

NorthWestern[™] Energy

Alan D. Dietrich
Corporate Secretary
Telephone: (605) 978-2907
Facsimile: (605) 978-2910
alan.dietrich@northwestern.com

NG 05-008

600 Market Street W.
Huron, SD 57350-1500
Toll Free: 800-245-6977
Facsimile: 605-353-7519
www.northwesternenergy.com

July 20, 2005

Ms. Pamela Bonrud, Executive Director
S. D. Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RECEIVED

JUL 21 2005

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Elec. Rec'd 7/20/05

Re: NorthWestern Corporation Proposed Natural Gas Tariff
PUC Docket NG05-___

Dear Ms. Bonrud:

With this letter, NorthWestern Corporation ("NorthWestern" or the "Company"), doing business as NorthWestern Energy, is filing with the Commission a proposed new natural gas tariff. Pursuant to ARSD 20:10:13:39, the Company states:

(1) The documents submitted with this filing include:

- An original and one copy of the Application for Tariff Change and Report in Support of Tariff Filing of NorthWestern (the "Report"), pursuant to ARSD 20:10:13:26;
- The proposed new tariff schedule, Rate 86

(2) The proposed effective date for the new tariff is September 1, 2005, and NorthWestern hereby requests that the Commission approve this application on less than thirty days notice.

(3) The names and addresses of those to whom copies of the rate schedule have been mailed:

Attached to the Report is a list of the current transportation customers of NorthWestern who we believe will qualify and have an interest in receiving service under this new tariff. NorthWestern will be mailing a copy of the Report to these customers and will make the filing information available to any other customers or potential customers, upon request.

(4) Brief description of the proposed changes in rates:

NorthWestern is proposing the new tariff to provide a group of customers, who have been receiving gas supply from NorthWestern's subsidiary NorthWestern

Services Corporation and transportation service from NorthWestern. Pursuant to the request of many of these customers, NorthWestern believes that this proposed tariff will provide them with a vehicle to lock-in winter natural gas supply, with flexibility as to when to execute such lock-in, dependent upon prices NorthWestern is able to achieve through gas suppliers. The details of this are explained more fully in the Report.

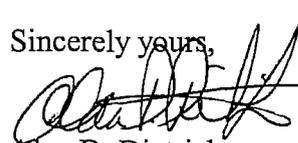
(5) Reasons for the proposed changes:

The reasons for the proposed changes are spelled out more fully in the Report (see paragraph 4 therein).

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

NorthWestern anticipates that approximately 60 customers will select this new tariff, if approved. The impact of the tariff is spelled out more fully in the Report (see paragraphs 8 and 10 therein).

Sincerely yours,

A handwritten signature in black ink, appearing to read "Alan D. Dietrich", written over a horizontal line.

Alan D. Dietrich
Corporate Secretary

STATE OF SOUTH DAKOTA
BEFORE THE
PUBLIC UTILITIES COMMISSION

RECEIVED

JUL 21 2005

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Proposed Tariff Schedule Filing of)
NorthWestern Corporation, doing business) Docket No. NG05-____
as NorthWestern Energy)

APPLICATION FOR
AND
REPORT IN SUPPORT OF
NEW RATE 86 NATURAL GAS TARIFF

NorthWestern Corporation ("NorthWestern" of the "Company"), doing business as NorthWestern Energy, hereby applies to the South Dakota Public Utilities Commission (the "Commission") for approval of a new Rate 86 natural gas tariff, as detailed and supported more fully below in this Report, filed pursuant to ARSD 20:10:13:26.

WHEREFORE, NorthWestern requests that the Commission accept and approve this new natural gas tariff.

