



October 27, 2005

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

RECEIVED

OCT 27 2005

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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 proposed changes to its natural gas transportation 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 revised tariff

(2) The proposed effective date for the new tariff is December 1, 2005.

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

The report has not been mailed to others. It is proposed to provide a copy to all shippers on NorthWestern's system.

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

See paragraph 3 of Application

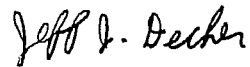
(5) Reasons for the proposed changes:

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 does not anticipate any affects upon its natural gas customers from these revisions.

Sincerely yours,

A handwritten signature in black ink that reads "Jeff D. Decker". The signature is written in a cursive style with a large initial "J".

Jeffrey Decker
Regulatory Specialist

STATE OF SOUTH DAKOTA
BEFORE THE
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 REVISIONS
TO NATURAL GAS RATE SCHEDULES**

NorthWestern Corporation (“NorthWestern” or the “Company”), doing business as NorthWestern Energy, hereby applies to the South Dakota Public Utilities Commission (the “Commission”) for approval of several revisions to the Company’s South Dakota Natural Gas Tariffs , 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 these tariff revisions, effective December 1, 2005.

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:

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

Michael Sydow
General Manager – Maintenance & Construction
NorthWestern Corporation, doing business as NorthWestern Energy
600 Market Street West
Huron, SD 57350
Phone (605) 353-7463
Fax (605) 353-7519
Email michael.sydow@northwestern.com

(2) Section and sheet numbers of tariff schedules:

| Section | Sheet Numbers |
|---------|---------------------------------------------------------------------|
| 3 | 6.3, 6.3A, 6.4, 6.4A, 6.5, 6.5A, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11, 9b |
| 5 | 6.1, 6.4, 6.5, 6.6, 6.6A, 7.1, 7.2, 7.3 |
| 6 | 24.1, 24.2, 24.3, 24.4, 25.1, 25.2, 25.3, 26, 27, 28 |

(3) Description of the changes:

In the attached Appendix A, the Company provides detailed information concerning these proposed tariff revisions. The proposed changes are to the following areas of NorthWestern's South Dakota Gas Transportation Tariff:

Section No. 3: Customer Balancing
Section No. 3: Standby Service Options
Section No. 5: Glossary of Terms
Section No. 5: General Terms and Conditions
Section No. 6: Service Request Form; Natural Gas Sales Agreement; Supplier Service Agreement; Transportation Service Designation; Request for Telemetry Service; Extended Service Agreement

(4) Reason for the changes:

In addition to this brief description of the proposed tariff revisions, NorthWestern explains the reasons for the suggested revisions in Appendix A. In the years since NorthWestern established its Gas Transportation Tariff, approved by the Commission in 1996, many changes have occurred at the federal level with regard to industry standard rules and procedures. Additionally, interstate pipelines have revised their tariffs to comply with these rules and procedures, and have also implemented stricter balancing and penalty provisions. NorthWestern has recently

completed a comprehensive review of its Gas Transportation Tariff and, in doing so, the Company examined the current provisions, reviewed comparable provisions in the tariffs of other South Dakota public utilities and the interstate pipelines it operates on, and engaged in discussions with personnel with these organizations. These proposed revisions reflect the outcome of that work, and NorthWestern believes contain reasonable and customary provisions to guide its natural gas operations in South Dakota. In addition the Company has updated the tariff to reflect the name change from "Northwestern Public Service Company" to "NorthWestern Energy" and to reflect its current address, phone numbers and facsimile numbers.

(5) Present rate:

The current provisions of NorthWestern's Natural Gas Rate Schedules are included, with the additional proposed language highlighted.

(6) Proposed rate:

See response to item (5) above.

(7) Proposed effective date of modified rates:

NorthWestern proposes that these revised natural gas tariffs be effective on December 1, 2005.

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

NorthWestern does not anticipate any changes in revenue as a result of these revisions.

(9) Points affected:

These proposed tariff changes would apply throughout the Company's natural gas service area.

(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 from these revisions.

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

See Appendix A.

