Notary Public in and for the State of South Dakota



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN RE:)
NORTHWESTERN PUBLIC SERVICE,)
a division of NorthWestern Corporation)**

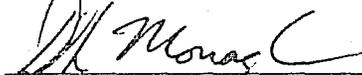
Docket No. NG99-_____

AFFIDAVIT OF DAVID A. MONAGHAN

**STATE OF SOUTH DAKOTA)
COUNTY OF MINNEHAHA) SS**

David A. Monaghan, being first duly sworn, deposes and says:

- (1) He is the Controller and Treasurer of NorthWestern Corporation ("NorthWestern"), and in such capacity serves as its Chief Accounting Officer;
- (2) As such Chief Accounting Officer, he has responsibility for all accounting records of NorthWestern, including its utility division NorthWestern Public Service;
- (3) He has reviewed all cost statements, working papers, and other supporting data submitted as part of this filing or maintained by NorthWestern and NorthWestern Public Service, and such cost statements, working papers, and other supporting data accurately set forth the books of NorthWestern and NorthWestern Public Service.



David A. Monaghan

Subscribed and sworn to this 27th day of May, 1999.



Notary Public, South Dakota
My Commission Expires: 3/6/2001

(Notary Seal)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN RE:)
NORTHWESTERN PUBLIC SERVICE,)
a division of North Western Corporation)

Docket No. NG99-_____

NORTHWESTERN CORPORATION
ALLOCATIONS AND DIRECT BILLINGS
AMONG CORPORATE ENTITIES

Common Cost Allocations:

- Cost of Capital
- Insurance
- Subsidiary Management Services

Direct Billings from North Western Public Service to subsidiaries and affiliates:

- Advertising Expense
- Telephone Expense
- Computer Equipment and Support
- Service Technicians
- Call Center Services
- Janitorial Services

Direct Billings from subsidiaries and affiliates to North Western Public Service
(refer to Statement R):

- Communications Equipment and Support
- Energy Management Services
- Pipeline Capacity Charges
- Community Relations and Office Management Services
- Service Technicians

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN RE:)
)
NORTHWESTERN PUBLIC SERVICE) Docket No. NG99-____
a division of NorthWestern Corporation)

**DIRECT TESTIMONY
OF
RODNEY F. LEYENDECKER**

- Q. Would you please state your name and business address for the record.**
- A. Rodney F. Leyendecker. My business address is 33 Third St. S.E., Huron, South Dakota.
- Q. By whom are you employed and in what position?**
- A. I am employed by NorthWestern Energy Corporation as President and CEO.
- Q. Please describe your education and business experience.**
- A. I graduated from Bemidji State University in 1968 with a Bachelor of Arts Degree with an accounting major and an economics minor. I am a member of the American Institute of Certified Public Accountants, the District of Columbia Institute of Certified Public Accountants and the South Dakota Society of Certified Public Accountants, Inc. In January, 1969, I began employment as an auditor within the Office of Accounting and Finance of the Federal Power Commission headquartered in Washington, D.C. I remained with the Commission until joining NorthWestern Public Service in January, 1975.
- Q. Have you testified previously?**

A. Yes. I have testified on accounting and ratemaking related matters in several proceedings before this Commission, as well as the Federal Energy Regulatory Commission and state and federal courts.

Q. What is the purpose of your testimony in this proceeding?

A. I am sponsoring exhibits that show the calculation of:

- (1) the Company's capital structure as of December 31, 1998, the close of the test year; and
- (2) the weighted average cost of capital to apply to the Company's rate base.

As a part of deriving the overall cost of capital, I am sponsoring the Company's requested rate of return on common equity that is fair maintains the firm's financial integrity, and allows NorthWestern to attract capital on reasonable terms. In addition, my testimony sets forth certain information relating to the determination of the South Dakota Gas Revenue Requirement for NorthWestern Public Service ("NorthWestern", "Company" or "NPS").

Q. Were your exhibits prepared by you or under your supervision?

A. Yes, they were.

Q. What is the frequency with which NorthWestern has filed for rate relief for natural gas service?

A. Since the Commission assumed jurisdiction over electric and gas utility service in July 1975, the Company has filed for and received rate relief for gas service on four occasions. These increases became effective February 1, 1981, April 1, 1982, November 15, 1986, and November 15, 1994, respectively. This represents the fifth request by NorthWestern

for a general increase applicable to natural gas operations in South Dakota since the Commission assumed jurisdiction over these matters in 1975. So its been averaging about five years between filings. By the time rates approved in this proceeding become effective, nearly five years will have lapsed since implementation of the last general increases to our South Dakota natural gas customers.

Q. What level of revenue increase is NorthWestern requesting in this filing from its South Dakota Gas System?

A. NorthWestern is seeking an overall increase in operating revenues of \$2,108,000, or 6.26 percent. This calculation is shown on Exhibit _____(RFL-1).

Q. Would you outline the parameters which been have utilized in presenting the Company's overall cost of service in this application?

A. Yes. Section 20:10:13:44 of the Commission's filing rules prescribe guidelines within which adjustments to actual test period data may be claimed. Specifically, adjustments much be

“based on changes in facilities, operations, or costs which are known with reasonable certainty and measurable with reasonable accuracy at the time of the filing and which will become effective within twenty-four months of the last month of the test period.”

The adjustments proposed herein represents the Company's best estimates, within the confines of Section 20:10:13:44, in an attempt to provide for a matching of revenues

and expenses during the period resulting rates will be effective. Additionally, the instant filing reflects the principles which were employed in the settlement of previous dockets before this Commission.

Q. Mr. Leyendecker, would you briefly describe some of the major adjustments included in the Company's proposed overall cost of service in this application?

A. Yes. As I stated earlier, in preparing this case, NorthWestern has adhered to the principles utilized in earlier settlements. The principle cost of service adjustments included in this application relate to weather normalization, new customer gas load, rate case, advertising, and labor expenses, changes in cost due to updated common allocation factors, affiliate management fees and interest synchronization. All of the adjustments are explained in detail by witnesses Hitchcock, Decker and Monaghan.

Q. Have you reviewed the pro forma adjustments included in NorthWestern's filing, and do you have an opinion on them?

A. Yes. I have reviewed all the pro forma adjustments. In my opinion they follow sound ratemaking principles, and are consistent with adjustments reflected in the settlement in prior NorthWestern dockets.

Q. Have you prepared an exhibit containing the Company's proposed capital structure and its weighted average cost of capital?

A. Yes, Exhibit ___ (RFL-2) contains information that develop the required overall cost of capital. The Company is proposing to use the consolidated capital structure, and related cost of capital, of NorthWestern Corporation.

Q. Please describe your calculation of the long-term debt component, and the related

cost to apply to the long-term debt component.

A. This component was determined by summing the outstanding balance of each issue of long-term debt at December 31, 1998. I calculated the annual test year interest cost for each outstanding long term debt issue by multiplying the principal amount of each debt issue by the stated coupon rate of the issue and summing these products. In the case of miscellaneous seller notes, which include many small debt issues, I have included the actual average coupon rates on this debt during the base period. The interest expense is then combined with the base year actual amortization of debt discount and issuance expense, to arrive at the annual cost of long term debt. By dividing the annual long-term debt expenses by the long-term debt balance I determined a cost of long term debt of 7.3006%.

Q. Please describe your calculation of the preferred stock and securities component, and the related cost to apply to the preferred stock and securities component.

A. This component was determined by summing the outstanding balance of each issue of preferred stock and securities at December 31, 1998. I calculated the annual test year dividend cost for each outstanding preferred stock or security issue by multiplying the principal amount of each issue by the stated dividend rate of the issue and summing these products. By dividing the annual preferred stock and securities expenses by the preferred stock and securities balance I determined a cost of preferred stock and securities of 7.4437%.

Q. Please describe your calculation of the common equity component.

A. This component was determined by calculating the balance as of December 31, 1998 for

the appropriate common equity accounts.

Q. What is the Company requesting as return on common equity?

A. NorthWestern has included the cost of common equity in the cost of service presented herein at 11.25%. This represents the same level granted by the Commission in settlement of NorthWestern's last South Dakota proceeding in 1994 and is near the average range of authorized levels granted other gas companies during the last six years.

Q. Have you prepared an exhibit that shows how returns to natural gas companies has trended in the past?

A. Yes, I have. This information is shown on Exhibit ___ (RFL-3).

Q. Please continue with your testimony as to the requested return on common equity.

A. Return on equity is not a significant cost component in the cost of service of a typical natural gas distributor such as NorthWestern. For example, as filed herein, the entire common equity cost component represents only 6.3 percent of the total cost of service. Yet, it is the determining factor as to whether a distributor files for rate relief. As such, the ability of a distributor to secure and achieve reasonable returns on equity directly affects the frequency of rate filings.

During the years prior to the Commission's assumption of regulatory authority, when NorthWestern was regulated by the Cities in which it provided service, rate increases were implemented in a manner so as to produce a return at the high end of what might be deemed a reasonable range, thus, providing adequate return during the earlier period that rates were in effect. Achieved return would then be allowed to drift to the low end of that range or below before an additional increase was sought. In doing so, the

1 Company was able to avoid a high frequency of rate activity.

2 I believe that principle to be even more important today, because now we must not
3 only deal with the unpleasantness of imposing an increase on customers, we must also
4 consider the higher cost of achieving rate relief. This is, of course, a cost which will find
5 its way right back to the natural gas ratepayer. I believe that NorthWestern's South
6 Dakota gas customers have been fortunate not to have been made to bear significant costs
7 of this nature in the past.

8 I am hopeful that such costs can be held to a minimum in the future. I do not
9 believe that our gas customer's interests are best served if NorthWestern were to seek rate
10 relief on an annual basis. This is particularly a danger with respect to NorthWestern's gas
11 operations, in view of the narrow range, in terms of dollars, between what the
12 Commission may deem as an adequate rate of return and that which the Company may
13 find to be unacceptable rate of return. This, of course, is due to the relatively low
14 investment level, or rate base, of a gas distributor when viewed in terms of the total cost
15 of service.

16 **Q. How did you determine the overall cost of capital to apply to the Company's rate**
17 **base?**

18 **A.** The calculation of the weighted average cost of capital is also shown on Exhibit __ (RFL-
19 2). This exhibit shows each of the balances for each of the components of the Company's
20 capital structure. The proportion that each component represents of the total
21 capitalization is then calculated. These proportions are then multiplied times the
22 component costs to arrive at the weighted average cost. As indicated on the exhibit, the

weighted average cost of capital is 9.2714%.

Q. Has the Company filed a class cost of service study as part of this filing?

A. Yes, Mr. Hitchcock was assigned the responsibility for preparation of the study. He will sponsor testimony relating to assignment of class cost responsibility and the resulting rate design proposed to recover required revenue levels.

Q. Does this conclude your prepared direct testimony in this proceeding?

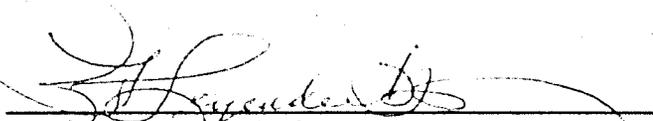
A. Yes, it does.

AFFIDAVIT

STATE OF SOUTH DAKOTA)
) ss
COUNTY OF BEADLE)

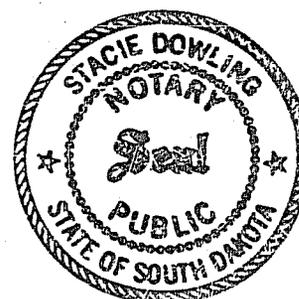
I, Rodney F. Leyendecker, being first duly sworn on oath, do depose and state that I have read this document and am familiar with the contents thereof and the same are true to the best of my knowledge and belief.

FURTHER THE AFFIANT SAYETH NOT.


Rodney F. Leyendecker

Subscribed and sworn to before me this 25th day of May, 1999.

 9/26/04
Notary Public in and for the State of South Dakota



NorthWestern Public Service
Docket No. NG99-_____
South Dakota Gas Revenue Requirement
Test Year Ended December 31, 1998

Exhibit __ (RFL-1)

Line No.	Description (a)	South Dakota Gas (b)	Reference (b)
1	Rate Base	\$36,974,359	Exhibit __ (TPH-1), Sch. 9, Col. (g), Line 28
2			
3	Rate of Return	<u>9.2714%</u>	Exhibit __ (TPH-1), Sch. 9.2, Col. (h), Line 7
4			
5	Required Return	\$3,428,041	Line 1 multiplied by Line 3
6			
7	Adjusted Test Year Operating Income	<u>\$2,054,586</u>	Exhibit __ (TPH-1), Sch. 1, Col. (e), Line 19
8			
9	Change in Operating Income	\$1,373,455	Line 5 minus Line 7
10			
11	Income Tax Effect -		
12	Federal @ 35%	<u>\$739,553</u>	Line 9 divided by .65 times .35
13			
14	Revenue (Excess) Deficiency	\$2,113,008	Line 9 plus Line 12
15	Gross Receipts Tax @ 0.0015	\$3,162	Exhibit __ (TPH-1), Sch. 1, Col. (f), Line 13
16	MGP Removal Cost Adjustment	<u>(\$8,058)</u>	Exhibit __ (TPH-1), Sch. 1, Col. (f), Line 10
17			
18	Total Revenue (Excess) Deficiency	\$2,108,112	Line 14 plus Line 15 plus Line 16
19			
20			
21	Test Year Pro Forma Revenue	<u>\$33,657,074</u>	Exhibit __ (TPH-1), Sch. 1, Col. (e), Line 6
22			
23	Revenue Requirement	<u>\$35,765,186</u>	Line 18 plus Line 21
24			
25	Revenue Requirement % Change	<u>6.26%</u>	Line 18 divided by Line 21

Line No.	Description	Reference	Beginning of	End of Period Amounts			Annual Interest or Dividend	Weighted Cost of Capital
			Period Capital Amounts	Capital Amounts	Ratios	Cost of Capital		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			\$	\$	%	%	\$	%
1	Long-Term Debt	Line 27	425,281,000	588,875,000	43.5904%	7.3006%		3.1824%
2								
3	Preferred Stock Equity & Securities	Line 35	36,250,000	91,250,000	6.7546%	7.4437%		0.5028%
4								
5	Common Stock Equity		366,318,000	670,803,000	49.6550%	11.2500%		5.5862%
6								
7	Total Capitalization		<u>827,849,000</u>	<u>1,350,928,000</u>	<u>100.0000%</u>			<u>9.2714%</u>
8								
9								
10	Long-Term Debt Detail							
11	First Mortgage Bonds							
12	7.000% Series			55,000,000		7.0000%	3,850,000	
13	6.990% Series			15,000,000		6.9900%	1,048,500	
14	6.950% Series			105,000,000		6.9500%	7,297,500	
15	7.100% Series			60,000,000		7.1000%	4,260,000	
16	Pollution Control Obligations							
17	5.900% Series			6,400,000		5.9000%	377,600	
18	5.900% Series			4,000,000		5.9000%	236,000	
19	5.850% Series			7,550,000		5.8500%	441,675	
20	5.900% Series			3,400,000		5.9000%	200,600	
21	Senior Secured Debt							
22	7.530% Series			220,000,000		7.5300%	16,566,000	
23	7.330% Series			85,000,000		7.3300%	6,230,500	
24	Other Long-Term Debt							
25	Miscellaneous Seller's Notes			27,525,000		8.1500%	2,243,288	
26	Amort. of Debt Disc. and Expense	Acct. 428					239,513	
27								
28	Total Long-Term Debt			<u>588,875,000</u>		7.3006%	<u>42,991,176</u>	
29								
30	Preferred Stock and Securities Detail							
31	4.500% Series			2,600,000		4.5000%	117,000	
32	8.125% Series			32,500,000		8.1250%	2,640,625	
33	7.200% Series			55,000,000		7.2000%	3,960,000	
34	6.500% Series			1,150,000		6.5000%	74,750	
35								
36	Total Preferred Stock and Securities			<u>91,250,000</u>		7.4437%	<u>6,792,375</u>	

Exhibit (RFL-2)

Public Utility Executive Briefs

April 30, 1999

Page 6

apparent that Virginia Power's unrestricted right to the income did not exist. Therefore, the Court held that there was a substantive nexus between the income event and the repayment event.

Further, the IRS argued that the refunds did not qualify as deductible business expenses. The IRS asserted that the refunds constituted a reduction in income as held in the decisions of *Roanoke Gas Co. v. United States*, 977 F.2d 131 (1992); *Southwestern Energy Co. v. Commissioner*, 100 T.C. 500 (1993) and *Iowa Southern Utilities Co. v. United States*, 11 Cl. Ct. 868 (1987), aff'd 841 F.2d 1108 (Federal Cir. 1988). Again the Court disagreed with the IRS' view. The Court found that the cases cited above involved materially different factual circumstances. Unlike the cases cited above, Virginia Power was required to make a refund, rather than change the price charged for future services. The obligation to make refunds was legally binding and enforceable, and Virginia Power was actually out-of-pocket for the payments it made. As a result, because the refunds were both "ordinary and necessary" and incurred during the taxable year in carrying on Virginia Power's business, they qualified as deductible business expenses under IRC Section 162(a).

Accordingly, the court determined that Virginia Power met the requirements of IRC Section 1341 and was entitled to a reduction of its 1991 tax liability.

Environmental Clean-Up Costs

In the second issue decided by the Court, Virginia Power transferred property on which an electric generation plant was located to another subsidiary of Dominion Resources, Inc. It was the intention of the other subsidiary to develop the property and cease generation of electricity on this property. Upon discovery of contaminants from the property, Dominion Resources, Inc. contended that the clean-up costs were incidental repairs that are deductible under IRC Section 162. The Court held that the environmental clean-up costs are not currently deductible and must be capitalized under IRC Section 263 based on the "put versus keep" distinction. That is, the expenses were incurred to "put" the property into a useable condition for a new and different use as a real estate development business, rather than to "keep" the property in its previous condition as an electric power plant.

For more information or questions on this case, please call Jeff Balch at (619) 231-4571 or by e-mail at jbalch@dtus.com.

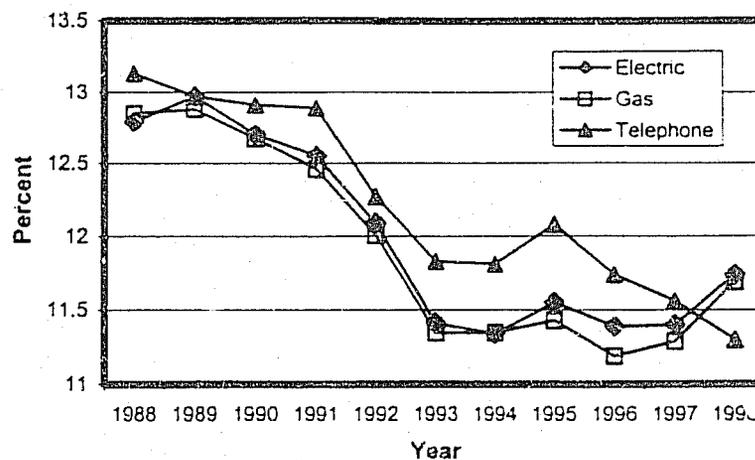
REGULATORY RATE STUDY

In a study published by Regulatory Research Associates, Inc. (RRA) entitled *Major Rate Case Decisions -- January 1997 - December 1998, Supplemental Study*, RRA has presented key data from all major rate for the years 1997 and 1998 by type of utility service and included summary information from cases decided in the last eleven years.

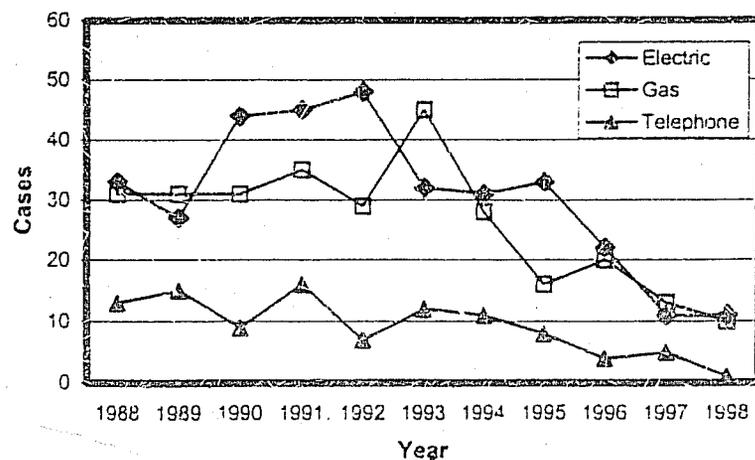
The regulatory study data indicates that the average equity return authorized electric utilities in 1998 approximated 11.7% which is a modest increase from the authorized 11.4% in 1997. There were 11 electric determinations in both 1997 and 1998, significantly fewer than the 33 cases determined in 1988. Based on 13 gas cases in 1997, and 10 gas cases in 1998, the average return

on equity authorized for gas utilities increased slightly from approximately 11.3% in 1997 to approximately 11.5% in 1998. There was only one equity return determination, 11.3%, in the telecommunications industry in 1998, compared to five determinations in 1997, with an average return on equity of approximately 11.6%.

Average Authorized Return on Equity



Number of Equity Return Determinations



As depicted above, RRA's study indicates a downward trend in the number of equity return determinations in current years. Reasons for this trend include: industry restructuring/intensifying competition; more efficient utility operations; technological improvements; relatively low interest and inflation rates; accelerated depreciation and amortization programs; and the growing use of performance or price-based regulation.

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN RE:)
) Docket No. NG99-____
NORTHWESTERN PUBLIC SERVICE)
a division of NorthWestern Corporation)

DIRECT TESTIMONY
OF
JEFFREY J. DECKER

Q. Please state your name and business address for the record.

A. Jeffrey J. Decker, 33 Third St. S.E., Huron. South Dakota 57350.

Q. By whom are you employed and in what position?

A. I am employed by NorthWestern Energy Corporation as Manager Pricing – Services.

Q. Please describe your education and business experience and business credentials.

A. I graduated in 1986 from Dakota Wesleyan University with a Bachelor of Arts degree in Business Administration.

I joined NorthWestern Public Service in 1988 as a corporate accountant working with financial reporting. Starting in 1993 I worked with NorthWestern Growth Corporation. My responsibilities included financial analysis of potential companies to be acquired. In 1995 I became the director of rates. I was promoted to Manager of Financial Services – NEC in 1998. Since 1996 I have been responsible for developing the NorthWestern Public Service Gas revenue budgets for South Dakota and Nebraska. I also maintain and analyze heating degree day data for both states on a monthly basis.

Q. What is the purpose of your prepared direct testimony?

A. I am supporting the weather normalization pro forma adjustment to the income statement sponsored by Company witness Hitchcock. The heating degree days by cycle are shown in Exhibit (JJD-2). The revenue adjustments are calculated on Exhibit (JJD-1) Pages 1 through 12.

Weather Normalization

Q. Please explain Exhibit (JJD-2), Page 1 of 1.

A. The 1998 test year was warmer than normal, which resulted in lower sales and revenues. I have adjusted the test year revenues to correspond to normal weather.

Q. What affect did weather normalization have on South Dakota Revenues?

A. The total net weather adjustment reflects an increase to the Company's test year net income as a result of weather normalizing billed sales and unbilled sales for twelve months ending December 31, 1998. The calculation to obtain this adjustment is included in Exhibit (JJD-1) Pages 1-12. Volumes were adjusted by class. Adjusted volumes were then used to calculate revenues at present and proposed rates.

Q. Please explain the methodology used to calculate the weather normalization adjustment.

A. The methodology used for the normalization is consistent with that used in determining the annual forecasted sales for the calculation of the NorthWestern budget projections. This method calculates a normalization factor by taking the sum of the monthly heating degree day normals and dividing them by the sum of the monthly degree day actuals. Heating degree days for actual and normal are calculated on a billing cycle basis to

provide a better match with revenues. This normalization factor is applied to actual annual sales (less baseload sales) to either decrease actual sales if it is colder than normal or increase sales if it is warmer than normal.

Q. Please state the source for the normal and actual heating degree day information.

A. The normal and actual degree days are reported by the National Oceanic and Atmospheric Administration. The monthly Normal Heating Degree Days are based on a thirty year average for the period of 1961-1990.

In calculating consistently with the NorthWestern gas revenue budget methodology, I used the Huron weather service actual and normal heating degree data. Huron is located close to the center of our service territory and represents a reasonable average of the weather affecting our customers.

Q. Have you prepared any analysis which indicates the use of Huron only weather data is reasonable in your weather adjustment?

A. Yes, I have. This is contained on Exhibit __ (JJD-3).

Q. What does this exhibit demonstrate?

A. Shown on this exhibit is the heating degree data for calendar year 1998 for Huron, Aberdeen and Sioux Falls, South Dakota. NorthWestern's gas markets fall in or near these locations. The data shows that Huron experienced more warmer than normal weather than either Aberdeen or Sioux Falls during 1998.

Q. Had you used the average data for these three cities in your weather adjustment, what would have been the result?

A. Since the average heating degree day variance is less than Huron, the results from a

weather adjustment using the average data would have produced a lower weather adjustment. This would have resulted in a need for a larger revenue increase.

Q. Does this conclude your prepared direct testimony in this proceeding?

A. Yes, it does.

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Residential - Rate Code 81

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			First 30	Over 30					
2			Therms	Therms					
3									
4	August 1998 Therm Units		445,110	42,450	0	487,560			
5	September 1998 Therm Units		431,820	41,180	0	473,000			
6									
7	Subtotal		876,930	83,630	0	960,560			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		5,261,580	501,780	0	5,763,360			
11	Total Therm Units - Base Year		8,756,400	20,094,330	0	28,850,730			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		3,494,820	19,592,550	0	23,087,370			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		4,152,850	23,281,580	0	27,434,430			
19	Add: Baseload Therms Above		5,261,580	501,780	0	5,763,360			
20									
21	Total Therm Units - Test Year		9,414,430	23,783,360	0	33,197,790			
22									
23			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
24			Billing	Rating	Rating	Billing	Revenues @	Revenues @	Revenues @
25	Revenue Recovery		Determinants	Rates	Rates	Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		400,847	\$4.50	\$1,803,812	400,847	\$4.50	\$1,803,812	\$6.00
29	Distribution Delivery Commodity Charge								
30	First 30 therms		8,756,400	\$0.2138	\$1,870,117	9,414,430	\$0.2000	\$1,882,888	\$0.2474
31	Over 30 therms		20,094,330	\$0.1350	\$2,711,761	23,783,360	\$0.1220	\$2,901,570	\$0.1320
32	Ad Valorem Tax Adjustment		7,749,420	\$0.0150	\$116,407	33,197,790	\$0.0156	\$517,886	\$0.0156
33	MGP Removal Cost Adjustment		28,850,730	\$0.0140	\$403,916	33,197,790	\$0.0140	\$464,769	\$0.0140
34	Gas Cost Commodity Charge		28,850,730	\$0.2419	\$6,980,315	33,197,790	\$0.2043	\$6,782,308	\$0.2043
35	Gas Cost Demand Charge		28,850,730	\$0.1463	\$4,220,687	33,197,790	\$0.1758	\$5,836,171	\$0.1758
36									
37	Totals		28,850,730		\$18,107,009	33,197,790		\$20,180,402	\$21,475,089
38	Less: Gas Cost				\$11,201,002			\$12,618,479	\$12,618,479
39									
40	Margin				\$6,906,007			\$7,570,923	\$8,856,610

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			First 400	Next 1,600	Over 2,000				
2			Therms	Therms	Therms				
3									
4	August 1998 Therm Units		207,530	81,980	1,240	290,650			
5	September 1998 Therm Units		193,870	48,470	1,160	243,500			
6									
7	Subtotal		401,400	130,350	2,400	534,150			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		2,408,400	782,100	14,400	3,204,900			
11	Total Therm Units - Base Year		7,526,830	5,234,330	1,070,870	13,832,030			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		5,118,430	4,452,230	1,056,470	10,627,130			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		6,082,170	5,290,530	1,255,390	12,628,090			
19	Add: Baseload Therms Above		2,408,400	782,100	14,400	3,204,900			
20									
21	Total Therm Units - Test Year		8,490,570	6,072,630	1,269,790	15,832,990			
22									
23			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
24			Billing	Rates	Revenues	Billing	Revenues @	Revenues @	Revenues @
25	Revenue Recovery		Determinants			Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		58,889	\$4.50	\$265,001	58,889	\$4.50	\$265,001	\$7.00
29	Distribution Delivery Commodity Charge								
30	First 400 Therms		7,526,830	\$0.1249	\$940,440	8,490,570	\$0.1141	\$968,774	\$0.1471
31	Next 1,600 Therms		5,234,330	\$0.0941	\$492,621	6,072,630	\$0.0841	\$510,708	\$0.0941
32	Over 2,000 Therms		1,070,870	\$0.0634	\$67,924	1,269,790	\$0.0541	\$68,696	\$0.0591
33	Ad Valorem Tax Adjustment		3,723,860	\$0.0095	\$35,413	15,832,990	\$0.0099	\$156,747	\$0.0099
34	MGP Removal Cost Adjustment		13,832,030	\$0.0140	\$193,648	15,832,990	\$0.0140	\$221,662	\$0.0140
35	Gas Cost Commodity Charge		13,832,030	\$0.2419	\$3,345,923	15,832,990	\$0.2043	\$3,234,680	\$0.2043
36	Gas Cost Demand Charge		13,832,030	\$0.1462	\$2,022,566	15,832,990	\$0.1758	\$2,783,440	\$0.1758
37									
38	Totals		13,832,030		\$7,363,536	15,832,990		\$8,209,708	\$8,704,121
39	Less: Gas Cost				\$5,368,489			\$6,018,120	\$6,018,120
40									
41	Margin				\$1,995,047			\$2,191,588	\$2,686,001

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Large Commercial/Industrial Firm - Rate Code 84 (Option A)

Line No.	Description (a)	Reference (b)	Block 1 (c)	Block 2 (d)	Block 3 (e)	Total (f)				
1			All							
2			Therms							
3										
4	August 1998 Therm Units		112,810	0	0	112,810				
5	September 1998 Therm Units		107,840	0	0	107,840				
6										
7	Subtotal		220,650	0	0	220,650				
8	Times		6	6	6	6				
9										
10	Baseload Therms - Annual		1,323,900	0	0	1,323,900				
11	Total Therm Units - Base Year		4,842,970	0	0	4,842,970				
12										
13	Base Year Actual Heating Degree									
14	Day (HDD) Sensitive Therms		3,519,070	0	0	3,519,070				
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015				
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745				
17										
18	Normalized HDD Sensitive Therms		4,181,670	0	0	4,181,670				
19	Add: Baseload Therms Above		1,323,900	0	0	1,323,900				
20										
21	Total Therm Units - Test Year		5,505,570	0	0	5,505,570				
22										
23			Base Year			Test Year	Test Year		Test Year	
24			Billing	Base Year	Base Year	Billing	Revenues @	Proposed	Revenues @	
25	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Present	Rates	Proposed	
26			(c)	(d)	(e)	(f)	Rates	(g)	Rates	
27							(h)	(i)	(j)	
28	Customer Charge		1,963	\$70.00	\$137,410	1,963	\$70.00	\$137,410	\$80.00	\$157,040
29	Distribution Delivery Commodity Charge									
30	All therms		4,842,970	\$0.0362	\$175,327	5,505,570	\$0.0364	\$200,403	\$0.0462	\$254,195
31	Ad Valorem Tax Adjustment		1,234,890	\$0.0061	\$7,484	5,505,570	\$0.0064	\$35,236	\$0.0064	\$35,236
32	MGP Removal Cost Adjustment		4,842,970	\$0.0140	\$67,802	5,505,570	\$0.0140	\$77,078	\$0.0140	\$77,078
33	Gas Cost Commodity Charge		4,842,970	\$0.2212	\$1,071,243	5,505,570	\$0.2300	\$1,266,281	\$0.2300	\$1,266,281
34	Gas Cost Demand Charge		425,480	\$0.8373	\$356,265	425,480	\$0.8700	\$370,168	\$0.8700	\$370,168
35	Released Capacity/Balancing Surcharge		598,200	\$0.0170	\$10,170	680,040	\$0.0170	\$11,561	\$0.0170	\$11,561
36										
37	Totals		4,842,970		\$1,825,701	5,505,570		\$2,098,137		\$2,171,563
38	Less: Gas Cost				\$1,437,678			\$1,648,010		\$1,648,010
39										
40	Margin				\$388,023			\$450,127		\$523,553

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total				
	(a)	(b)	(c)	(d)	(e)	(f)				
1			All							
2			Therms							
3										
4	August 1998 Therm Units		750	0	0	750				
5	September 1998 Therm Units		1,620	0	0	1,620				
6										
7	Subtotal		2,370	0	0	2,370				
8	Times		6	6	6	6				
9										
10	Baseload Therms - Annual		14,220	0	0	14,220				
11	Total Therm Units - Base Year		364,500	0	0	364,500				
12										
13	Base Year Actual Heating Degree									
14	Day (HDD) Sensitive Therms		350,280	0	0	350,280				
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015				
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745				
17										
18	Normalized HDD Sensitive Therms		416,230	0	0	416,230				
19	Add: Baseload Therms Above		14,220	0	0	14,220				
20										
21	Total Therm Units - Test Year		430,450	0	0	430,450				
22										
23			Base Year		Test Year		Test Year		Test Year	
24			Billing	Base Year	Billing	Present	Revenues @	Proposed	Revenues @	
25	Revenue Recovery		Determinants	Rates	Determinants	Rates	Present	Rates	Proposed	
26			(c)	(d)	(e)	(f)	(g)	(h)	(i)	
27									(j)	
28	Customer Charge		24	\$260.00	\$6,240	24	\$260.00	\$6,240	\$280.00	\$6,720
29	Distribution Delivery Commodity Charge									
30	All therms		364,500	\$0.0185	\$6,742	430,450	\$0.0180	\$7,748	\$0.0225	\$9,685
31	Ad Valorem Tax Adjustment		78,990	\$0.0042	\$331	430,450	\$0.0042	\$1,808	\$0.0042	\$1,808
32	MGP Removal Cost Adjustment		364,500	\$0.0140	\$5,103	430,450	\$0.0140	\$6,026	\$0.0140	\$6,026
33	Gas Cost Commodity Charge		364,500	\$0.2212	\$80,626	430,450	\$0.2300	\$99,004	\$0.2300	\$99,004
34	Gas Cost Demand Charge		18,120	\$0.8373	\$15,172	18,120	\$0.8700	\$15,764	\$0.8700	\$15,764
35	Released Capacity/Balancing Charge		45,030	\$0.0170	\$766	53,180	\$0.0170	\$904	\$0.0170	\$904
36										
37	Totals		364,500		\$114,980	430,450		\$137,494		\$139,911
38	Less: Gas Cost				\$96,564			\$115,672		\$115,672
39										
40	Margin				\$18,416			\$21,822		\$24,239