Contents of Report:

- (1) Name and address of the public utility

NorthWestern Corporation, doing business as NorthWestern Energy
600 West Market Street
Huron, SD 57350-1500
Phone (605) 353-7500
Fax (605) 353-7519

Those individuals to whom information concerning this filing should be provided:

Alan D. Dietrich
Corporate Secretary
NorthWestern Corporation, doing business as NorthWestern Energy
125 S. Dakota Ave.
Sioux Falls, SD 57104
Phone (605) 978-2907

Fax (605) 978-2910
Email alan.dietrich@northwestern.com

Jeffrey Decker
Regulatory Analyst
NorthWestern Corporation, doing business as NorthWestern Energy
600 Market Street West
Huron, SD 57350
Phone (605) 353-8315
Fax (605) 353-7560
Email jeffrey.decker@northwestern.com

Clyde Gross
Manager – Gas Management Services
NorthWestern Corporation, doing business as NorthWestern Energy
600 Market Street West
Huron, SD 57350
Phone (605) 353-8203
Fax (605) 353-8216
Email clyde.gross@northwestern.com

(2) Section and sheet numbers of tariff schedules:

Table of Contents	Section No. 1, 28 th Revised Sheet No. 1
Table of Contents	Section No. 1, 3 rd Revised Sheet No. 2
Rate 86	Section No. 3, Original Sheet Nos. 5.1-5.5, inclusive
Adjustment Clause	Section No. 3, 8 th Revised Sheet No. 9
Adjustment Clause	Section No. 3, 1 st Revised Sheet No. 9.1
Adjustment Clause	Section No. 3, 225 th Revised Sheet No. 9a
Adjustment Clause	Section No. 3, 122 nd Revised Sheet No. 9b
Forms	Section No. 6, Original Sheet No. 9.3
Forms	Section No. 6, Original Sheet No. 9.4
Forms	Section No. 6, Original Sheet No. 9.5

(3) Description of the change:

NorthWestern is proposing the addition of a new tariff for natural gas sales to commercial and industrial customers, including governmental entities, that allows those customers to select, during gas contracting periods, to select to enter into fixed price natural gas contracts, at prices designated by the Company, for the November-April Winter Period (the "Winter Period"). NorthWestern will offer such fixed price contracts, pursuant to gas supply availability it has determined, 1 to 5 times during a gas contracting period of April 1 through October 1 each year. If the customer under this proposed tariff does not select to enter into a

contract for the winter period, the gas price would follow the Company's gas pricing, as it is revised, during such winter period.

(4) Reason for the change:

Several natural gas customers, including particularly schools, hospitals, nursing homes, and smaller commercial customers, have minimal summer gas consumption but more significant winter usage. These customers have expressed a desire to have the ability to lock-in gas prices during the winter period, to avoid market fluctuations and pricing volatility. Because of the smaller annual consumption, and, in particular, the minimal summer usage, independent marketers have been less interested in serving these customers. While a NorthWestern subsidiary, NorthWestern Services Corporation, has provided a somewhat similar service in recent years, NorthWestern believes that it is in the best interests of these customers and the system to create a regulated rate option for the service that these customers are desiring.

NorthWestern has designed Rate 86 to provide these customers with flexibility to monitor natural gas prices and make purchasing decisions when they determine the price optimal. The rate to be charged is identical to the transportation rate (for the distribution delivery service) under the Company's existing Rate 87, and the gas prices that will be offered to these customers will reflect the prices for which NorthWestern will be able to contract such gas supplies, allowing merely a pass-through to these customers of the costs contracted.

(5) Present rate:

Currently, these customers receive transportation service under NorthWestern's Rate 87 for gas delivery. Those costs will be identical under the proposed tariff.

(6) Proposed rate:

As noted above, the delivery charge for service under Rate 86 is identical to the transportation costs under Rate 87, that these customers have been paying.

Under the proposed Rate 86, once a customer has elected to select the price offered, the customer will contract for a 12-month period, with the price selected to be the cost per therm for natural gas during the Winter Period (and with an index price for the remaining months). The form of agreement is included in the proposed Forms included with this filing.

In addition, there will be separate true-up mechanism for customers under Rate 86, to ensure that costs associated with this tariff are not transferred to other customers.