Dated at Sioux Falls, South Dakota, this 27 day of October, 2005.

NORTHWESTERN CORPORATION

By: Jeff J. Decker
Jeffrey Decker, Regulatory Specialist
600 Market Street West
Huron, SD 57350
Ph (605) 353-8315
Fax (605) 353-8316

CERTIFICATE OF SERVICE

The undersigned hereby certifies that an original and one copy of this Application for and Report in Support of Revisions to Natural Gas Rate Schedules of NorthWestern Corporation, doing business as NorthWestern Energy, the proposed revised Tariffs, and the transmittal letter of Jeffrey Decker 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 27 day of October, 2005.

Jeff J. Decker
Jeffrey Decker, Regulatory Specialist
NorthWestern Energy

APPENDIX A

Section No. 3 - Customer Balancing

NorthWestern is proposing two types of changes in its customer balancing provisions. The first set of changes provide for settlement of imbalances or the “cashing out” of gas that has been over- or under-delivered by the Customer or Group Customer to NorthWestern Energy’s system. The second set of changes provide for the imposition of penalties when Customers or Group Customers are significantly out of balance.

Cash Out and Imbalance Penalty

“Cash out” refers to the amount paid by NorthWestern to the transportation customer for any gas transported to NorthWestern Energy’s system in excess of the customer’s usage. It also refers to the amount paid by the Customer to NorthWestern for gas delivered by NorthWestern in excess of deliveries by the Customer’s supplier. Cash out differs from an imbalance penalty in that it involves the actual purchase of gas when the Customer’s usage differs from the amount of gas transported by the Customer’s supplier. In addition to cashing out, penalties are assessed when the Customer’s usage is significantly different from the amount of gas transported by the Customer.

Existing Cash Out Provisions

NorthWestern’s existing settlement of imbalances and cash out provisions are described in Section No. 3, Sheet No. 6.4 of the Gas Transportation Tariff. On a monthly basis, cumulative net imbalances are deemed to have been bought or sold at the monthly average of the appropriate “Gas Daily” index price plus applicable pipeline transportation charges.

Proposed Cash Out Provisions

NorthWestern is proposing that imbalances be cashed out on a daily basis rather than a monthly basis. Under the existing tariff, imbalance settlements are based on a monthly average price regardless of the actual price at the time the imbalance occurred. Consequently, the tariff provides an incentive to under-deliver during times of the month when prices are higher than the likely monthly average price. Likewise, the tariff also offers an incentive to over-deliver during times of the month when prices are lower than the likely monthly average price. These incentives are exacerbated during periods of high price volatility.

An example of the exposure to regulated gas supply customers is as follows. A month starts out with high prices of \$16 per dekatherm and cold weather; a transportation customer under-delivers by 5,000 dekatherms for five days, but stays within the daily balancing requirements; however, NorthWestern is forced to purchase gas at \$16 per dekatherm to keep its system in balance with the interstate pipeline. Then, the weather warms up and the weekend price drops to \$10 per dekatherm. The transportation customer over-delivers an extra 5,000 dekatherms a day for three days each of the last two weekends of the month. The utility

will have to sell extra supply at the lower \$10 per dekatherm price to keep the system in balance on the interstate pipeline. The transportation customer is then long for the month and is cashed out at 5,000 dekatherms at the monthly cash out rate of \$13. Under this example, the transportation customer has affected the monthly gas supply cost of the utility in three different ways. First, the utility had to purchase expensive extra supply early in the month, which raises the cost to be collected in the true-up tracker. Second, the sale of gas at \$10 when it was purchased at \$13 also raises the amount needed to be collected in the true-up tracker. Third, the utility will have cashed out the transportation customer at an unfair value not consistent with actual costs.

NorthWestern proposes to institute cash out imbalances based on a daily "Gas Daily" index price rather than at a monthly average of this index in order to eliminate incentives to over- or under-deliver. Daily cash out also protects customers who may experience an over-delivery on a particular day from potentially being penalized twice – once in the form of daily imbalance penalties and again if the monthly average cash out price moves against them.