Exhibit (JJD-1)
Page 4 of 12

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
(a)	(b)	(c)	(d)	(e)	(f)				
1			All						
2			Therms						
3									
4	August 1998 Therm Units		53,000	0	0	53,000			
5	September 1998 Therm Units		54,700	0	0	54,700			
6									
7	Subtotal		107,700	0	0	107,700			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		646,200	0	0	646,200			
11	Total Therm Units - Base Year		3,416,180	0	0	3,416,180			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		2,769,980	0	0	2,769,980			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		3,291,530	0	0	3,291,530			
19	Add: Baseload Therms Above		646,200	0	0	646,200			
20									
21	Total Therm Units - Test Year		3,937,730	0	0	3,937,730			
22									
23			Base Year			Test Year	Test Year		Test Year
24			Billing	Base Year	Base Year	Billing	Revenues @	Proposed	Revenues @
25	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Present	Rates	Proposed
26			(c)	(d)	(e)	(f)	Rates	(g)	Rates
27							(h)	(i)	(j)
28	Customer Charge		1,404	\$70.00	\$98,280	1,329	\$70.00	\$93,030	\$80.00
29	Distribution Delivery Commodity Charge								
30	All Therms		3,416,180	\$0.0348	\$118,879	3,937,730	\$0.0364	\$143,333	\$0.0462
31	Ad Valorem Tax Adjustment		1,987,000	\$0.0063	\$12,445	3,937,730	\$0.0064	\$25,201	\$0.0064
32	MGP Removal Cost Adjustment		3,416,180	\$0.0140	\$47,827	3,937,730	\$0.0140	\$55,128	\$0.0140
33	Gas Cost Commodity Charge		3,416,180	\$0.2152	\$735,223	3,937,730	\$0.2300	\$905,678	\$0.2300
34	Released Capacity/Balancing Charge		3,416,180	\$0.0170	\$58,076	3,416,180	\$0.0170	\$58,076	\$0.0170
35									
36	Totals		3,416,180		\$1,070,730	3,937,730		\$1,280,446	\$1,332,213
37	Less: Gas Cost				\$793,299			\$963,754	\$963,754
38									
39	Margin				\$277,431			\$316,692	\$368,459

NorthWestern Public Service
 Normalization of Billing Units - Terms and Revenue
 Twelve Months Ending December 31, 1998
 South Dakota Large Commercial/Industrial Interruptible - Rate Code 85 (Option B)

Schedule No. 2.1
 Page 6 of 9

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		8,970	0	0	8,970			
5	September 1998 Therm Units		9,910	0	0	9,910			
6									
7	Subtotal		18,880	0	0	18,880			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		113,280	0	0	113,280			
11	Total Therm Units - Base Year		428,430	0	0	428,430			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		315,150	0	0	315,150			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		374,490	0	0	374,490			
19	Add: Baseload Therms Above		113,280	0	0	113,280			
20									
21	Total Therm Units - Test Year		487,770	0	0	487,770			
22									
23			Base Year			Test Year	Test Year		
24			Billing	Base Year	Base Year	Billing	Revenues @	Test Year	Revenues @
25	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		48	\$260.00	\$12,480	48	\$260.00	\$12,480	\$280.00
29	Distribution Delivery Commodity Charge								
30	All therms		428,430	\$0.0177	\$7,580	487,770	\$0.0180	\$8,780	\$0.0225
31	Ad Valorem Tax Adjustment		216,510	\$0.0041	\$892	487,770	\$0.0042	\$2,049	\$0.0042
32	MGP Removal Cost Adjustment		428,430	\$0.0140	\$5,998	487,770	\$0.0140	\$6,829	\$0.0140
33	Gas Cost Commodity Charge		428,430	\$0.2152	\$92,208	487,770	\$0.2300	\$112,187	\$0.2300
34	Released Capacity/Balancing Charge		428,430	\$0.0170	\$7,283	487,770	\$0.0170	\$8,292	\$0.0170
35									
36	Totals		428,430		\$126,439	487,770		\$150,617	\$153,772
37	Less: Gas Cost				\$99,489			\$120,479	\$120,479
38									
39	Margin				\$26,950			\$30,138	\$33,293

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Rate Code 87 (Option A)

Line No.	Description	Block 1 (c)	Block 2 (d)	Block 3 (e)	Total (f)					
1		All								
2		Therms								
3										
4	August 1998 Therm Units	28,080	0	0	28,080					
5	September 1998 Therm Units	27,900	0	0	27,900					
6										
7	Subtotal	55,980	0	0	55,980					
8	Times	6	6	6	6					
9										
10	Baseload Therms - Annual	335,880	0	0	335,880					
11	Total Therm Units - Base Year	1,172,050	0	0	1,172,050					
12										
13	Base Year Actual Heating Degree									
14	Day (HDD) Sensitive Therms	836,170	0	0	836,170					
15	Times Normal HDDs	8,015	8,015	8,015	8,015					
16	Divide by Actual HDDs	6,745	6,745	6,745	6,745					
17										
18	Normalized HDD Sensitive Therms	993,610	0	0	993,610					
19	Add: Baseload Therms Above	335,880	0	0	335,880					
20										
21	Total Therm Units - Test Year	1,329,490	0	0	1,329,490					
22										
23		Base Year	Base Year	Base Year	Test Year	Present	Test Year	Proposed	Test Year	
24	Revenue Recovery	Billing	Rates	Revenues	Billing	Rates	Revenues @	Rates	Revenues @	
25		Determinants			Determinants		Present		Proposed	
26		(c)	(d)	(e)	(f)	(g)	Rates	(i)	Rates	
27							(h)		(j)	
28	Customer Charge	237	\$70.00	\$16,590	312	\$70.00	\$21,840	\$130.00	\$40,560	
29	Distribution Delivery Commodity Charge									
30	All Therms	1,172,050	\$0.0388	\$45,430	1,329,490	\$0.0364	\$48,393	\$0.0462	\$61,384	
31	Extended Service Rider Discount			\$0			\$0		\$0	
32	Ad Valorem Tax Adjustment	523,710	\$0.0062	\$3,262	1,329,490	\$0.0064	\$8,509	\$0.0064	\$8,509	
33	MGP Removal Cost Adjustment	1,172,050	\$0.0140	\$16,409	1,329,490	\$0.0140	\$18,613	\$0.0140	\$18,613	
34										
35	Totals	1,172,050		\$81,691	1,329,490		\$97,355		\$129,066	
36	Less: Gas Cost			\$0			\$0		\$0	
37										
38	Margin			\$81,691			\$97,355		\$129,066	

Line No.	Description (a)	Reference (b)	Block 1 (c)	Block 2 (d)	Block 3 (e)	Total (f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		1,363,020	0	0	1,363,020			
5	September 1998 Therm Units		1,356,620	0	0	1,356,620			
6									
7	Subtotal		2,719,640	0	0	2,719,640			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		16,317,840	0	0	16,317,840			
11	Total Therm Units - Base Year		20,293,140	0	0	20,293,140			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		3,975,300	0	0	3,975,300			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		4,723,800	0	0	4,723,800			
19	Pro Forma New Load		7,200,000	0	0	7,200,000			
20	Add: Baseload Therms Above		16,317,840	0	0	16,317,840			
21									
22	Total Therm Units - Test Year		28,241,640	0	0	28,241,640			
23									
24			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
25			Billing	Rates	Revenues	Billing	Revenues @	Revenues @	Revenues @
26	Revenue Recovery		Determinants			Determinants	Present Rates	Proposed Rates	Proposed Rates
27			(c)	(d)	(e)	(f)	(g)	(h)	(i)
28									
29	Customer Charge		493	\$260.00	\$128,180	588	\$260.00	\$152,880	\$330.00
30	Distribution Delivery Commodity Charge								
31	All therms		20,293,140	\$0.0196	\$397,731	28,241,640	\$0.0180	\$508,350	\$0.0225
32	Extended Service Rider Discount				(\$39,446)			(\$42,090)	
33	Ad Valorem Tax Adjustment		8,471,780	\$0.0038	\$32,032	28,241,640	\$0.0042	\$118,615	\$0.0042
34	MGP Removal Cost Adjustment		20,293,140	\$0.0140	\$284,104	28,241,640	\$0.0140	\$395,383	\$0.0140
35									
36	Totals		20,293,140		\$802,501	28,241,640		\$1,133,138	\$1,296,153
37	Less: Gas Cost				\$0			\$0	\$0
38									
39	Margin				\$802,601		\$1,133,138	\$1,296,153	

Exhibit (JJD-1)
Page 8 of 12

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations

Schedule No. 2.1
 Page 9 of 9

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		667,270	0	0	667,270			
5	September 1998 Therm Units		675,900	0	0	675,900			
6									
7	Subtotal		1,343,170	0	0	1,343,170			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		8,059,020	0	0	8,059,020			
11	Total Therm Units - Base Year		9,309,890	0	0	9,309,890			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		1,250,870	0	0	1,250,870			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		1,486,390	0	0	1,486,390			
19	Pro Forma New Load		854,900	0	0	854,900			
20	Add: Baseload Therms Above		8,059,020	0	0	8,059,020			
21									
22	Total Therm Units - Test Year		10,400,310	0	0	10,400,310			
23									
24			Base Year				Test Year		
25			Billing	Base Year	Base Year	Test Year	Revenues @		Test Year
26	Revenue Recovery		Determinants	Rates	Revenues	Billing	Present	Proposed	Revenues @
27			(c)	(d)	(e)	Determinants	Rates	Rates	Proposed
28						(f)	(g)	(h)	(i)
29	Customer Charge		36	\$260.00	\$9,360	36	\$260.00	\$9,360	\$330.00
30	Distribution Delivery Commodity Charge								
31	All therms		9,309,890	\$0.0097	\$90,659	10,400,310	\$0.0059	\$72,016	\$0.0077
32	Extended Service Rider Discount				(\$1,113)			(\$1,166)	(\$1,166)
33	Ad Valorem Tax Adjustment		3,741,910	\$0.0037	\$13,948	10,400,310	\$0.0042	\$43,682	\$0.0042
34	MGP Removal Cost Adjustment		9,309,890	\$0.0075	\$69,742	10,400,310	\$0.0070	\$72,962	\$0.0062
35									
36	Totals		9,309,890		\$182,596	10,400,310		\$196,854	\$199,374
37	Less: Gas Cost				\$0			\$0	\$0
38									
39	Margin				\$182,596			\$196,854	\$199,374

Exhibit (JJD-1)
 Page 9 of 12

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations
 South Dakota Soybean Processors - Volga

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		418,330	0	0	418,330			
5	September 1998 Therm Units		327,140	0	0	327,140			
6									
7	Subtotal		745,470	0	0	745,470			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		4,472,820	0	0	4,472,820			
11	Total Therm Units - Base Year		5,291,040	0	0	5,291,040			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		818,220	0	0	818,220			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		972,280	0	0	972,280			
19	Pro Forma New Load		854,900	0	0	854,900			
20	Add: Baseload Therms Above		4,472,820	0	0	4,472,820			
21									
22	Total Therm Units - Test Year		6,300,000	0	0	6,300,000			
23									
24			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
25	Revenue Recovery		Billing	Rates	Revenues	Billing	Revenues @	Revenues @	Revenues @
26			Determinants			Determinants	Present	Proposed	Proposed
27			(c)	(d)	(e)	(f)	Rates	Rates	Rates
28							(g)	(h)	(i)
29	Customer Charge		12	\$260.00	\$3,120	12	\$260.00	\$3,120	\$3,960
30	Distribution Delivery Commodity Charge								
31	All therms		5,291,040	\$0.0056	\$29,815	6,300,000	\$0.0032	\$19,908	\$23,121
32	Extended Service Rider Discount				\$0			\$0	\$0
33	Ad Valorem Tax Adjustment		2,205,550	\$0.0038	\$8,280	6,300,000	\$0.0042	\$26,460	\$26,460
34	MGP Removal Cost Adjustment		5,291,040	\$0.0048	\$25,397	6,300,000	\$0.0046	\$29,232	\$26,019
35									
36	Totals		5,291,040		\$66,612	6,300,000		\$78,720	\$79,560
37	Less: Gas Cost				\$0			\$0	\$0
38									
39	Margin				\$66,612			\$78,720	\$79,560
40									
41	Total Commodity Rate =	\$0.01200	per therm						

Exhibit (JSD-1)
 Page 10 of 12

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations
 3M - Brookings

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		216,330	0	0	216,330			
5	September 1998 Therm Units		312,020	0	0	312,020			
6									
7	Subtotal		528,350	0	0	528,350			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		3,170,100	0	0	3,170,100			
11	Total Therm Units - Base Year		3,462,260	0	0	3,462,260			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		292,160	0	0	292,160			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		347,170	0	0	347,170			
19	Add: Baseload Therms Above		3,170,100	0	0	3,170,100			
20									
21	Total Therm Units - Test Year		3,517,270	0	0	3,517,270			
22									
23			Base Year		Test Year		Test Year		Test Year
24			Billing	Base Year	Billing	Present	Revenues @	Proposed	Revenues @
25	Revenue Recovery		Determinants	Rates	Determinants	Rates	Present	Rates	Proposed
26			(c)	(d)	(e)	(f)	(g)	(h)	(i)
27									(j)
28	Customer Charge		12	\$260.00	\$3,120	12	\$260.00	\$3,120	\$330.00
29	Distribution Delivery Commodity Charge								
30	All therms		3,462,260	\$0.0154	\$53,290	3,517,270	\$0.0130	\$45,619	\$0.0142
31	Extended Service Rider Discount				\$0			\$0	\$0
32	Ad Valorem Tax Adjustment		1,325,790	\$0.0037	\$4,873	3,517,270	\$0.0042	\$14,773	\$0.0042
33	MGP Removal Cost Adjustment		3,462,260	\$0.0112	\$38,779	3,517,270	\$0.0108	\$38,092	\$0.0096
34									
35	Totals		3,462,260		\$100,062	3,517,270		\$101,604	\$102,444
36	Less: Gas Cost				\$0			\$0	\$0
37									
38	Margin				\$100,062			\$101,604	\$102,444
39									
40	Total Commodity Rate =	\$0.02800		per therm					

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations
 Saputo Cheese - Big Stone

Line No.	Description	Reference (a)	Block 1 (b)	Block 2 (c)	Block 3 (d)	Total (e)			
1				All					
2				Therms					
3									
4	August 1998 Therm Units			32,610	0	0	32,610		
5	September 1998 Therm Units			36,740	0	0	36,740		
6									
7	Subtotal			69,350	0	0	69,350		
8	Times			6	6	6	6		
9									
10	Baseload Therms - Annual			416,100	0	0	416,100		
11	Total Therm Units - Base Year			556,590	0	0	556,590		
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms			140,490	0	0	140,490		
15	Times Normal HDDs	Sch 2.2		8,015	8,015	8,015	8,015		
16	Divide by Actual HDDs	Sch 2.2		6,745	6,745	6,745	6,745		
17									
18	Normalized HDD Sensitive Therms			166,940	0	0	166,940		
19	Add: Baseload Therms Above			416,100	0	0	416,100		
20									
21	Total Therm Units - Test Year			583,040	0	0	583,040		
22									
23				Base Year	Base Year	Base Year	Test Year	Test Year	Test Year
24				Billing	Rates	Revenues	Billing	Revenues @	Revenues @
25	Revenue Recovery			Determinants			Determinants	Present	Proposed
26				(c)	(d)	(e)	(f)	Rates	Rates
27								(g)	(h)
28	Customer Charge			12	\$260.00	\$3,120	12	\$260.00	\$3,120
29	Distribution Delivery Commodity Charge								
30	All therms			556,590	\$0.0136	\$7,554	583,040	\$0.0111	\$6,489
31	Extended Service Rider Discount					(\$1,113)			(\$1,166)
32	Ad Vaioem Tax Adjustment			210,570	\$0.0038	\$795	583,040	\$0.0042	\$2,449
33	MGP Removal Cost Adjustment			556,590	\$0.0100	\$5,566	583,040	\$0.0097	\$5,638
34									
35	Totals			556,590		\$15,922	583,040		\$16,530
36	Less: Gas Cost					\$0			\$0
37									
38	Margin					\$15,922		\$16,530	\$17,370
39									
40	Total Commodity Rate =		\$0.02500	per therm					

NorthWestern Public Service
 Normalization of Billing Units - Heating Degree Days
 Huron, South Dakota

Line No.	Month (a)	Actual		Normal		% of Normal (f)
		Month (b)	12 Month (c)	Month (d)	12 Month (e)	
1	9611	746		645		
2	9612	1,394		1,138		
3	9701	1,930		1,691		
4	9702	1,620		1,513		
5	9703	1,241		1,135		
6	9704	829		775		
7	9705	567		474		
8	9706	180		159		
9	9707	16		30		
10	9708	11		5		
11	9709	33		70		
12	9710	157	8,724	275	7,910	110.29%
13	9711	739	8,717	670	7,935	109.86%
14	9712	1,088	8,411	1,146	7,943	105.89%
15	9801	1,357	7,838	1,658	7,910	99.09%
16	9802	1,232	7,450	1,479	7,876	94.59%
17	9803	1,080	7,289	1,187	7,928	91.94%
18	9804	817	7,277	828	7,981	91.18%
19	9805	304	7,014	426	7,933	88.42%
20	9806	111	6,945	143	7,917	87.72%
21	9807	17	6,946	30	7,917	87.74%
22	9808	0	6,935	5	7,917	87.60%
23	9809	87	6,989	78	7,925	88.19%
24	9810	250	7,082	294	7,944	89.15%
25	9811	620	6,963	701	7,975	87.31%
26	9812	870	6,745	1,186	8,015	84.15%

<u>ABERDEEN</u>	<u>ACTUAL</u>	<u>NORMAL</u>	<u>DEPARTURE</u>	<u>VARIANCE %</u>
JANUARY	1,586	1,702	(116)	-6.82%
FEBRUARY	1,025	1,352	(327)	-24.19%
MARCH	1,229	1,091	138	12.65%
APRIL	503	594	(91)	-15.32%
MAY	182	269	(87)	-32.34%
JUNE	114	68	46	67.65%
JULY	1	15	(14)	-93.33%
AUGUST	0	29	(29)	-100.00%
SEPTEMBER	107	195	(88)	-45.13%
OCTOBER	511	549	(38)	-6.92%
NOVEMBER	947	1,041	(94)	-9.03%
DECEMBER	1,299	1,541	(242)	-15.70%
	<u>7,504</u>	<u>8,446</u>	<u>(942)</u>	<u>-11.15%</u>

<u>HURON</u>	<u>ACTUAL</u>	<u>NORMAL</u>	<u>DEPARTURE</u>	<u>VARIANCE %</u>
JANUARY	1,443	1,606	(163)	-10.15%
FEBRUARY	916	1,277	(361)	-28.27%
MARCH	1,157	1,026	131	12.77%
APRIL	476	561	(85)	-15.15%
MAY	135	256	(121)	-47.27%
JUNE	88	48	40	83.33%
JULY	0	10	(10)	-100.00%
AUGUST	0	22	(22)	-100.00%
SEPTEMBER	71	173	(102)	-58.96%
OCTOBER	422	512	(90)	-17.58%
NOVEMBER	851	978	(127)	-12.99%
DECEMBER	1,213	1,454	(241)	-16.57%
	<u>6,772</u>	<u>7,923</u>	<u>(1,151)</u>	<u>-14.53%</u>

<u>SIOUX FALLS</u>	<u>ACTUAL</u>	<u>NORMAL</u>	<u>DEPARTURE</u>	<u>VARIANCE %</u>
JANUARY	1,403	1,587	(184)	-11.59%
FEBRUARY	922	1,268	(346)	-27.29%
MARCH	1,138	1,008	130	12.90%
APRIL	548	543	5	0.92%
MAY	147	240	(93)	-38.75%
JUNE	117	50	67	134.00%
JULY	4	10	(6)	-60.00%
AUGUST	2	22	(20)	-90.91%
SEPTEMBER	79	165	(86)	-52.12%
OCTOBER	440	508	(68)	-13.39%
NOVEMBER	881	960	(79)	-8.23%
DECEMBER	1,262	1,448	(186)	-12.85%
	<u>6,943</u>	<u>7,809</u>	<u>(866)</u>	<u>-11.09%</u>

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN RE:)
) Docket No. NG99-____
NORTHWESTERN PUBLIC SERVICE)
a division of North Western Corporation)

DIRECT TESTIMONY
OF
THOMAS P. HITCHCOCK

Q. Please state your name, occupation and business address.

A. My name is Thomas P. Hitchcock. I am Executive Vice President of North Western Energy Corporation ("NEC"). My business address is 33 Third Street SE, Huron, South Dakota 57350.

Q. Please describe your professional background and experience.

A. I was graduated Magna Cum Laude from Kearney State College in 1975, now known as the University of Nebraska at Kearney, receiving a Bachelor of Science degree in Business Administration. In 1991, I attended the University of Michigan and completed their Public Utilities Executive Program.

In June, 1975 I accepted a position with Kansas-Nebraska Natural Gas Company (now known as KN Energy, Inc.) ("KNE") as an internal auditor in their Hastings, Nebraska office. While with KNE I held the positions of Senior Financial Analyst, Manager - Gas Accounting, Manager - Accounting Services and Director of Rates. Between 1983 and 1985 I held the position of Chief Accountant for Midlands Energy Company, an oil and gas

production affiliate of KNE spun-off to shareholders. Freeport-McMoRan, Inc. later acquired Midlands Energy Company. While employed by KNE, the majority of my work was accounting related, including rate analysis, cost of service studies, cost allocations, rate design, general ledger and accounting systems, tariff maintenance, financial reporting, strategic planning and budgeting. Major responsibilities in my last position at KNE included all aspects of rate and tariff filings with the Federal Energy Regulatory Commission, state and local jurisdictional authorities. I also supervised the consolidated accounting team for KNE, which included SEC and shareholder reporting functions.

In August, 1995 I accepted employment with NorthWestern Public Service ("NorthWestern"). My present responsibilities include the management of gas supply and regulation for NorthWestern's retail operations in South Dakota and Nebraska.

Q. What is the business relationship between NEC and NorthWestern?

A. NorthWestern is the regulated utility division of NorthWestern Corporation, while NEC is a wholly owned subsidiary of NorthWestern Corporation. NEC provides natural gas supply management and regulatory services for NorthWestern.

Q. Have you previously testified before the South Dakota Public Utilities Commission?

A. Yes, in prior proceedings dealing with the marketing affiliate rulemaking, a MidAmerican Energy gas cost adjustment hearing and NorthWestern's filing to true-up the Manufactured Gas Plant removal cost.

Q. Have you provided testimony in any other rate proceedings before other regulatory authorities?

A. Yes. I have testified before the Federal Energy Regulatory Commission, the Colorado

Public Utilities Commission, the Wyoming Public Service Commission and the Kansas Corporation Commission. I have also testified in various rate area hearings and court trials in Nebraska.

Q. For whom are you testifying in this proceeding?

A. I am testifying on behalf of NorthWestern Public Service ("NorthWestern" or "Company").

Q. Please state the nature of your testimony in this proceeding.

A. The purpose of my prepared direct testimony is to set forth information to determine the South Dakota Gas Revenue Requirement for NorthWestern. I have also prepared a class cost of service study for gas utility operations within the South Dakota jurisdiction. In addition, I will provide testimony supporting NorthWestern's rate design in this docket. I will also support NorthWestern's proposed rate tariffs. Finally, I will support all Statements and Schedules included in this filing not sponsored by another Company witness.

Q. Is NorthWestern filing gas rate cases in all of its state jurisdictions?

A. Yes, NorthWestern is filing gas rate cases in both South Dakota and Nebraska using the same test year and similar pro forma adjustments to the extent applicable to each jurisdiction. NorthWestern is having the revenue requirements of all gas jurisdictions determined using the most consistent basis as the mechanics of the ratemaking process allows.

Q. Have you prepared any exhibits in support of your testimony?

A. Yes, I am sponsoring two exhibits related to my testimony in this case. Exhibit Nos.__(TPH-1) and (TPH-2). Various schedules are included as part of these exhibits, including the details of all the operating income statement and rate base adjustments.

Exhibit__(TPH-1) sets forth the South Dakota Gas Revenue Requirements study and Exhibit__(TPH-2) is the South Dakota jurisdiction class cost of service study.

Q. Were these exhibits prepared by you or under your direction and supervision?

A. Yes, they were. Certain pro forma adjustments to operating income are supported by other NorthWestern witnesses. I address those witnesses under the discussion of the pro forma.

Q. Do these exhibits reflect the information shown on NorthWestern's books and records for the corresponding base period?

A. Yes. The information shown per books, or actual, was taken from the books and records of NorthWestern for the base period consisting of the twelve-month period ended December 31, 1998. The historical base period amounts were adjusted for known and measurable changes expected to occur during the time proposed rates go into effect.

Revenue Requirements Study

Q. What is contained in Exhibit__(TPH-1)?

A. Exhibit__(TPH-1) is the South Dakota Gas Revenue Requirements study. A total of eleven major schedules are contained in this exhibit.

Q. What is contained in Exhibit__(TPH-1), Schedule No. 1?

A. Schedule No. 1 of this exhibit is the Financial Summary, which sets forth the South Dakota Gas Operating Income Statement with Pro Forma Adjustments. This shows, on a summary basis:

1. The 1998 base year South Dakota Gas operating revenues and expenses as included on the Company's 1998 Books and Records (Column (c));
2. The pro forma adjustments needed to reflect known and measurable changes used to

determine the level of revenues and expenses for ratemaking purposes (Column (d)):

3. The adjusted and normalized base year operating income (Column (e));
4. The revenue adjustment required to have Adjusted Test Year Operating Income match the requested return (Column (f)); and
5. The South Dakota Gas Operating Income Statement with the proposed revenue adjustment (Column (g)).

Q. Please explain what is contained on Exhibit __ (TPH-1), Schedule No. 1.1.

A. Schedule No. 1.1, consisting of 2 pages, summarizes the individual pro forma adjustments to revenues and expenses, showing the effect on operating income of each of the adjustments made to the Company's books and records to arrive at the appropriate revenues and expenses for revenue requirements purposes.

Q. Please explain what is contained on Exhibit __ (TPH-1), Schedule No. 1.2.

A. Schedule No. 1.2, consisting of 1 page, summarizes the individual pro forma adjustments to rate base. The schedule shows the effect on South Dakota gas rate base of each of the known and measurable pro forma adjustments made to the Company's books and records for purposes of arriving at the appropriate rate base for this ratemaking proceeding.

Q. Would you briefly summarize what is contained on the other schedules included as part of Exhibit __ (TPH-1).

A. Schedule No. 2, consisting of 3 pages, is a summary of gas sales and transportation revenues, containing actual base year billing units and revenues. Revenues have been broken down into type of revenue recovery, customer charges, distribution delivery charges,

ad valorem tax adjustment clause, MGP removal cost adjustment and gas costs. In addition, test year billing units are shown with associated revenues derived using present and proposed rates.

Schedule No. 2.1, consisting of 9 pages, contains the weather normalization of billing unit results. Each page sets forth revenues at base year actual, present and proposed rates by rate schedule. NorthWestern witness Decker sponsors testimony on the weather normalization adjustment made to each rate schedule.

Schedule No. 2.1.a, consisting of 3 pages, sets forth the revenues derived from customers with contracts with deviations.

Schedule No. 2.2, consisting of 1 page, contains the monthly heating degrees for Huron, South Dakota. NorthWestern witness Decker supports this schedule.

Schedule No. 3, consisting of 1 page, sets forth the details of other revenues, by account, during the base period and two years prior to the base period.

Schedule No. 4, consisting of 3 pages, contains base period unadjusted and test period adjusted operations and maintenance expenses by account.

Schedule Nos. 4.1 through 4.6, consisting a total of 18 pages, contains more particulars on the operations and maintenance expense accounts. Specifically, the schedules contain information broken down between direct and common costs. Schedule Nos. 4.2 and 4.6 contain the particulars on the allocation of common costs to South Dakota Gas, for both the base year actual and test year adjusted.

Schedule No. 5, consisting of 1 page, contains information on the Company's depreciation and amortization expense. This schedule also contains the allocation of

common depreciation to South Dakota Gas.

Schedule No. 6, consisting of 1 page, shows the particulars on the Company's taxes other than income taxes expense.

Schedule No. 7, consisting of 1 page, shows the computation of income taxes. A 35% Federal tax rate was assumed in all calculations.

Schedule No. 8, consisting of 1 page, sets forth the Company's estimate of rate case expense in this proceeding, along with the related adjustment to rate base for the unamortized rate case expense.

Schedule No. 9, consisting of 1 page, contains the computation of rate base and return.

Schedule No. 9.1, consisting of 2 pages, shows the book balances of plant accounts as of December 31, 1997 and 1998, along with base and test year adjusted thirteen-month average balances.

Schedule No. 9.2, consisting of 1 page, contains the consolidated capital structure of NorthWestern Corporation, and the computation of the cost of capital used in this docket. NorthWestern witness Leyendecker sponsors information contained on this schedule.

Schedule No. 9.3, consisting of 5 pages, contains the calculation of the thirteen-month average balance for certain rate base items, including any allocation of common cost to South Dakota Gas.

Schedule No. 9.4, consisting of 1 page, contains the calculation of the thirteen-month average balance for accumulated depreciation and amortization expense.

Schedule No. 10, consisting of 1 page, sets forth the common or indirect allocation

factors for the test period. These factors have been based on actual 1998 data, and are used to allocate common or indirect costs during 1999 and the adjusted test period. Schedule No. 11 is very similar to Schedule No. 10; it sets forth the actual base period allocation factors.

Pro Forma Adjustments – Operating Income Statement

Q. Mr. Hitchcock, can you please refer back to Schedule No. 1.1 of Exhibit__(TPH-1)? Would you please explain each individual pro forma adjustment to the operating income statement?

A. Adjustment No. 1 – Weather Normalization

Details and calculation of this adjustment are shown on Schedule Nos. 2.1 and 2.2. This adjustment decreases the revenue requirement by \$615,283.

NorthWestern has made certain adjustments to base year volumes in determining test year volumes. The upward adjustment to base year volumes delivered to retail customers is primarily the result of warmer than normal weather in the base year. Heating degree-days during the base year were approximately 85 percent of normal. NorthWestern witness Decker sponsors this adjustment in his testimony. In summary, actual base year volumes were divided into temperature sensitive and non-temperature sensitive volumes. The non-temperature sensitive volume was determined using the August and September 1998 volumes in the base period. The temperature sensitive volume for the year was then calculated by subtracting the non-temperature sensitive volume from the total volume. The temperature sensitive volumes are normalized in a linear manner adjusting the base period temperature sensitive volumes by the ratio of historical normal heating degree days to the actual heating degree days matched to billing

cycles during the twelve months ended December 31, 1998.

This adjustment also determines the gas supply cost, ad valorem tax and MGP removal cost adjustments using weather normalized sales requirements and the cost component of each rate schedule in effect on May 2, 1999.

Adjustment No. 2 – New Customer Gas Load

Details and calculation of this adjustment are shown on Schedule No. 2.1, pages 8 and 9.

This adjustment decreases the revenue requirement by \$156,558.

This adjustment is the result of increasing test period volumes to three large commercial customers. These increased loads have come on in the last 12 months or will start during 1999.

Adjustment No. 3 – Other Revenues

Details and calculation of this adjustment are shown on Schedule No. 3. This adjustment decreases the revenue requirement by \$34,469.

This adjustment is made to derive a more representative level of test year miscellaneous gas service revenues, based on three-year average actual revenues for the period ending December 31, 1998.

Adjustment No. 4 – Rate Case Expense

Details and calculation of this adjustment are shown on Schedule No. 8. This adjustment increases the revenue requirement by \$50,000.

NorthWestern has included estimated rate case expense of \$150,000 for this filing. This level of cost is proposed to be amortized into expense equally over a 3-year period. Included in this estimate of cost are consultant and other outside expense of

\$50,000 and SDPUC rate case fund costs in the amount of \$100,000. This level of cost is proposed to be trued-up to actual at the conclusion of this proceeding. This adjustment is consistent with prior ratemaking treatment.

Adjustment No. 5 – LP Gas Expense

Details and calculation of this adjustment are shown on Schedule No. 4.3. This adjustment decreases the revenue requirement by \$132.

This adjustment is made to reflect the LP gas cost recovered through the gas cost adjustment clause.

Adjustment No. 6 – Advertising Expense

Details and calculation of this adjustment are shown on Schedule No. 4.4. This adjustment decreases the revenue requirement by \$106,135.

This adjustment is made to reflect the elimination of known and measurable promotional and institutional advertising expense originally booked as a utility operating expense. The total cost reduction for these expenditures are \$492,945. South Dakota's gas operations share of this elimination of cost was calculated using common allocation factors in effect during 1998. This adjustment is consistent with prior ratemaking treatment.

Adjustment No. 7 – Labor Expense

Details and calculation of this adjustment are shown on Schedule Nos. 4, 4.3 and 4.4. This adjustment increases the revenue requirement by \$97,305.

NorthWestern has adjusted actual base year labor allocated or directly charged to South Dakota operations in the amount of \$3,243,507 by 3 percent. This falls into the

average range of recent annual salary adjustments to employees.

Adjustment No. 8 – Common Allocation Factors

Details and calculation of this adjustment are shown on Schedule Nos. 4.2, 4.6, 5, 6, 10 and 11. This adjustment decreases the revenue requirement by \$357,016.

This pro forma outlines the impact of updating the basis used to allocate common costs between electric and gas, and further between Nebraska and South Dakota gas. The company uses principles of allocation previously reviewed by the South Dakota Public Utilities Commission in prior gas cases. Depending on the type of common cost, amounts are allocated based on factors developed using customer counts, revenues, plant investment, labor charges, etc. This adjustment is the result of the Company allocating base year common costs by updated allocation factors to be used to allocate 1999 common costs. These factors are set forth on Schedule Nos. 10 and 11. Company employees have the ability and are encouraged to directly charge costs to a service and jurisdiction when the costs are specifically identifiable to that jurisdiction. Costs not directly assigned are allocated using different bases. This allocation basis, which is often referred to as the common allocation, is used to distribute a variety of costs, including plant and related depreciation reserves, between gas and electric service and the jurisdictions served by NorthWestern Public Service.

Adjustment No. 9 – Affiliate Management Fees

Details and calculation of this adjustment are shown on Schedule No. 4.4. This adjustment decreases the revenue requirement by \$315,005.

This adjustment is made to reflect the known and measurable change to annual

1 customer assistance expense related to a reduction in the management fee from the
2 Company's affiliated partner entity, NorthWestern Services. NorthWestern Services
3 provides customer service, including call center operations and personnel, to
4 NorthWestern Public Service for an annual management fee. The contract between the
5 two entities for these services has been reduced to an annual level of \$2.5 million,
6 beginning January 1, 1999. The total reduction in annual cost to NorthWestern Public
7 Service is \$1,089,884. South Dakota's gas operations share of this reduction was
8 calculated using common allocation factors in effect during 1998. NorthWestern witness
9 Monaghan addresses changes in NorthWestern's corporate structure during 1998.