(7) Proposed effective date of modified rates:

NorthWestern proposes that these revised rates be available on September 1, 2005, so that the Company can make an offer during the 2005 contracting period, for the November 2005 – March 2006 Winter Period.

(8) Approximation of annual amount of increase or decrease in revenue.

Because the charge for delivery under Rate 86 is identical to the charge these customers are currently paying under Rate 87, there is anticipated to be no change in annual revenues for the Company.

(9) Points affected:

This proposed new tariff is offered to qualifying customers. Of course, these customers can continue to utilize NorthWestern's transportation tariffs or seek service under the Company's other natural gas sales rates.

(10) Estimation of the number of customers whose cost of service will be affected and annual amounts of either increases or decreases, or both, in cost of service to those customers

NorthWestern does not anticipate any affects upon its natural gas customers, other than those seeking service under this tariff. For those requesting service under Rate 86, the Company anticipates that this new tariff will offer them an additional way to meet their budgetary needs and to avoid price volatility.

(11) Statement of facts, expert opinions, documents, and exhibits to support the proposed changes.

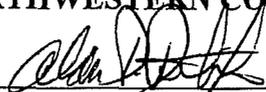
Attached to this Report are the following:

- (a) A list of anticipated customers for whom NorthWestern believes this tariff will be of interest.

Dated at Sioux Falls, South Dakota, this 20th day of July, 2005.

NORTHWESTERN CORPORATION

By: _____


Alan D. Dietrich

Corporate Secretary

125 S. Dakota Avenue, Suite 1100

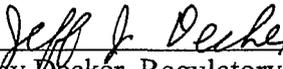
Sioux Falls, SD 57104

Ph (605) 978-2907

Fax (605) 978-2910

CERTIFICATE OF SERVICE

The undersigned hereby certifies that an original and one copy of this Application for and Report in Support of New Natural Gas Tariff of NorthWestern Corporation, doing business as NorthWestern Energy, the proposed revised Tariffs, and the transmittal letter of Alan D. Dietrich have been sent by first class mail, postage prepaid, to Pamela Bonrud, Executive Director, S. D. Public Utilities Commission, 500 East Capitol, Pierre, SD 57501, this 20th day of July, 2005.



Jeffrey Decker, Regulatory Specialist
NorthWestern Energy

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 1
28th Revised Sheet No. 1
Canceling 27th Revised Sheet No. 1

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Date Filed: July 20, 2005

Effective Date: September 1, 2005

Jeffrey Decker
Issued By: Regulatory Department

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 1
3rd Revised Sheet No. 2
 Canceling 2nd Revised Sheet No. 2

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Effective Date: September 1, 2005

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SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 3
Original Sheet No. 5.1
Canceling Sheet No. 5.1

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

Rate No. 86

1. Applicability

This rate is available for gas volumes, on a contract basis, to commercial and industrial customers, including governmental entities. If no historical peak day usage is available, the nameplate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirement.

2. Availability

This service is available to commercial and industrial customers, including governmental entities, with facilities served by the Company in South Dakota, with primarily space heating requirements, who have 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.

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:	\$ 130.00	\$330.00
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0388	\$0.0204
<i>Demand Charge</i> per therm of daily contract demand as shown on Sheet 9a, as applicable, never less than 50 therms.		

Unless otherwise mutually agreed upon between the Company and customer all elections must be for a minimum period of twelve consecutive months.

Released Capacity and Balancing Services Surcharge:

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

Such surcharges collected will be credited to expense in the Company's Adjustment Clause filings.

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.

Date Filed: July 20, 2005

**Service on and after
Effective Date: September 1, 2005**

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. **3**
Original Sheet No. **5.2**
Canceling _____ Sheet No. **5.2**

CLASS OF SERVICE: Commercial and Industrial
RATE DESIGNATION: Contract Sales Service

Rate No. 86

(Con't.)