The proposed language changes and provisions in the Customer Balancing section of NorthWestern's tariff are similar to that contained in the South Dakota Gas Transportation Tariff of MidAmerican Energy for settlement of imbalances and imposition of penalties (Customer Balancing, SD P.U.C. Section No. III-A, Sheet Nos. 20-24).

Section No. 3 - Standby Service Options

Consistent with the above changes, this section of the tariff was revised to reflect the change from monthly to daily settlement of imbalances in the Customer's balancing obligation section.

Section No. 5 - Glossary of Terms; and General Terms and Conditions

The language changes NorthWestern is suggesting are to bring these sections into agreement with the tariff revisions described above and to bring the tariff into compliance with industry standards set out by the North American Energy Standards Board (NAESB). The language changes suggested are similar to the language contained in the South Dakota Gas Transportation Tariff of MidAmerican Energy (General Terms and Conditions, SD P.U.C. Section No. III-A, Sheet Nos. 31-37, and Glossary of Terms, SD P.U.C. Section No. III-A, Sheet Nos. 45-46).

Section No. 6 – Sample Forms

NorthWestern has updated this tariff section to reflect the name change from "Northwestern Public Service Company" to "NorthWestern Energy" and to reflect its current address, phone numbers and facsimile numbers. Additionally, NorthWestern is proposing to add Original Sheet No. 24.4, Natural Gas Sales Agreement, to this section. This form was previously omitted from the Sample Forms section of the tariff, but has been used by NorthWestern for over 20 years in its application of Rate Schedules 84 and 85.

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No. 6.3
Canceling 3rd Revised
Sheet No. 6.3
2nd Revised

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

1. Obligations of Customer and Company:

N

Customer Obligation - Customer shall have the obligation to balance on a daily basis the receipt of transportation gas by the Company at the Receipt Point with deliveries of thermally equivalent quantities of gas by the Company to the Delivery Point ("Balance"). Differences between Daily Receipts and Deliveries ("Imbalances") shall be accumulated and recorded in a Customer account. NorthWestern Energy will review the Customer's nomination made to the interstate pipeline. For purposes of determining distribution system imbalances, NorthWestern Energy will use the lesser of the volume confirmed on the interstate pipeline or the nomination submitted by the Customer to NorthWestern Energy.

- a) **Daily Balancing Limit** - The Customer is permitted to incur a daily Positive (Receipts greater than Deliveries) or Negative (Receipts less than Deliveries) Imbalance up to and including ten percent (10%) of the quantities delivered by the Company on the Customer's behalf, except on Critical Days.
- b) **Short Critical Day** -- The Customer is not permitted to incur a Daily Negative Imbalance but is permitted to incur an unlimited daily Positive Imbalance.

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Effective Date: December 1, 2005

Jeffrey Decker

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Original Sheet No. 6.3A
Canceling Sheet No.

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

- (c) Long Critical Day – The Customer is permitted to incur a Daily Positive Imbalance up to and including five percent (5%) and is permitted to incur an unlimited Negative Imbalance.
- (d) Operational Flow Order (OFO) – Company may call an OFO on a specific customer, multiple customers, or a Group Customer in order to limit critical day parameters to as small a segment of customers as possible. This customer or group will be subject to the same balancing parameters imposed on a Critical Day as outlined above.

Company Obligation - The Company is obligated to supply daily meter readings to the Customer, their agent or supplier. In addition, the Company has the obligation to provide applicable factors as are necessary to compute the Customer's usage.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No. 6.4
Canceling 1st Revised Original Sheet No. 6.4

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

2. Settlement of Imbalances:

N

On a monthly basis, the Customer will receive an Imbalance Statement from the Company which will show the daily quantities received by the Company on behalf of the Customer, Deliveries to the Customer's facilities and any Daily Imbalances resulting from the over or under delivery of gas.