10 **Adjustment No. 10 – Interest Synchronization**

11 This adjustment shows the increase in Federal income taxes by using the interest
12 synchronization method of computing the interest deduction for income tax purposes.

13 This is consistent with prior ratemaking treatment.

14 **Pro Forma Adjustments – Gas Rate Base**

15 **Q. Would you please explain each individual pro forma adjustment to rate base,**
16 **summarized on Schedule No. 1.2 of Exhibit __ (TPH-1).**

17 **A. Adjustment No. 1 – Rate Case Expense**

18 Details and calculation of this adjustment are shown on Schedule No. 8. This adjustment
19 increases rate base by \$125,000 with an associated revenue requirement impact of
20 \$15,687 for return and associated income taxes.

21 This pro forma adjustment to rate base is the result of including in rate base the
22 unamortized portion of rate case expense estimated in operating income statement

Adjustment No. 4. This is consistent with prior ratemaking treatment.

Adjustment No. 2 – Common Allocation Factors

Details and calculation of this adjustment are shown on Schedule Nos. 9, 9.3, 9.4, 10 and 11. This adjustment decreases rate base by \$959,525, with an associated revenue requirement impact of \$120,421 for return and associated income taxes.

As discussed in operating income statement Adjustment No. 8, this adjustment to rate base is the result of updating the common allocation factors to apply to common plant, related depreciation reserves, accumulated deferred income taxes and working capital.

Class Cost of Service Study

Q. What is the basis for the class cost of service study contained in Exhibit __ (TPH-2)?

A. The study is based on South Dakota jurisdictional operations for the 12-month period ended December 31, 1998, as adjusted for known and measurable changes. All of the operating income statement and rate base figures are taken directly from the detail included in the previously mentioned revenue requirements study.

Q. What is the purpose of a class cost of service study?

A. A class cost of service study is an allocation to each rate schedule or class of customer of all revenues and costs relative to the furnishing of the utility service, including the appropriate assignment of revenues, operations and maintenance expenses, depreciation and other cost elements.

Q. Would you briefly describe the steps involved in preparing a class cost of service study?

1 A. The utility plant, revenue and expense accounts are examined and, where possible, amounts
2 are assigned directly to certain classes of service or customers, based upon details derived
3 from the books and records of the utility or by special analyses and studies. Amounts not
4 directly assigned are analyzed by functional responsibility and groupings of accounts, such
5 as production and distribution, then are allocated on the basis of demand, energy use and the
6 number of customers associated with the various functional responsibilities.

7 **Q. How would you describe your overall approach to the cost allocation study?**

8 A. Since this was my first class cost of service study undertaken for NorthWestern, I reviewed
9 the last cost allocation study filed with this Commission in Docket No. NG94-008. In
10 addition, I reviewed MidAmerican Energy's most recent class cost of service study filed as
11 part of their 1998 rate case, including the testimony of the PUC Staff witness. The resulting
12 study undertaken in this filing generally applies cost allocation principles in a manner
13 reasonably consistent with these studies.

14 **Q. How are classes defined for the purpose of your class cost of service study?**

15 A. My class cost of service study shows cost allocated to three service classes. Service classes
16 are residential (Rate No. 81 - Residential Gas Service); small commercial (Rate No. 82 -
17 General Gas Service); and large commercial (Rate Nos. 84 & 85 for sales service and Rate
18 No. 87 for transportation service). Rates for large commercial accounts are offered under
19 either an Option A or B. Option A service currently is chosen by large commercial
20 accounts using generally less than 110,000 therms per year. This service rate option carries
21 a smaller customer charge than Option B service, however, the non-gas commodity charge
22 is approximately \$0.02 per therm higher. The class cost of service study assumes all service

classes are firm, due to a continuing shift away from the sale of gas toward the transportation of gas. In the past, interruptible service was related to gas supply and pipeline constraints, not to the general capability of the distribution system.

Q. Please discuss the principal classification and allocations used in Exhibit __ (TPH-2).

A. Pages 5 and 6 contain the development of the classification ratios of cost to either customer demand or commodity, while the allocation ratios to customer class are shown on pages 7 and 8. Demand-related costs are those that relate to the utility's ability to meet and sustain the maximum gas flow required by customers. On NorthWestern's system, these days occur when it is extremely cold. Demand-related costs thus relate to the capacity that must be built into the system to meet peak operating conditions. Demand-related costs on NorthWestern's system include those associated with investments in peaking facilities and a substantial portion of distribution mains investment and related costs. In my study, I have classified 95 percent of distribution mains and 100 percent of peaking facilities as a demand-related cost. The demand-related costs are allocated on the basis of the February 1, 1996 requirements for each of the classes. The average temperature on that date was approximately 25 degrees Fahrenheit below zero. Due to mild weather the past two winters, this was selected as the most representative of design day peak conditions.

Q. How were most of the other distribution costs allocated?

A. Costs associated with meters, services and regulators were allocated on the basis of the number of customers, weighted to account for differences in cost for the size of customer. In general, expenses were allocated on the basis of the plant to which they relate. Supervision and engineering expenses were allocated on the basis of the other related O&M

accounts. Customer accounting expenses were allocated on the basis of weighted customers. Administrative and general costs, including common plant investment, were generally allocated in proportion to the allocation of distribution and production plant investment and expenses.

Q. What are the results of the class cost of service study?

A. The results are summarized on Pages 2 and 3 of the exhibit containing the study. Page 3 of the study shows, based on pro forma results at present rates, the following rates of return by class of customer:

Residential	5.50%
Small Commercial	5.18%
Large Commercial	6.18%

Shown on Page 2 of the study is the level of revenue requirement needed by each customer class to attain an overall rate of return requested by NorthWestern in this filing of 9.27%.

Q. What are the principle conclusions you reach from your study?

A. Based on results of my study, I find that existing gas revenues fail to cover South Dakota Gas jurisdictional revenue requirements by over \$2.1 million. The cost of service study further indicates that the present increase required for the small commercial class is slightly above the overall increase, whereas the increases to the residential and large commercial classes are below the average.

Q. What are the revenue deficiency amounts by class of customer and the percentage increase in non-gas cost revenue required?

A. Residential \$1,285,687 or 16.98% Increase

Small Commercial	494,413	or 22.56% Increase
Large Commercial	<u>325,491</u>	or 15.88% Increase
Total	<u>\$2,105,591</u>	or 17.83% Increase

Q. What accounts for the difference between the above total amount and the requested increase in revenues in the amount of \$2,108,112?

A. A \$2,520 increase in customer charges allocated to those customers with a contract with deviations.

Q. NorthWestern is filing for a gas rate increase in Nebraska on June 1, 1999. Is the method employed in Exhibit __ (TPH-2) consistent with the method being used in that filing?

A. Yes, it is.

Rate Design and Proposed Rates

Q. Please explain NorthWestern's rate design goals in this Docket.

A. NorthWestern's primary goal is that its prices for natural gas delivery service be cost-based and competitively priced to alternate fuel choices for customers. The revenues to be recovered by proposed rates are consistent with the class cost of service study results. In addition, I am proposing increases in all customer charges to move in the direction of the customer-based costs developed in my class cost of service study. For large commercial accounts, I am proposing a \$50 customer charge differential between transportation and sales service. The primary reason for the increased charge to transportation (Rate No. 87) service is due to the extra costs incurred to maintain these accounts, such as those related to daily telemetering.

The class cost of service study results indicate that the small commercial class has the lowest rate of return and should therefore receive the greatest percentage increase. As a basic approach to apportioning the total requested increase of over \$2.1 million, two considerations were utilized: first, to move every class to the system average return of 9.27 percent and, second, to give every class the same percentage increase in non-gas cost revenues at present rates. Because of the narrow range of rates of return, rates are designed to move every class to the system average return on 9.27 percent.

Q. Are you recommending a change to the current rate structure of NorthWestern's rate schedules?

A. No changes in rate structure are being recommended. The only changes being made are increases to the customer and non-gas cost delivery service charge component of rates.

Q. Please describe your proposed rate change for the residential class (Rate No. 81).

A. Overall proposed revenue increases for residential customers are consistent with revenue levels required in the class cost of service study. NorthWestern is proposing to increase its monthly customer charge for residential customers by \$1.50 to \$6.00. The class cost of service study indicates that a fully loaded customer charge for this type of account should be in the \$14 per month range. The remaining increase, not collected via the proposed customer charge increase, was included in the distribution delivery commodity charge. More of the increase was put into the first rate block, to compensate for the entire customer related costs not being collected in the monthly customer charge.

Q. Please describe your proposed rate change for the small commercial class (Rate No. 82 or General Gas Service).

1 A. Overall proposed revenue increases for small commercial customers are consistent with
2 revenue levels required in the class cost of service study. NorthWestern is proposing to
3 increase its monthly customer charge for small commercial customers by \$2.50 to \$7.00.
4 The class cost of service study indicates that a fully loaded customer charge for this type of
5 account should be in the \$16 per month range. The remaining increase, not collected via the
6 proposed customer charge increase, was included in the distribution delivery commodity
7 charge. More of the increase was put into the first rate block, to compensate for the entire
8 customer related costs not being collected in the monthly customer charge.

9 **Q. Please describe your proposed rate change for the large commercial class (Rate Nos.
10 84 and 85 – Sales and Rate No. 87 - Transportation).**

11 A. Again, overall proposed revenue increases for large commercial customers are consistent
12 with revenue levels required in the class cost of service study. NorthWestern is proposing
13 to increase its monthly customer charge for large commercial customers by varying amounts
14 depending upon the service and rate option. As explained above, transportation service is
15 proposed to receive a higher customer charge. Proposed changes are as follows:

16 Rate Option A: Service under Rate Schedule Nos. 84 and 85

17 \$10 per month increase to \$80 per month charge

18 Rate Option B: Service under Rate Schedule Nos. 84 and 85

19 \$20 per month increase to \$280 per month charge.

20 Rate Option A: Service under Rate Schedule No 87

21 \$60 per month increase to \$130 per month charge

22 Rate Option B: Service under Rate Schedule Nos. 87

\$70 per month increase to \$330 per month charge

The remaining increase, not collected via the proposed customer charge increase, was included in the distribution delivery commodity charge.

Q. Does this conclude your testimony at this time?

A. Yes, it does.

AFFIDAVIT

STATE OF SOUTH DAKOTA)
) ss
COUNTY OF BEADLE)

I, Thomas P. Hitchcock, being first duly sworn on oath, do depose and state that I have read this document and am familiar with the contents thereof and the same are true to the best of my knowledge and belief.

FURTHER THE AFFIANT SAYETH NOT.

Thomas P. Hitchcock
Thomas P. Hitchcock

Subscribed and sworn to before me this 26th day of May, 1999.

Stacie Dowling 09/24/04
Notary Public in and for the State of South Dakota



Line No.	Description (a)	Reference (b)	Base Period		Normalized (e)	Adjustments to Reflect Requested Return (f)	Test Period Total (g)
			Not Normalized (c)	Normalizing Adjustments (d)			
			\$	\$	\$	\$	\$
1	Operating Revenues						
2	Gas Sales Revenues	Sch 2, P2	28,608,395	3,457,409	32,065,804	1,910,866	33,976,670
3	Transportation Revenues	Sch 2, P3	1,066,888	360,459	1,427,347	197,246	1,624,593
4	Other Revenues	Sch 3, P1	129,402	34,521	163,923	0	163,923
5							
6	Total		29,804,685	3,852,389	33,657,074	2,108,112	35,765,186
7							
8	Operating Expenses						
9	Cost of Gas Supply	Sch 2, P2	18,996,521	2,487,993	21,484,514	0	21,484,514
10	MGP Removal Cost Adjustment	Sch 2, P2-3	1,094,543	223,907	1,318,450	(8,058)	1,310,392
11	Operating and Maintenance Expense	Sch 4, P3	6,324,871	(638,717)	5,686,154	0	5,686,154
12	Depreciation and Amortization	Sch 5, P1	1,659,056	(42,266)	1,616,790	0	1,616,790
13	Taxes Other Than Income Taxes	Sch 6, P1	675,670	298,187	973,857	3,162	977,019
14	Federal and State Income Taxes	Sch 7, P1	(52,222)	524,945	472,723	739,553	1,212,276
15	Rate Case Expense	Sch 8, P1	0	50,000	50,000	0	50,000
16							
17	Total		28,698,439	2,904,049	31,602,488	734,657	32,337,145
18							
19	Operating Income	Sch 9, P1	1,106,246	948,340	2,054,586	1,373,455	3,428,041
20							
21	Rate Base	Sch 9, P1	37,808,884	(834,525)	36,974,359	0	36,974,359
22							
23	Return on Rate Base		2.93%	2.63%	5.56%	3.71%	9.27%
24							
25	Return on Equity		-1.52%	5.30%	3.78%	7.47%	11.25%

NorthWestern Public Service
 Summary of Pro Forma Adjustments - Operating Income Statement
 Twelve Months Ending December 31, 1998

Schedule No. 1.1
 Page 1 of 2

Adjustment No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Weather Normalization	New Customer Gas Load	Other Revenues	Rate Case Expense	LP Gas Expense	Advertising Expense	Labor Expense	Common Allocation Factors
Description	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
(a)	\$	\$	\$	\$	\$	\$	\$	\$
1 Operating Revenues								
2 Gas Sales Revenues	3,457,409	0	0	0	0	0	0	0
3 Transportation Revenues	64,860	295,599	0	0	0	0	0	0
4 Other Revenues	0	0	34,521	0	0	0	0	0
5								
6 Total	3,522,269	295,599	34,521	0	0	0	0	0
7								
8 Operating Expenses								
9 Cost of Gas Supply	2,487,993	0	0	0	0	0	0	0
10 MGP Removal Cost Adjustment	119,140	104,767	0	0	0	0	0	0
11 Operating and Maintenance Expense	0	0	0	0	(132)	(106,135)	97,305	(314,750)
12 Depreciation and Amortization	0	0	0	0	0	0	0	(42,266)
13 Taxes Other Than Income Taxes								
14 Ad Valorem	258,569	33,831	0	0	0	0	0	0
15 Gross Revenue	5,284	443	52	0	0	0	0	0
16 Other	0	0	0	0	0	0	0	8
17 Federal and State Income Taxes	227,949	54,795	12,064	(17,500)	46	37,147	(34,057)	124,953
18 Rate Case Expense	0	0	0	50,000	0	0	0	0
19								
20 Total	3,098,935	193,836	12,116	32,500	(86)	(68,988)	63,248	(232,055)
21								
22 Operating Income	423,334	101,763	22,405	(32,500)	86	68,988	(63,248)	232,055

Exhibit (TPH-1)
 Page 2 of 58

NorthWestern Public Service
 Summary of Pro Forma Adjustments - Operating Income Statement
 Twelve Months Ending December 31, 1998

Schedule No 1.1
 Page 2 of 2

Adjustment No.	(9)	(10)								Sch. No. 1 Col. (d)
Line No.	Affiliate Management Fees	Interest Synchron.	(d)	(e)	(f)	(g)	(h)	(i)	Total Adjustments	
Description	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
(a)	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	Operating Revenues									
2	Gas Sales Revenues	0	0	0	0	0	0	0	3,457,409	
3	Transportation Revenues	0	0	0	0	0	0	0	360,459	
4	Other Revenues	0	0	0	0	0	0	0	34,521	
5										
6	Total	0	0	0	0	0	0	0	3,852,389	
7										
8	Operating Expenses									
9	Cost of Gas Supply	0	0	0	0	0	0	0	2,487,993	
10	MGP Removal Cost Adjustment	0	0	0	0	0	0	0	223,907	
11	Operating and Maintenance Expense	(315,005)	0	0	0	0	0	0	(638,717)	
12	Depreciation and Amortization	0	0	0	0	0	0	0	(42,266)	
13	Taxes Other Than Income Taxes									
14	Ad Valorem	0	0	0	0	0	0	0	292,400	
15	Gross Revenue	0	0	0	0	0	0	0	5,779	
16	Other	0	0	0	0	0	0	0	8	
17	Federal and State Income Taxes	110,252	9,296	0	0	0	0	0	524,945	
18	Rate Case Expense	0	0	0	0	0	0	0	50,000	
19										
20	Total	(204,753)	9,296	0	0	0	0	0	2,904,049	
21										
22	Operating Income	204,753	(9,296)	0	0	0	0	0	948,340	

Exhibit (TPH-1)
 Page 3 of 58

NorthWestern Public Service
 Summary of Pro Forma Adjustments - Rate Base
 Twelve Months Ending December 31, 1998

Adjustment No.	(1)	(2)								Sch. No. 9 Col. (d)	
Line No.	Description	Rate Case Expense	Common Allocation Factors								Total Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	Plant in Service										
2	Direct South Dakota Gas Plant	0	0	0	0	0	0	0	0	0	
3	Common Plant	0	(1,079,779)	0	0	0	0	0	0	(1,079,779)	
4											
5	Subtotal	0	(1,079,779)	0	0	0	0	0	0	(1,079,779)	
6											
7	Distribution Replacements										
8	Distribution Mains	0	0	0	0	0	0	0	0	0	
9	Distribution Services	0	0	0	0	0	0	0	0	0	
10	Construction in Service, Not Transferred										
12	Direct South Dakota Gas Plant	0	0	0	0	0	0	0	0	0	
13	Common Plant	0	(21,985)	0	0	0	0	0	0	(21,985)	
14											
15	Total Plant and Property	0	(1,101,764)	0	0	0	0	0	0	(1,101,764)	
16											
17	Accumulated Depreciation & Amort.										
18	Direct South Dakota Gas Plant	0	0	0	0	0	0	0	0	0	
19	Common Plant	0	(145,536)	0	0	0	0	0	0	(145,536)	
20											
21	Total Reserve	0	(145,536)	0	0	0	0	0	0	(145,536)	
22											
23	Net Utility Plant	0	(956,228)	0	0	0	0	0	0	(956,228)	
24	Working Capital	0	0	0	0	0	0	0	0	0	
25	Unamortized Rate Case Expense	125,000	0	0	0	0	0	0	0	125,000	
26	Deferred Tax Reserve	0	(3,297)	0	0	0	0	0	0	(3,297)	
27											
28	Net Rate Base	125,000	(959,525)	0	0	0	0	0	0	(834,525)	

NorthWestern Public Service
 Summary of Gas Sales and Transportation Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Gas

Line No.	Description	Reference	Base Year Billing Determinants	Base Year Rates	Base Year Revenues	Test Year Billing Determinants	Present Rates	Test Year Revenues @ Present Rates	Proposed Rates	Test Year Revenues @ Proposed Rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Gas Sales Revenues		No. of Bills			No. of Bills				
2	Customer Charges:									
3	Rate Code 81 - Residential	Sch 2.1, P1	400,847	\$4.50	\$1,803,812	400,847	\$4.50	\$1,803,812	\$6.00	\$2,405,082
4	Rate Code 82 - Small Commercial	Sch 2.1, P2	58,889	\$4.50	\$265,001	58,889	\$4.50	\$265,001	\$7.00	\$412,223
5	Rate Code 84 - Lg. Firm (Option A)	Sch 2.1, P3	1,963	\$70.00	\$137,410	1,963	\$70.00	\$137,410	\$80.00	\$157,040
6	Rate Code 84 - Lg. Firm (Option B)	Sch 2.1, P4	24	\$260.00	\$6,240	24	\$260.00	\$6,240	\$280.00	\$6,720
7	Rate Code 85 - Lg. Inter. (Option A)	Sch 2.1, P5	1,404	\$70.00	\$98,280	1,329	\$70.00	\$93,030	\$80.00	\$106,320
8	Rate Code 85 - Lg. Inter. (Option B)	Sch 2.1, P6	48	\$260.00	\$12,480	48	\$260.00	\$12,480	\$280.00	\$13,440
9	Totals		<u>463,175</u>		<u>\$2,323,223</u>	<u>463,100</u>		<u>\$2,317,973</u>		<u>\$3,100,825</u>
10										
11										
12			Therms			Therms				
13	Distribution Delivery Charges:									
14	Rate Code 81 - Residential	Sch 2.1, P1	28,850,730	\$0.1588	\$4,581,878	33,197,790	\$0.1441	\$4,784,456	\$0.1647	\$5,468,873
15	Rate Code 82 - Small Commercial	Sch 2.1, P2	13,832,030	\$0.1085	\$1,500,985	15,832,990	\$0.0978	\$1,548,178	\$0.1197	\$1,895,369
16	Rate Code 84 - Lg. Firm (Option A)	Sch 2.1, P3	4,842,970	\$0.0362	\$175,327	5,505,570	\$0.0364	\$200,403	\$0.0462	\$254,199
17	Rate Code 84 - Lg. Firm (Option B)	Sch 2.1, P4	364,500	\$0.0185	\$6,742	430,450	\$0.0180	\$7,748	\$0.0225	\$9,685
18	Rate Code 85 - Lg. Inter. (Option A)	Sch 2.1, P5	3,416,180	\$0.0348	\$113,879	3,937,730	\$0.0364	\$143,333	\$0.0462	\$181,810
19	Rate Code 85 - Lg. Inter. (Option B)	Sch 2.1, P6	428,430	\$0.0177	\$7,580	487,770	\$0.0180	\$8,780	\$0.0225	\$10,975
20	Totals		<u>51,734,840</u>		<u>\$6,391,391</u>	<u>59,392,300</u>		<u>\$6,692,898</u>		<u>\$7,820,911</u>
21										
22	Ad Valorem Tax Adjustment Clause:									
23	Rate Code 81 - Residential	Sch 2.1, P1	7,749,420	\$0.0150	\$116,407	33,197,790	\$0.0156	\$517,886	\$0.0156	\$517,886
24	Rate Code 82 - Small Commercial	Sch 2.1, P2	3,723,860	\$0.0095	\$35,413	15,832,990	\$0.0099	\$156,747	\$0.0099	\$156,747
25	Rate Code 84 - Lg. Firm (Option A)	Sch 2.1, P3	1,234,890	\$0.0061	\$7,484	5,505,570	\$0.0064	\$35,236	\$0.0064	\$35,236
26	Rate Code 84 - Lg. Firm (Option B)	Sch 2.1, P4	78,990	\$0.0042	\$331	430,450	\$0.0042	\$1,808	\$0.0042	\$1,808
27	Rate Code 85 - Lg. Inter. (Option A)	Sch 2.1, P5	1,987,000	\$0.0063	\$12,445	3,937,730	\$0.0064	\$25,201	\$0.0064	\$25,201
28	Rate Code 85 - Lg. Inter. (Option B)	Sch 2.1, P6	216,510	\$0.0041	\$892	487,770	\$0.0042	\$2,049	\$0.0042	\$2,049
29	Totals		<u>14,990,670</u>		<u>\$172,972</u>	<u>59,392,300</u>		<u>\$738,927</u>		<u>\$738,927</u>

NorthWestern Public Service
 Summary of Gas Sales and Transportation Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Gas

Line No.	Description	Reference	Base Year Billing Determinants	Base Year Rates	Base Year Revenues	Test Year Billing Determinants	Present Rates	Test Year Revenues @ Present Rates	Proposed Rates	Test Year Revenues @ Proposed Rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Gas Sales Revenues		Therms			Therms				
2	MGP Removal Cost Adjustment:									
3	Rate Code 81 - Residential	Sch 2.1, P1	28,850,730	\$0.0140	\$403,910	33,197,790	\$0.0140	\$464,769	\$0.0140	\$464,769
4	Rate Code 82 - Small Commercial	Sch 2.1, P2	13,832,030	\$0.0140	\$193,648	15,832,990	\$0.0140	\$221,662	\$0.0140	\$221,662
5	Rate Code 84 - Lg. Firm (Option A)	Sch 2.1, P3	4,842,970	\$0.0140	\$67,802	5,505,570	\$0.0140	\$77,078	\$0.0140	\$77,078
6	Rate Code 84 - Lg. Firm (Option B)	Sch 2.1, P4	364,500	\$0.0140	\$5,103	430,450	\$0.0140	\$6,026	\$0.0140	\$6,026
7	Rate Code 85 - Lg. Inter. (Option A)	Sch 2.1, P5	3,416,180	\$0.0140	\$47,827	3,937,730	\$0.0140	\$55,128	\$0.0140	\$55,128
8	Rate Code 85 - Lg. Inter. (Option B)	Sch 2.1, P6	428,430	\$0.0140	\$5,998	487,770	\$0.0140	\$6,829	\$0.0140	\$6,829
9	Totals		<u>51,734,840</u>		<u>\$724,288</u>	<u>59,392,300</u>		<u>\$631,492</u>		<u>\$831,492</u>
10										
11	Gas Cost Charges:									
12	Rate Code 81 - Residential	Sch 2.1, P1	28,850,730	\$0.3882	\$11,201,002	33,197,790	\$0.3801	\$12,618,479	\$0.3801	\$12,618,479
13	Rate Code 82 - Small Commercial	Sch 2.1, P2	13,832,030	\$0.3881	\$5,368,489	15,832,990	\$0.3801	\$6,018,120	\$0.3801	\$6,018,120
14	Rate Code 84 - Lg. Firm (Option A)	Sch 2.1, P3	4,842,970	\$0.2969	\$1,437,678	5,505,570	\$0.2993	\$1,648,010	\$0.2993	\$1,648,010
15	Rate Code 84 - Lg. Firm (Option B)	Sch 2.1, P4	364,500	\$0.2649	\$96,564	430,450	\$0.2687	\$115,672	\$0.2687	\$115,672
16	Rate Code 85 - Lg. Inter. (Option A)	Sch 2.1, P5	3,416,180	\$0.2322	\$793,299	3,937,730	\$0.2447	\$963,754	\$0.2447	\$963,754
17	Rate Code 85 - Lg. Inter. (Option B)	Sch 2.1, P6	428,430	\$0.2322	\$99,489	487,770	\$0.2470	\$120,479	\$0.2470	\$120,479
18	Totals		<u>51,734,840</u>		<u>\$18,996,521</u>	<u>59,392,300</u>		<u>\$21,484,514</u>		<u>\$21,484,514</u>
19										
20	Total Gas Sales Revenues		<u>51,734,840</u>	\$0.5530	<u>\$28,608,395</u>	<u>59,392,300</u>	\$0.5399	<u>\$32,065,804</u>	\$0.5721	<u>\$33,976,669</u>
21										
22										
23	Gas Transportation Revenues		No. of Bills			No. of Bills				
24	Customer Charges:									
25	Rate Code 87 - (Option A)	Sch 2.1, P7	237	\$70.00	\$16,590	312	\$70.00	\$21,840	\$130.00	\$40,560
26	Rate Code 87 - (Option B)	Sch 2.1, P8	493	\$260.00	\$128,180	588	\$260.00	\$152,880	\$330.00	\$194,040
27	Rate Code 87 - (CWD)	Sch 2.1, P9	36	\$260.00	\$9,360	36	\$260.00	\$9,360	\$330.00	\$11,880
28	Totals		<u>766</u>		<u>\$154,130</u>	<u>936</u>		<u>\$184,080</u>		<u>\$246,480</u>
29										
30			Therms			Therms				
31	Distribution Delivery Charges:									
32	Rate Code 87 - (Option A)	Sch 2.1, P7	1,172,050	\$0.0388	\$45,430	1,329,490	\$0.0364	\$48,393	\$0.0462	\$61,384
33	Rate Code 87 - (Option B)	Sch 2.1, P8	20,293,140	\$0.0196	\$397,731	28,241,640	\$0.0180	\$508,350	\$0.0225	\$635,437
34	Rate Code 87 - (CWD)	Sch 2.1, P9	9,309,890	\$0.0097	\$90,659	10,400,310	\$0.0069	\$72,016	\$0.0077	\$80,074
35	Totals		<u>30,775,080</u>		<u>\$533,820</u>	<u>39,971,440</u>		<u>\$628,759</u>		<u>\$776,895</u>

NorthWestern Public Service
 Summary of Gas Sales and Transportation Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Gas

Line No.	Description	Reference	Base Year Billing Determinants	Base Year Rates	Base Year Revenues	Test Year Billing Determinants	Present Rates	Test Year Revenues @ Present Rates	Proposed Rates	Test Year Revenues @ Proposed Rates
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Gas Transportation Revenues		Therms			Therms				
2	Ad Valorem Tax Adjustment Clause:									
3	Rate Code 87 - (Option A)	Sch 2.1, P7	523,710	\$0.0062	\$3,262	1,329,490	\$0.0064	\$8,509	\$0.0064	\$8,509
4	Rate Code 87 - (Option B)	Sch 2.1, P8	8,471,780	\$0.0038	\$32,032	28,241,640	\$0.0042	\$118,615	\$0.0042	\$118,615
5	Rate Code 87 - (CWD)	Sch 2.1, P9	3,741,910	\$0.0037	\$13,948	10,400,310	\$0.0042	\$43,682	\$0.0042	\$43,682
6	Totals		12,737,400		\$49,242	39,971,440		\$170,806		\$170,806
7										
8	MGP Removal Cost Adjustment:									
9	Rate Code 87 - (Option A)	Sch 2.1, P7	1,172,050	\$0.0140	\$16,409	1,329,490	\$0.0140	\$18,613	\$0.0140	\$18,613
10	Rate Code 87 - (Option B)	Sch 2.1, P8	20,293,140	\$0.0140	\$284,104	28,241,640	\$0.0140	\$395,383	\$0.0140	\$395,383
11	Rate Code 87 - (CWD)	Sch 2.1, P9	9,309,890	\$0.0075	\$69,742	10,400,310	\$0.0070	\$72,962	\$0.0062	\$64,904
12	Totals		30,775,080		\$370,255	39,971,440		\$486,958		\$478,900
13										
14	Extended Service Rider Adjustment:									
15	Rate Code 87 - (Option A)	Sch 2.1, P7			\$0			\$0		\$0
16	Rate Code 87 - (Option B)	Sch 2.1, P8			(\$39,446)			(\$42,090)		(\$47,322)
17	Rate Code 87 - (CWD)	Sch 2.1, P9			(\$1,113)			(\$1,166)		(\$1,166)
18	Totals				(\$40,559)			(\$43,256)		(\$48,488)
19										
20	Total Gas Transportation Revenues		30,775,080	\$0.0347	\$1,066,888	39,971,440	\$0.0357	\$1,427,347	\$0.0406	\$1,624,593

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
(a)	(b)	(c)	(d)	(e)	(f)				
1			First 30	Over 30					
2			Therms	Therms					
3									
4	August 1998 Therm Units		445,110	42,450	0	487,560			
5	September 1998 Therm Units		431,820	41,180	0	473,000			
6									
7	Subtotal		876,930	83,630	0	960,560			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		5,261,580	501,780	0	5,763,360			
11	Total Therm Units - Base Year		8,756,400	20,094,330	0	28,850,730			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		3,494,820	19,592,550	0	23,087,370			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		4,152,850	23,281,580	0	27,434,430			
19	Add: Baseload Therms Above		5,261,580	501,780	0	5,763,360			
20									
21	Total Therm Units - Test Year		9,414,430	23,783,360	0	33,197,790			
22									
23			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
24			Billing	Rates	Revenues	Billing	Revenues @	Revenues @	Revenues @
25	Revenue Recovery		Determinants			Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		400,847	\$4.50	\$1,803,812	400,847	\$4.50	\$1,803,812	\$6.00
29	Distribution Delivery Commodity Charge								
30	First 30 therms		8,756,400	\$0.2136	\$1,870,117	9,414,430	\$0.2000	\$1,882,886	\$0.2474
31	Over 30 therms		20,094,330	\$0.1350	\$2,711,761	23,783,360	\$0.1220	\$2,901,570	\$0.1320
32	Ad Valorem Tax Adjustment		7,749,420	\$0.0150	\$116,407	33,197,790	\$0.0156	\$517,886	\$0.0156
33	MGP Removal Cost Adjustment		28,850,730	\$0.0140	\$403,910	33,197,790	\$0.0140	\$464,769	\$0.0140
34	Gas Cost Commodity Charge		28,850,730	\$0.2419	\$6,980,315	33,197,790	\$0.2043	\$6,782,308	\$0.2043
35	Gas Cost Demand Charge		28,850,730	\$0.1463	\$4,220,687	33,197,790	\$0.1758	\$5,836,171	\$0.1758
36									
37	Totals		26,850,730		\$18,107,009	33,197,790		\$20,189,402	\$21,475,089
38	Less: Gas Cost				\$11,201,002			\$12,619,479	\$12,618,479
39									
40	Margin				\$6,906,007			\$7,570,923	\$8,856,610

Line No.	Description	Reference (a)	Block 1 (b)	Block 2 (c)	Block 3 (d)	Total (e)			
1			First 400	Next 1,600	Over 2,000				
2			Therms	Therms	Therms				
3									
4	August 1998 Therm Units		207,530	81,880	1,240	290,650			
5	September 1998 Therm Units		193,870	48,470	1,160	243,500			
6									
7	Subtotal		401,400	130,350	2,400	534,150			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		2,408,400	782,100	14,400	3,204,900			
11	Total Therm Units - Base Year		7,526,830	5,234,330	1,070,870	13,832,030			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		5,118,430	4,452,230	1,056,470	10,627,130			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		6,082,170	5,290,530	1,255,390	12,628,090			
19	Add: Baseload Therms Above		2,408,400	782,100	14,400	3,204,900			
20									
21	Total Therm Units - Test Year		8,490,570	6,072,630	1,269,790	15,832,990			
22									
23			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
24			Billing	Rates	Revenues	Billing	Revenues @	Revenues @	Revenues @
25	Revenue Recovery		Determinants			Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		58,889	\$4.50	\$265,001	58,889	\$4.50	\$265,001	\$7.00
29	Distribution Delivery Commodity Charge								
30	First 400 Therms		7,526,830	\$0.1249	\$940,440	8,490,570	\$0.1141	\$968,774	\$0.1471
31	Next 1,600 Therms		5,234,330	\$0.0941	\$492,621	6,072,630	\$0.0841	\$510,708	\$0.0941
32	Over 2,000 Therms		1,070,870	\$0.0634	\$67,924	1,269,790	\$0.0541	\$68,696	\$0.0591
33	Ad Valorem Tax Adjustment		3,723,860	\$0.0095	\$35,413	15,832,990	\$0.0099	\$156,747	\$0.0099
34	MGP Removal Cost Adjustment		13,832,030	\$0.0140	\$193,648	15,832,990	\$0.0140	\$221,662	\$0.0140
35	Gas Cost Commodity Charge		13,832,030	\$0.2419	\$3,345,923	15,832,990	\$0.2043	\$3,234,680	\$0.2043
36	Gas Cost Demand Charge		13,832,030	\$0.1462	\$2,022,566	15,832,990	\$0.1758	\$2,783,440	\$0.1758
37									
38	Totals		13,832,030		\$7,363,536	15,832,990		\$8,209,708	\$8,704,121
39	Less: Gas Cost				\$5,268,489			\$6,018,120	\$6,018,120
40									
41	Margin				\$1,995,047			\$2,191,588	\$2,686,001