Minimum Monthly Bill:

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

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9.1, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

4. Surcharge Provision

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

Date Filed: July 20, 2005

Billings on and after
Effective Date: September 1, 2005

Effective on less than 30 days notice by authority of the
Public Utilities Commission of South Dakota, dated 8/9/2005.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Original Sheet No. 5.3
Canceling Sheet No. 5.3

CLASS OF SERVICE: Commercial and Industrial **Rate No. 86**
RATE DESIGNATION: Contract Sales Service

(Con't.)

5. Curtailment of Service

Service, other than firm service, which is rendered under this rate schedule shall be subject to curtailment by the Company in accordance with the priority guidelines set forth in the Company's General Terms and Conditions, Section No. 5, Sheet No. 5.2. The Customer shall, as directed, curtail the use of natural gas in excess of firm contracted volumes upon two (2) hours notice by the Company, unless the notification is waived by the Customer. All unauthorized gas in excess of Contract Demand so used shall be "Penalty Gas" and be paid by the Customer at a rate which is the greater of \$3.00 per therm or the maximum penalty charges permitted to be made by the Company's upstream service providers for takes of natural gas in excess of authorized limitations, in addition to the regular Commodity Charge for such gas.

All Penalty Gas costs collected will be credited to expense in the Company's Adjustment Clause filings.

6. Gas Contracting Period

The gas contracting period will be April 1 – October 15 for the following November – March winter period. Gas contracts will be offered from 1 to 5 different times, at the Company's Gas Supply Department's discretion. During such offering periods, the Company will designate the price at which gas can be obtained on a firm basis for the winter period, and a customer may choose to select and contract for such price.

7. True-Up Mechanism

Rate 86 customers will have their own over/under recovery true-up mechanism. Balances will be collected over a 12 month period and will be reviewed monthly. The updated commodity rate will be filed monthly with the Commission. Customers choosing to leave the rate 86 tariff will be responsible for their pro rata share of the true-up balance at the time of their leaving rate 86 service.

8. Other Provisions

Service will be furnished under the Company's General Terms and Conditions, as set forth in Section No. 5.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Original Sheet No. 5.4
Canceling Sheet No. 5.4

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

(Con't.)

9. **Contract:** Customer shall execute a written Service Request Form for transportation of customer-owned gas hereunder.
10. **Minimum Term:** The minimum term of the Service Request Form shall be one year. The Company, at its sole discretion, may allow a term less than one year. Should the Company file tariff changes or be ordered by the Commission to change this transportation tariff, Company will, at Customer's request, waive the one year minimum term and six month's notice of termination requirements.
11. **Filing:** Transportation will not commence until the Customer files with the Company a completed Service Request Form and all other applicable documentation.
12. **Metering:** In order to utilize the services provided under this Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Transportation Service will be charged to the Customer but will remain the property of Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections, if necessary, to the meter and provide access to the Company for maintaining and operating such equipment.
13. **Request for Service:**
 - (a) Requests for service under this Tariff must be made by filing with the Company the information required on the form entitled "Service Request Form".
 - (b) Service under this Tariff will begin on the first of the month following a date which is thirty (30) days after the Service Request Form, and all additional information has been received by the Company. The Company may, at its sole discretion, reduce the request for service requirements.

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Public Utilities Commission of South Dakota, dated 8/9/2005.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Original Sheet No. 5.5
Canceling _____ Sheet No. 5.5

CLASS OF SERVICE: Commercial and Industrial Rate No. 86

RATE DESIGNATION: Contract Sales Service

(Con't)

14. **Successors and Assigns:** Any party which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of any Customer shall be subject to the obligations of its predecessor in title under a Contract. No other assignment of a Contract or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning party, which consent shall not be unreasonably withheld. Any party may assign its respective right, title, and interest in and to and under a Contract to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of any such assignee becoming in any respect obligated to perform the obligation of the assignor under a Contract and, if any such trustee be a corporation, without its being required to qualify to do business in any state in which performance of a Contract may occur.
15. **Return to Sales Service:** Service is available under this Tariff at the Customer's option. If a Customer subsequently seeks to purchase system gas on a firm or interruptible basis, the Company shall grant such request only if, and to the extent that adequate System capacity, interstate transportation and supplies are available.
16. **Reference to Sales Tariff:** For all areas not addressed in this Tariff, such as Billing and Payments, the terms of the Service Rules and Regulations Section of the Company's sales tariff shall apply. The customer will be responsible for their pro rata share of the true-up balance. Customer has the option to make a one lump sum payment or pay through a surcharge over the following 12 months.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
8th Revised Sheet No. 9
Canceling 7th Revised Sheet No. 9