- (a) Imbalance Settlement - In addition to the applicable over/under delivery charges, cumulative daily Positive or Negative Imbalances at a delivery point will be deemed to have been sold to or bought from the Company at the applicable Gas Daily index prices plus applicable interstate pipeline transportation fees. The Customer's imbalance will be subject to the index pricing point on the pipeline they are served by. The Company will establish the pricing index points and transportation used for each pipeline. The Company may change this index point at its discretion via the Purchased Gas Cost Adjustment, Section No. 3, Sheet No. 9b, that is filed monthly with the South Dakota Public Utilities Commission. Customers with multiple index pricing points will be cashed out at a weighted cost of the pipeline index points listed the Purchased Gas Cost Adjustment, Section No. 3, Sheet No. 9b, that is filed monthly with the South Dakota Public Utilities Commission.

3. Over/Under Delivery Charges for Imbalances:

N

- (a) Daily - Customers are allowed Positive or Negative Imbalances equal to 10% without imbalance charges. Customers with a Positive or Negative Imbalance, after adjustment for optional balancing service, shall be subject to an additional charge at the rate of \$0.01 per therm (\$0.10 per Dth) up to 30% Imbalances. For imbalances greater than 30%, the imbalance charge is \$0.10 per therm (\$1.00 per Dth. These charges apply except for Critical or OFO days.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Original Sheet No. 6.4A
Canceling Sheet No.

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

(b) Short Critical Day - Customers with a Negative Imbalance will be charged \$0.50 per therm (\$5.00 per Dth) for the first 5% Negative Imbalance and will be assessed the greater of \$3.00 per therm (\$30.00 per Dth) or three (3) times the Chicago City-gates "Midpoint" Index price as reported in Gas Daily publication for any Negative Imbalance in excess of 5%.

Customers with a Positive Imbalance on any Short Critical Day will not incur the daily \$0.10 per therm (\$1.00 per Dth) over delivery charge.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No. 6.5
1st Revised
Canceling Original Sheet No. 6.5

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

- (c) Long Critical Day - Customers with a Positive Imbalance in excess of the free 5% will be charged \$1.00 per therm (\$10.00 per Dth).

Customers with a Negative Imbalance on any Long Critical Day will not incur the daily \$0.10 per therm (\$1.00 per Dth) under delivery charge.

- (d) Additional Charges - If the Company incurs additional charges due to a Customer's Imbalance, those costs will be passed on to the Customer.

The customer shall reimburse the Company for any penalty, storage, or other costs incurred by the Company or imposed on the Company by a pipeline as a result of any under or over delivery imbalance, daily, monthly or otherwise, caused by the customer.

If the Company incurs additional charges due to a Customer's Imbalance, which is in excess of the penalty recoveries from transportation customers, the net excess penalty will be collected on a pro rata basis from all parties that created the additional charges.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Original Sheet No. 6.5A
Canceling _____ Sheet No. _____

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

- (e) Revenue Sharing – Over/Under Delivery Charges for Imbalances shall be credited to the sales customers via the Purchased Gas Cost Adjustment filing.
- (f) Waiver of Penalties – Regardless of Customer circumstances, the Company will not waive interstate pipeline imbalance charges that are incurred due to a customer imbalance. However, in the event of unanticipated, non-recurring conditions experienced by the Customer with their natural gas fueled equipment where the Customer as a result of problems with its natural gas fueled equipment was unable to use all quantities of gas confirmed for delivery (excluding changes in production levels by the Customer), the Company may waive its daily imbalance charges for the gas day the condition initially occurred.

Any imbalance charge paid by the Customer or waived by the Company, shall not be construed as giving the Customer the right to continue to create an imbalance on the system.

4. **Optional Daily Balancing Service:**

N

- (a) Description - A Customer or Group Customer shall have the option to choose a Daily Balancing Service ("DBS"). This balancing service is not available to customers on critical or OFO days. This is a delivery point service providing balancing tolerance, on a reasonable efforts basis, above or below the Customer's Receipts without the incurrence of Daily Over/Under Delivery Charges. This service is available on a monthly basis. The Customer must notify the Company of its DBS quantity coincident with reporting gas nominations for the first day of the month. If a Customer also elects to enter a Group Balancing arrangement, the Customer's DBS quantity becomes available for use by the Group Customer. DBS does not affect the monthly Settlement of Imbalances.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No. 6.6
1st Revised
Canceling Original Sheet No. 6.6

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

The DBS begins after a ten percent (10%) of Receipts tolerance is applied. DBS quantity is the daily volume variance between Receipts at the Receipt Point, plus or minus the ten percent (10%) of Receipts tolerance, and the amount actually used at the Delivery Point (Deliveries), unless a Critical Day is called.