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total				
	(a)	(b)	(c)	(d)	(e)	(f)				
1			All							
2			Therms							
3										
4	August 1998 Therm Units		112,810	0	0	112,810				
5	September 1998 Therm Units		107,840	0	0	107,840				
6										
7	Subtotal		220,650	0	0	220,650				
8	Times		6	6	6	6				
9										
10	Baseload Therms - Annual		1,323,900	0	0	1,323,900				
11	Total Therm Units - Base Year		4,842,970	0	0	4,842,970				
12										
13	Base Year Actual Heating Degree									
14	Day (HDD) Sensitive Therms		3,519,070	0	0	3,519,070				
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015				
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745				
17										
18	Normalized HDD Sensitive Therms		4,181,670	0	0	4,181,670				
19	Add: Baseload Therms Above		1,323,900	0	0	1,323,900				
20										
21	Total Therm Units - Test Year		5,505,570	0	0	5,505,570				
22										
23			Base Year		Test Year		Test Year		Test Year	
24			Billing	Base Year	Billing	Present	Revenues @	Proposed	Revenues @	
25	Revenue Recovery		Determinants	Rates	Determinants	Rates	Present	Rates	Proposed	
26			(c)	(d)	(e)	(f)	(g)	(h)	(i)	
27									(j)	
28	Customer Charge		1,963	\$70.00	\$137,410	1,963	\$70.00	\$137,410	\$80.00	\$157,040
29	Distribution Delivery Commodity Charge									
30	All therms		4,842,970	\$0.0362	\$175,327	5,505,570	\$0.0364	\$200,403	\$0.0462	\$254,199
31	Ad Valorem Tax Adjustment		1,234,890	\$0.0061	\$7,484	5,505,570	\$0.0064	\$35,236	\$0.0064	\$35,236
32	MGP Removal Cost Adjustment		4,842,970	\$0.0140	\$67,802	5,505,570	\$0.0140	\$77,078	\$0.0140	\$77,078
33	Gas Cost Commodity Charge		4,842,970	\$0.2212	\$1,071,243	5,505,570	\$0.2300	\$1,266,281	\$0.2300	\$1,266,281
34	Gas Cost Demand Charge		425,480	\$0.8373	\$356,265	425,480	\$0.8700	\$370,168	\$0.8700	\$370,168
35	Released Capacity/Balancing Surcharge		598,200	\$0.0170	\$10,170	680,040	\$0.0170	\$11,561	\$0.0170	\$11,561
36										
37	Totals		4,842,970		\$1,825,701	5,505,570		\$2,098,137		\$2,171,563
38	Less: Gas Cost				\$1,437,678			\$1,648,010		\$1,648,010
39										
40	Margin				\$388,023			\$450,127		\$523,553

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Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
(a)	(b)	(c)	(d)	(e)	(f)				
1			All						
2			Therms						
3									
4	August 1998 Therm Units		750	0	0	750			
5	September 1998 Therm Units		1,620	0	0	1,620			
6									
7	Subtotal		2,370	0	0	2,370			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		14,220	0	0	14,220			
11	Total Therm Units - Base Year		364,500	0	0	364,500			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		350,280	0	0	350,280			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		416,230	0	0	416,230			
19	Add: Baseload Therms Above		14,220	0	0	14,220			
20									
21	Total Therm Units - Test Year		430,450	0	0	430,450			
22									
23			Base Year				Test Year		
24			Billing	Base Year	Base Year		Billing	Present	Test Year
25	Revenue Recovery		Determinants	Rates	Revenues		Determinants	Rates	Revenues
26			(c)	(d)	(e)	(f)	(g)	(h)	(i)
27									
28	Customer Charge		24	\$260.00	\$6,240	24	\$260.00	\$6,240	\$280.00
29	Distribution Delivery Commodity Charge								
30	All therms		364,500	\$0.0185	\$6,742	430,450	\$0.0180	\$7,748	\$0.0225
31	Ad Valorem Tax Adjustment		78,990	\$0.0042	\$331	430,450	\$0.0042	\$1,808	\$0.0042
32	MGP Removal Cost Adjustment		364,500	\$0.0140	\$5,103	430,450	\$0.0140	\$6,028	\$0.0140
33	Gas Cost Commodity Charge		364,500	\$0.2212	\$80,626	430,450	\$0.2300	\$99,004	\$0.2300
34	Gas Cost Demand Charge		18,120	\$0.8373	\$15,172	18,120	\$0.8700	\$15,764	\$0.8700
35	Released Capacity/Balancing Charge		45,030	\$0.0170	\$766	53,180	\$0.0170	\$904	\$0.0170
36									
37	Totals		364,500		\$114,980	430,450		\$137,494	\$139,911
38	Less: Gas Cost				\$96,564			\$115,672	\$115,672
39									
40	Margin				\$18,416			\$21,822	\$24,239

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NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Large Commercial/Industrial Interruptible - Rate Code 85 (Option A)

Lino No.	Description (a)	Reference (b)	Block 1 (c)	Block 2 (d)	Block 3 (e)	Total (f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		53,000	0	0	53,000			
5	September 1998 Therm Units		54,700	0	0	54,700			
6									
7	Subtotal		107,700	0	0	107,700			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		646,200	0	0	646,200			
11	Total Therm Units - Base Year		3,416,180	0	0	3,416,180			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		2,769,980	0	0	2,769,980			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		3,291,530	0	0	3,291,530			
19	Add: Baseload Therms Above		646,200	0	0	646,200			
20									
21	Total Therm Units - Test Year		3,937,730	0	0	3,937,730			
22									
23			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
24	Revenue Recovery		Billing	Rates	Revenues	Billing	Revenues @	Proposed	Revenues @
25			Determinants			Determinants	Present	Rates	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		1,404	\$70.00	\$98,280	1,329	\$70.00	\$93,030	\$80.00
29	Distribution Delivery Commodity Charge								
30	All therms		3,416,180	\$0.0348	\$118,879	3,937,730	\$0.0364	\$143,333	\$0.0462
31	Ad Valorem Tax Adjustment		1,987,000	\$0.0063	\$12,445	3,937,730	\$0.0064	\$25,201	\$0.0064
32	MGP Removal Cost Adjustment		3,416,180	\$0.0140	\$47,827	3,937,730	\$0.0140	\$55,128	\$0.0140
33	Gas Cost Commodity Charge		3,416,180	\$0.2152	\$735,223	3,937,730	\$0.2300	\$905,678	\$0.2300
34	Released Capacity/Balancing Charge		3,416,180	\$0.0170	\$58,076	3,416,180	\$0.0170	\$58,076	\$0.0170
35									
36	Totals		3,416,180		\$1,070,730	3,937,730		\$1,280,446	\$1,332,213
37	Less: Gas Cost				\$793,299			\$963,754	\$963,754
38									
39	Margin				\$277,431			\$316,692	\$368,459

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NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Large Commercial/Industrial Interruptible - Rate Code 85 (Option B)

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
(a)	(b)	(c)	(d)	(e)	(f)				
1			All						
2			Therms						
3									
4	August 1998 Therm Units		8,970	0	0	8,970			
5	September 1998 Therm Units		9,910	0	0	9,910			
6									
7	Subtotal		18,880	0	0	18,880			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		113,280	0	0	113,280			
11	Total Therm Units - Base Year		428,430	0	0	428,430			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		315,150	0	0	315,150			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		374,490	0	0	374,490			
19	Add: Baseload Therms Above		113,280	0	0	113,280			
20									
21	Total Therm Units - Test Year		487,770	0	0	487,770			
22									
23			Base Year	Base Year	Base Year	Test Year	Test Year	Test Year	Test Year
24			Billing	Rates	Revenues	Billing	Revenues @	Revenues @	Revenues @
25	Revenue Recovery		Determinants			Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		48	\$260.00	\$12,480	48	\$260.00	\$12,480	\$280.00
29	Distribution Delivery Commodity Charge								
30	All therms		428,430	\$0.0177	\$7,580	487,770	\$0.0180	\$8,780	\$0.0225
31	Ad Valorem Tax Adjustment		216,510	\$0.0041	\$892	487,770	\$0.0042	\$2,049	\$0.0042
32	MGP Removal Cost Adjustment		428,430	\$0.0140	\$5,998	487,770	\$0.0140	\$6,829	\$0.0140
33	Gas Cost Commodity Charge		428,430	\$0.2152	\$92,206	487,770	\$0.2300	\$112,187	\$0.2300
34	Released Capacity/Balancing Charge		428,430	\$0.0170	\$7,283	487,770	\$0.0170	\$8,292	\$0.0170
35									
36	Totals		428,430		\$126,439	487,770		\$150,317	\$153,772
37	Less: Gas Cost				\$99,489			\$120,479	\$120,479
38									
39	Margin				\$26,950			\$30,138	\$33,293

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Rate Code 87 (Option A)

Line No.	Description	Block 1 (a)	Block 2 (d)	Block 3 (e)	Total (f)				
1									
2									
3									
4	August 1998 Therm Units	28,030	0	0	28,080				
5	September 1998 Therm Units	27,900	0	0	27,900				
6									
7	Subtotal	55,980	0	0	55,980				
8	Times	6	6	6	6				
9									
10	Baseload Therms - Annual	335,880	0	0	335,880				
11	Total Therm Units - Base Year	1,172,050	0	0	1,172,050				
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms	836,170	0	0	836,170				
15	Times Normal HDDs	Sch 2.2 8,015	8,015	8,015	8,015				
16	Divide by Actual HDDs	Sch 2.2 6,745	6,745	6,745	6,745				
17									
18	Normalized HDD Sensitive Therms	993,610	0	0	993,610				
19	Add: Baseload Therms Above	335,880	0	0	335,880				
20									
21	Total Therm Units - Test Year	1,329,490	0	0	1,329,490				
22									
23									
24		Base Year Billing Determinants	Base Year Rates	Base Year Revenues	Test Year Billing Determinants	Present Rates	Test Year Revenues @ Present Rates	Proposed Rates	Test Year Revenues @ Proposed Rates
25	Revenue Recovery	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
26									
27									
28	Customer Charge	237	\$70.00	\$16,590	312	\$70.00	\$21,840	\$130.00	\$40,560
29	Distribution Delivery Commodity Charge								
30	All therms	1,172,050	\$0.0388	\$45,430	1,329,490	\$0.0364	\$48,393	\$0.0462	\$61,384
31	Extended Service Rider Discount			\$0			\$0		\$0
32	Ad Valorem Tax Adjustment	523,710	\$0.0062	\$3,262	1,329,490	\$0.0064	\$8,509	\$0.0064	\$8,509
33	MGP Removal Cost Adjustment	1,172,050	\$0.0140	\$16,409	1,329,490	\$0.0140	\$18,613	\$0.0140	\$18,613
34									
35	Totals	1,172,050		\$81,651	1,329,490		\$97,355		\$129,086
36	Less: Gas Cost			\$0			\$0		\$0
37									
38	Margin			\$81,691			\$97,355		\$129,066

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Rate Code 87 (Option B)

Line No.	Description (a)	Reference (b)	Block 1 (c)	Block 2 (d)	Block 3 (e)	Total (f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		1,363,020	0	0	1,363,020			
5	September 1998 Therm Units		1,356,620	0	0	1,356,620			
6									
7	Subtotal		2,719,640	0	0	2,719,640			
8	Times		6	6	6	6			
9									
10	BaseLoad Therms - Annual		16,317,840	0	0	16,317,840			
11	Total Therm Units - Base Year		20,293,140	0	0	20,293,140			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		3,975,300	0	0	3,975,300			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		4,723,800	0	0	4,723,800			
19	Pro Forma New Load		7,200,000	0	0	7,200,000			
20	Add BaseLoad Therms Above		16,317,840	0	0	16,317,840			
21									
22	Total Therm Units - Test Year		28,241,640	0	0	28,241,640			
23									
24			Base Year			Test Year		Test Year	
25			Billing	Base Year	Base Year	Billing	Present	Revenues @	Test Year
26	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Rates	Present	Revenues @
27			(c)	(d)	(e)	(f)	(g)	Rates	Proposed
28								Rates	Rates
29	Customer Charge		493	\$260.00	\$128,180	588	\$260.00	\$152,880	\$330.00
30	Distribution Delivery Commodity Charge								
31	All Therms		20,293,140	\$0.0196	\$397,731	28,241,640	\$0.0180	\$508,350	\$0.0225
32	Extended Service Rider Discount				(\$39,446)			(\$42,090)	
33	Ad Valorem Tax Adjustment		8,471,780	\$0.0038	\$32,032	28,241,640	\$0.0042	\$118,615	\$0.0042
34	MCP Removal Cost Adjustment		20,293,140	\$0.0140	\$284,104	28,241,640	\$0.0140	\$395,383	\$0.0140
35									
36	Totals		20,293,140		\$802,601	28,241,640		\$1,133,138	\$1,298,153
37	Less Gas Cost				\$0			\$0	\$0
38									
39	Margin				\$802,601			\$1,133,138	\$1,298,153

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NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		667,270	0	0	667,270			
5	September 1998 Therm Units		675,900	0	0	675,900			
6									
7	Subtotal		1,343,170	0	0	1,343,170			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		8,059,020	0	0	8,059,020			
11	Total Therm Units - Base Year		9,309,890	0	0	9,309,890			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		1,250,870	0	0	1,250,870			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		1,486,390	0	0	1,486,390			
19	Pro Forma New Load		854,900	0	0	854,900			
20	Add: Baseload Therms Above		8,059,020	0	0	8,059,020			
21									
22	Total Therm Units - Test Year		10,400,310	0	0	10,400,310			
23									
24			Base Year			Test Year	Test Year	Test Year	
25			Billing	Base Year	Base Year	Billing	Revenues @	Revenues @	
26	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Present	Proposed	
27			(c)	(d)	(e)	(f)	Rates	Rates	
28							(g)	(h)	(i)
29	Customer Charge		36	\$260.00	\$9,360	36	\$260.00	\$9,360	\$330.00
30	Distribution Delivery Commodity Charge								
31	All therms		9,309,890	\$0.0097	\$90,659	10,400,310	\$0.0069	\$72,016	\$0.0077
32	Extended Service Rider Discount				(\$1,113)			(\$1,166)	
33	Ad Valorem Tax Adjustment		3,741,910	\$0.0037	\$13,948	10,400,310	\$0.0042	\$43,682	\$0.0042
34	MGP Removal Cost Adjustment		9,309,890	\$0.0075	\$69,742	10,400,310	\$0.0070	\$72,962	\$0.0062
35									
36	Totals		9,309,890		\$182,596	10,400,310		\$196,854	\$199,374
37	Less: Gas Cost				\$0			\$0	\$0
38									
39	Margin				\$182,596			\$196,854	\$199,374

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NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations
 South Dakota Soybean Processors - Volga

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		418,330	0	0	418,330			
5	September 1998 Therm Units		327,140	0	0	327,140			
6									
7	Subtotal		745,470	0	0	745,470			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		4,472,820	0	0	4,472,820			
11	Total Therm Units - Base Year		5,291,040	0	0	5,291,040			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		818,220	0	0	818,220			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		972,280	0	0	972,280			
19	Pro Forma New Load		854,900	0	0	854,900			
20	Add: Baseload Therms Above		4,472,820	0	0	4,472,820			
21									
22	Total Therm Units - Test Year		6,300,000	0	0	6,300,000			
23									
24			Base Year			Test Year	Test Year		Test Year
25			Billing	Base Year	Base Year	Billing	Revenues @	Proposed	Revenues @
26	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Present	Rates	Proposed
27			(c)	(d)	(e)	(f)	Rates	(i)	Rates
28							(g)	(h)	(j)
29	Customer Charge		12	\$260.00	\$3,120	12	\$260.00	\$3,120	\$3,960
30	Distribution Delivery Commodity Charge								
31	All therms		5,291,040	\$0.0056	\$29,815	6,300,000	\$0.0032	\$19,908	\$23,121
32	Extended Service Rider Discount				\$0			\$0	\$0
33	Ad Valorem Tax Adjustment		2,205,550	\$0.0038	\$8,280	6,300,000	\$0.0042	\$26,460	\$26,460
34	MGP Removal Cost Adjustment		5,291,040	\$0.0048	\$25,397	6,300,000	\$0.0046	\$29,232	\$26,019
35									
36	Totals		5,291,040		\$66,612	6,300,000		\$78,720	\$79,560
37	Less: Gas Cost				\$0			\$0	\$0
38									
39	Margin				\$66,612			\$78,720	\$79,560
40									
41	Total Commodity Rate =	\$0.01200							

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NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations
 3M - Brookings

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		216,330	0	0	216,330			
5	September 1998 Therm Units		312,020	0	0	312,020			
6									
7	Subtotal		528,350	0	0	528,350			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		3,170,100	0	0	3,170,100			
11	Total Therm Units - Base Year		3,462,260	0	0	3,462,260			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		292,160	0	0	292,160			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		347,170	0	0	347,170			
19	Add: Baseload Therms Above		3,170,100	0	0	3,170,100			
20									
21	Total Therm Units - Test Year		3,517,270	0	0	3,517,270			
22									
23			Base Year			Test Year	Test Year	Test Year	Test Year
24			Billing	Base Year	Base Year	Billing	Revenues @	Revenues @	Revenues @
25	Revenue Recovery		Determinants	Rates	Revenues	Determinants	Present	Proposed	Proposed
26			(c)	(d)	(e)	(f)	Rates	Rates	Rates
27							(g)	(h)	(i)
28	Customer Charge		12	\$260.00	\$3,120	12	\$260.00	\$3,120	\$330.00
29	Distribution Delivery Commodity Charge								
30	All therms		3,462,260	\$0.0154	\$53,290	3,517,270	\$0.0130	\$45,619	\$0.0142
31	Extended Service Rider Discount				\$0		\$0	\$0	\$0
32	Ad Valorem Tax Adjustment		1,325,790	\$0.0037	\$4,873	3,517,270	\$0.0042	\$14,773	\$0.0042
33	MGP Removal Cost Adjustment		3,462,260	\$0.0112	\$38,779	3,517,270	\$0.0108	\$38,092	\$0.0095
34									
35	Totals		3,462,260		\$100,062	3,517,270		\$101,604	\$102,444
36	Less: Gas Cost				\$0			\$0	\$0
37									
38	Margin				\$100,062			\$101,604	\$102,444
39									
40	Total Commodity Rate =	\$0.02800	per therm						

NorthWestern Public Service
 Normalization of Billing Units - Therms and Revenues
 Twelve Months Ending December 31, 1998
 South Dakota Transportation - Contracts with Deviations
 Saputo Cheese - Big Stone

Line No.	Description	Reference	Block 1	Block 2	Block 3	Total			
	(a)	(b)	(c)	(d)	(e)	(f)			
1			All						
2			Therms						
3									
4	August 1998 Therm Units		32,610	0	0	32,610			
5	September 1998 Therm Units		36,740	0	0	36,740			
6									
7	Subtotal		69,350	0	0	69,350			
8	Times		6	6	6	6			
9									
10	Baseload Therms - Annual		416,100	0	0	416,100			
11	Total Therm Units - Base Year		556,590	0	0	556,590			
12									
13	Base Year Actual Heating Degree								
14	Day (HDD) Sensitive Therms		140,490	0	0	140,490			
15	Times Normal HDDs	Sch 2.2	8,015	8,015	8,015	8,015			
16	Divide by Actual HDDs	Sch 2.2	6,745	6,745	6,745	6,745			
17									
18	Normalized HDD Sensitive Therms		166,940	0	0	166,940			
19	Add: Baseload Therms Above		416,100	0	0	416,100			
20									
21	Total Therm Units - Test Year		583,040	0	0	583,040			
22									
23			Base Year		Test Year		Test Year		Test Year
24	Revenue Recovery		Billing	Base Year	Base Year	Billing	Present	Present	Proposed
25			Determinants	Rates	Revenues	Determinants	Rates	Rates	Rates
26			(c)	(d)	(e)	(f)	(g)	(h)	(i)
27									
28	Customer Charge		12	\$260.00	\$3,120	12	\$260.00	\$3,120	\$330.00
29	Distribution Delivery Commodity Charge								
30	All therms		556,590	\$0.0136	\$7,554	583,040	\$0.0111	\$6,489	\$0.0122
31	Extended Service Rider Discount				(\$1,113)			(\$1,166)	
32	Ad Valorem Tax Adjustment		210,570	\$0.0038	\$795	583,040	\$0.0042	\$2,449	\$0.0042
33	MGP Removal Cost Adjustment		556,590	\$0.0100	\$5,566	583,040	\$0.0097	\$5,638	\$0.0086
34									
35	Totals		556,590		\$15,922	583,040		\$16,530	\$17,370
36	Less: Gas Cost				\$0			\$0	\$0
37									
38	Margin				\$15,922			\$16,530	\$17,370
39									
40	Total Commodity Rate =	\$0.02500		per therm					

NorthWestern Public Service
 Normalization of Billing Units - Heating Degree Days
 Huron, South Dakota

Line No.	Month (a)	Actual		Normal		% of Normal (f)
		Month (b)	12 Month (c)	Month (d)	12 Month (e)	
1	9611	746		645		
2	9612	1,394		1,138		
3	9701	1,930		1,691		
4	9702	1,620		1,513		
5	9703	1,241		1,135		
6	9704	829		775		
7	9705	567		474		
8	9706	180		159		
9	9707	16		30		
10	9708	11		5		
11	9709	33		70		
12	9710	157	8,724	275	7,910	110.29%
13	9711	739	8,717	670	7,935	109.86%
14	9712	1,088	8,411	1,146	7,943	105.89%
15	9801	1,357	7,838	1,658	7,910	99.09%
16	9802	1,232	7,450	1,479	7,876	94.59%
17	9803	1,080	7,289	1,187	7,928	91.94%
18	9804	817	7,277	828	7,981	91.18%
19	9805	304	7,014	426	7,933	88.42%
20	9806	111	6,945	143	7,917	87.72%
21	9807	17	6,946	30	7,917	87.74%
22	9808	0	6,935	5	7,917	87.60%
23	9809	87	6,989	78	7,925	88.19%
24	9810	250	7,082	294	7,944	89.15%
25	9811	620	6,963	701	7,975	87.31%
26	9812	870	6,745	1,186	8,015	84.15%

NorthWestern Public Service
 Other Revenues
 Twelve Months Ending December 31, 1998

Schedule No. 3
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Line No.	Description	Account No.	Actual Base Period	Adjustments	Test Period	Base Period	One Year Prior to Base Period	Two Years Prior to Base Period	Three Year Average
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
		\$	\$	\$	\$	\$	\$	\$	
1	Late Payment Charges	487	61,856	28,902	90,758	61,856	109,472	100,945	90,758
2									
3	Miscellaneous Service Charges	488	66,252	6,204	72,456	66,252	80,318	70,798	72,456
4									
5	Other Gas Revenues	495	1,294	(585)	709	1,294	378	454	709
6									
7	Total Other Revenues		129,402	34,521	163,923	129,402	190,168	172,197	163,923

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998

Schedule No. 4
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Line No.	Description	Account No.	Schedule No. 4.5 Base Period			Adjustments		Schedule No. 4.1 Test Period		
			Twelve Months Ended December 31, 1998					Adjusted for Known & Measurable Changes		
			Total	Labor	Other	Labor	Other	Total	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
		\$	\$	\$	\$	\$	\$	\$	\$	
1	Gas Production Expenses									
2	Operations:									
3	Supervision and Engineering	710	13,407	11,936	1,421	151	(11)	13,547	12,137	1,410
4	LP Gas Expense	717	446	409	37	12	0	458	421	37
5	Fuel	723	2,656	0	2,656	0	0	2,656	0	2,656
6	LP Gas	728	132	0	132	0	(132)	0	0	0
7	Miscellaneous	735	1,959	892	1,067	27	0	1,986	919	1,067
8										
9	Total Operations		18,600	13,287	5,313	190	(143)	18,647	13,477	5,170
10										
11	Maintenance:									
12	Supervision and Engineering	740	10,134	9,006	1,128	132	(7)	10,259	9,138	1,121
13	Structures	741	2,240	2,172	68	65	0	2,305	2,237	68
14	Production Equipment	742	1,411	0	1,411	0	0	1,411	0	1,411
15										
16	Total Maintenance		13,785	11,178	2,607	197	(7)	13,975	11,375	2,600
17										
18	Distribution Expenses									
19	Operations:									
20	Supervision and Engineering	870	432,091	195,180	236,911	4,745	(125)	436,711	199,925	236,786
21	Load Dispatching	871	120,984	76,617	44,367	(2,781)	(2,958)	115,245	73,836	41,409
22	Compressor Station Expenses	872	0	0	0	0	0	0	0	0
23	Mains and Services Expenses	874	423,221	147,965	275,256	4,436	(1,108)	426,549	152,401	274,148
24	Meas and Reg Station Exp-Gen	875	15,518	12,923	2,595	388	0	15,906	13,311	2,595
25	Meas and Reg Station Exp-Industrial	876	0	0	0	0	0	0	0	0
26	Meas and Reg Station Exp-City Gate	877	42,848	34,339	8,509	1,030	0	43,878	35,369	8,509
27	Meter and House Regulator Expense	878	244,014	259,213	(15,199)	7,776	6,298	258,088	266,989	(8,901)
28	Customer Installation Expense	879	(174,727)	45,591	(220,318)	1,354	14,333	(159,040)	46,945	(205,985)
29	Other Expense	880	257,806	222,875	34,931	5,136	(653)	262,289	228,011	34,278
30	Rents	881	4,829	0	4,829	0	(328)	4,501	0	4,501
31										
32	Total Operations		1,386,584	994,703	371,881	22,084	15,459	1,404,127	1,016,787	387,340

Line No.	Description	Account No.	Schedule No. 4.5 Base Period			Schedule No. 4.1 Test Period				
			Twelve Months Ended December 31, 1998			Adjustments		Adjusted for Known & Measurable Changes		
			Total	Labor	Other	Labor	Other	Total	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
		\$	\$	\$	\$	\$	\$	\$	\$	
1	Distribution Expenses									
2	Maintenance:									
3	Supervision and Engineering	885	62,659	59,432	3,227	(447)	(65)	62,147	58,985	3,162
4	Structures and Improvements	886	90	0	90	0	0	90	0	90
5	Mains	887	32,698	22,532	10,166	506	(10)	33,194	23,038	10,156
6	Compressor Station Equipment	888	0	0	0	0	0	0	0	0
7	Meas and Reg Station Exp-Gen	889	12,164	11,505	659	345	(12)	12,497	11,850	647
8	Meas and Reg Station Exp-Industrial	890	0	0	0	0	0	0	0	0
9	Meas and Reg Station Exp-City Gate	891	1,713	1,449	264	43	0	1,756	1,492	264
9	Services	892	40,195	30,251	9,944	908	12	41,115	31,159	9,956
10	Meters and House Regulators	893	87,490	76,385	11,105	(2,370)	(684)	84,436	74,015	10,421
11	Other Equipment	894	0	0	0	0	0	0	0	0
12										
13	Total Maintenance		237,009	201,554	35,455	(1,015)	(759)	235,235	200,539	34,696
14										
15	Customer Accounts Expenses									
16	Operations:									
17	Supervision	901	148,579	167,288	(18,709)	5,534	(56)	154,057	172,822	(18,765)
18	Meter Reading Expenses	902	252,793	223,298	29,495	6,699	0	259,492	229,997	29,495
19	Customer Records & Collections	903	424,220	283,658	140,562	8,755	616	433,591	292,413	141,178
20	Uncollectible Accounts	904	90,612	0	90,612	0	(2,018)	88,594	0	88,594
21	Misc. Customer Accounts Expense	905	15,433	14	15,419	0	0	15,433	14	15,419
22										
23	Total Customer Accounts Expenses		931,637	674,258	257,379	20,988	(1,458)	951,167	695,246	255,921
24										
25	Customer Service & Info. Expenses									
26	Operations:									
27	Supervision	907	6,937	6,937	0	229	0	7,166	7,166	0
28	Customer Assistance Expense	908	1,078,057	58,320	1,019,737	1,929	(312,899)	767,087	60,249	706,838
29	Information & Instruction Expense	909	23,202	13,259	9,943	438	30	23,670	13,697	9,973
30	Misc. Customer Service Expense	910	15,161	10,311	4,850	325	9	15,495	10,636	4,859
31										
32	Total Customer Accounts Expenses		1,123,357	88,827	1,034,530	2,921	(312,860)	813,418	91,748	721,670

NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998

Schedule No. 4
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Line No.	Description	Account No.	Schedule No. 4.5 Base Period			Adjustments		Schedule No. 4.1 Test Period		
			Twelve Months Ended December 31, 1998					Adjusted for Known & Measurable Changes		
			Total	Labor	Other	Labor	Other	Total	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
			\$	\$	\$	\$	\$	\$	\$	
1	Sales Expenses									
2	Operations:									
3	Supervision	911	0	0	0	0	0	0	0	0
4	Demonstrating and Selling	912	0	0	0	0	0	0	0	0
5	Advertising	913	(1,958)	(2,227)	269	2,227	(269)	0	0	0
6										
7	Total Customer Accounts Expenses		(1,958)	(2,227)	269	2,227	(269)	0	0	0
8										
9	Administrative and General Expenses									
10	Salaries	920	875,992	1,161,083	(285,091)	(115,712)	38,946	799,228	1,045,371	(246,145)
11	Office Supplies & Expense	921	579,649	18,416	561,233	(1,996)	(51,791)	525,862	16,420	509,442
12	A&G Expense Transferred	922	(821,220)	0	(821,220)	0	64,838	(756,382)	0	(756,382)
13	Outside Services	923	259,498	0	259,498	0	(31,032)	228,466	0	228,466
14	Workmens Comp Insurance	924	0	0	0	0	0	0	0	0
15	Property Insurance	924	24,362	0	24,362	0	(1,532)	22,830	0	22,830
16	Injuries and Damages	925	88,171	5,613	82,558	(196)	(5,193)	82,782	5,417	77,365
17	Pensions and Benefits	926	775,922	43,813	732,109	(4,850)	(100,012)	671,060	38,983	632,097
18	Regulatory Commission Expense	928	0	0	0	0	0	0	0	0
19	Miscellaneous General Expense	930	319,888	9,542	310,346	(889)	(132,093)	186,908	8,653	178,253
20	Rents	931	249,686	0	249,686	0	(13,315)	236,371	0	236,371
21	Building Maintenance	932	283,909	23,460	260,449	(1,229)	(30,216)	252,464	22,231	230,233
22										
23	Total Administrative & General		2,835,857	1,261,927	1,373,930	(124,872)	(261,400)	2,249,585	1,137,055	1,112,530
24										
25	Total Operations & Maintenance		6,324,871	3,243,507	3,081,364	(77,280)	(561,437)	5,686,154	3,166,227	2,519,927
26										
27	Labor Adjustment	3.00%		97,305						

NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.1
 Page 1 of 3

Line No.	Description (a)	Account No. (b)	Schedule No. 4.3 South Dakota Direct		Schedule No. 4.2 Undistributed Company Allocated to South Dakota		South Dakota Total	
			Labor (c) \$	Other (d) \$	Labor (e) \$	Other (f) \$	Labor (g) \$	Other (h) \$
1	Gas Production Expenses							
2	Operations:							
3	Supervision and Engineering	710	9,285	1,269	2,852	141	12,137	1,410
4	LP Gas Expense	717	421	37	0	0	421	37
5	Fuel	723	0	2,656	0	0	0	2,656
6	LP Gas	728	0	0	0	0	0	0
7	Miscellaneous	735	919	1,067	0	0	919	1,067
8								
9	Total Operations		10,625	5,029	2,852	141	13,477	5,170
10								
11	Maintenance:							
12	Supervision and Engineering	740	7,233	1,029	1,905	92	9,138	1,121
13	Structures	741	2,237	68	0	0	2,237	68
14	Production Equipment	742	0	1,411	0	0	0	1,411
15								
16	Total Maintenance		9,470	2,508	1,905	92	11,375	2,600
17								
18	Distribution Expenses							
19	Operations:							
20	Supervision and Engineering	870	184,655	235,066	15,270	1,720	199,925	236,786
21	Load Dispatching	871	3,993	737	69,843	40,672	73,836	41,409
22	Compressor Station Expenses	872	0	0	0	0	0	0
23	Mains and Services Expenses	874	152,365	258,911	36	15,237	152,401	274,148
24	Meas and Reg Station Exp-Gen	875	13,311	2,595	0	0	13,311	2,595
25	Meas and Reg Station Exp-Industrial	876	0	0	0	0	0	0
26	Meas and Reg Station Exp-City Gate	877	35,369	8,509	0	0	35,369	8,509
27	Meter and House Regulator Expense	878	266,989	77,702	0	(86,603)	266,989	(8,901)
28	Customer Installation Expense	879	48,765	(8,908)	180	(197,079)	46,945	(205,985)
29	Other Expense	880	206,703	25,305	21,308	8,973	228,011	34,278
30	Rents	881	0	0	0	4,501	0	4,501
31								
32	Total Operations		910,150	599,919	106,637	(212,579)	1,016,787	387,340

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.1
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Line No.	Description	Account No.	Schedule No. 4.3		Schedule No. 4.2		South Dakota Total	
			South Dakota Direct		Undistributed Company		Allocated to South Dakota	
			Labor	Other	Labor	Other	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Distribution Expenses							
2	Maintenance:							
3	Supervision and Engineering	885	28,313	2,268	30,672	894	58,985	3,162
4	Structures and Improvements	886	0	90	0	0	0	90
5	Mains	887	20,699	10,021	2,339	135	23,038	10,156
6	Compressor Station Equipment	888	0	0	0	0	0	0
7	Meas and Reg Station Exp-Gen	889	11,850	481	0	168	11,850	647
8	Meas and Reg Station Exp-Industrial	890	0	0	0	0	0	0
9	Meas and Reg Station Exp-City Gate	891	1,492	264	0	0	1,492	264
9	Services	892	31,159	10,117	0	(161)	31,159	9,956
10	Meters and House Regulators	893	9,917	1,028	64,098	9,393	74,015	10,421
11	Other Equipment	894	0	0	0	0	0	0
12								
13	Total Maintenance		103,430	24,269	97,109	10,427	200,539	34,696
14								
15	Customer Accounts Expenses							
16	Operations:							
17	Supervision	901	0	0	172,822	(18,765)	172,822	(18,765)
18	Meter Reading Expenses	902	229,997	29,495	0	0	229,997	29,495
19	Customer Records & Collections	903	210,012	(65,591)	82,401	206,769	292,413	141,178
20	Uncollectible Accounts	904	0	71,312	0	17,282	0	88,594
21	Misc. Customer Accounts Expense	905	14	15,419	0	0	14	15,419
22								
23	Total Customer Accounts Expenses		440,023	50,635	255,223	205,286	695,246	255,921
24								
25	Customer Service & Info. Expenses							
26	Operations:							
27	Supervision	907	0	0	7,166	0	7,166	0
28	Customer Assistance Expense	908	0	0	60,249	706,838	60,249	706,838
29	Information & Instruction Expense	909	0	0	13,697	9,973	13,697	9,973
30	Misc. Customer Service Expense	910	5,090	1,852	5,546	3,007	10,636	4,859
31								
32	Total Customer Accounts Expenses		5,090	1,852	86,658	719,818	91,748	721,670

NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998 - Test Period Details

Line No.	Description (a)	Account No. (b)	Schedule No. 4.3 South Dakota Direct		Schedule No. 4.2 Undistributed Company Allocated to South Dakota		South Dakota Total	
			Labor (c) \$	Other (d) \$	Labor (e) \$	Other (f) \$	Labor (g) \$	Other (h) \$
1	Sales Expenses							
2	Operations:							
3	Supervision	911	0	0	0	0	0	0
4	Demonstrating and Selling	912	0	0	0	0	0	0
5	Advertising	913	0	0	0	0	0	0
6								
7	Total Customer Accounts Expenses		0	0	0	0	0	0
8								
9	Administrative and General Expenses							
10	Salaries	920	93,884	0	951,487	(246,145)	1,045,371	(246,145)
11	Office Supplies & Expense	921	318	182,115	16,102	327,327	16,420	509,442
12	A&G Expense Transferred	922	0	0	0	(756,382)	0	(756,382)
13	Outside Services	923	0	0	0	228,466	0	228,466
14	Workmens Comp Insurance	924	0	0	0	0	0	0
15	Property Insurance	924	0	0	0	22,830	0	22,830
16	Injuries and Damages	925	0	0	5,417	77,365	5,417	77,365
17	Pensions and Benefits	926	0	0	38,963	632,097	38,963	632,097
18	Regulatory Commission Expense	928	0	0	0	0	0	0
19	Miscellaneous General Expense	930	0	2,060	8,653	176,193	8,653	178,253
20	Rents	931	0	138,344	0	98,027	0	236,371
21	Building Maintenance	932	7,997	7,781	14,234	222,452	22,231	230,233
22								
23	Total Administrative & General		102,199	330,300	1,034,856	782,230	1,137,055	1,112,530
24								
25	Total Operations & Maintenance		1,580,987	1,014,512	1,585,240	1,505,415	3,166,227	2,519,927

NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Allocation of Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.2
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Line No.	Description	Account No.	Schedule No. 4.4 Total Company Undistributed Expenses		Gas Factor	South Dakota Factor	Allocated to South Dakota	
			Labor	Other			Labor	Other
	(a)	(b)	(c) \$	(d) \$	(e)	(f)	(g) \$	(h) \$
1	Gas Production Expenses							
2	Operations:							
3	Supervision and Engineering	710	5,186	257	1.0000	0.5500 E	2,852	141
4	LP Gas Expense	717	0	0	1.0000	0.5500 E	0	0
5	Fuel	723	0	0	1.0000	0.5500 E	0	0
6	LP Gas	728	0	0	1.0000	0.5500 E	0	0
7	Miscellaneous	735	0	0	1.0000	0.5500 E	0	0
8								
9	Total Operations		5,186	257			2,852	141
10								
11	Maintenance:							
12	Supervision and Engineering	740	3,463	168	1.0000	0.5500 E	1,905	92
13	Structures	741	0	0	1.0000	0.5500 E	0	0
14	Production Equipment	742	0	0	1.0000	0.5500 E	0	0
15								
16	Total Maintenance		3,463	168			1,905	92
17								
18	Distribution Expenses							
19	Operations:							
20	Supervision and Engineering	870	27,763	3,127	1.0000	0.5500 E	15,270	1,720
21	Load Dispatching	871	126,987	73,949	1.0000	0.5500 E	69,843	40,672
22	Compressor Station Expenses	872	0	0	1.0000	0.5500 E	0	0
23	Mains and Services Expenses	874	66	27,703	1.0000	0.5500 E	36	15,237
24	Meas and Reg Station Exp-Gen	875	0	0	1.0000	0.5500 E	0	0
25	Meas and Reg Station Exp-Industrial	876	0	0	1.0000	0.5500 E	0	0
26	Meas and Reg Station Exp-City Gate	877	0	0	1.0000	0.5500 E	0	0
27	Meter and House Regulator Expense	878	0	(157,460)	1.0000	0.5500 E	0	(86,603)
28	Customer Installation Expense	879	328	(358,325)	1.0000	0.5500 E	180	(197,079)
29	Other Expense	880	38,742	16,315	1.0000	0.5500 E	21,308	8,973
30	Rents	881	0	8,184	1.0000	0.5500 E	0	4,501
31								
32	Total Operations		193,886	(386,507)			106,637	(212,579)

Schedule No. 10

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Allocation of Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Line No.	Description	Account No.	Schedule No. 4.4 Total Company Undistributed Expenses		Gas Factor	South Dakota Factor	Allocated to South Dakota	
			Labor	Other			Labor	Other
			(c) \$	(d) \$			(g) \$	(h) \$
1	Distribution Expenses							
2	Maintenance:							
3	Supervision and Engineering	885	55,767	1,626	1.0000	0.5500 E	30,672	894
4	Structures and Improvements	886	0	0	1.0000	0.5500 E	0	0
5	Mains	887	4,252	245	1.0000	0.5500 E	2,339	135
6	Compressor Station Equipment	888	0	0	1.0000	0.5500 E	0	0
7	Meas and Reg Station Exp-Gen	889	0	301	1.0000	0.5500 E	0	166
8	Meas and Reg Station Exp-Industrial	890	0	0	1.0000	0.5500 E	0	0
9	Meas and Reg Station Exp-City Gate	891	0	0	1.0000	0.5500 E	0	0
9	Services	892	0	(293)	1.0000	0.5500 E	0	(161)
10	Meters and House Regulators	893	116,541	17,079	1.0000	0.5500 E	64,098	9,393
11	Other Equipment	894	0	0	1.0000	0.5500 E	0	0
12								
13	Total Maintenance		176,560	18,958			97,109	10,427
14								
15	Customer Accounts Expenses							
16	Operations:							
17	Supervision	901	596,164	(64,730)	0.5854 A	0.4952 A	172,822	(18,765)
18	Meter Reading Expenses	902	0	0	0.5854 A	0.4952 A	0	0
19	Customer Records & Collections	903	284,250	713,268	0.5854 A	0.4952 A	82,401	206,769
20	Uncollectible Accounts	904	0	78,057	0.4471 B	0.4952 A	0	17,282
21	Misc. Customer Accounts Expense	905	0	0	0.5854 A	0.4952 A	0	0
22								
23	Total Customer Accounts Expenses		880,414	726,595			255,223	205,286
24								
25	Customer Service & Info. Expenses							
26	Operations:							
27	Supervision	907	24,721	0	0.5854 A	0.4952 A	7,166	0
28	Customer Assistance Expense	908	207,835	2,438,297	0.5854 A	0.4952 A	60,249	706,838
29	Information & Instruction Expense	909	47,249	34,401	0.5854 A	0.4952 A	13,697	9,973
30	Misc. Customer Service Expense	910	19,133	10,374	0.5854 A	0.4952 A	5,546	3,007
31								
32	Total Customer Accounts Expenses		298,938	2,483,072			86,658	719,818

Schedule No. 10

NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Allocation of Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.2
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Line No.	Description	Account No.	Schedule No. 4.4 Total Company Undistributed Expenses		Gas Factor (e)	South Dakota Factor (f)	Allocated to South Dakota	
			Labor	Other			Labor	Other
			(c) \$	(d) \$			(g) \$	(h) \$
1	Sales Expenses							
2	Operations:							
3	Supervision	911	0	0	0.2257 G	0.4952 A	0	0
4	Demonstrating and Selling	912	0	0	0.2257 G	0.4952 A	0	0
5	Advertising	913	0	0	0.2257 G	0.4952 A	0	0
6								
7	Total Customer Accounts Expenses		0	0			0	0
8								
9	Administrative and General Expenses							
10	Salaries	920	4,335,779	(1,121,647)	0.3990 D	0.5500 E	951,487	(246,145)
11	Office Supplies & Expense	921	73,376	1,491,579	0.3990 D	0.5500 E	16,102	327,327
12	A&G Expense Transferred	922	0	(3,399,850)	0.4045 H	0.5500 E	0	(756,382)
13	Outside Services	923	0	1,221,742	0.3400 E	0.5500 E	0	228,466
14	Workmens Comp Insurance	924	0	0	0.3990 D	0.5500 E	0	0
15	Property Insurance	924	0	216,640	0.1916 F	0.5500 E	0	22,830
16	Injuries and Damages	925	51,409	734,149	0.1916 F	0.5500 E	5,417	77,365
17	Pensions and Benefits	926	177,548	2,880,367	0.3990 D	0.5500 E	38,963	632,097
18	Regulatory Commission Expense	928	0	0	0.1916 F	0.5500 E	0	0
19	Miscellaneous General Expense	930	46,271	942,211	0.3400 E	0.5500 E	8,653	176,193
20	Rents	931	0	524,207	0.3400 E	0.5500 E	0	98,027
21	Building Maintenance	932	76,115	1,189,585	0.3400 E	0.5500 E	14,234	222,452
22								
23	Total Administrative & General		4,760,498	4,678,983			1,034,856	782,230
24								
25	Total Operations & Maintenance		6,318,945	7,521,526			1,585,240	1,505,415

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Nebraska Direct Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.3
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Line No.	Description	Account No.	Schedule No. 4.5 Base Period				Test Period	
			South Dakota Direct		Adjustments		South Dakota Direct	
			Labor	Other	Labor	Other	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Gas Production Expenses							
2	Operations:							
3	Supervision and Engineering	710	9,015	1,269	270	0	9,285	1,269
4	LP Gas Expense	717	409	37	12	0	421	37
5	Fuel	723	0	2,658	0	0	0	2,656
6	LP Gas	728	0	132	0	(132)	0	0
7	Miscellaneous	735	892	1,067	27	0	919	1,067
8								
9	Total Operations		10,316	5,161	309	(132)	10,825	5,029
10								
11	Maintenance:							
12	Supervision and Engineering	740	7,022	1,029	211	0	7,233	1,029
13	Structures	741	2,172	68	65	0	2,237	68
14	Production Equipment	742	0	1,411	0	0	0	1,411
15								
16	Total Maintenance		9,194	2,508	276	0	9,470	2,508
17								
18	Distribution Expenses							
19	Operations:							
20	Supervision and Engineering	870	179,277	235,066	5,378	0	184,655	235,066
21	Load Dispatching	871	3,877	737	116	0	3,993	737
22	Compressor Station Expenses	872	0	0	0	0	0	0
23	Mains and Services Expenses	874	147,927	258,911	4,438	0	152,365	258,911
24	Meas and Reg Station Exp-Gen	875	12,923	2,595	388	0	13,311	2,595
25	Meas and Reg Station Exp-Industrial	876	0	0	0	0	0	0
26	Meas and Reg Station Exp-City Gate	877	34,339	8,509	1,030	0	35,369	8,509
27	Meter and House Regulator Expense	878	259,213	77,702	7,776	0	266,989	77,702
28	Customer Installation Expense	879	45,403	(8,906)	1,362	0	46,765	(8,906)
29	Other Expense	880	200,883	25,305	6,020	0	206,703	25,305
30	Rents	881	0	0	0	0	0	0
31								
32	Total Operations		883,642	599,919	26,508	0	910,150	599,919

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Nebraska Direct Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.3
 Page 2 of 3

Line No.	Description (a)	Account No. (b)	Schedule No. 4.5 Base Period		Adjustments		Test Period	
			South Dakota Direct		South Dakota Direct		South Dakota Direct	
			Labor (c) \$	Other (d) \$	Labor (e) \$	Other (f) \$	Labor (g) \$	Other (h) \$
1	Distribution Expenses							
2	Maintenance:							
3	Supervision and Engineering	885	27,488	2,268	825	0	28,313	2,268
4	Structures and Improvements	886	0	90	0	0	0	90
5	Mains	887	20,096	10,021	603	0	20,699	10,021
6	Compressor Station Equipment	888	0	0	0	0	0	0
7	Meas and Reg Station Exp-Gen	889	11,505	481	345	0	11,850	481
8	Meas and Reg Station Exp-Industrial	890	0	0	0	0	0	0
9	Meas and Reg Station Exp-City Gate	891	1,449	264	43	0	1,492	264
9	Services	892	30,251	10,117	908	0	31,159	10,117
10	Meters and House Regulators	893	9,628	1,028	289	0	9,917	1,028
11	Other Equipment	894	0	0	0	0	0	0
12								
13	Total Maintenance		100,417	24,269	3,013	0	103,430	24,269
14								
15	Customer Accounts Expenses							
16	Operations:							
17	Supervision	901	0	0	0	0	0	0
18	Meter Reading Expenses	902	223,298	29,495	6,699	0	229,997	29,495
19	Customer Records & Collections	903	203,895	(65,591)	6,117	0	210,012	(65,591)
20	Uncollectible Accounts	904	0	71,312	0	0	0	71,312
21	Misc. Customer Accounts Expense	905	14	15,419	0	0	14	15,419
22								
23	Total Customer Accounts Expenses		427,207	50,635	12,816	0	440,023	50,635
24								
25	Customer Service & Info. Expenses							
26	Operations:							
27	Supervision	907	0	0	0	0	0	0
28	Customer Assistance Expense	908	0	0	0	0	0	0
29	Information & Instruction Expense	909	0	0	0	0	0	0
30	Misc. Customer Service Expense	910	4,942	1,852	148	0	5,090	1,852
31								
32	Total Customer Accounts Expenses		4,942	1,852	148	0	5,090	1,852

NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Nebraska Direct Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Line No.	Description	Account No.	Schedule No. 4.5 Base Period				Test Period	
			South Dakota Direct		Adjustments		South Dakota Direct	
			Labor	Other	Labor	Other	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Sales Expenses							
2	Operations:							
3	Supervision	911	0	0	0	0	0	0
4	Demonstrating and Selling	912	0	0	0	0	0	0
5	Advertising	913	0	0	0	0	0	0
6								
7	Total Customer Accounts Expenses		0	0	0	0	0	0
8								
9	Administrative and General Expenses							
10	Salaries	920	91,148	0	2,736	0	93,884	0
11	Office Supplies & Expense	921	309	182,115	9	0	318	182,115
12	A&G Expense Transferred	922	0	0	0	0	0	0
13	Outside Services	923	0	0	0	0	0	0
14	Workmens Comp Insurance	924	0	0	0	0	0	0
15	Property Insurance	924	0	0	0	0	0	0
16	Injuries and Damages	925	0	0	0	0	0	0
17	Pensions and Benefits	926	0	0	0	0	0	0
18	Regulatory Commission Expense	928	0	0	0	0	0	0
19	Miscellaneous General Expense	930	0	2,060	0	0	0	2,060
20	Rents	931	0	138,344	0	0	0	138,344
21	Building Maintenance	932	7,764	7,781	233	0	7,997	7,781
22								
23	Total Administrative & General		99,221	330,300	2,978	0	102,199	330,300
24								
25	Total Operations & Maintenance		1,534,939	1,014,644	46,048	(132)	1,580,987	1,014,512
26								
27	Labor Adjustment	3.00%			46,048			
28	Remove Promotional Advertising				0	0		
29	Remove Institutional Advertising				0	0		
30	Remove LP Gas				0	(132)		
31								
32	Total Adjustments				46,048	(132)		

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.4
 Page 1 of 3

Line No.	Description	Account No.	Schedule No. 4.6 Base Period - Total Company				Test Period Total Company	
			Undistributed Expenses		Adjustments		Undistributed Expenses	
			Labor	Other	Labor	Other	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Gas Production Expenses							
2	Operations:							
3	Supervision and Engineering	710	5,035	257	151	0	5,186	257
4	LP Gas Expense	717	0	0	0	0	0	0
5	Fuel	723	0	0	0	0	0	0
6	LP Gas	728	0	0	0	0	0	0
7	Miscellaneous	735	0	0	0	0	0	0
8								
9	Total Operations		5,035	257	151	0	5,186	257
10								
11	Maintenance:							
12	Supervision and Engineering	740	3,362	168	101	0	3,463	168
13	Structures	741	0	0	0	0	0	0
14	Production Equipment	742	0	0	0	0	0	0
15								
16	Total Maintenance		3,362	168	101	0	3,463	168
17								
18	Distribution Expenses							
19	Operations:							
20	Supervision and Engineering	870	26,954	3,127	809	0	27,763	3,127
21	Load Dispatching	871	123,288	73,949	3,699	0	126,987	73,949
22	Compressor Station Expenses	872	0	0	0	0	0	0
23	Mains and Services Expenses	874	64	27,703	2	0	66	27,703
24	Meas and Reg Station Exp-Gen	875	0	0	0	0	0	0
25	Meas and Reg Station Exp-Industrial	876	0	0	0	0	0	0
26	Meas and Reg Station Exp-City Gate	877	0	0	0	0	0	0
27	Meter and House Regulator Expense	878	0	(157,460)	0	0	0	(157,460)
28	Customer Installation Expense	879	318	(358,325)	10	0	328	(358,325)
29	Other Expense	880	37,614	16,315	1,128	0	38,742	16,315
30	Rents	881	0	8,184	0	0	0	8,184
31								
32	Total Operations		188,238	(386,507)	5,648	0	193,886	(386,507)

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.4
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Line No.	Description (a)	Account No. (b)	Schedule No. 4.6 Base Period - Total Company Undistributed Expenses		Adjustments		Test Period Total Company Undistributed Expenses	
			Labor	Other	Labor	Other	Labor	Other
			(c) \$	(d) \$	(e) \$	(f) \$	(g) \$	(h) \$
1	Distribution Expenses							
2	Maintenance:							
3	Supervision and Engineering	885	54,143	1,626	1,624	0	55,767	1,626
4	Structures and Improvements	886	0	0	0	0	0	0
5	Mains	887	4,128	245	124	0	4,252	245
6	Compressor Station Equipment	888	0	0	0	0	0	0
7	Meas and Reg Station Exp-Gen	889	0	301	0	0	0	301
8	Meas and Reg Station Exp-Industrial	890	0	0	0	0	0	0
9	Meas and Reg Station Exp-City Gate	891	0	0	0	0	0	0
9	Services	892	0	(293)	0	0	0	(293)
10	Meters and House Regulators	893	113,147	17,079	3,394	0	116,541	17,079
11	Other Equipment	894	0	0	0	0	0	0
12								
13	Total Maintenance		171,418	18,958	5,142	0	176,560	18,958
14								
15	Customer Accounts Expenses							
16	Operations:							
17	Supervision	901	578,800	(64,730)	17,364	0	596,164	(64,730)
18	Meter Reading Expenses	902	0	0	0	0	0	0
19	Customer Records & Collections	903	275,971	713,268	8,279	0	284,250	713,268
20	Uncollectible Accounts	904	0	78,057	0	0	0	78,057
21	Misc. Customer Accounts Expense	905	0	0	0	0	0	0
22								
23	Total Customer Accounts Expenses		854,771	726,595	25,643	0	880,414	726,595
24								
25	Customer Service & Info. Expenses							
26	Operations:							
27	Supervision	907	24,001	0	720	0	24,721	0
28	Customer Assistance Expense	908	201,782	3,528,181	6,053	(1,089,884)	207,835	2,438,297
29	Information & Instruction Expense	909	45,873	34,401	1,376	0	47,249	34,401
30	Misc. Customer Service Expense	910	18,576	10,374	557	0	19,133	10,374
31								
32	Total Customer Accounts Expenses		290,232	3,572,956	8,706	(1,089,884)	292,938	2,483,072

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Test Period Details

Schedule No. 4.4
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Line No.	Description	Account No.	Schedule No. 4.8 Base Period - Total Company Undistributed Expenses		Adjustments		Test Period Total Company Undistributed Expenses	
			Labor	Other	Labor	Other	Labor	Other
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			\$	\$	\$	\$	\$	\$
1	Sales Expenses							
2	Operations:							
3	Supervision	911	0	0	0	0	0	0
4	Demonstrating and Selling	912	0	0	0	0	0	0
5	Advertising	913	(17,911)	2,165	17,911	(2,165)	0	0
6								
7	Total Customer Accounts Expenses		(17,911)	2,165	17,911	(2,165)	0	0
8								
9	Administrative and General Expenses							
10	Salaries	920	4,209,493	(1,121,647)	126,286	0	4,335,779	(1,121,647)
11	Office Supplies & Expense	921	71,239	1,491,579	2,137	0	73,376	1,491,579
12	A&G Expense Transferred	922	0	(3,399,850)	0	0	0	(3,399,850)
13	Outside Services	923	0	1,221,742	0	0	0	1,221,742
14	Workmens Comp Insurance	924	0	0	0	0	0	0
15	Property Insurance	924	0	216,640	0	0	0	216,640
16	Injuries and Damages	925	49,912	734,149	1,497	0	51,409	734,149
17	Pensions and Benefits	926	172,377	2,880,367	5,171	0	177,548	2,880,367
18	Regulatory Commission Expense	928	0	0	0	0	0	0
19	Miscellaneous General Expense	930	44,923	1,451,439	1,348	(509,228)	46,271	942,211
20	Rents	931	0	524,207	0	0	0	524,207
21	Building Maintenance	932	73,898	1,189,585	2,217	0	76,115	1,189,585
22								
23	Total Administrative & General		4,621,842	5,188,211	138,656	(509,228)	4,760,498	4,678,983
24								
25	Total Operations & Maintenance		6,116,987	9,122,803	201,958	(1,601,277)	6,318,945	7,521,526
26								
27	Labor Adjustment	3.00%			183,510	0		
28	Remove Promotional Advertising				18,448	(2,165)		
29	Remove Institutional Advertising				0	(509,228)		
30	Adjust Affiliate Management Fees				0	(1,089,884)		
31								
32	Total Adjustments				201,958	(1,601,277)		

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998 - Base Period Details

Line No.	Description	Account No.	Schedule No. 4.6					
			South Dakota Direct		Undistributed Company Allocated to South Dakota		South Dakota Total	
			Labor	Other	Labor	Other	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Gas Production Expenses							
2	Operations:							
3	Supervision and Engineering	710	9,015	1,269	2,971	152	11,986	1,421
4	LP Gas Expense	717	409	37	0	0	409	37
5	Fuel	723	0	2,656	0	0	0	2,656
6	LP Gas	728	0	132	0	0	0	132
7	Miscellaneous	735	892	1,067	0	0	892	1,067
8								
9	Total Operations		10,316	5,161	2,971	152	13,287	5,313
10								
11	Maintenance:							
12	Supervision and Engineering	740	7,022	1,029	1,984	99	9,006	1,128
13	Structures	741	2,172	68	0	0	2,172	68
14	Production Equipment	742	0	1,411	0	0	0	1,411
15								
16	Total Maintenance		9,194	2,508	1,984	99	11,178	2,607
17								
18	Distribution Expenses							
19	Operations:							
20	Supervision and Engineering	870	179,277	235,066	15,903	1,845	195,180	236,911
21	Load Dispatching	871	3,877	737	72,740	43,630	76,617	44,367
22	Compressor Station Expenses	872	0	0	0	0	0	0
23	Mains and Services Expenses	874	147,927	258,911	38	16,345	147,965	275,256
24	Meas and Reg Station Exp-Gen	875	12,923	2,595	0	0	12,923	2,595
25	Meas and Reg Station Exp-Industrial	876	0	0	0	0	0	0
26	Meas and Reg Station Exp-City Gate	877	34,339	8,509	0	0	34,339	8,509
27	Meter and House Regulator Expense	878	259,213	77,702	0	(92,901)	259,213	(15,199)
28	Customer Installation Expense	879	45,403	(8,906)	188	(211,412)	45,591	(220,318)
29	Other Expense	880	200,683	25,305	22,192	9,626	222,875	34,931
30	Rents	881	0	0	0	4,829	0	4,829
31								
32	Total Operations		883,642	599,919	111,061	(228,038)	994,703	371,881

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NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998 - Base Period Details

Line No.	Description (a)	Account No. (b)	Schedule No. 4.6						
			South Dakota Direct		Undistributed Company		South Dakota Total		
			Labor (c)	Other (d)	Allocated to South Dakota Labor (e)	Other (f)	Labor (g)	Other (h)	
			\$	\$	\$	\$	\$	\$	
1	Distribution Expenses								
2	Maintenance:								
3	Supervision and Engineering	885	27,488	2,268	31,944	959	59,432	3,227	
4	Structures and Improvements	886	0	90	0	0	0	90	
5	Mains	887	20,096	10,021	2,436	145	22,532	10,166	
6	Compressor Station Equipment	888	0	0	0	0	0	0	
7	Meas and Reg Station Exp-Gen	889	11,505	481	0	178	11,505	659	
8	Meas and Reg Station Exp-Industrial	890	0	0	0	0	0	0	
9	Meas and Reg Station Exp-City Gate	891	1,449	264	0	0	1,449	264	
9	Services	892	30,251	10,117	0	(173)	30,251	9,944	
10	Meters and House Regulators	893	9,628	1,028	66,757	10,077	76,385	11,105	
11	Other Equipment	894	0	0	0	0	0	0	
12									
13	Total Maintenance		100,417	24,269	101,137	11,186	201,554	35,455	
14									
15	Customer Accounts Expenses								
16	Operations:								
17	Supervision	901	0	0	167,288	(18,709)	167,288	(18,709)	
18	Meter Reading Expenses	902	223,298	29,495	0	0	223,298	29,495	
19	Customer Records & Collections	903	203,895	(65,591)	79,763	206,153	283,658	140,562	
20	Uncollectible Accounts	904	0	71,312	0	19,300	0	90,612	
21	Misc. Customer Accounts Expense	905	14	15,419	0	0	14	15,419	
22									
23	Total Customer Accounts Expenses		427,207	50,635	247,051	206,744	674,258	257,379	
24									
25	Customer Service & Info. Expenses								
26	Operations:								
27	Supervision	907	0	0	6,937	0	6,937	0	
28	Customer Assistance Expense	908	0	0	58,320	1,019,737	58,320	1,019,737	
29	Information & Instruction Expense	909	0	0	13,259	9,943	13,259	9,943	
30	Misc. Customer Service Expense	910	4,942	1,852	5,369	2,998	10,311	4,850	
31									
32	Total Customer Accounts Expenses		4,942	1,852	83,885	1,032,678	88,827	1,034,530	

NorthWestern Public Service
 Operations and Maintenance Expenses by Account
 Twelve Months Ending December 31, 1998 - Base Period Details

Schedule No. 4.5
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Line No.	Description	Account No.	Schedule No. 4.6					
			South Dakota Direct		Undistributed Company Allocated to South Dakota		South Dakota Total	
			Labor	Other	Labor	Other	Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Sales Expenses							
2	Operations:							
3	Supervision	911	0	0	0	0	0	0
4	Demonstrating and Selling	912	0	0	0	0	0	0
5	Advertising	913	0	0	(2,227)	269	(2,227)	269
6								
7	Total Customer Accounts Expenses		0	0	(2,227)	269	(2,227)	269
8								
9	Administrative and General Expenses							
10	Salaries	920	91,148	0	1,069,935	(285,091)	1,161,083	(285,091)
11	Office Supplies & Expense	921	309	182,115	18,107	379,118	18,416	561,233
12	A&G Expense Transferred	922	0	0	0	(821,220)	0	(821,220)
13	Outside Services	923	0	0	0	259,498	0	259,498
14	Workmens Comp Insurance	924	0	0	0	0	0	0
15	Property Insurance	924	0	0	0	24,362	0	24,362
16	Injuries and Damages	925	0	0	5,613	82,558	5,613	82,558
17	Pensions and Benefits	926	0	0	43,813	732,109	43,813	732,109
18	Regulatory Commission Expense	928	0	0	0	0	0	0
19	Miscellaneous General Expense	930	0	2,060	9,542	308,286	9,542	310,346
20	Rents	931	0	138,344	0	111,342	0	249,686
21	Building Maintenance	932	7,764	7,781	15,696	252,668	23,460	260,449
22								
23	Total Administrative & General		99,221	330,300	1,162,706	1,043,630	1,261,927	1,373,930
24								
25	Total Operations & Maintenance		1,534,939	1,014,644	1,708,568	2,066,720	3,243,507	3,081,364

Exhibit (TPH-1)
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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Allocation of Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Base Period Details

Line No.	Description (a)	Account No. (b)	Total Company Undistributed Expenses		Gas Factor (e)	S. Dakota Factor (f)	Allocated to South Dakota	
			Labor (c) \$	Other (d) \$			Labor (g) \$	Other (h) \$
1	Gas Production Expenses							
2	Operations:							
3	Supervision and Engineering	710	5,035	257	1.0000	0.5900 E	2,971	152
4	LP Gas Expense	717	0	0	1.0000	0.5900 E	0	0
5	Fuel	723	0	0	1.0000	0.5900 E	0	0
6	LP Gas	728	0	0	1.0000	0.5900 E	0	0
7	Miscellaneous	735	0	0	1.0000	0.5900 E	0	0
8								
9	Total Operations		5,035	257			2,971	152
10								
11	Maintenance:							
12	Supervision and Engineering	740	3,362	168	1.0000	0.5900 E	1,984	99
13	Structures	741	0	0	1.0000	0.5900 E	0	0
14	Production Equipment	742	0	0	1.0000	0.5900 E	0	0
15								
16	Total Maintenance		3,362	168			1,984	99
17								
18	Distribution Expenses							
19	Operations:							
20	Supervision and Engineering	870	26,954	3,127	1.0000	0.5900 E	15,903	1,845
21	Load Dispatching	871	123,288	73,949	1.0000	0.5900 E	72,740	43,630
22	Compressor Station Expenses	872	0	0	1.0000	0.5900 E	0	0
23	Mains and Services Expenses	874	64	27,703	1.0000	0.5900 E	38	16,345
24	Meas and Reg Station Exp-Gen	875	0	0	1.0000	0.5900 E	0	0
25	Meas and Reg Station Exp-Industrial	876	0	0	1.0000	0.5900 E	0	0
26	Meas and Reg Station Exp-City Gate	877	0	0	1.0000	0.5900 E	0	0
27	Meter and House Regulator Expense	878	0	(157,460)	1.0000	0.5900 E	0	(92,901)
28	Customer Installation Expense	879	318	(358,325)	1.0000	0.5900 E	188	(211,412)
29	Other Expense	880	37,614	16,315	1.0000	0.5900 E	22,192	9,626
30	Rents	881	0	8,184	1.0000	0.5900 E	0	4,829
31								
32	Total Operations		188,238	(388,507)			111,061	(228,038)

Schedule No. 11

NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Allocation of Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Base Period Details

Schedule No. 4.8
 Page 2 of 3

Line No.	Description	Account No.	Total Company Undistributed Expenses		Gas Factor	S. Dakota Factor	Allocated to South Dakota	
			Labor	Other			Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$			\$	\$	
1	Distribution Expenses							
2	Maintenance:							
					Schedule No. 11			
3	Supervision and Engineering	885	54,143	1,626	1.0000	0.5900 E	31,944	959
4	Structures and Improvements	886	0	0	1.0000	0.5900 E	0	0
5	Mains	887	4,128	245	1.0000	0.5900 E	2,436	145
6	Compressor Station Equipment	888	0	0	1.0000	0.5900 E	0	0
7	Meas and Reg Station Exp-Gen	889	0	301	1.0000	0.5900 E	0	178
8	Meas and Reg Station Exp-Industrial	890	0	0	1.0000	0.5900 E	0	0
9	Meas and Reg Station Exp-City Gate	891	0	0	1.0000	0.5900 E	0	0
9	Services	892	0	(293)	1.0000	0.5900 E	0	(173)
10	Meters and House Regulators	893	113,147	17,079	1.0000	0.5900 E	66,757	10,077
11	Other Equipment	894	0	0	1.0000	0.5900 E	0	0
12								
13	Total Maintenance		<u>171,418</u>	<u>18,958</u>			<u>101,137</u>	<u>11,186</u>
14								
15	Customer Accounts Expenses							
16	Operations:							
17	Supervision	901	578,800	(64,730)	0.5846 A	0.4944 A	167,288	(18,709)
18	Meter Reading Expenses	902	0	0	0.5846 A	0.4944 A	0	0
19	Customer Records & Collections	903	275,971	713,268	0.5846 A	0.4944 A	79,763	206,153
20	Uncollectible Accounts	904	0	78,057	0.5001 B	0.4944 A	0	19,300
21	Misc. Customer Accounts Expense	905	0	0	0.5846 A	0.4944 A	0	0
22								
23	Total Customer Accounts Expenses		<u>854,771</u>	<u>726,595</u>			<u>247,051</u>	<u>206,744</u>
24								
25	Customer Service & Info. Expenses							
26	Operations:							
27	Supervision	907	24,001	0	0.5846 A	0.4944 A	6,937	0
28	Customer Assistance Expense	908	201,782	3,528,181	0.5846 A	0.4944 A	58,320	1,019,737
29	Information & Instruction Expense	909	45,873	34,401	0.5846 A	0.4944 A	13,259	9,943
30	Misc. Customer Service Expense	910	18,576	10,374	0.5846 A	0.4944 A	5,369	2,998
31								
32	Total Customer Accounts Expenses		<u>290,232</u>	<u>3,572,958</u>			<u>83,885</u>	<u>1,032,678</u>

Exhibit (TPH-1)
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NorthWestern Public Service
 Operations and Maintenance Expenses by Account - Allocation of Undistributed Company Expenses
 Twelve Months Ending December 31, 1998 - Base Period Details

Line No.	Description	Account No.	Total Company Undistributed Expenses		Gas Factor	S. Dakota Factor	Allocated to South Dakota	
			Labor	Other			Labor	Other
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$			\$	\$	
1	Sales Expenses							
2	Operations:							
3	Supervision	911	0	0	0.2515 G	0.4944 A	0	0
4	Demonstrating and Selling	912	0	0	0.2515 G	0.4944 A	0	0
5	Advertising	913	(17,911)	2,165	0.2515 G	0.4944 A	(2,227)	269
6								
7	Total Customer Accounts Expenses		(17,911)	2,165			(2,227)	269
8								
9	Administrative and General Expenses							
10	Salaries	920	4,209,493	(1,121,647)	0.4308 D	0.5900 E	1,069,935	(285,091)
11	Office Supplies & Expense	921	71,239	1,491,579	0.4308 D	0.5900 E	18,107	379,118
12	A&G Expense Transferred	922	0	(3,399,850)	0.4094 H	0.5900 E	0	(821,220)
13	Outside Services	923	0	1,221,742	0.3600 E	0.5900 E	0	259,498
14	Workmens Comp Insurance	924	0	0	0.4308 D	0.5900 E	0	0
15	Property Insurance	924	0	216,640	0.1906 F	0.5900 E	0	24,362
16	Injuries and Damages	925	49,912	734,149	0.1906 F	0.5900 E	5,613	82,558
17	Pensions and Benefits	926	172,377	2,880,367	0.4308 D	0.5900 E	43,813	732,109
18	Regulatory Commission Expense	928	0	0	0.1906 F	0.5900 E	0	0
19	Miscellaneous General Expense	930	44,923	1,451,439	0.3600 E	0.5900 E	9,542	308,286
20	Rents	931	0	524,207	0.3600 E	0.5900 E	0	111,342
21	Building Maintenance	932	73,898	1,189,585	0.3600 E	0.5900 E	15,696	252,668
22								
23	Total Administrative & General		4,621,842	5,188,211			1,162,706	1,043,630
24								
25	Total Operations & Maintenance		6,116,987	9,122,803			1,708,568	2,066,720