ADJUSTMENT CLAUSE

- (1) The commodity charge shall be increased or decreased by an adjustment amount per therm equal to the difference between the delivered cost of natural gas, ad valorem taxes paid and Commission approved fuel incentives pursuant to SDCL 49-34A-25 (“qualified costs”) per therm of sales or throughput, or designated portions thereof as identified herein, and the base cost per therm included in applicable standard base rates, if any.
- (2) Qualified costs include:
- (I) Delivered cost of energy:
- (a) The cost of natural gas delivered to the distribution system including all costs incurred in procuring gas supply upstream of the Company’s distribution facilities including, but not limited to, gas commodity cost, balancing, transportation, supply management fees, storage costs and peaking services, etc.
- (b) Any refund, including interest thereon, received by the Company from a pipeline transporter of charges paid and applicable to natural gas purchased for resale shall be refunded to the customer as a reduction in billings over the succeeding twelve month period or other period determined appropriate. However, in a case where a refund exceeds \$500,000, the Company shall file a refund for Commission review and approval.
- (c) Net revenues collected from settlement of transportation imbalances, over/under delivery charges for imbalances, additional charges collected for imbalances, transportation fuel retention, Rate No. 84, 85 and 86 (T) penalties and surcharges, charges for daily balancing service, and any other similar recovery of gas supply related costs will be credited to actual cost incurred. In addition, the Company will credit actual cost incurred for all recoveries of Gas Demand under Rate Nos. 84, 85, 86 (T) and 87, and Commodity Charges under Rate Nos. 84, 85 and 87, shown on Sheet Nos. 9a and 9b. Resulting under or over cost recoveries will be spread to Rate Nos. 81 and 82 sales over the last twelve months of the first thirteen month period following the incurrence of the cost recovery variance through re-entry in the Adjustment Clause calculation in the second month following the incurrence of the cost recovery variance.

(continued)

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Effective Date: September 1, 2005

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SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 3
228th Revised Sheet No. 9a
Canceling 227th Revised Sheet No. 9a

ADJUSTMENT CLAUSE RATES

<u>Delivered Cost of Energy</u>	PerTherm <u>Per Month</u>
Rate No. 81 - Residential Gas Service Gas Commodity Charge	\$.67983
Rate No. 82 - General Gas Service Gas Commodity Charge	\$.67983

Rate No. 84, 86 - Commercial and Industrial-Firm & Contract Sales Service (T)
Gas Demand Charge, per therm of daily contract demand (never less than 50 therms)

NNG Pipeline Capacity Costs

	<u>NNG Rate/Therm</u>	
28.48% of TF12 Base	\$0.6131	\$ 0.17
23.39% of TF12 Variable	\$0.7358	0.17
14.41% of TF5	\$1.2261	0.18
0.00% of TFX4	\$1.2261	0.00
0.78% of TFX3	\$1.2261	0.01
6.01% of TFX7	\$1.0072	0.06
GRI Fee	\$0.0090	0.01
SBA Surcharge	\$0.0149	0.02
GSR Surcharge	\$0.0000	0.00
Order 528 Surcharge	\$0.0000	0.00
Stranded 858 Surcharge	\$0.0000	<u>\$0.00</u>
<i>Total Pipeline Capacity Costs</i>		\$ 0.62
<i>Supply Standby</i>		0.07
<i>Balancing Services</i>		<u>0.09</u>
Total Demand Charge		<u>\$ 0.78</u>

The above percentages are based on the Company's contract demand profile with NNG (62,458 MMBtu.)