- (b) Rates - The rates and charges for service under this optional service shall include each of the following:

Reservation Charge - The reservation rate is \$0.15 per therm (\$1.50 per Dth) per month, October-March, and \$0.03 per therm (\$0.30 per Dth) per month, April-September.

Commodity Charge - The commodity rate is \$0.003 per therm (\$0.03 per Dth). The monthly charge is equal to the commodity rate multiplied by the sum of the daily volume variances. Daily volume variance is any difference between (i) the absolute value of the difference between the Receipts and Deliveries for the day, up to the DBS quantity contracted for and (ii) ten percent (10%) of the Receipts.

Revenues collected under this section will be credited to expense in PGA true-up filings.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
1st Revised _____ Sheet No. 6.7
Canceling Original _____ Sheet No. 6.7

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

5. Optional Group Balancing Service:

N

- (a) Description - The Customer shall have the option to choose a Group Balancing Service (GBS) with the same balancing provisions, on the same pipeline and in the same interstate pipeline operational zone. For purposes of calculating the level of Customer Imbalances incurred under the terms of this tariff, the Group Customer shall be considered to be one Customer and the sum of the individual Customers' DBS quantities shall be the minimum DBS quantity for the Group Customer. All Customers within a group must choose the same method of Fuel Retention. In all respects, the Customer shall operate individually under the provisions of this tariff. The Group Customer shall enter into a Group Balancing Agreement under this tariff, which shall be for a term of not less than one month. The term Group Customer shall mean a person, corporation, partnership, or other legal entity that provides gas under the parameters as specified above.
- (b) Applicability
- (i) The Group Customer must execute a Supplier Service Agreement and must notify the Company of the Customers to be grouped, by Delivery Point(s), at least two (2) working days before the first of the month nominations are due. All billing will be based on the Group Customer's notification. Any requests to change Customers in a group after the notification timeframe outlined above will be accommodated at Company's discretion and shall be subject to a Rescheduling Service fee of \$50 for each Customer change in a Group.
- (ii) The Group Customer shall provide the Company a single combined daily nomination representing the sum of the daily nominations for all of the Delivery Points applicable to the Group Customer. The Group Customer shall retain

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
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Section No. 3
Sheet No. 6.8
1st Revised
Canceling Original Sheet No. 6.8

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Customer Balancing

Rate No. 87

(Con't.)

information regarding individual nominations, which shall be provided to Company upon request. Each Delivery Point within the group must have operational telemetering in place.

- (iii) If the Group Customer does not comply with the provisions of its Supplier Service Agreement, Company may terminate the Agreement and each Customer whose Delivery Point is part of the Group Customer will be individually responsible for the settlement of gas transportation imbalances and other charges regardless of payments that the Customer may have rendered to the Group Customer. The Group Customer shall remain responsible for Pipeline Imbalances, penalties, overrun charges or other charges it may create on the interstate pipeline system. Company reserves the right to terminate the Supplier Service Agreement for due cause upon three days of written notice. In the event the Agreement is terminated during any month, the Customers whose Delivery Points are within the Group Customer shall be billed separately for any imbalances and shall also be billed the Group Balancing Charge.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
2nd Revised Sheet No. 6.10
Canceling 1st Revised Sheet No. 6.10

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

Rate No. 87

(Con't.)