Schedule No. 11

Line No.	Description / Functional Classification (a)	Total Company (b) \$	Base Period			Test Period			Test Period Adjustment (i) \$
			Gas Factor (c)	S. Dakota Factor (d)	Allocated to South Dakota (e) \$	Gas Factor (f)	S. Dakota Factor (g)	Allocated to South Dakota (h) \$	
1			Schedule No. 11			Schedule No. 10			
2									
3	Direct South Dakota - Production	39,924	1.0000	1.0000	39,924	1.0000	1.0000	39,924	0
4									
5	Direct South Dakota - Transmission	0	1.0000	1.0000	0	1.0000	1.0000	0	0
6									
7	Direct South Dakota - Distribution	1,192,521	1.0000	1.0000	1,192,521	1.0000	1.0000	1,192,521	0
8									
9	General - Direct South Dakota	120,495	1.0000	1.0000	120,495	1.0000	1.0000	120,495	0
10									
11	General - Common	1,695,863	0.3600 E	0.5900 E	360,201	0.3400 E	0.5500 E	317,126	(43,075)
12									
13	Total	3,048,803			1,713,141			1,670,066	(43,075)
14									
15	Less Depreciation Charged to								
16	Transportation Clearing:								
17									
18	Direct South Dakota	47,718	1.0000	1.0000	47,718	1.0000	1.0000	47,718	0
19	Common	31,875	0.3600 E	0.5900 E	6,770	0.3400 E	0.5500 E	5,961	(809)
20									
21	Total Depreciation Expense	2,969,210			1,858,653			1,616,387	(42,266)
22									
23	Amortization of Limited Term Invest.	403	1.0000	1.0000	403	1.0000	1.0000	403	0
24									
25	Total Depr. and Amortization Expense	2,969,613			1,859,056			1,616,790	(42,266)

Line No.	Description (a)	Actual Base Period (b) \$	Adjustments (c) \$	Test Period (d) \$	Total Company (e) \$	Gas Factor (f)	South Dakota Factor (g)	Allocated to South Dakota (h) \$
Base Period Factors - Schedule No. 11								
1	Delaware Franchise	12,415	132	12,547	102,000	0.1906 F	0.6386 F	12,415
2	South Dakota Gross Revenue	44,707	8,941	53,648	44,707	1.0000	1.0000	44,707
3	Federal Highway Use	811	(97)	714	3,816	0.3600 E	0.5900 E	811
4	Workers Comp Self-Insured	404	(27)	377	2,000	0.3600 E	0.5613 I	404
5	South Dakota Property Tax	617,333	292,400	909,733	617,333	1.0000	1.0000	617,333
6								
7	Total Expense	<u>675,670</u>	<u>301,349</u>	<u>977,019</u>	<u>769,856</u>			<u>675,670</u>
8								
9								
10								
Test Period Adjustments								
11					0	0.0010	0.0034	132
12					8,941	0.0000	0.0000	8,941
13					0	(0.0200)	(0.0400)	(97)
14					0	(0.0200)	(0.0073)	(27)
15					<u>292,400</u>	0.0000	0.0000	<u>292,400</u>
16								
17					<u>301,341</u>			<u>301,349</u>
18								
19								
20								
Test Period Factors - Schedule No. 10								
21					102,000	0.1916 F	0.6420 F	12,547
22					53,648	1.0000	1.0000	53,648
23					3,816	0.3400 E	0.5500 E	714
24					2,000	0.3400 E	0.5540 I	377
25					<u>909,733</u>	1.0000	1.0000	<u>909,733</u>
26								
27					<u>1,071,197</u>			<u>977,019</u>

Sch 2, P1&3

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NorthWestern Public Service
 Computation of Federal and State Income Taxes
 Twelve Months Ending December 31, 1998

Schedule No. 7
 Page 1 of 1

Line No.	Description	Reference	Base Period		Adjustments to Reflect Requested Return	Test Period Total	Customer Charge Requirement Sch 12, P4	
			Not Normalized	Normalizing Adjustments				Normalized
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
		\$	\$	\$	\$	\$	\$	
1	Return on Rate Base	Sch 9, L31	1,106,246	948,340	2,054,586	1,373,455	3,428,041	1,341,069
2								
3	Tax Adjustments:							
4	Interest Expense	Line 30	(1,203,230)	26,558	(1,176,672)	0	(1,176,672)	(460,321)
5								
6	Return Less Adjustments		(96,984)	974,898	877,914	1,373,455	2,251,369	880,748
7	Income Tax Gross-up Factor (1/.65)		1.538462	1.538462	1.538462	1.538462	1.538462	1.538462
8								
9	State Taxable Income		(149,206)	1,499,843	1,350,637	2,113,008	3,463,645	1,354,997
10	State Income Taxes		0	0	0	0	0	0
11								
12	Federal Taxable Income		(149,206)	1,499,843	1,350,637	2,113,008	3,463,645	1,354,997
13								
14	Income Tax Rates - %							
15	Federal Income Tax Rate		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
16	State Income Tax Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17								
18	Income Tax Amounts - \$							
19	Federal Income Taxes		(52,222)	524,945	472,723	739,553	1,212,276	474,249
20	State Income Taxes		0	0	0	0	0	0
21								
22	Total Income Taxes		(52,222)	524,945	472,723	739,553	1,212,276	474,249
23								
24								
25	Computation of Interest Expense							
26								
27	Net Rate Base	Sch 9, L28	37,808,884	(834,525)	36,974,359	0	36,974,359	14,464,581
28	Interest Component of Cost of Capital	Sch 9.2, L1	3.1824%	3.1824%	3.1824%	3.1824%	3.1824%	3.1824%
29								
30	Interest Expense		1,203,230	(26,558)	1,176,672	0	1,176,672	460,321

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NorthWestern Public Service
 Computation of Rate Case Expenses
 Twelve Months Ending December 31, 1998

Line No.	Description (a)	Actual Base Period (b) \$	Adjustments (c) \$	Test Period (d) \$
1	Past Rate Case Expense			
2	Yet Unamortized	0	0	0
3				
4	Consultant and Other Outside Expense	0	50,000	50,000
5				
6	SDPUC Rate Case Fund	0	100,000	100,000
7				
8	Total Rate Case Expense	<u>0</u>	<u>150,000</u>	<u>150,000</u>
9				
10	Three Year Amortization	<u>0</u>	<u>50,000</u>	<u>50,000</u>
11				
12				
13	Adjustment to Rate Base			
14				
15	Total Cost	0	150,000	150,000
16				
17	Less: 1/2 Year Amortization	<u>0</u>	<u>25,000</u>	<u>25,000</u>
18				
19	Net Adjustment to Rate Base	<u>0</u>	<u>125,000</u>	<u>125,000</u>

NorthWestern Public Service
 Computation of Rate Base and Return
 Twelve Months Ending December 31, 1998

Schedule No. 9
 Page 1 of 1

Line No.	Description (a)	Reference (b)	Base Period			Adjustments to Reflect Requested Return (f) \$	Test Period Total (g) \$
			Not Normalized (c) \$	Normalizing Adjustments (d) \$	Normalized (e) \$		
1	Plant in Service						
2	Direct South Dakota Gas Plant	Sch 9.1, L44	41,073,199	0	41,073,199	0	41,073,199
3	Common Plant	Sch 9.1, L47	9,029,339	(1,079,779)	7,949,560	0	7,949,560
4							
5	Subtotal		50,102,538	(1,079,779)	49,022,759	0	49,022,759
6							
7	Distribution Replacements						
8	Distribution Mains	Acct No. 376	0	0	0	0	0
9	Distribution Services	Acct No. 380	0	0	0	0	0
10	Construction in Service, Not Transferred						
12	Direct South Dakota Gas Plant	Sch 9.1, L51	1,854,584	0	1,854,584	0	1,854,584
13	Common Plant	Sch 9.1, L52	183,843	(21,985)	161,858	0	161,858
14							
15	Total Plant and Property		52,140,965	(1,101,764)	51,039,201	0	51,039,201
16							
17	Accumulated Depreciation & Amort.						
18	Direct South Dakota Gas Plant	Sch 9.4	14,215,894	0	14,215,894	0	14,215,894
19	Common Plant	Sch 9.3, P1	1,217,006	(145,536)	1,071,470	0	1,071,470
20							
21	Total Reserve		15,432,900	(145,536)	15,287,364	0	15,287,364
22							
23	Net Utility Plant		36,708,065	(956,228)	35,751,837	0	35,751,837
24	Working Capital	Sch 9.3, P3-5	1,720,172	0	1,720,172	0	1,720,172
25	Unamortized Rate Case Expense	Sch 8	0	125,000	125,000	0	125,000
26	Deferred Tax Reserve	Sch 9.3, P3-4	(619,353)	(3,297)	(622,650)	0	(622,650)
27							
28	Net Rate Base		37,808,884	(834,525)	36,974,359	0	36,974,359
29	Rate of Return - %		2.93%	2.63%	5.56%	3.71%	9.27%
30							
31	Return on Rate Base - \$	Sch 1, L19	1,106,246	948,340	2,054,586	1,373,455	3,428,041

Exhibit (TPH-1)
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Line No.	Description	Reference	Per Books @ 12/31/97			Per Books @ 12/31/98			Base Year Thirteen Month Average	Test Year Thirteen Month Average
			Depreciable	Non- Depreciable	Total	Depreciable	Non- Depreciable	Total		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
		\$	\$	\$	\$	\$	\$	\$	\$	
1	PRODUCTION-SOUTH DAKOTA									
2	304.0-Land and Land Rights		0	71,236	71,236	0	40,057	40,057	49,650	49,650
3	305.0-Structures and Improvements		263,049	0	263,049	263,049	0	263,049	263,049	263,049
4	311.0-Liquified Petroleum Gas Equip.		1,495,716	0	1,495,716	1,495,716	0	1,495,716	1,495,716	1,495,716
5	320.0-Other Equipment		11,567	0	11,567	11,567	0	11,567	11,567	11,567
6										
7	Total Production Plant		1,770,332	71,236	1,841,568	1,770,332	40,057	1,810,389	1,819,982	1,819,982
8										
9	DISTRIBUTION-SOUTH DAKOTA									
10	374.0-Land and Land Rights		(8,262)	199,153	190,891	0	207,454	207,454	201,417	201,417
11	375.0-Structures and Improvements		62,095	0	62,095	62,095	0	62,095	62,095	62,095
12	376.0-Mains		18,634,902	0	18,634,902	19,782,141	0	19,782,141	19,417,937	19,417,937
13	378.0-Meas. & Reg. Sta. Equip. - Gen.		438,357	0	438,357	580,270	0	580,270	497,796	497,796
14	379.0-Meas. & Reg. Sta. Equip. - City		605,490	0	605,490	842,241	0	842,241	760,336	760,336
15	380.0-Services		8,142,318	0	8,142,318	8,693,116	0	8,693,116	8,525,293	8,525,293
16	381.0-Meters		3,656,607	0	3,656,607	4,064,229	0	4,064,229	3,912,117	3,912,117
17	382.0-Meter Installations		1,280,458	0	1,280,458	1,537,674	0	1,537,674	1,437,108	1,437,108
18	383.0-Regulators		788,766	0	788,766	810,925	0	810,925	807,726	807,726
19	384.0-Regulator Installations		509,635	0	509,635	524,401	0	524,401	523,873	523,873
20										
21	Total Distribution Plant		34,110,366	199,153	34,309,519	36,897,092	207,454	37,104,546	36,145,698	36,145,698
22										
23	GENERAL-SOUTH DAKOTA									
24	303.0-Misc. Intangible Plant		2,931	0	2,931	7,327	0	7,327	4,960	4,960
25	389.0-Land and Land Rights		0	42,184	42,184	0	42,634	42,634	42,599	42,599
26	390.0-Structures and Improvements		344,713	0	344,713	372,559	0	372,559	362,163	362,163
27	391.0-Office Furniture & Equipment		39,603	0	39,603	40,949	0	40,949	40,333	40,333
28	392.0-Transportation Equipment		0	1,029,730	1,029,730	0	919,523	919,523	931,275	931,275
29	393.0-Stores Equipment		7,609	0	7,609	7,609	0	7,609	7,609	7,609
30	394.0-Tools, Shop and Garage Equip.		436,565	0	436,565	456,136	0	456,136	448,251	448,251
31	395.0-Laboratory Equipment		225,952	0	225,952	228,834	0	228,834	227,947	227,947
32	396.0-Power Operated Equipment		673,146	0	673,146	674,156	0	674,156	673,923	673,923
33	397.0-Communication Equipment		82,444	0	82,444	44,615	0	44,615	80,635	80,635
34	398.0-Miscellaneous Equipment		1,214	0	1,214	1,214	0	1,214	1,214	1,214
35										
36	Total General Plant		1,814,177	1,071,914	2,886,091	1,833,399	962,157	2,795,556	2,820,909	2,820,909
37										
38	Total Account 101 Plant - S. Dakota		37,694,875	1,342,303	39,037,178	40,500,823	1,209,668	41,710,491	40,786,589	40,786,589

NorthWestern Public Service
 Book Balances of Plant Accounts
 December 31, 1997 and 1998

Schedule No. 9.1
 Page 2 of 2

Line No.	Description (a)	Reference (b)	Per Books @ 12/31/97			Per Books @ 12/31/98			Base Year	Test Year
			Depreciable (c) \$	Non- Depreciable (d) \$	Total (e) \$	Depreciable (f) \$	Non- Depreciable (g) \$	Total (h) \$	Thirteen Month Average (i) \$	Thirteen Month Average (j) \$
39	GAS PLANT IN SERVICE									
40	Total Account 101 Plant - S. Dakota		37,694,875	1,342,303	39,037,178	40,500,823	1,209,668	41,710,491	40,786,589	40,786,589
41	COMPLETED NOT CLASSIFIED									
42	Total Account 106 Plant - S. Dakota		745,186	0	745,186	0	0	0	286,610	286,610
43										
44	TOTAL GAS PLANT - S. DAKOTA		38,440,061	1,342,303	39,782,364	40,500,823	1,209,668	41,710,491	41,073,199	41,073,199
45										
46	COMMON PLANT IN SERVICE									
47	Account 389-398 - S. Dakota Share	Sch 9.3, P1			9,189,350			8,599,529	9,029,339	7,949,560
48										
49	CONSTRUCTION IN SERVICE,									
50	NOT TRANSFERRED									
51	Direct South Dakota Gas Plant	Sch 9.3, P2			1,237,701			3,941,589	1,854,584	1,854,584
52	Common Plant - S. Dakota Share	Sch 9.3, P2			81,339			553,174	183,843	161,853
53										
54	Total Account 106 Plant - Common				1,319,040			4,494,763	2,038,427	2,016,442
55										
56	TOTAL PLANT AND PROPERTY				50,290,754			54,804,783	52,140,965	51,039,201

Line No.	Description	Reference	Beginning of Period Capital Amounts	End of Period Amounts		Annual Interest or Dividend	Weighted Cost of Capital	
				Capital Amounts	Ratios			Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			\$	\$	%	%	\$	%
1	Long-Term Debt	Line 27	425,281,000	588,875,000	43.5904%	7.3006%		3.1824%
2								
3	Preferred Stock Equity & Securities	Line 35	36,250,000	91,250,000	6.7546%	7.4437%		0.5028%
4								
5	Common Stock Equity		366,318,000	670,803,000	49.6550%	11.2500%		5.5862%
6								
7	Total Capitalization		<u>827,849,000</u>	<u>1,350,928,000</u>	<u>100.0000%</u>			<u>9.2714%</u>
8								
9								
10	Long-Term Debt Detail							
11	First Mortgage Bonds							
12	7.000% Series			55,000,000		7.0000%	3,850,000	
13	6.990% Series			15,000,000		6.9900%	1,048,500	
14	6.950% Series			105,000,000		6.9500%	7,297,500	
15	7.100% Series			60,000,000		7.1000%	4,260,000	
16	Pollution Control Obligations							
17	5.900% Series			6,400,000		5.9000%	377,600	
18	5.900% Series			4,000,000		5.9000%	236,000	
19	5.850% Series			7,550,000		5.8500%	441,675	
20	5.900% Series			3,400,000		5.9000%	200,600	
21	Senior Secured Debt							
22	7.530% Series			220,000,000		7.5300%	16,566,000	
23	7.330% Series			85,000,000		7.3300%	6,230,500	
24	Other Long-Term Debt							
25	Miscellaneous Seller Notes			27,525,000		8.1500%	2,243,288	
26	Amort. of Debt Disc. and Expense	Acct. 428					239,513	
27								
28	Total Long-Term Debt			<u>588,875,000</u>		7.3006%	<u>42,991,176</u>	
29								
30	Preferred Stock and Securities Detail							
31	4.500% Series			2,600,000		4.5000%	117,000	
32	8.125% Series			32,500,000		8.1250%	2,640,625	
33	7.200% Series			55,000,000		7.2000%	3,960,000	
34	6.500% Series			1,150,000		6.5000%	74,750	
35								
36	Total Preferred Stock and Securities			<u>91,250,000</u>		7.4437%	<u>6,792,375</u>	

Exhibit (TPH-1)
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Line No.	Description / Month / Year (a)	Total Company (b) \$	Base Period			Test Period			Test Period Adjustment (i) \$
			Gas Factor (c)	S. Dakota Factor (d)	Allocated to South Dakota (e) \$	Gas Factor (f)	S. Dakota Factor (g)	Allocated to South Dakota (h) \$	
1	PLANT IN SERVICE - COMMON		Schedule No. 11			Schedule No. 10			
2									
3	Balance - December 31, 1997	43,264,358	0.3600 E	0.5900 E	9,189,350	0.3400 E	0.5500 E	8,090,435	(1,098,915)
4	Balance - January 31, 1998	43,207,804	0.3600 E	0.5900 E	9,177,338	0.3400 E	0.5500 E	8,079,859	(1,097,479)
5	Balance - February 28, 1998	43,018,857	0.3600 E	0.5900 E	9,137,205	0.3400 E	0.5500 E	8,044,526	(1,092,679)
6	Balance - March 31, 1998	43,037,004	0.3600 E	0.5900 E	9,141,060	0.3400 E	0.5500 E	8,047,920	(1,093,140)
7	Balance - April 30, 1998	42,210,177	0.3600 E	0.5900 E	8,965,442	0.3400 E	0.5500 E	7,893,303	(1,072,139)
8	Balance - May 31, 1998	42,738,672	0.3600 E	0.5900 E	9,077,694	0.3400 E	0.5500 E	7,992,132	(1,085,562)
9	Balance - June 30, 1998	42,744,887	0.3600 E	0.5900 E	9,079,014	0.3400 E	0.5500 E	7,993,294	(1,085,720)
10	Balance - July 31, 1998	42,738,672	0.3600 E	0.5900 E	9,077,694	0.3400 E	0.5500 E	7,992,132	(1,085,562)
11	Balance - August 31, 1998	42,302,664	0.3600 E	0.5900 E	8,985,086	0.3400 E	0.5500 E	7,910,598	(1,074,488)
12	Balance - September 30, 1998	42,304,102	0.3600 E	0.5900 E	8,985,391	0.3400 E	0.5500 E	7,910,867	(1,074,524)
13	Balance - October 31, 1998	42,293,891	0.3600 E	0.5900 E	8,983,222	0.3400 E	0.5500 E	7,908,958	(1,074,264)
14	Balance - November 30, 1998	42,294,666	0.3600 E	0.5900 E	8,983,387	0.3400 E	0.5500 E	7,909,103	(1,074,284)
15	Balance - December 31, 1998	40,487,426	0.3600 E	0.5900 E	8,599,529	0.3400 E	0.5500 E	7,571,149	(1,028,380)
16									
17	Thirteen Month Total	<u>552,643,180</u>			<u>117,381,412</u>			<u>103,344,276</u>	<u>(14,037,136)</u>
18									
19	Thirteen Month Average	<u>42,511,014</u>			<u>9,029,339</u>			<u>7,949,560</u>	<u>(1,079,779)</u>
20									
21	ACCUM. DEPRECIATION - COMMON								
22									
23	Balance - December 31, 1997	5,782,135	0.3600 E	0.5900 E	1,228,125	0.3400 E	0.5500 E	1,081,259	(146,866)
24	Balance - January 31, 1998	5,920,826	0.3600 E	0.5900 E	1,257,583	0.3400 E	0.5500 E	1,107,194	(150,389)
25	Balance - February 28, 1998	5,987,780	0.3600 E	0.5900 E	1,271,804	0.3400 E	0.5500 E	1,119,715	(152,089)
26	Balance - March 31, 1998	6,046,126	0.3600 E	0.5900 E	1,284,197	0.3400 E	0.5500 E	1,130,626	(153,571)
27	Balance - April 30, 1998	5,320,428	0.3600 E	0.5900 E	1,130,059	0.3400 E	0.5500 E	994,920	(135,139)
28	Balance - May 31, 1998	5,411,146	0.3600 E	0.5900 E	1,149,327	0.3400 E	0.5500 E	1,011,884	(137,443)
29	Balance - June 30, 1998	5,545,687	0.3600 E	0.5900 E	1,177,904	0.3400 E	0.5500 E	1,037,043	(140,861)
30	Balance - July 31, 1998	5,686,717	0.3600 E	0.5900 E	1,207,859	0.3400 E	0.5500 E	1,063,416	(144,443)
31	Balance - August 31, 1998	5,383,556	0.3600 E	0.5900 E	1,143,467	0.3400 E	0.5500 E	1,006,725	(136,742)
32	Balance - September 30, 1998	5,499,198	0.3600 E	0.5900 E	1,168,030	0.3400 E	0.5500 E	1,028,350	(139,680)
33	Balance - October 31, 1998	5,629,875	0.3600 E	0.5900 E	1,195,785	0.3400 E	0.5500 E	1,052,787	(142,998)
34	Balance - November 30, 1998	7,007,704	0.3600 E	0.5900 E	1,488,436	0.3400 E	0.5500 E	1,310,441	(177,995)
35	Balance - December 31, 1998	<u>5,266,036</u>	0.3600 E	0.5900 E	<u>1,118,506</u>	0.3400 E	0.5500 E	<u>984,749</u>	<u>(133,757)</u>
36									
37	Thirteen Month Total	<u>74,487,214</u>			<u>15,821,062</u>			<u>13,929,109</u>	<u>(1,891,973)</u>
38									
39	Thirteen Month Average	<u>5,729,786</u>			<u>1,217,066</u>			<u>1,071,470</u>	<u>(145,536)</u>

Line No.	Description / Month / Year (a)	Total Company (b) \$	Base Period		Test Period			Test Period Adjustment (i) \$
			Gas Factor (c)	S. Dakota Factor (d)	Allocated to South Dakota (e) \$	Gas Factor (f)	S. Dakota Factor (g)	
1	CONSTRUCTION IN SERVICE BUT							
2	NOT TRANSFERRED - SD GAS							
3	Balance - December 31, 1997	1,237,701	1.0000	1.0000	1,237,701	1.0000	1,237,701	0
4	Balance - January 31, 1998	1,533,708	1.0000	1.0000	1,533,708	1.0000	1,533,708	0
5	Balance - February 28, 1998	1,639,016	1.0000	1.0000	1,639,016	1.0000	1,639,016	0
6	Balance - March 31, 1998	1,759,976	1.0000	1.0000	1,759,976	1.0000	1,759,976	0
7	Balance - April 30, 1998	829,268	1.0000	1.0000	829,268	1.0000	829,268	0
8	Balance - May 31, 1998	359,789	1.0000	1.0000	359,789	1.0000	359,789	0
9	Balance - June 30, 1998	1,168,732	1.0000	1.0000	1,168,732	1.0000	1,168,732	0
10	Balance - July 31, 1998	1,411,956	1.0000	1.0000	1,411,956	1.0000	1,411,956	0
11	Balance - August 31, 1998	1,521,900	1.0000	1.0000	1,521,900	1.0000	1,521,900	0
12	Balance - September 30, 1998	1,773,570	1.0000	1.0000	1,773,570	1.0000	1,773,570	0
13	Balance - October 31, 1998	3,167,206	1.0000	1.0000	3,167,206	1.0000	3,167,206	0
14	Balance - November 30, 1998	3,765,183	1.0000	1.0000	3,765,183	1.0000	3,765,183	0
15	Balance - December 31, 1998	3,941,589	1.0000	1.0000	3,941,589	1.0000	3,941,589	0
16								
17	Thirteen Month Total	<u>24,109,594</u>			<u>24,109,594</u>		<u>24,109,594</u>	<u>0</u>
18								
19	Thirteen Month Average	<u>1,854,584</u>			<u>1,854,584</u>		<u>1,854,584</u>	<u>0</u>
20								
21	CONSTRUCTION IN SERVICE BUT							
22	NOT TRANSFERRED - COMMON							
23	Balance - December 31, 1997	382,952	0.3600 E	0.5900 E	81,339	0.3400 E	71,612	(9,727)
24	Balance - January 31, 1998	944,264	0.3600 E	0.5900 E	200,562	0.3400 E	176,577	(23,985)
25	Balance - February 28, 1998	1,045,058	0.3600 E	0.5900 E	221,970	0.3400 E	195,426	(26,544)
26	Balance - March 31, 1998	954,834	0.3600 E	0.5900 E	202,807	0.3400 E	178,554	(24,253)
27	Balance - April 30, 1998	948,170	0.3600 E	0.5900 E	201,391	0.3400 E	177,308	(24,083)
28	Balance - May 31, 1998	270,229	0.3600 E	0.5900 E	57,397	0.3400 E	50,533	(6,864)
29	Balance - June 30, 1998	340,072	0.3600 E	0.5900 E	72,231	0.3400 E	63,593	(8,638)
30	Balance - July 31, 1998	422,429	0.3600 E	0.5900 E	89,724	0.3400 E	78,994	(10,730)
31	Balance - August 31, 1998	483,915	0.3600 E	0.5900 E	102,784	0.3400 E	90,492	(12,292)
32	Balance - September 30, 1998	667,915	0.3600 E	0.5900 E	141,865	0.3400 E	124,900	(16,965)
33	Balance - October 31, 1998	712,063	0.3600 E	0.5900 E	151,242	0.3400 E	133,156	(18,086)
34	Balance - November 30, 1998	1,475,835	0.3600 E	0.5900 E	313,467	0.3400 E	275,981	(37,486)
35	Balance - December 31, 1998	2,604,399	0.3600 E	0.5900 E	553,174	0.3400 E	487,023	(66,151)
36								
37	Thirteen Month Total	<u>11,252,135</u>			<u>2,389,953</u>		<u>2,104,149</u>	<u>(285,804)</u>
38								
39	Thirteen Month Average	<u>865,549</u>			<u>183,843</u>		<u>161,858</u>	<u>(21,985)</u>

Line No.	Description / Month / Year (a)	Total Company (b) \$	Base Period		Test Period			Test Period Adjustment (i) \$	
			Gas Factor (c)	S. Dakota Factor (d)	Gas Factor (f)	S. Dakota Factor (g)	Allocated to South Dakota (h) \$		
1	MATERIALS & SUPPLIES - SD GAS		Schedule No. 11		Schedule No. 10				
2									
3	Balance - December 31, 1997	548,566	1.0000	1.0000	548,566	1.0000	1.0000	548,566	0
4	Balance - January 31, 1998	706,859	1.0000	1.0000	706,859	1.0000	1.0000	706,859	0
5	Balance - February 28, 1998	755,996	1.0000	1.0000	755,996	1.0000	1.0000	755,996	0
6	Balance - March 31, 1998	763,761	1.0000	1.0000	763,761	1.0000	1.0000	763,761	0
7	Balance - April 30, 1998	755,494	1.0000	1.0000	755,494	1.0000	1.0000	755,494	0
8	Balance - May 31, 1998	797,930	1.0000	1.0000	797,930	1.0000	1.0000	797,930	0
9	Balance - June 30, 1998	821,743	1.0000	1.0000	821,743	1.0000	1.0000	821,743	0
10	Balance - July 31, 1998	750,862	1.0000	1.0000	750,862	1.0000	1.0000	750,862	0
11	Balance - August 31, 1998	873,989	1.0000	1.0000	873,989	1.0000	1.0000	873,989	0
12	Balance - September 30, 1998	859,197	1.0000	1.0000	859,197	1.0000	1.0000	859,197	0
13	Balance - October 31, 1998	855,667	1.0000	1.0000	855,667	1.0000	1.0000	855,667	0
14	Balance - November 30, 1998	862,097	1.0000	1.0000	862,097	1.0000	1.0000	862,097	0
15	Balance - December 31, 1998	981,479	1.0000	1.0000	981,479	1.0000	1.0000	981,479	0
16									
17	Thirteen Month Total	<u>10,333,640</u>			<u>10,333,640</u>			<u>10,333,640</u>	<u>0</u>
18									
19	Thirteen Month Average	<u>794,895</u>			<u>794,895</u>			<u>794,895</u>	<u>0</u>
20									
21	ACCUMULATED DEFERRED								
22	INCOME TAXES - GAS CREDIT								
23	Balance - December 31, 1997	839,947	1.0000	0.6386 F	536,390	1.0000	0.6420 F	539,246	2,856
24	Balance - January 31, 1998	837,917	1.0000	0.6386 F	535,094	1.0000	0.6420 F	537,943	2,849
25	Balance - February 28, 1998	835,887	1.0000	0.6386 F	533,797	1.0000	0.6420 F	536,639	2,842
26	Balance - March 31, 1998	833,857	1.0000	0.6386 F	532,501	1.0000	0.6420 F	535,336	2,835
27	Balance - April 30, 1998	831,827	1.0000	0.6386 F	531,205	1.0000	0.6420 F	534,033	2,828
28	Balance - May 31, 1998	829,797	1.0000	0.6386 F	529,908	1.0000	0.6420 F	532,730	2,822
29	Balance - June 30, 1998	827,767	1.0000	0.6386 F	528,612	1.0000	0.6420 F	531,426	2,814
30	Balance - July 31, 1998	825,737	1.0000	0.6386 F	527,316	1.0000	0.6420 F	530,123	2,807
31	Balance - August 31, 1998	823,707	1.0000	0.6386 F	526,019	1.0000	0.6420 F	528,820	2,801
32	Balance - September 30, 1998	821,677	1.0000	0.6386 F	524,723	1.0000	0.6420 F	527,517	2,794
33	Balance - October 31, 1998	819,647	1.0000	0.6386 F	523,427	1.0000	0.6420 F	526,213	2,786
34	Balance - November 30, 1998	817,617	1.0000	0.6386 F	522,130	1.0000	0.6420 F	524,910	2,760
35	Balance - December 31, 1998	<u>2,652,108</u>	1.0000	0.6386 F	<u>1,693,636</u>	1.0000	0.6420 F	<u>1,702,653</u>	<u>9,017</u>
36									
37	Thirteen Month Total	<u>12,597,492</u>			<u>8,044,758</u>			<u>8,067,589</u>	<u>42,831</u>
38									
39	Thirteen Month Average	<u>969,038</u>			<u>618,828</u>			<u>622,122</u>	<u>3,294</u>

Line No.	Description / Month / Year (a)	Total Company (b) \$	Base Period			Test Period			Test Period Adjustment (i) \$
			Gas Factor (c)	S. Dakota Factor (d)	Allocated to South Dakota (e) \$	Gas Factor (f)	S. Dakota Factor (g)	Allocated to South Dakota (h) \$	
1	ACCUMULATED INVESTMENT		Schedule No. 11			Schedule No. 10			
2	TAX CREDIT - GAS								
3	Balance - December 31, 1997	2,659	1.0000	0.6386 F	1,698	1.0000	0.6420 F	1,707	9
4	Balance - January 31, 1998	2,281	1.0000	0.6386 F	1,457	1.0000	0.6420 F	1,464	7
5	Balance - February 28, 1998	1,903	1.0000	0.6386 F	1,215	1.0000	0.6420 F	1,222	7
6	Balance - March 31, 1998	1,525	1.0000	0.6386 F	974	1.0000	0.6420 F	979	5
7	Balance - April 30, 1998	1,147	1.0000	0.6386 F	732	1.0000	0.6420 F	736	4
8	Balance - May 31, 1998	769	1.0000	0.6386 F	491	1.0000	0.6420 F	494	3
9	Balance - June 30, 1998	391	1.0000	0.6386 F	250	1.0000	0.6420 F	251	1
10	Balance - July 31, 1998	13	1.0000	0.6386 F	8	1.0000	0.6420 F	8	0
11	Balance - August 31, 1998	0	1.0000	0.6386 F	0	1.0000	0.6420 F	0	0
12	Balance - September 30, 1998	0	1.0000	0.6386 F	0	1.0000	0.6420 F	0	0
13	Balance - October 31, 1998	0	1.0000	0.6386 F	0	1.0000	0.6420 F	0	0
14	Balance - November 30, 1998	0	1.0000	0.6386 F	0	1.0000	0.6420 F	0	0
15	Balance - December 31, 1998	0	1.0000	0.6386 F	0	1.0000	0.6420 F	0	0
16									
17	Thirteen Month Total	<u>10,688</u>			<u>6,875</u>			<u>6,861</u>	<u>38</u>
18									
19	Thirteen Month Average	<u>822</u>			<u>525</u>			<u>528</u>	<u>3</u>
20									
21	PROPANE INVENTORY - SD GAS								
22									
23	Balance - December 31, 1997	224,775	1.0000	1.0000	224,775	1.0000	1.0000	224,775	0
24	Balance - January 31, 1998	224,267	1.0000	1.0000	224,267	1.0000	1.0000	224,267	0
25	Balance - February 28, 1998	223,675	1.0000	1.0000	223,675	1.0000	1.0000	223,675	0
26	Balance - March 31, 1998	223,400	1.0000	1.0000	223,400	1.0000	1.0000	223,400	0
27	Balance - April 30, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
28	Balance - May 31, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
29	Balance - June 30, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
30	Balance - July 31, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
31	Balance - August 31, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
32	Balance - September 30, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
33	Balance - October 31, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
34	Balance - November 30, 1998	222,461	1.0000	1.0000	222,461	1.0000	1.0000	222,461	0
35	Balance - December 31, 1998	<u>221,987</u>	1.0000	1.0000	<u>221,987</u>	1.0000	1.0000	<u>221,987</u>	0
36									
37	Thirteen Month Total	<u>2,897,792</u>			<u>2,897,792</u>			<u>2,897,792</u>	0
38									
39	Thirteen Month Average	<u>222,907</u>			<u>222,907</u>			<u>222,907</u>	0