<u>Rate Schedule</u>	<u>MMBtu Demand</u>		<u>Percentage</u>
TF12 Base	17,517		28.48%
TF12 Variable	14,385		23.39%
TF5	21,267	(1)	34.58%
TFX7	6,425	(2)	10.45%
TFX4	0	(3)	0.00%
TFX3	1,910	(4)	3.11%
<i>Totals</i>	<i>61,504</i>		100.00%

(1) Service is contracted for 5 months (14.41% is 5/12 ths of 34.58%)

(2) Service is contracted for 7 months (6.01% is 7/12 ths of 10.45%)

(3) Service is contracted for 4 months (0.00% is 4/12 ths of 0.00%)

(4) Service is contracted for 3 months (0.78% is 3/12 ths of 3.11%)

Gas Commodity Charge

<i>Gas Supply</i> - Average of NNG Ventura and Demarcation Indices as reported in the first of the month issue of <u>Inside F.E.R.C. Gas Market Report</u> published for the month of billing	\$ 0.4820
<i>Fuel Use</i> - 1.87% NNG and 1.08% Company L&U	0.0145
<i>Gas Supply Management Fee</i>	0.0040
<i>Pipeline Transportation Charges</i>	<u>0.0020</u>
Total Gas Component Charge	<u>\$ 0.5025</u>

Date Filed: July 20, 2005

Service on or after
Effective Date: September 1, 2005

Effective on less than 30 days notice by authority of the Public Utilities Commission of South Dakota, dated 8/9/2005.

Jeffrey Decker
Issued By: Regulatory Department

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 3

125th Revised **Sheet No. 9b**

Canceling 124th Revised **Sheet No. 9b**

ADJUSTMENT CLAUSE RATES(Con't)

	Per Therm Per Month
<u>Delivered Cost of Energy (Con't):</u>	
Rate No. 85 - Commercial and Industrial-Interruptible Sales Service	
Gas Commodity Charge	
<i>Gas Supply</i> - Average of NNG Ventura and Demarcation Indices as reported in the first of the month issue of <u>Inside F.E.R.C. Gas Market Report</u> published for the month of billing	\$ 0.4820
<i>Fuel Use</i> - 1.87% NNG and 1.08% Company L&U	0.0145
<i>Gas Supply Management Fee</i>	0.0020
<i>Released Capacity Surcharge</i>	0.0140
<i>Balancing Services</i>	0.0030
<i>Pipeline Transportation Charges</i>	<u>0.0040</u>
Total Gas Component Charge	<u>\$ 0.5195</u>
 Rate No. 86 – Gas Contract Sales Service	
Rate No. 86 Gas Commodity Charge – Group 1	<u>\$ 0.5025 (N)</u>
Rate No. 86 Gas Commodity Charge – Group 2	<u>\$ 0.5025 (N)</u>
Rate No. 86 Gas Commodity Charge – Group 3	<u>\$ 0.5025 (N)</u>
Rate No. 86 Gas Commodity Charge – Group 4	<u>\$ 0.5025 (N)</u>
Rate No. 86 Gas Commodity Charge – Group 5	<u>\$ 0.5025 (N)</u>
Rate No. 86 Index	<u>\$ 0.5025 (N)</u>
Rate No. 86 True-up Surcharge	<u>\$ 0.0000 (N)</u>
 Rate No. 87 - Gas Transportation Firm Supply Standby Service	
Gas Demand Charge, per therm of daily contract demand	
Rate No. 84 supply standby costs	\$ 0.07
Rate No. 84 pipeline capacity costs	<u>0.62</u>
Total Demand Charge	<u>\$ 0.69</u>
Gas Commodity Charge	
Rate No. 84 Gas Commodity Charge	<u>\$ 0.5025</u>
 <u>Ad Valorem Taxes Paid:</u>	
Rate No. 81 - Residential Gas Service	
Commodity Charge	\$ 0.0170
Rate No. 82 - General Gas Service	
Commodity Charge	\$ 0.0108
Rate No. 84 - Commercial and Industrial - Firm Sales Service	
Commodity Charge - Option A	\$ 0.0070
Commodity Charge - Option B	\$ 0.0046
Rate No. 85 - Commercial and Industrial - Interruptible Sales Service	
Commodity Charge - Option A	\$ 0.0070
Commodity Charge - Option B	\$ 0.0046
Rate No. 86 - Gas Transportation Service	(N)
Commodity Charge - Option A	\$ 0.0070 (N)
Commodity Charge - Option B	\$ 0.0046 (N)
Rate No. 87 - Gas Transportation Service	
Commodity Charge - Option A	\$ 0.0070
Commodity Charge - Option B	\$ 0.0046