- (b) Rates - The rate for this service shall be the Company's quoted rate for the type of supply provided. In addition to these charges, the quoted rate for the service shall include the commodity charge under the applicable rate schedule.
- (c) Adjustment of Gas Cost - In connection with the Company's Adjustment Clause, the Company will credit overall gas cost based on rates charged in section (b) above. The Company will provide this information under a separate section of the Adjustment Clause filing.
- (d) Billing - Customer Billing for this service will be based on the amount nominated or Receipts. If actual usage exceeds nominations, the customer will be responsible for the actual volumes taken, plus any additional costs incurred by the Company, such as overrun charges on the deficient volumes. If actual usage is below nominations, the customer will be allowed to use the surplus volumes per the balancing provisions described subsequently in this tariff. For Billing purposes only, the gas delivered under this service shall be considered "first through the meter".
- (e) Customer's Balancing Obligation **D**
- i) Transportation Customers will be subject to the balancing provisions applicable to their gas transportation service including DBS levels purchased.
- ii) Customer shall have the obligation to Balance, on a daily basis, Receipts and Deliveries of gas made under this tariff by the Company. Differences between Receipts and Deliveries shall be accumulated and recorded in a Customer account. The Customer shall manage Receipts and Deliveries so that the account balance shall be kept as near to zero as practicable.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
1st Revised Sheet No. 6.11
Canceling Original Sheet No. 6.11

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
 HURON
 SOUTH DAKOTA

Section No. 3
130th Revised Sheet No. 9b
 Canceling 129th 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> | 0.0040 |
| Total Gas Component Charge | \$ 0.5195 |
| 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 | 0.62 |
| Total Demand Charge | \$ 0.69 |
| Gas Commodity Charge | |
| Rate No. 84 Gas Commodity Charge | \$ 0.5025 |
| Imbalance Cashout Rate Index Points | N |
| Northern, Ventura 50% | |
| Northern, Demarcation 50% | |
| <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. 87 - Gas Transportation Service | |
| Commodity Charge - Option A | \$ 0.0070 |
| Commodity Charge - Option B | \$ 0.0046 |

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 5
Sheet No. 6.1
Canceling 2nd Revised
1st Revised Sheet No. 6.1

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: General Terms and Conditions

N

1. **Contract:** Customer shall execute a written Service Request Form for transportation of customer-owned gas hereunder.
2. **Minimum Term:** The minimum term of the Service Request Form shall be annual unless the Company and Customer mutually agree to a shorter time period. In no event shall Customer be allowed to switch between Transportation and Sales service with less than a 30 day written notification. In the event Customer wishes to return to Sales service, the Company shall have the discretion to approve or deny the request based on various factors such as availability of interstate pipeline capacity to meet customer's needs. After the contract period, the Customer may return to sales on the same basis as any new customer.
3. **Filing:** Transportation will not commence until the Customer files with the Company a completed Service Request Form and all other applicable documentation.
4. **Gas Quality:** Gas purchased by Customer from a third party for Transportation by the Company shall be commercially clean and merchantable. Such gas shall be comparable in quality to and interchangeable with gas purchased by the Company. The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.
5. **Thermal Balancing:** The quantity of transportation gas received by the Company from the transporting pipeline and the quantity of transportation gas delivered to the Customer under the applicable Schedule shall be thermally balanced. For delivery systems with a single source of gas supply, the transporting pipeline's statement as to volumes, heating value, and thermal balancing shall be taken as conclusive. For delivery systems with multiple sources of gas supply, the Company shall determine the heating value of gas delivered to the Customer on a monthly basis in order to implement the requirement for thermal balancing.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 5
2nd Revised Sheet No. 6.4
Canceling 1st Revised Sheet No. 6.4

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: General Terms and Conditions
(Con't)

11. Request for Service:

- (a) Requests for service under any Transportation Schedule must be made by filing with the Company the information required on the form entitled "Service Request Form" and "Transportation Service Designation" in the Company's effective Gas Transportation Tariff.
- (b) Transportation Service will be provided on a "first-come/first-served" basis.
- (c) Service will not be approved, and a first-come/first-served priority rating for service will not be determined and assigned, until all the information required by the Service Request Form and Transportation Service Designation has been delivered to the Company. The Company reserves the right to request additional information from any applicant, but requesting such information will not reduce the priority rating for service if the applicant has otherwise provided all of the information and paid the fee as required by this section.
- (d) 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.