Line No.	Description / Month / Year (a)	Total Company (b) \$	Base Period		Test Period			Test Period Adjustment (i) \$
			Gas Factor (c)	S. Dakota Factor (d)	Gas Factor (f)	S. Dakota Factor (g)	Allocated to South Dakota (h) \$	
1	NATURAL GAS STORAGE - SD GAS		Schedule No. 11		Schedule No. 10			
2								
3	Balance - December 31, 1997	1,127,205	1.0000	1.0000	1,127,205	1.0000	1,127,205	0
4	Balance - January 31, 1998	803,607	1.0000	1.0000	803,607	1.0000	803,607	0
5	Balance - February 28, 1998	501,523	1.0000	1.0000	501,523	1.0000	501,523	0
6	Balance - March 31, 1998	261,058	1.0000	1.0000	261,058	1.0000	261,058	0
7	Balance - April 30, 1998	93,962	1.0000	1.0000	93,962	1.0000	93,962	0
8	Balance - May 31, 1998	0	1.0000	1.0000	0	1.0000	0	0
9	Balance - June 30, 1998	278,022	1.0000	1.0000	278,022	1.0000	278,022	0
10	Balance - July 31, 1998	592,938	1.0000	1.0000	592,938	1.0000	592,938	0
11	Balance - August 31, 1998	788,262	1.0000	1.0000	788,262	1.0000	788,262	0
12	Balance - September 30, 1998	1,015,976	1.0000	1.0000	1,015,976	1.0000	1,015,976	0
13	Balance - October 31, 1998	1,252,202	1.0000	1.0000	1,252,202	1.0000	1,252,202	0
14	Balance - November 30, 1998	1,231,570	1.0000	1.0000	1,231,570	1.0000	1,231,570	0
15	Balance - December 31, 1998	1,184,485	1.0000	1.0000	1,184,485	1.0000	1,184,485	0
16								
17	Thirteen Month Total	<u>9,130,810</u>			<u>9,130,810</u>		<u>9,130,810</u>	<u>0</u>
18								
19	Thirteen Month Average	<u>702,370</u>			<u>702,370</u>		<u>702,370</u>	<u>0</u>

NorthWestern Public Service
Accumulated Depreciation and Amortization
Direct South Dakota Gas Plant
December 31, 1998 Test Year

Line No.	Month / Year (a)	Production (b) \$	Distribution (c) \$	General (d) \$	Undistributed (e) \$	Amortization (f) \$	Total (g) \$
1	Balance - December 31, 1997	534,855	12,753,184	429,023	(72,171)	147	13,645,038
2	Balance - January 31, 1998	538,182	12,847,230	418,783	(14,724)	171	13,789,642
3	Balance - February 28, 1998	541,509	12,950,254	386,564	248	195	13,878,770
4	Balance - March 31, 1998	544,836	13,048,776	429,770	(43,962)	220	13,977,640
5	Balance - April 30, 1998	548,163	13,144,155	426,666	(89,800)	244	14,029,428
6	Balance - May 31, 1998	551,490	13,241,585	435,475	(103,284)	269	14,125,555
7	Balance - June 30, 1998	554,817	13,338,964	445,304	(42,385)	293	14,297,013
8	Balance - July 31, 1998	558,144	13,439,012	443,284	(114,024)	317	14,326,733
9	Balance - August 31, 1998	561,471	13,438,893	432,457	(81,103)	342	14,352,060
10	Balance - September 30, 1998	564,798	13,538,530	453,821	(76,853)	366	14,480,662
11	Balance - October 31, 1998	568,125	13,572,852	473,414	(84,147)	427	14,530,671
12	Balance - November 30, 1998	571,452	13,672,317	483,349	(86,695)	488	14,640,911
13	Balance - December 31, 1998	574,779	13,769,049	481,095	(92,977)	549	14,732,495
14							
15	Thirteen Month Total	7,212,621	172,752,801	5,739,005	(901,837)	4,028	184,806,618
16							
17	Thirteen Month Average	554,817	13,288,677	441,462	(69,372)	310	14,215,894

NorthWestern Public Service
 Basis for Allocation of Undistributed Expense
 Twelve Months Ending December 31, 1998 - Test Period Details
 Factors Based on Actual 1998 Data

Line No.	Basis of Factor (a)	Factor No. (b)	Electric (c)	Gas (d)	Total (e)	Gas Only		Total (h)
						Nebraska (f)	S. Dakota (g)	
1	Customers	A						
2	Value		55,886	78,912	134,798	39,836	39,076	78,912
3	Percentage of Total		41.46%	58.54%	100.00%	50.48%	49.52%	100.00%
4								
5	Gross Revenues	B						
6	Value		\$73,604,616	\$59,516,356	\$133,120,972	\$29,841,073	\$29,675,283	\$59,516,356
7	Percentage of Total		55.29%	44.71%	100.00%	50.14%	49.86%	100.00%
8								
9	Direct Expenses, Less Fuel and Gas	C						
10	Value		\$10,735,874	\$5,314,189	\$16,050,063	\$2,465,061	\$2,849,128	\$5,314,189
11	Percentage of Total		66.89%	33.11%	100.00%	46.39%	53.61%	100.00%
12								
13	Direct Payroll Charged to Construction, Operations and Maintenance	D						
14	Value		\$4,615,354	\$3,064,362	\$7,679,716	\$1,470,239	\$1,594,123	\$3,064,362
15	Percentage of Total		60.10%	39.90%	100.00%	47.98%	52.02%	100.00%
16								
17								
18	Composite of 4 Factors (B, C, D & F)	E						
19	Value		263.12%	136.88%	400.00%	180.31%	219.69%	400.00%
20	Percentage of Total		66.00%	34.00%	100.00%	45.00%	55.00%	100.00%
21								
22	Net Plant in Service	F						
23	Value		\$177,325,974	\$42,020,395	\$219,346,369	\$15,042,398	\$26,977,997	\$42,020,395
24	Percentage of Total		80.84%	19.16%	100.00%	35.80%	64.20%	100.00%
25								
26	Net Revenue	G						
27	Value		\$63,011,213	\$18,367,660	\$81,378,873			
28	Percentage of Total		77.43%	22.57%	100.00%			
29								
30	Payroll Charged to Construction	H						
31	Value		\$1,634,485	\$1,110,058	\$2,744,543			
32	Percentage of Total		59.55%	40.45%	100.00%			
33								
34	O&M Expenses, Less Gas & Prod.	I						
35	Value					\$5,066,029	\$6,292,496	\$11,358,515
36	Percentage of Total					44.60%	55.40%	100.00%

NorthWestern Public Service
 Basis for Allocation of Undistributed Expense
 Twelve Months Ending December 31, 1998 - Base Period Details
 Factors Based on Actual 1997 Data

Line No.	Basis of Factor (a)	Factor No. (b)	Electric (c)	Gas (d)	Total (e)	Gas Only		Total (h)
						Nebraska (f)	S. Dakota (g)	
1	Customers	A						
2	Value		55,800	78,531	134,331	39,702	38,829	78,531
3	Percentage of Total		41.54%	58.46%	100.00%	50.56%	49.44%	100.00%
4								
5	Gross Revenues	B						
6	Value		\$73,328,723	\$73,371,022	\$146,699,745	\$33,354,958	\$40,016,064	\$73,371,022
7	Percentage of Total		49.99%	50.01%	100.00%	45.46%	54.54%	100.00%
8								
9	Direct Expenses, Less Fuel and Gas	C						
10	Value		\$11,494,550	\$5,127,602	\$16,622,152	\$2,308,693	\$2,818,909	\$5,127,602
11	Percentage of Total		69.15%	30.85%	100.00%	45.02%	54.98%	100.00%
12								
13	Direct Payroll Charged to Construction, Operations and Maintenance	D						
15	Value		\$4,468,702	\$3,381,855	\$7,850,557	\$1,235,461	\$2,146,394	\$3,381,855
16	Percentage of Total		56.92%	43.08%	100.00%	36.53%	63.47%	100.00%
17								
18	Composite of 4 Factors (B, C, D & F)	E						
19	Value		257.00%	143.00%	400.00%	163.15%	236.85%	400.00%
20	Percentage of Total		64.00%	36.00%	100.00%	41.00%	59.00%	100.00%
21								
22	Net Plant in Service	F						
23	Value		\$178,303,991	\$41,995,461	\$220,299,452	\$15,177,160	\$26,818,301	\$41,995,461
24	Percentage of Total		80.94%	19.06%	100.00%	36.14%	63.86%	100.00%
25								
26	Net Revenue	G						
27	Value		\$62,165,841	\$20,883,283	\$83,049,124			
28	Percentage of Total		74.85%	25.15%	100.00%			
29								
30	Payroll Charged to Construction	H						
31	Value		\$1,594,197	\$1,105,273	\$2,099,470			
32	Percentage of Total		59.06%	40.94%	100.00%			
33								
34	O&M Expenses, Less Gas & Prod.	I						
35	Value					\$5,229,985	\$6,691,370	\$11,921,355
36	Percentage of Total					43.87%	58.13%	100.00%

NorthWestern Public Service
 Class Cost of Service Study
 Income Statement-Proposed Rates
 South Dakota Gas
 Test Year Ended December 31, 1988

Line No.	Description (a)	Reference (b)	Total Service Area (c)	Residential (d)	Small Commercial (e)	Large Commercial (f)
1	Revenues:					
2	Gas sales and transportation revenues (non-gas cost)					
3	Class cost of service required level	Pg. 2, Ln. 2	13,917,374	8,856,610	2,686,001	2,374,763
4	Shared differential between class and total % change	0% Calculated	0	0	0	0
5	Total		13,917,374	8,856,610	2,686,001	2,374,763
6	Other revenues	Pg. 9, Ln. 29	363,297	135,570	64,656	163,071
7						
8	Total Revenues		14,280,671	8,992,180	2,750,657	2,537,834
9						
10	Expenses:					
11	Operations & maintenance expenses	Pg. 34, Ln. 47	5,686,153	3,816,344	924,929	944,880
12	Depreciation & amortization expense	Pg. 35, Ln. 29	1,616,790	975,073	342,594	299,123
13	Taxes other than income taxes	Pg. 36, Ln. 29	977,019	589,232	207,029	180,758
14	MGP removal cost	Pg. 36, Ln. 38	1,310,392	790,288	277,669	242,435
15	Rate case expense	Pg. 33, Ln. 38	50,000	32,568	8,541	8,891
16						
17	Total Expenses		9,640,354	6,203,505	1,760,762	1,676,087
18						
19	Operating Income Before Income Taxes		4,640,317	2,788,675	989,895	861,747
20						
21	Federal and State Income Taxes		1,212,276	728,537	258,809	225,130
22						
23	Net Operating Income		3,428,041	2,060,138	731,286	636,617
24						
25						
26	Rate Base	Pg. 15, Ln. 40	36,974,359	22,220,348	7,887,548	6,866,463
27						
28						
29	Return on Rate Base		9.27%	9.27%	9.27%	9.27%
30						
31						
32	Return on Equity		11.25%	11.25%	11.25%	11.25%
33						
34	Federal and State Effective Tax Rate	35.00%				
35						
36	Capital Ratios					
37	Long-term debt	43.5904%				
38	Preferred stock & securities	6.7546%				
39	Common stock equity	49.6550%				
40						
41	Weighted Cost of Capital					
42	Long-term debt	3.1824%				
43	Preferred stock & securities	0.5028%				
44	Common stock equity	5.5862%				

NorthWestern Public Service
 Class Cost of Service Study
 Income Statement-Required Rates
 South Dakota Gas
 Test Year Ended December 31, 1998

Line No.	Description (a)	Reference (b)	Total Service Area (c)	Residential (d)	Small Commercial (e)	Large Commercial (f)
1	Revenues:					
2	Gas sales and transportation revenues (non-gas cost)	Calculated	13,917,374	8,858,610	2,686,001	2,374,763
3	Other revenues	Pg. 9, Ln. 29	383,297	135,570	64,656	163,071
4						
5	Total Revenues		14,280,671	8,992,180	2,750,657	2,537,834
6						
7	Expenses:					
8	Operations & maintenance expenses	Pg. 34, Ln. 47	5,686,153	3,616,344	924,929	944,880
9	Depreciation & amortization expense	Pg. 35, Ln. 29	1,616,790	975,073	342,594	299,123
10	Taxes other than income taxes	Pg. 36, Ln. 29	977,019	589,232	207,029	180,758
11	MGP removal cost	Pg. 36, Ln. 38	1,310,392	790,288	277,669	242,435
12	Rate case expense	Pg. 33, Ln. 38	50,000	32,568	8,541	8,891
13						
14	Total Expenses		9,640,354	6,203,505	1,760,762	1,676,087
15						
16	Operating Income Before Income Taxes		4,640,317	2,788,675	989,895	861,747
17						
18	Federal and State Income Taxes		1,212,278	728,537	258,809	225,130
19						
20	Net Operating Income		3,428,041	2,060,138	731,286	636,617
21						
22						
23	Rate Base	Pg. 15, Ln. 40	36,974,359	22,220,348	7,887,548	6,866,463
24						
25						
26	Return on Rate Base		9.27%	9.27%	9.27%	9.27%
27						
28						
29	Return on Equity		11.25%	11.25%	11.25%	11.25%
30						
31	Federal and State Effective Tax Rate	35.00%				
32						
33	Capital Ratios					
34	Long-term debt	43.5904%				
35	Preferred stock & securities	6.7546%				
36	Common stock equity	49.6550%				
37						
38	Weighted Cost of Capital					
39	Long-term debt	3.1824%				
40	Preferred stock & securities	0.5028%				
41	Common stock equity	5.5862%				

Line No.	Description (a)	Reference (b)	Total Service Area (c)	Residential (d)	Small Commercial (e)	Large Commercial (f)
1	Revenues:					
2	Gas sales and transportation revenues (non-gas cost)	Pg. 10, Ln. 16	11,811,783	7,570,923	2,191,588	2,049,272
3	Other revenues	Pg. 10, Ln. 29	363,297	135,570	64,656	163,071
4						
5	Total Revenues		<u>12,175,080</u>	<u>7,706,493</u>	<u>2,256,244</u>	<u>2,212,343</u>
6						
7	Expenses					
8	Operations & maintenance expenses	Pg. 34, Ln. 47	5,686,153	3,816,344	924,929	944,880
9	Depreciation & amortization expense	Pg. 35, Ln. 29	1,616,790	975,073	342,594	299,123
10	Taxes other than income taxes	Pg. 36, Ln. 29	977,019	589,232	207,029	180,758
11	MGP removal cost	Pg. 36, Ln. 38	1,318,450	795,148	279,376	243,926
12	Rate case expense	Pg. 33, Ln. 38	50,000	32,588	8,541	8,891
13						
14	Total Expenses		<u>9,648,412</u>	<u>6,208,365</u>	<u>1,762,469</u>	<u>1,677,578</u>
15						
16	Operating Income Before Income Taxes		2,526,669	1,498,128	493,775	534,765
17						
18	Federal and State Income Taxes		472,499	276,846	84,967	110,686
19						
20	Net Operating Income		<u>2,054,169</u>	<u>1,221,282</u>	<u>408,808</u>	<u>424,079</u>
21						
22						
23	Rate Base	Pg. 15, Ln. 40	<u>36,974,359</u>	<u>22,220,348</u>	<u>7,887,548</u>	<u>6,866,463</u>
24						
25						
26	Return on Rate Base		<u>5.56%</u>	<u>5.50%</u>	<u>5.18%</u>	<u>6.18%</u>
27						
28						
29	Return on Equity		<u>3.77%</u>	<u>3.65%</u>	<u>3.02%</u>	<u>5.02%</u>
30						
31	Federal and State Effective Tax Rate	35.00%				
32						
33	Capital Ratios					
34	Long-term debt	43.5904%				
35	Preferred stock & securities	6.7546%				
36	Common stock equity	49.6550%				
37						
38	Weighted Cost of Capital					
39	Long-term debt	3.1824%				
40	Preferred stock & securities	0.5028%				
41	Common stock equity	1.8705%				

Line No.	Description (a)	Reference (b)	Total Service Area (c)	Residential (d)	Small Commercial (e)	Large Commercial (f)
1	Customer Rate Base					
2						
3	Gas plant in service	Pg. 16, Ln. 5	20,442,359	15,591,962	2,740,466	2,109,931
4	Accumulated reserve for depreciation	Pg. 16, Ln. 6	(6,122,936)	(4,870,135)	(820,830)	(631,971)
5	Working capital	Pg. 16, Ln. 7	394,543	302,364	52,785	39,394
6	Accumulated deferred income taxes	Pg. 16, Ln. 8	(249,385)	(190,215)	(33,432)	(25,740)
7						
8						
9	Total Customer Rate Base	Pg. 16, Ln. 10	14,464,581	11,033,978	1,938,989	1,491,614
10						
11	Rate of Return on Rate Base	Sch. 9.2, Ln. 7	9.27%	9.27%	9.27%	9.27%
12						
13	Return on Rate Base		1,341,069	1,023,004	179,771	138,294
14						
15	Federal and State Income Taxes	Sch. 7, Ln. 22	474,249	361,770	63,573	48,900
16						
17	Rate Case Expense	Pg. 33, Ln. 34	30,468	23,813	4,041	2,614
18						
19	Distribution Oper. & Maint. Expenses	Pg. 26, Ln. 13	602,100	393,533	87,598	120,975
20						
21	Customer Accounts Expenses	Pg. 28, Ln. 13	951,167	808,880	118,539	25,748
22						
23	Customer Service & Information Expenses	Pg. 30, Ln. 6	813,418	690,023	101,374	22,021
24						
25	Administrative & General Expenses	Pg. 34, Ln. 35	1,370,805	1,071,398	181,833	117,586
26						
27	Depreciation Expense	Pg. 35, Ln. 25	847,560	493,911	86,811	66,838
28						
29	Taxes Other Than Income Taxes	Pg. 36, Ln. 25	391,319	298,469	52,460	40,390
30						
31	MGP Removal Cost	Pg. 38, Ln. 34	524,842	400,312	70,359	54,171
32						
33						
34	Customer Charge Revenue Requirement		7,147,003	5,563,101	946,359	637,543
35						
36	Number of Annual Bills	Pg. 7, Ln. 1	464,000	400,847	59,889	4,264
37		times 12				
38						
39	Monthly Customer Charge Requirement		15.40	13.88	16.07	149.52

Line No.	Description (a)	Classification Ratio Number (b)	Total (c)	Customer (d)	Demand (e)	Commodity (f)
1	CUSTOMER CLASSIFIER	Ratio C-1				
2	Ratio C-1		1.00000000	1.00000000	0.00000000	0.00000000
3						
4	DEMAND CLASSIFIER	Ratio C-2				
5	Ratio C-2		1.00000000	0.00000000	1.00000000	0.00000000
6						
7	COMMODITY CLASSIFIER	Ratio C-3				
8	Ratio C-3		1.00000000	0.00000000	0.00000000	1.00000000
9						
10	DISTRIBUTION MAINS CLASSIFIER	Ratio C-4				
11	Ratio C-4		1.00000000	0.00000000	0.95000000	0.05000000
12						
13	COMPOSITE MAINS/SERVICES CLASSIFIER	Ratio C-5				
14	Account 376 C-4		19,417,937	0	18,447,040	970,897
15	Account 380 C-1		8,525,293	8,525,293	0	0
16						
17	Totals		27,943,230	8,525,293	18,447,040	970,897
18						
19	Ratio C-5		1.00000000	0.30509333	0.66016133	0.03474534
20						
21	PAYROLL CLASSIFIER	Ratio C-6				
22	Total Payroll Costs other than A & G					
23	Customer		1,385,758	1,385,758	0	0
24	Demand		175,725	0	175,725	0
25	Commodity		448,416	0	0	448,416
26						
27	Totals		2,007,897	1,385,758	175,725	448,416
28						
29	Ratio C-6		1.00000000	0.69015293	0.08751694	0.22233013
30						
31	DISTRIBUTION PLANT CLASSIFIER	Ratio C-7				
32	Total Distribution Plant in Service					
33	Customer		15,208,117	15,208,117	0	0
34	Demand		20,267,022	0	20,267,022	0
35	Commodity		2,492,541	0	0	2,492,541
36						
37	Totals		37,965,680	15,208,117	20,267,022	2,492,541
38						
39	Ratio C-7		1.00000000	0.40052271	0.53382481	0.06565248

Line No.	Description (a)	Classification Ratio Number (b)	Total (c)	Customer (d)	Demand (e)	Commodity (f)
1	COMPOSITE LABOR/PLANT CLASSIFIER	Ratio C-8				
2	Labor Related Admin. & General Costs					
3	Customer		912,760	912,760	0	0
4	Demand		115,746	0	115,746	0
5	Commodity		294,042	0	0	294,042
6						
7	Totals		1,322,548	912,760	115,746	294,042
8						
9	Plant Related Admin. & General Costs					
10	Customer		204,934	204,934	0	0
11	Demand		273,139	0	273,139	0
12	Commodity		33,592	0	0	33,592
13						
14	Totals		511,665	204,934	273,139	33,592
15						
16	Total of Labor and Plant Related Costs		1,834,213	1,117,694	388,885	327,634
17						
18	Ratio C-8		1.00000000	0.60935889	0.21201736	0.17862375
19						
20	DISTRIBUTION OPERATIONS CLASSIFIER	Ratio C-9				
21	Total Distributions Operations Expense, Less S&E					
22	Customer		229,187	143,741	33,870	51,575
23	Demand		281,591	144,062	77,289	60,240
24	Commodity		456,639	170,401	81,270	204,968
25						
26	Totals		967,415	458,204	192,429	316,783
27						
28	Ratio C-9		1.00000000	0.47363753	0.19891009	0.32745308
29						
30	DISTRIBUTION MAINTENANCE CLASSIFIER	Ratio C-10				
31	Total Distributions Maintenance Expense, Less S&E					
32	Customer		125,551	90,767	17,508	17,276
33	Demand		31,534	16,133	8,655	6,746
34	Commodity		16,003	5,972	2,848	7,183
35						
36	Totals		173,088	112,872	29,011	31,205
37						
38	Ratio C-10		1.00000000	0.65210760	0.16760838	0.18028402

Line No.	Description (a)	Allocation Ratio Number (b)	Total (c)	Residential (d)	Small Commercial (e)	Large Commercial (f)
1	CUSTOMERS	Ratio A-1	38,667	33,404	4,907	355
2	Ratio A-1		1.00000000	0.86389439	0.12691595	0.00918966
3						
4	PEAK DAY MMBTU THROUGHPUT-FEB 1, 1998	Ratio A-2	70,958	36,302	19,476	15,180
5	Ratio A-2		1.00000000	0.51159841	0.27447222	0.21392937
6						
7	WEATHER NORMALIZED MMBTU THROUGHPUT	Ratio A-3	8,896,343	3,319,779	1,583,299	3,993,265
8	Ratio A-3		1.00000000	0.37316221	0.17797189	0.44886590
9						
10	METERS	Ratio A-4	49,648	33,404	7,361	8,883
11	Ratio A-4		1.00000000	0.67281608	0.14826403	0.17891989
12						
13	REGULATORS	Ratio A-5	46,450	33,404	7,361	5,685
14	Ratio A-5		1.00000000	0.71913835	0.15847176	0.12238989
15						
16	SERVICES	Ratio A-6	40,443	33,404	4,907	2,132
17	Ratio A-6		1.00000000	0.82595221	0.12133151	0.05271628
18						
19	CUSTOMER ACCOUNTS	Ratio A-7	39,377	33,404	4,907	1,066
20	Ratio A-7		1.00000000	0.84830317	0.12462542	0.02707141
21						
22	RESIDENTIAL REVENUE	Ratio A-8	1	1	0	0
23	Ratio A-8		1.00000000	1.00000000	0.00000000	0.00000000
24						
25	SMALL COMMERCIAL REVENUE	Ratio A-9	1	0	1	0
26	Ratio A-9		1.00000000	0.00000000	1.00000000	0.00000000
27						
28	LARGE COMMERCIAL & INDUSTRIAL REVENUE	Ratio A-10	1	0	0	1
29	Ratio A-10		1.00000000	0.00000000	0.00000000	1.00000000
30						
31	CUSTOMER DISTRIBUTION PLANT	Ratio A-11	15,206,117	11,598,133	2,038,505	1,569,479
32	Ratio A-11		1.00000000	0.76272812	0.13405822	0.10321366
33						
34	DEMAND DISTRIBUTION PLANT	Ratio A-12	20,267,022	10,368,575	5,562,735	4,335,712
35	Ratio A-12		1.00000000	0.51159835	0.27447224	0.21392941
36						
37	COMMODITY DISTRIBUTION PLANT	Ratio A-13	2,492,541	930,122	443,602	1,118,817
38	Ratio A-13		1.00000000	0.37316216	0.17797180	0.44886604

Line No.	Description (a)	Allocation Ratio Number (b)	Total (c)	Residential (d)	Small Commercial (e)	Large Commercial (f)
1	CUSTOMER COMPOSITE MAINS/SERVICES PLANT	Ratio A-14	8,525,293	7,041,484	1,034,387	449,422
2	Ratio A-14		1.00000000	0.82595214	0.12133155	0.05271631
3						
4	DEMAND COMPOSITE MAINS/SERVICES PLANT	Ratio A-15	18,447,040	9,437,476	5,063,200	3,946,364
5	Ratio A-15		1.00000000	0.51159839	0.27447222	0.21392939
6						
7	COMMODITY COMPOSITE MAINS/SERVICES PLANT	Ratio A-16	970,897	362,302	172,792	435,803
8	Ratio A-16		1.00000000	0.37316214	0.17797150	0.44886636
9						
10	CUSTOMER PAYROLL COSTS	Ratio A-17	1,385,756	1,088,933	183,378	113,445
11	Ratio A-17		1.00000000	0.78580428	0.13233066	0.08186506
12						
13	DEMAND PAYROLL COSTS	Ratio A-18	175,725	89,901	48,231	37,593
14	Ratio A-18		1.00000000	0.51160051	0.27446863	0.21393086
15						
16	COMMODITY PAYROLL COSTS	Ratio A-19	446,416	166,588	79,450	200,380
17	Ratio A-19		1.00000000	0.37316315	0.17797301	0.44886384
18						
19	CUSTOMER COMPOSITE LABOR/PLANT A & G	Ratio A-20	1,117,694	873,560	148,259	95,875
20	Ratio A-20		1.00000000	0.78157349	0.13264722	0.08577929
21						
22	DEMAND COMPOSITE LABOR/PLANT A & G	Ratio A-21	388,885	198,951	106,738	83,196
23	Ratio A-21		1.00000000	0.51159340	0.27447189	0.21393471
24						
25	COMMODITY COMPOSITE LABOR/PLANT A & G	Ratio A-22	327,634	122,258	58,311	147,065
26	Ratio A-22		1.00000000	0.37315419	0.17797603	0.44886978
27						
28	CUSTOMER COMPOSITE DISTRIBUTION OPER.	Ratio A-23	229,187	143,741	33,870	51,576
29	Ratio A-23		1.00000000	0.62718217	0.14778325	0.22503458
30						
31	DEMAND COMPOSITE DISTRIBUTION OPER.	Ratio A-24	281,591	144,062	77,289	60,240
32	Ratio A-24		1.00000000	0.51160016	0.27447255	0.21392729
33						
34	COMMODITY COMPOSITE DISTRIBUTION OPER.	Ratio A-25	456,639	170,401	81,270	204,968
35	Ratio A-25		1.00000000	0.37316348	0.17797429	0.44886223
36						
37	CUSTOMER COMPOSITE DISTRIBUTION MAINT.	Ratio A-26	125,551	90,767	17,508	17,276
38	Ratio A-26		1.00000000	0.72294924	0.13944931	0.13760145
39						
40	DEMAND COMPOSITE DISTRIBUTION MAINT.	Ratio A-27	31,534	16,133	8,655	6,746
41	Ratio A-27		1.00000000	0.51160652	0.27446568	0.21392762
42						
43	COMMODITY COMPOSITE DISTRIBUTION MAINT.	Ratio A-28	16,003	5,972	2,848	7,183
44	Ratio A-28		1.00000000	0.37318003	0.17796663	0.44885334

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	GAS SERVICE REVENUES (NON-GAS COST)	480-481						
2		489						
3	Normalized therms					33,197,790	15,832,990	39,932,650
4								
5	Times average rate per therm					0.1943	0.1436	0.0485
6								
7	Non-customer charge revenues				10,581,949	6,451,528	2,273,778	1,856,643
8								
9								
10	Annual bills					400,847	58,889	4,264
11								
12	Times average monthly customer charge					6.0000	7.0000	121.5103
13								
14	Customer charge revenues				3,335,425	2,405,082	412,223	518,120
15								
16	Total Gas Service Revenues				13,917,374	8,858,810	2,888,001	2,374,763
17								
18								
19	OTHER REVENUES							
20								
21	Late payment fees	487	C-3	A-3	90,758	33,868	18,152	40,738
22								
23	Miscellaneous service revenues	488	C-3	A-3	72,456	27,038	12,895	32,523
24								
25	Transportation revenues (contracts with deviation)	489	C-3	A-3	199,374	74,399	35,483	89,492
26								
27	Other gas revenues	495	C-3	A-3	709	265	126	318
28								
29	Total Other Revenues				383,297	135,570	64,656	183,071
30								
31								
32	TOTAL REVENUES				14,280,671	8,992,180	2,750,657	2,537,834

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	GAS SERVICE REVENUES (NON-GAS COST)	480-461						
2								
3	Normalized therms					33,197,790	15,832,990	39,932,650
4								
5	Times average rate per therm					0.1737	0.1217	0.0407
6								
7	Non-customer charge revenues				9,319,090	5,787,111	1,926,587	1,625,392
8								
9								
10	Annual bills					400,847	58,809	4,264
11								
12	Times average monthly customer charge					4.5000	4.5000	99.4090
13								
14	Customer charge revenues				2,492,693	1,803,812	265,001	423,880
15								
16	Total Gas Service Revenues				11,611,783	7,570,923	2,191,588	2,049,272
17								
18								
19	OTHER REVENUES							
20								
21	Late payment fees	487	C-3	A-3	90,758	33,868	16,152	40,738
22								
23	Miscellaneous service revenues	488	C-3	A-3	72,458	27,038	12,895	32,523
24								
25	Transportation revenues (contracts with deviation)	489	C-3	A-3	199,374	74,399	35,483	89,492
26								
27	Other gas revenues	495	C-3	A-3	709	265	126	318
28								
29	Total Other Revenues				363,297	135,570	64,656	163,071
30								
31								
32	TOTAL REVENUES				12,175,080	7,706,493	2,258,244	2,212,343

Line No.	Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Account No.	Classification Basis	Allocation Basis	Total Service Area	Residential	Commercial Small	Commercial Large	
1	GAS PLANT IN SERVICE								
2									
3	Distribution Plant								
4									
5	Land and land rights	374			0	0	0	0	0
6	Customer				0	0	0	0	0
7	Demand				0	0	0	0	0
8	Commodity				201,417	75,161	35,847	90,409	90,409
9	Totals				201,417	75,161	35,847	90,409	90,409
10									
11									
12	Structures and improvements	375			0	0	0	0	0
13	Customer				0	0	0	0	0
14	Demand				0	0	0	0	0
15	Commodity				62,095	23,172	11,051	27,872	27,872
16	Totals				62,095	23,172	11,051	27,872	27,872
17									
18									
19	Mains	376			0	0	0	0	0
20	Customer				0	0	0	0	0
21	Demand				18,447,040	9,437,476	5,063,200	3,946,364	435,803
22	Commodity				970,897	382,302	172,792	435,803	435,803
23	Totals				19,417,937	9,799,778	5,235,992	4,382,167	4,382,167
24									
25									
26	Compressor station equipment	377			0	0	0	0	0
27	Customer				0	0	0	0	0
28	Demand				0	0	0	0	0
29	Commodity				0	0	0	0	0
30	Totals				0	0	0	0	0
31									
32									
33	Measuring and reg. station equipment-gen.	378			0	0	0	0	0
34	Customer				0	0	0	0	0
35	Demand				0	0	0	0	0
36	Commodity				497,796	185,758	88,694	223,444	223,444
37	Totals				497,796	185,758	88,694	223,444	223,444
38									
39									
40	Measuring and reg. sta. equip.-c. gate	379			0	0	0	0	0
41	Customer				0	0	0	0	0
42	Demand				0	0	0	0	0
43	Commodity				760,336	283,729	135,318	341,289	341,289
44	Totals				760,336	283,729	135,318	341,289	341,289
45									

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	GAS PLANT IN SERVICE							
2								
3	Distribution Plant							
4								
5	Services	380						
6	Customer			A-6	8,525,293	7,041,484	1,034,387	449,422
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
9								
10	Totals		C-1		8,525,293	7,041,484	1,034,387	449,422
11								
12	Motors	381						
13	Customer			A-4	3,912,117	2,632,135	580,026	699,958
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
16								
17	Totals		C-1		3,912,117	2,632,135	580,026	699,958
18								
19	Meter installations	382						
20	Customer			A-4	1,437,108	966,910	213,071	257,127
21	Demand				0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-1		1,437,108	966,910	213,071	257,127
25								
26	Regulators	383						
27	Customer			A-5	807,728	580,867	128,002	98,857
28	Demand				0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-1		807,728	580,867	128,002	98,857
32								
33	Regulator installations	384						
34	Customer			A-5	523,873	376,737	83,019	64,117
35	Demand				0	0	0	0
36	Commodity				0	0	0	0
37								
38	Totals		C-1		523,873	376,737	83,019	64,117
39								
40	Production land and land rights	304						
41	Customer				0	0	0	0
42	Demand			A-2	49,650	25,400	13,628	10,622
43	Commodity				0	0	0	0
44								
45	Totals		C-2		49,650	25,400	13,628	10,622

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	GAS PLANT IN SERVICE							
2								
3	Distribution Plant							
4								
5	Production structures and improvements	305						
6	Customer				0	0	0	0
7	Demand			A-2	283,049	134,575	72,200	58,274
8	Commodity				0	0	0	0
9								
10	Totals		C-2		263,049	134,575	72,200	58,274
11								
12	Production LPG equipment and other equipment	311/320						
13	Customer				0	0	0	0
14	Demand			A-2	1,507,283	771,124	413,707	322,452
15	Commodity				0	0	0	0
16								
17	Totals		C-2		1,507,283	771,124	413,707	322,452
18								
19	Total Distribution Plant							
20	Customer				15,206,117	11,598,133	2,038,505	1,569,479
21	Demand				20,267,022	10,368,575	5,562,735	4,335,712
22	Commodity				2,492,541	930,122	443,602	1,118,817
23								
24	Totals				37,965,680	22,896,830	8,044,842	7,024,008
25								
26	General and Intangible Plant, Plus Constr. in Service	389-399						
27	Customer	301-303		A-11	5,238,242	3,893,829	701,981	540,452
28	Demand			A-12	6,978,970	3,570,429	1,915,534	1,493,007
29	Commodity			A-13	858,309	320,288	152,755	385,269
30								
31	Totals		C-7		13,073,521	7,884,546	2,770,250	2,418,725
32								
33	Total Gas Plant in Service							
34	Customer				20,442,359	15,591,982	2,740,466	2,109,931
35	Demand				27,245,992	13,939,004	7,478,269	5,828,719
36	Commodity				3,350,850	1,250,410	598,357	1,504,083
37								
38	Totals				51,039,201	30,781,376	10,815,092	9,442,733