Date Filed: July 20, 2005 **Service on or after**
Effective Date: September 1, 2005

Effective on less than 30 days notice by authority of the Public Utilities Commission of South Dakota, dated 8/9/2005. Jeffrey Decker
Issued By: Regulatory Department

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
Original Sheet No.9.3
Canceling _____ Sheet No.9.3

**Northwestern Energy - South Dakota
Service Request Form**

This form shall constitute the Customer's Agreement to the terms of the Gas Contract Sales Tariff. The Company shall have the right, to file for, and seek approval by the South Dakota Public Utilities Commission of, changes in rates, charges or other tariff provisions applicable to service hereunder and to place such changes in effect in accordance with applicable law; and this Agreement shall be deemed to have been amended to include such changes and any other changes which become effective by operation of law or by order of any governmental body with jurisdiction.

This agreement shall become effective as of _____, and shall be in effect for a primary term of _____ year(s) from such date, and from year to year thereafter, unless and until terminated by either party upon six (6) months' written notice.

Customer Name: _____ **Account Number:** _____

Customer Address - Gas Delivery Point: _____

Customer Email Address - Notices: _____

Customer Address - Invoices: _____

Customer Contact: _____ **Title:** _____

Phone: _____ **Fax:** _____

Receipt Point (NWPS TBS): _____ **Meter Number(s):** _____

Service Quantity: _____ **Therms/Day** _____

Firm Transportation: _____ **Therms/Day** _____

IN WITNESS WHEREOF, the Parties hereto have executed this Service Request Form as of the day and year set forth below.

Company _____ Customer _____
Northwestern Public Service Company _____
By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

Date Filed: July 20, 2005

Effective Date: September 1, 2005

Effective on less than 30 days notice by authority of the
Public Utilities Commission of South Dakota, dated 8/9/2005.

Jeffrey Decker
Issued By: Regulatory Department

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
Original Sheet No. 9.5
Canceling _____ Sheet No. 9.5

4. Term:

The term of this Agreement will be from _____ and will expire _____

5. Terms of Payment

Bills are due and payable upon receipt and will be delinquent if not paid by the 20th day after billing. A late payment charge of 1% of the unpaid balance plus a collection fee of \$2.00 will be assessed against any delinquent account having an unpaid balance of \$5.00 or more at the time of processing of the next monthly bill. Where a customer has been disconnected for non-payment of a bill, a reconnection charge will be assessed in accordance with the Company's concurrent connection policy.

APPENDIX A

Original Dated

Gas Management Service Agreement for Purchase and Delivery of Natural Gas between NorthWestern Energy ("seller") and to Customer, Inc. ("Buyer")

Seller and Buyer agree to the following BLGQ volumes

M o n t h l y B L G Q T h e r m s

Month	Year 1 Volume	Year 2 Volume	Year 3 Volume	Average Volume
November				
December				
January				
February				
March				
April				

* BLGQ can be adjusted with a five-business day notice prior to the month of use.

Buyer: _____ Seller: **Northwestern Energy**

By: _____ By: _____

Title: _____ Title: _____

Date Filed: July 20, 2005

Effective Date: September 1, 2005

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Jeffrey Decker
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