12. Nominations

N

Nominations shall be the volume of gas the Customer wishes to transport on Company's distribution system for transportation service. Each customer or assigned agent desiring to deliver gas into NorthWestern Energy's system must submit a nomination to flow gas into the Company's distribution system. Nominations shall be delivered to:

NorthWestern Energy Gas Supply
600 Market Street W.
Huron, South Dakota 57350
Phone: (605) 352-8411
FAX: (605) 353-8346

- (a) Nomination Time Line: The nomination will be due by 9:00 a.m. CCT coincident to the start of the gas day beginning at 9:00 a.m. CCT. Nominations delivered via fax are due 2 hours before the start of the gas day.

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SOUTH DAKOTA GAS RATE SCHEDULE

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SOUTH DAKOTA

Section No. 5
2nd Revised Sheet No. 6.5
Canceling 1st Revised Sheet No. 6.5

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: General Terms and Conditions
(Con't)

- (b) Confirmation: The Company will begin verification of scheduled flow/confirmation upon receipt of nominations from the Customer. Company will confirm the lesser of 1) the confirmed pipeline volumes, or 2) the nomination into the Company's distribution system.
- (c) Nomination Process: All parties should support a seven-days-a-week, twenty-four-hours-a-day nomination process. Party contacts need not be at their ordinary work sites but should be available by telephone or pager.
- (d) Daily: Customers, or their agent, shall notify the Company's representative by 9:00 a.m. CCT, by mutually acceptable method, of a Daily Nomination or a desired change, if any, to its requested quantity of transportation gas for the gas Day commencing at 9:00 a.m. CCT or for following gas Days. Nomination of Delivery and Receipt Point shall be limited to those specified in the Service Request Form.
- (e) Critical Day and/or OFO: When curtailment/interruption/OFO is called, the Company shall attempt to notify the Customer by 3:30 p.m. CCT, prior to the beginning of the gas day, or as necessary to maintain the integrity of the system, of the receipt and delivery conditions applicable to Customer's Gas Transportation Service during the next gas day commencing at 9:00 a.m. CCT. Such notification shall include all necessary information known at the time, such as curtailment or interruption conditions, allowable balancing adjustments, deliveries under standby service, the estimated Supply Standby price, etc. The Company shall also notify the Customer once the curtailment/interruption conditions have changed. Similar to the provisions of the Late Nominations section below, the Company may allow for reduced Critical Day/OFO nomination requirements.
- (f) Firm Supply Standby Service: Customer or its agent, shall notify the Company's representative by at least 4:00 p.m. CCT prior to the end of the gas day of its requested quantity of Firm Supply Standby service gas to be delivered by Company at the Delivery Point.
- (g) Standby Supply Service: Customer, or its agent, shall notify the Company's representative according to normal Daily Nomination procedures of its requested quantity of Standby Supply service gas to be delivered by Company at the Delivery Point.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
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Section No. 5
Sheet No. 6.6
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1st Revised Sheet No. 6.6

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: General Terms and Conditions
(Con't)

- (h) Late Nominations: The Company may, at its sole discretion, reduce the Nomination requirements outlined above in those situations where operationally the Company can accommodate a change in Nomination on less notice. Nominations shall be implemented only if they are confirmed by the interstate pipeline. For each Late Nomination, the Company will charge a Late Nomination fee of \$15 per Delivery Point. The charge will be imposed for each nomination change received and approved by the Company.
- (i) Operational Flow Order (OFO): The Company may call an OFO on customers behind a specific pipeline, delivery zone, town border station; on a marketer, agent, group of customers, or specific customer. This OFO will result in requiring customers that the OFO was called on to balance gas volumes under either the Short or Long Critical Day provisions. The OFO will remain in effect until the operational condition requiring its issuance has been remedied. The type of OFO call and process the Company will use is as follows:

OFO call by pipeline, Delivery Zone, or Town Border Station (TBS). The Company will call a Short or Long Critical Day on a specific pipeline, delivery zone, or TBS for the following reasons:

1. When the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities.
2. When the transmission system pressures or other unusual conditions jeopardize the operation of the Company's system.
3. When the Company's transportation, storage, and supply resources are being used at or near their maximum rated deliverability.
4. When any of the Company's transporters or suppliers call the equivalent of a Critical Day.
5. When the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

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CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: General Terms and Conditions
(Con't)

OFO call by a marketer, agent, group of customers, or specific customer.
The Company will call a Short or Long Critical Day on a marketer, agent, group of customers or specific customer when, in the Company's judgment, the OFO is necessary to maintain or restore operational integrity when a marketer, agent, group of customers, or specific customer is significantly delivering long or short during periods of significant gas price changes.