Lino No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	ACCUMULATED RESERVE FOR DEPRECIATION							
2								
3	Direct South Dakota Gas Plant	304-387						
4	Customer			A-11	(5,693,788)	(4,342,812)	(763,299)	(587,677)
5	Demand			A-12	(7,588,797)	(3,862,416)	(2,082,914)	(1,623,467)
6	Commodity			A-13	(933,309)	(348,275)	(168,103)	(418,931)
7								
8	Totals		C-7		(14,215,894)	(8,573,503)	(3,012,316)	(2,630,075)
9								
10	Common Plant	389-399						
11	Customer	301-303		A-11	(429,148)	(327,323)	(57,531)	(44,294)
12	Demand			A-12	(571,977)	(292,622)	(156,932)	(122,363)
13	Commodity			A-13	(70,345)	(26,251)	(12,519)	(31,575)
14								
15	Totals		C-7		(1,071,470)	(646,196)	(227,042)	(198,232)
16								
17	Total Accumulated Reserve for Depreciation							
18	Customer				(6,122,936)	(4,670,135)	(820,830)	(631,971)
19	Demand				(8,160,774)	(4,175,038)	(2,239,906)	(1,745,830)
20	Commodity				(1,003,654)	(374,526)	(178,622)	(450,506)
21								
22	Totals				(15,287,364)	(9,219,699)	(3,239,358)	(2,828,307)
23								
24	WORKING CAPITAL							
25								
26	Materials and supplies	154						
27	Customer			A-11	318,373	242,832	42,681	32,860
28	Demand			A-12	424,335	217,089	116,468	90,778
29	Commodity			A-13	52,187	19,474	9,208	23,425
30								
31	Totals		C-7		794,895	479,395	168,437	147,063
32								
33	Storage gas and fuel	151						
34	Customer					0	0	0
35	Demand			A-2	925,277	473,370	253,963	197,944
36	Commodity				0	0	0	0
37								
38	Totals		C-2		925,277	473,370	253,963	197,944

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	WORKING CAPITAL							
2								
3	Total Working Capital				318,373	242,832	42,681	32,860
4	Customer				1,349,612	690,459	370,431	288,722
5	Demand				52,187	19,474	9,288	23,425
6	Commodity							
7								
8	Totals				1,720,172	952,765	422,400	345,007
9								
10	UNAMORTIZED RATE CASE EXPENSE							
11								
12	Unamortized Rate Case Expense							
13	Customer			A-20	76,170	59,532	10,104	6,534
14	Demand			A-21	28,502	13,558	7,274	5,670
15	Commodity			A-22	22,328	8,332	3,974	10,022
16								
17	Totals		C-8		125,000	81,422	21,352	22,226
18								
19	ACCUMULATED DEFERRED INCOME TAXES							
20								
21	Accumulated Deferred Income Taxes, ITC	253,282						
22	Customer	190		A-11	(249,385)	(190,213)	(33,432)	(25,740)
23	Demand			A-12	(332,386)	(170,048)	(91,231)	(71,107)
24	Commodity			A-13	(40,879)	(15,255)	(7,275)	(18,349)
25								
26	Totals		C-7		(622,650)	(375,516)	(131,938)	(115,196)
27								
28								
29	TOTAL RATE BASE							
30	Customer				14,464,581	11,033,978	1,938,989	1,491,614
31	Demand				20,128,946	10,297,935	5,524,837	4,306,174
32	Commodity				2,380,832	888,435	423,722	1,068,675
33								
34	Totals				36,974,359	22,220,348	7,887,548	6,866,463

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	RATE BASE SUMMARY							
2								
3	Customer Rate Base							
4								
5	Gas Plant in Service				20,442,350	15,591,902	2,740,468	2,109,931
6	Accumulated Reserve for Depreciation				(8,122,936)	(4,670,135)	(620,830)	(631,971)
7	Working Capital / Unamortized Rate Case Expense				394,543	302,364	52,785	39,394
8	Accumulated Deferred Income Taxes				(249,385)	(190,213)	(33,432)	(25,740)
9								
10	Total				<u>14,464,581</u>	<u>11,033,978</u>	<u>1,938,989</u>	<u>1,491,614</u>
11								
12								
13	Demand Rate Base							
14								
15	Gas Plant in Service				27,245,992	13,939,004	7,478,269	5,828,719
16	Accumulated Reserve for Depreciation				(8,180,774)	(4,175,038)	(2,239,906)	(1,745,830)
17	Working Capital / Unamortized Rate Case Expense				1,378,114	704,017	377,705	294,392
18	Accumulated Deferred Income Taxes				(332,388)	(170,048)	(91,231)	(71,107)
19								
20	Total				<u>20,128,946</u>	<u>10,297,935</u>	<u>5,524,837</u>	<u>4,308,174</u>
21								
22								
23	Commodity Rate Base							
24								
25	Gas Plant in Service				3,350,850	1,250,410	586,357	1,504,083
26	Accumulated Reserve for Depreciation				(1,003,654)	(374,526)	(178,622)	(450,508)
27	Working Capital / Unamortized Rate Case Expense				74,515	27,808	13,262	33,447
28	Accumulated Deferred Income Taxes				(40,879)	(15,255)	(7,275)	(18,349)
29								
30	Total				<u>2,380,832</u>	<u>888,435</u>	<u>423,722</u>	<u>1,068,675</u>
31								
32								
33	Total Rate Base							
34								
35	Gas Plant in Service				51,039,201	30,781,378	10,815,092	9,442,733
36	Accumulated Reserve for Depreciation				(15,287,364)	(9,219,899)	(3,239,358)	(2,828,307)
37	Working Capital / Unamortized Rate Case Expense				1,845,172	1,034,187	443,752	387,233
38	Accumulated Deferred Income Taxes				(822,850)	(375,518)	(131,938)	(115,198)
39								
40	Total				<u>36,974,359</u>	<u>22,220,348</u>	<u>7,897,548</u>	<u>6,886,463</u>

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Gas Production Operations							
4								
5	Supervision and engineering-labor	710			0	0	0	0
6	Customer			A-2	12,137	6,210	3,331	2,596
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
9								
10	Totals		C-2		12,137	8,210	3,331	2,596
11								
12	Supervision and engineering-other	710			0	0	0	0
13	Customer			A-2	1,410	721	387	302
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
16								
17	Totals		C-2		1,410	721	387	302
18								
19	Miscellaneous, fuel and LP gas expense-labor	717/735			0	0	0	0
20	Customer	723		A-2	1,340	685	368	287
21	Demand				0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-2		1,340	685	368	287
25								
26	Miscellaneous, fuel and LP gas expense-other	717/735			0	0	0	0
27	Customer	723		A-2	3,760	1,924	1,032	804
28	Demand				0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-2		3,760	1,924	1,032	804
32								
33	Gas Production Maintenance							
34								
35	Supervision and engineering-labor	740			0	0	0	0
36	Customer			A-2	9,138	4,675	2,508	1,955
37	Demand				0	0	0	0
38	Commodity				0	0	0	0
39								
40	Totals		C-2		9,138	4,675	2,508	1,955
41								
42	Supervision and engineering-other	740			0	0	0	0
43	Customer			A-2	1,121	573	308	240
44	Demand				0	0	0	0
45	Commodity				0	0	0	0
46								
47	Totals		C-2		1,121	573	308	240

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Gas Production Maintenance							
4								
5	Structures and production equipment-labor	741/742			0	0	0	0
6	Customer			A-2	2,237	1,144	614	479
7	Demand				0	0	0	0
8	Commodity							
9	Totals		C-2		2,237	1,144	614	479
10								
11								
12	Structures and production equipment-other	741/742			0	0	0	0
13	Customer			A-2	1,479	757	406	316
14	Demand				0	0	0	0
15	Commodity							
16	Totals		C-2		1,479	757	406	316
17								
18								
19	Total Production Expenses				0	0	0	0
20	Customer				32,622	16,689	8,954	6,979
21	Demand				0	0	0	0
22	Commodity							
23	Totals				32,622	16,689	8,954	6,979
24								
25								
26								
27								
28								
29								
30	Distribution Operation Expenses							
31								
32	Supervision and engineering-labor	870			94,692	59,389	13,994	21,309
33	Customer			A-23	39,767	20,345	10,915	8,507
34	Demand			A-24	65,468	24,430	11,651	29,385
35	Commodity			A-25				
36	Totals		C-9		199,925	104,164	36,560	59,201
37								
38								
39	Supervision and engineering-other	870			112,150	70,338	16,574	25,238
40	Customer			A-23	47,099	24,096	12,927	10,078
41	Demand			A-24	77,536	28,934	13,799	34,903
42	Commodity			A-25				
43	Totals		C-9		236,786	123,368	43,300	70,117
44								

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Operations Expenses							
4								
5	Distribution load dispatching-labor	871						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	73,836	27,553	13,141	33,142
9								
10	Totals		C-3		73,836	27,553	13,141	33,142
11								
12	Distribution load dispatching-other							
13	Customer	871			0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	41,409	15,452	7,370	18,587
16								
17	Totals		C-3		41,409	15,452	7,370	18,587
18								
19	Compressor sta. labor and expenses-labor							
20	Customer	872			0	0	0	0
21	Demand			A-2	0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-2		0	0	0	0
25								
26	Compressor sta. labor and expenses-other							
27	Customer	872			0	0	0	0
28	Demand			A-2	0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-2		0	0	0	0
32								
33	Compressor station fuel and power							
34	Customer	873			0	0	0	0
35	Demand				0	0	0	0
36	Commodity			A-3	0	0	0	0
37								
38	Totals		C-3		0	0	0	0
39								
40	Mains and services expenses-labor							
41	Customer	874		A-14	46,497	39,404	5,642	2,451
42	Demand			A-15	100,609	51,472	27,614	21,523
43	Commodity			A-16	5,295	1,976	942	2,377
44								
45	Totals		C-5		152,401	91,852	34,198	26,351

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Operations Expenses							
4								
5	Mains and services expenses-other	874						
6	Customer			A-14	83,841	69,084	10,148	4,409
7	Demand			A-15	180,982	92,590	49,675	38,717
8	Commodity			A-16	9,525	3,555	1,695	4,275
9								
10	Totals		C-5		274,148	165,229	61,518	47,401
11								
12	Meas. and reg. station exp.(gen)-labor	875						
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	13,311	4,967	2,369	5,975
16								
17	Totals		C-3		13,311	4,967	2,369	5,975
18								
19	Meas. and reg. station exp.(gen)-other	875						
20	Customer				0	0	0	0
21	Demand				0	0	0	0
22	Commodity			A-3	2,595	968	462	1,165
23								
24	Totals		C-3		2,595	968	462	1,165
25								
26	Meas. and reg. station exp.(indust)-labor	876						
27	Customer				0	0	0	0
28	Demand				0	0	0	0
29	Commodity			A-3	0	0	0	0
30								
31	Totals		C-3		0	0	0	0
32								
33	Meas. and reg. station exp.(indust)-other	876						
34	Customer				0	0	0	0
35	Demand				0	0	0	0
36	Commodity			A-3	0	0	0	0
37								
38	Totals		C-3		0	0	0	0
39								
40	Meas. and reg. station exp.(c gate)-labor	877						
41	Customer				0	0	0	0
42	Demand				0	0	0	0
43	Commodity			A-3	35,369	13,198	6,295	15,878
44								
45	Totals		C-3		35,360	13,198	6,295	15,878

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Operations Expenses							
4								
5	Meas. and reg. station exp.(c gate)-other	877						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	8,509	3,176	1,514	3,819
9								
10	Totals		C-3		8,509	3,176	1,514	3,819
11								
12	Meter and house regulator expenses-labor	878						
13	Customer			A-4	260,989	179,634	39,585	47,770
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
16								
17	Totals		C-1		260,989	179,634	39,585	47,770
18								
19	Meter and house regulator expenses-other	878						
20	Customer			A-4	(8,901)	(5,988)	(1,320)	(1,593)
21	Demand				0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-1		(8,901)	(5,988)	(1,320)	(1,593)
25								
26	Customer installations expenses-labor	879						
27	Customer			A-1	48,945	40,558	5,958	431
28	Demand				0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-1		48,945	40,558	5,958	431
32								
33	Customer installations expenses-other	879						
34	Customer			A-1	(205,985)	(177,949)	(28,143)	(1,893)
35	Demand				0	0	0	0
36	Commodity				0	0	0	0
37								
38	Totals		C-1		(205,985)	(177,949)	(28,143)	(1,893)
39								
40	Other expenses-labor	880						
41	Customer				0	0	0	0
42	Demand				0	0	0	0
43	Commodity			A-3	228,011	85,085	40,580	102,346
44								
45	Totals		C-3		228,011	85,085	40,580	102,346

Lino No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Operations Expenses							
4								
5	Other expenses-other	880						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	34,278	12,791	6,101	15,386
9								
10	Totals		C-3		34,278	12,791	6,101	15,386
11								
12	Rents.	881						
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	4,501	1,680	801	2,020
16								
17	Totals		C-3		4,501	1,680	801	2,020
18								
19	Total Distribution Operations Expenses							
20	Customer				436,028	273,468	64,438	98,122
21	Demand				368,457	188,503	101,131	78,823
22	Commodity				599,641	223,765	106,720	269,156
23								
24	Totals				1,404,126	685,736	272,289	446,101
25								
26								
27								
28								
29								
30	Distribution Maintenance Expenses							
31								
32	Supervision and engineering-labor	885						
33	Customer			A-26	38,465	27,808	5,364	5,293
34	Demand			A-27	9,886	5,058	2,713	2,115
35	Commodity			A-28	10,634	3,969	1,892	4,773
36								
37	Totals		C-10		58,985	36,835	9,969	12,181
38								
39	Supervision and engineering-other	885						
40	Customer			A-26	2,062	1,450	288	284
41	Demand			A-27	530	272	145	113
42	Commodity			A-28	570	213	101	256
43								
44	Totals		C-10		3,162	1,975	534	653

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Maintenance Expenses							
4								
5	Structures and improvements-labor	886						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	0	0	0	0
9	Totals		C-3		0	0	0	0
11								
12	Structures and improvements-other	888						
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	90	34	16	40
16	Totals		C-3		90	34	16	40
18								
19	Mains-labor	887						
20	Customer			A-6	0	0	0	0
21	Demand			A-2	21,086	11,197	6,007	4,682
22	Commodity			A-3	1,152	430	205	517
23	Totals		C-4		23,038	11,627	6,212	5,199
25								
26	Mains-other	887						
27	Customer			A-6	0	0	0	0
28	Demand			A-2	9,648	4,936	2,648	2,064
29	Commodity			A-3	508	190	90	228
30	Totals		C-4		10,158	5,126	2,738	2,292
32								
33	Compressor station equipment-labor	888						
34	Customer				0	0	0	0
35	Demand			A-2	0	0	0	0
36	Commodity				0	0	0	0
37	Totals		C-2		0	0	0	0
39								
40	Compressor station equipment-other	888						
41	Customer				0	0	0	0
42	Demand			A-2	0	0	0	0
43	Commodity				0	0	0	0
44	Totals		C-2		0	0	0	0
45								

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Maintenance Expenses							
4								
5	Meas. and reg. station equip.(gen)-labor	889						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	11,850	4,422	2,109	5,319
9								
10	Totals		C-3		11,850	4,422	2,109	5,319
11								
12	Meas. and reg. station equip.(gen)-other	889						
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	647	242	115	290
16								
17	Totals		C-3		647	242	115	290
18								
19	Meas. and reg. station exp.(indust)-labor	890						
20	Customer				0	0	0	0
21	Demand				0	0	0	0
22	Commodity			A-3	0	0	0	0
23								
24	Totals		C-3		0	0	0	0
25								
26	Meas. and reg. station exp.(indust)-other	890						
27	Customer				0	0	0	0
28	Demand				0	0	0	0
29	Commodity			A-3	0	0	0	0
30								
31	Totals		C-3		0	0	0	0
32								
33	Meas. and reg. station exp.(c gate)-labor	891						
34	Customer				0	0	0	0
35	Demand				0	0	0	0
36	Commodity			A-3	1,492	558	268	670
37								
38	Totals		C-3		1,492	558	268	670
39								
40	Meas. and reg. station exp.(c gate)-other	891						
41	Customer				0	0	0	0
42	Demand				0	0	0	0
43	Commodity			A-3	264	98	47	119
44								
45	Totals		C-3		264	98	47	119

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Maintenance Expenses							
4								
5	Services-labor	892						
6	Customer			A-6	31,159	25,735	3,781	1,643
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
9								
10	Totals		C-1		31,159	25,735	3,781	1,643
11								
12	Services-other	892						
13	Customer			A-6	9,956	8,223	1,208	525
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
16								
17	Totals		C-1		9,956	8,223	1,208	525
18								
19	Meters and house regulators-labor	893						
20	Customer			A-4	74,015	49,798	10,974	13,243
21	Demand				0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-1		74,015	49,798	10,974	13,243
25								
26	Meters and house regulators-other	893						
27	Customer			A-4	10,421	7,011	1,545	1,865
28	Demand				0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-1		10,421	7,011	1,545	1,865
32								
33	Other equipment-labor	894						
34	Customer				0	0	0	0
35	Demand				0	0	0	0
36	Commodity			A-3	0	0	0	0
37								
38	Totals		C-3		0	0	0	0
39								
40	Other equipment-other	894						
41	Customer				0	0	0	0
42	Demand				0	0	0	0
43	Commodity			A-3	0	0	0	0
44								
45	Totals		C-3		0	0	0	0

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Maintenance Expenses							
4								
5	Total Distribution Maintenance Expenses							
6	Customer				166,078	120,065	23,160	22,853
7	Demand				41,950	21,463	11,513	8,974
8	Commodity				27,207	10,154	4,841	12,212
9								
10	Totals				235,235	151,682	39,514	44,039
11								
12	Total Distribution O. & M. Expenses							
13	Customer				602,106	393,533	87,598	120,975
14	Demand				410,407	209,966	112,644	87,797
15	Commodity				626,848	233,919	111,561	281,368
16								
17	Totals				1,639,361	837,418	311,803	490,140
18								
19								
20								
21								
22								
23	Customer Accounts Expenses							
24								
25	Supervision-labor	901						
26	Customer			A-7	172,822	146,605	21,538	4,679
27	Demand				0	0	0	0
28	Commodity				0	0	0	0
29								
30	Totals		C-1		172,822	146,605	21,538	4,679
31								
32	Supervision-other	901						
33	Customer			A-7	(18,765)	(15,918)	(2,339)	(508)
34	Demand				0	0	0	0
35	Commodity				0	0	0	0
36								
37	Totals		C-1		(18,765)	(15,918)	(2,339)	(508)

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Customer Accounts Expenses							
4								
5	Meter reading expenses-labor	902						
6	Customer			A-7	229,997	195,108	28,683	6,226
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
10	Totals		C-1		229,997	195,108	28,683	6,226
11								
12	Meter reading expenses-other	902						
13	Customer			A-7	29,495	25,021	3,676	798
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
17	Totals		C-1		29,495	25,021	3,676	798
18								
19	Customer records & collection exp.-labor	903						
20	Customer			A-7	292,413	248,055	36,442	7,918
21	Demand				0	0	0	0
22	Commodity				0	0	0	0
24	Totals		C-1		292,413	248,055	36,442	7,918
25								
26	Customer records & collection exp.-other	903						
27	Customer			A-7	141,178	119,762	17,594	3,822
28	Demand				0	0	0	0
29	Commodity				0	0	0	0
31	Totals		C-1		141,178	119,762	17,594	3,822
32								
33	Uncollectible accounts	904						
34	Customer			A-7	88,594	75,155	11,041	2,398
35	Demand				0	0	0	0
36	Commodity				0	0	0	0
38	Totals		C-1		88,594	75,155	11,041	2,398
39								
40	Misc. customer accounts expenses-labor	905						
41	Customer			A-7	14	12	2	0
42	Demand				0	0	0	0
43	Commodity				0	0	0	0
44								
45	Totals		C-1		14	12	2	0

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Customer Accounts Expenses							
4								
5	Misc. customer accounts expenses-other	905						
6	Customer			A-7	15,419	13,080	1,922	417
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
9								
10	Totals		C-1		15,419	13,080	1,922	417
11								
12	Total Customer Accounts Expenses				951,167	806,880	118,539	25,748
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
16								
17	Totals				951,167	806,880	118,539	25,748
18								
19								
20								
21								
22								
23	Customer Service & Information Expenses							
24								
25	Supervision-labor	907						
26	Customer			A-7	7,168	6,079	893	194
27	Demand				0	0	0	0
28	Commodity				0	0	0	0
29								
30	Totals		C-1		7,168	6,079	893	194
31								
32	Supervision-other	907						
33	Customer			A-7	0	0	0	0
34	Demand				0	0	0	0
35	Commodity				0	0	0	0
36								
37	Totals		C-1		0	0	0	0
38								
39	Customer assistance expense-labor	908						
40	Customer			A-7	60,249	51,109	7,509	1,631
41	Demand				0	0	0	0
42	Commodity				0	0	0	0
43								
44	Totals		C-1		60,249	51,109	7,509	1,631

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Customer Service & Information Expenses							
4								
5	Customer assistance expense-other	908						
6	Customer			A-7	708,838	599,613	88,090	19,135
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
9								
10	Totals		C-1		708,838	599,613	88,090	19,135
11								
12	Inform. & instr. advertising exp.-labor	909						
13	Customer			A-7	13,697	11,819	1,707	371
14	Demand				0	0	0	0
15	Commodity				0	0	0	0
16								
17	Totals		C-1		13,697	11,819	1,707	371
18								
19	Inform. & instr. advertising exp.-other	909						
20	Customer			A-7	9,973	8,460	1,243	270
21	Demand				0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-1		9,973	8,460	1,243	270
25								
26	Misc. customer service & inform.-labor	910						
27	Customer			A-7	10,636	9,022	1,326	288
28	Demand				0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-1		10,636	9,022	1,326	288
32								
33	Misc. customer service & inform.-other	910						
34	Customer			A-7	4,859	4,121	608	132
35	Demand				0	0	0	0
36	Commodity				0	0	0	0
37								
38	Totals		C-1		4,859	4,121	608	132

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Customer Service & Information Expenses							
4								
5	Total Customer Service & Information Exp.				813,418	690,023	101,374	22,021
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity				0	0	0	0
9								
10	Totals				813,418	690,023	101,374	22,021
11								
12								
13								
14								
15								
16	Sales Expenses							
17								
18	Supervision-labor	911			0	0	0	0
19	Customer				0	0	0	0
20	Demand			A-3	0	0	0	0
21	Commodity				0	0	0	0
22								
23	Totals		C-3		0	0	0	0
24								
25	Supervision-other	911			0	0	0	0
26	Customer				0	0	0	0
27	Demand			A-3	0	0	0	0
28	Commodity				0	0	0	0
29								
30	Totals		C-3		0	0	0	0
31								
32	Demonstrating and selling-labor	912			0	0	0	0
33	Customer				0	0	0	0
34	Demand			A-3	0	0	0	0
35	Commodity				0	0	0	0
36								
37	Totals		C-3		0	0	0	0
38								
39	Demonstrating and selling-other	912			0	0	0	0
40	Customer				0	0	0	0
41	Demand			A-3	0	0	0	0
42	Commodity				0	0	0	0
43								
44	Totals		C-3		0	0	0	0

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Sales Expenses							
4								
5	Advertising-labor	913						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	0	0	0	0
9								
10	Totals		C-3		0	0	0	0
11								
12	Advertising-other	913						
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	0	0	0	0
16								
17	Totals		C-3		0	0	0	0
18								
19	Misc. sales expense-labor	916						
20	Customer				0	0	0	0
21	Demand				0	0	0	0
22	Commodity			A-3	0	0	0	0
23								
24	Totals		C-3		0	0	0	0
25								
26	Misc. sales expense-other	916						
27	Customer				0	0	0	0
28	Demand				0	0	0	0
29	Commodity			A-3	0	0	0	0
30								
31	Totals		C-3		0	0	0	0
32								
33	Total Sales Expenses							
34	Customer				0	0	0	0
35	Demand				0	0	0	0
36	Commodity				0	0	0	0
37								
38	Totals				0	0	0	0

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Administrative and General Expenses							
4								
5	Administrative and general salaries	920						
6	Customer			A-17	551,588	433,440	72,992	45,156
7	Demand			A-18	69,949	35,784	19,198	14,964
8	Commodity			A-19	177,692	66,308	31,624	79,760
9								
10	Totals		C-6		799,228	535,532	123,814	139,880
11								
12	Office supplies and expenses	921						
13	Customer			A-17	362,925	285,168	48,026	29,711
14	Demand			A-18	48,022	23,544	12,632	9,846
15	Commodity			A-19	116,915	43,628	20,808	52,479
16								
17	Totals		C-6		525,862	352,360	81,466	92,036
18								
19	Administrative expenses transferred-labor	922						
20	Customer			A-17	0	0	0	0
21	Demand			A-18	0	0	0	0
22	Commodity			A-19	0	0	0	0
23								
24	Totals		C-6		0	0	0	0
25								
26	Administrative expenses transferred-other	922						
27	Customer			A-17	(522,019)	(410,205)	(69,079)	(42,735)
28	Demand			A-18	(88,196)	(33,866)	(18,169)	(14,161)
29	Commodity			A-19	(168,167)	(62,754)	(29,929)	(75,484)
30								
31	Totals		C-6		(756,382)	(506,825)	(117,177)	(132,380)
32								
33	Outside services employed	923						
34	Customer			A-20	139,218	108,809	18,467	11,942
35	Demand			A-21	49,439	24,781	13,295	10,363
36	Commodity			A-22	40,809	15,228	7,263	18,318
37								
38	Totals		C-6		228,466	148,818	39,025	40,623
39								
40	Workman's compensation insurance	924						
41	Customer			A-17	0	0	0	0
42	Demand			A-18	0	0	0	0
43	Commodity			A-19	0	0	0	0
44								
45	Totals		C-6		0	0	0	0

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Administrative and General Expenses							
4								
5	Property Insurance	924						
6	Customer			A-11	9,144	6,974	1,220	944
7	Demand			A-12	12,187	6,235	3,345	2,607
8	Commodity			A-13	1,499	659	287	673
9	Totals		C-7		22,830	13,768	4,838	4,224
10								
11	Injuries and damages							
12	Customer	925		A-17	57,132	44,895	7,680	4,677
13	Demand			A-18	7,245	3,706	1,989	1,550
14	Commodity			A-19	18,405	6,868	3,278	6,261
15	Totals		C-6		82,782	55,469	12,825	14,488
16								
17	Employee pensions and benefits-labor							
18	Customer	926		A-17	26,890	21,131	3,558	2,201
19	Demand			A-18	3,410	1,744	938	730
20	Commodity			A-19	8,663	3,232	1,542	3,889
21	Totals		C-6		38,963	26,107	6,038	6,820
22								
23	Employee pensions and benefits-other							
24	Customer	926		A-17	436,244	342,803	57,728	35,713
25	Demand			A-18	55,319	28,302	15,183	11,834
26	Commodity			A-19	140,534	52,442	25,011	63,081
27	Totals		C-6		632,097	423,547	97,922	110,628
28								
29	Regulatory commission expenses							
30	Customer	928		A-20	30,468	23,813	4,041	2,614
31	Demand			A-21	10,601	5,423	2,910	2,268
32	Commodity			A-22	8,931	3,332	1,590	4,009
33	Totals		C-8		50,000	32,568	8,541	8,891
34								
35	Miscellaneous general expenses-labor							
36	Customer	930		A-20	5,273	4,122	690	452
37	Demand			A-21	1,835	938	504	393
38	Commodity			A-22	1,545	576	275	694
39	Totals		C-8		8,653	5,636	1,478	1,539
40								
41								
42								
43								
44								
45								

NorthWestern Public Service
 Class Cost of Service Study
 Expenses
 South Dakota Gas
 Test Year Ended December 31, 1998

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Administrative and General Expenses							
4								
5	Miscellaneous general expenses-other	930						
6	Customer			A-20	108,820	84,895	14,408	9,317
7	Demand			A-21	37,793	19,335	10,373	8,085
8	Commodity			A-22	31,840	11,881	5,667	14,292
9	Totals		C-8		178,253	116,111	30,448	31,694
10								
11								
12	Rents	931						
13	Customer			A-11	94,672	72,209	12,892	9,771
14	Demand			A-12	126,181	84,554	34,633	28,994
15	Commodity			A-13	15,518	6,790	2,762	6,966
16	Totals		C-7		236,371	142,553	50,087	43,731
17								
18								
19	Maintenance of buildings-labor	932						
20	Customer			A-11	8,904	6,791	1,194	919
21	Demand			A-12	11,867	6,071	3,257	2,539
22	Commodity			A-13	1,460	545	280	655
23	Totals		C-7		22,231	13,407	4,711	4,113
24								
25								
26	Maintenance of buildings-other	932						
27	Customer			A-11	92,214	70,334	12,362	9,518
28	Demand			A-12	122,904	82,877	33,734	26,293
29	Commodity			A-13	15,115	5,640	2,690	6,785
30	Totals		C-7		230,233	138,851	48,786	42,596
31								
32								
33	Total Administrative and General Expenses							
34	Excluding Rate Case Expenses							
35	Customer				1,370,805	1,071,386	181,833	117,580
36	Demand				476,952	244,005	130,910	102,037
37	Commodity				401,828	149,943	71,516	180,369
38	Totals				2,249,585	1,465,334	384,259	399,992
39								
40								
41	Total Operations and Maintenance Expenses							
42	Excluding Gas Cost							
43	Customer				3,737,498	2,961,822	489,344	286,330
44	Demand				919,981	470,660	252,508	196,813
45	Commodity				1,028,876	383,862	183,077	461,737
46	Totals				5,686,153	3,816,344	924,929	644,880
47								

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	DEPRECIATION & AMORTIZATION EXPENSE							
2								
3	Distribution and Production Plant	403						
4	Customer			A-11	493,822	376,499	66,174	50,949
5	Demand			A-12	657,910	336,588	180,578	140,746
6	Commodity			A-13	80,913	30,194	14,400	36,319
7								
8	Totals		C-7		1,232,445	743,279	261,152	228,014
9								
10	General Plant	403						
11	Customer			A-11	153,777	117,290	20,615	15,872
12	Demand			A-12	204,958	104,856	56,255	43,847
13	Commodity			A-13	25,207	9,408	4,486	11,315
14								
15	Totals		C-7		383,942	231,552	81,356	71,034
16								
17	Intangible Plant and Other	404,406						
18	Customer			A-11	161	122	22	17
19	Demand			A-12	215	110	59	46
20	Commodity			A-13	27	10	5	12
21								
22	Totals		C-7		403	242	86	75
23								
24	Total Depreciation & Amortization Expense							
25	Customer				647,560	493,911	86,811	63,838
26	Demand				863,083	441,552	236,892	184,639
27	Commodity				106,147	39,610	18,891	47,646
28								
29	Totals				1,616,790	975,073	342,594	299,123

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	PAYROLL COSTS OTHER THAN ADMIN. & GENERAL							
2								
3	Gas Production Expenses	710-742						
4	Customer				0	0	0	0
5	Demand				3,577	1,829	982	766
6	Commodity				0	0	0	0
7								
8	Totals				<u>3,577</u>	<u>1,829</u>	<u>982</u>	<u>766</u>
9								
10	Distribution Operations & Maintenance	870-894						
11	Customer				598,762	421,324	85,298	92,140
12	Demand				172,148	88,072	47,249	36,827
13	Commodity				446,416	166,586	79,450	200,380
14								
15	Totals				<u>1,217,326</u>	<u>675,982</u>	<u>211,997</u>	<u>329,347</u>
16								
17	Customer Accounts Expenses							
18	Customer	901-905			695,246	589,780	86,645	18,821
19	Demand				0	0	0	0
20	Commodity				0	0	0	0
21								
22	Totals				<u>695,246</u>	<u>589,780</u>	<u>86,645</u>	<u>18,821</u>
23								
24	Customer Service & Information Expenses	907-910						
25	Customer				91,748	77,829	11,435	2,484
26	Demand				0	0	0	0
27	Commodity				0	0	0	0
28								
29	Totals				<u>91,748</u>	<u>77,829</u>	<u>11,435</u>	<u>2,484</u>
30								
31	Sales Expenses	911-916						
32	Customer				0	0	0	0
33	Demand				0	0	0	0
34	Commodity				0	0	0	0
35								
36	Totals				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
37								
38	Total Payroll Costs							
39	Customer				1,385,756	1,088,933	183,378	113,445
40	Demand				175,725	89,901	48,231	37,593
41	Commodity				446,416	166,586	79,450	200,380
42								
43	Totals				<u>2,007,897</u>	<u>1,345,420</u>	<u>311,059</u>	<u>351,418</u>

Line No.	Description (a)	Account No. (b)	Classification Basis (c)	Allocation Basis (d)	Total Service Area (e)	Residential (f)	Small Commercial (g)	Large Commercial (h)
1	OPERATIONS & MAINTENANCE EXPENSES							
2								
3	Distribution Operations Expenses							
4								
5	Distribution load dispatching-labor	871						
6	Customer				0	0	0	0
7	Demand				0	0	0	0
8	Commodity			A-3	73,836	27,553	13,141	33,142
9								
10	Totals		C-3		73,836	27,553	13,141	33,142
11								
12	Distribution load dispatching-other	871						
13	Customer				0	0	0	0
14	Demand				0	0	0	0
15	Commodity			A-3	41,409	15,452	7,370	18,587
16								
17	Totals		C-3		41,409	15,452	7,370	18,587
18								
19	Compressor sta. labor and expenses-labor	872						
20	Customer				0	0	0	0
21	Demand			A-2	0	0	0	0
22	Commodity				0	0	0	0
23								
24	Totals		C-2		0	0	0	0
25								
26	Compressor sta. labor and expenses-other	872						
27	Customer				0	0	0	0
28	Demand			A-2	0	0	0	0
29	Commodity				0	0	0	0
30								
31	Totals		C-2		0	0	0	0
32								
33	Compressor station fuel and power	873						
34	Customer				0	0	0	0
35	Demand				0	0	0	0
36	Commodity			A-3	0	0	0	0
37								
38	Totals		C-3		0	0	0	0
39								
40	Mains and services expenses-labor	874						
41	Customer			A-14	46,497	38,404	5,842	2,451
42	Demand			A-15	100,609	51,472	27,814	21,523
43	Commodity			A-16	5,295	1,976	942	2,377
44								
45	Totals		C-5		152,401	91,852	34,198	26,351