- 13. Provisions Applicable to Third Party Suppliers:** If a Gas Transportation Customer wishes to utilize brokers, marketers, or other third party suppliers ("Third Party Suppliers") either as agents or as suppliers of gas into the Company's system, the Customer must notify the Company in writing of the Third Party Supplier that will be used in any particular gas month and whether the Third Party Supplier will be acting as agent for Customer for making nominations. If the Customer is using a Third Party Supplier, Customer agrees that as between Company and Customer, the Company shall be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by Third Party Supplier.
- 14. Failure to Comply:** If the Customer fails to comply with or perform any of the obligations on its part to be complied with or performed under a Schedule, the Company shall have the right to give Customer written notice of the Company's intention to terminate the Transportation on account of such failure. The Company shall have the right to terminate such Transportation at the expiration of five days after the giving of said notice, unless within five days the Customer shall make good such failure. Termination of such Transportation for any such cause shall be a cumulative remedy as to the Company, and shall not release the Customer from its obligation to make payment of any amount or amounts due or to become due from the Customer to the Company under the applicable Schedule. In order to resume Transportation after termination of service hereunder, it shall be necessary for Customer to file a new request for service.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 5
Sheet No. 7.1
Canceling 2nd Revised
1st Revised Sheet No. 7.1

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Glossary of Terms

N

1. **Balance** - The Customer's obligation to make Deliveries equal Receipts.
2. **Billing Period** - Shall mean the period beginning at 9:00 a.m. CCT, on the first day of a calendar month and ending at the same hour on the first day of the next succeeding calendar month, unless a different period of time is specified in the Service Request Form.
3. **CCT** - Central Clock Time follows the same time changes as Central Standard Time and Central Daylight Time in the Central Time Zone.
4. **Commodity Charge** - Amount based upon the quantity of gas transported.
5. **Company** - Northwestern Energy.
6. **Critical Day** - A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (c) when the Company's transportation, storage, and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a part of the Company's system.
7. **Customer** - Shall mean any person, association, firm, public or private corporation, or any agency of the federal, state or local government or legal entity responsible by law for payment for gas service at a single location.
8. **Day or Daily** - The gas Day is a 24-hour period beginning at 9:00 a.m. CCT, and ending at 9:00 a.m. CCT the following day.
9. **Deliveries** - The Customer metered usage at the Delivery Point.
10. **Delivery Point** - The location where the Company's gas distribution facilities are interconnected with the Customer's facilities and where the Customer and the Company have agreed that transportation gas received at the Receipt Point will be delivered by the Company to the Customer.
11. **Demand Charge** - Amount based upon the quantity of transportation space desired.

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NORTHWESTERN ENERGY
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SOUTH DAKOTA

Section No. 5
Sheet No. 7.2
Canceling 2nd Revised
1st Revised Sheet No. 7.2

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Glossary of Terms
(Con't.)

12. **Fuel** - Any charges levied or reduction in volumes delivered as a result of the movement of gas.
13. **"Gas Daily"** - Industry publication giving daily gas price indices by interstate pipeline points. The indices used will be the "Midpoint" price of Gas delivered to the applicable interstate pipeline point(s), or other point(s) as specifically referenced, as published by Platts, a division of The McGraw-Hill Companies, in Gas Daily and referenced in the "Daily Price Survey" under the applicable heading for the reported "Flow Date(s)." If the "Midpoint" price is not published in Gas Daily for the applicable "Flow Date(s)," then the index shall be the "Midpoint" price for the most recently published "Flow Date(s)" preceding the "Flow Date(s)" on which the "Midpoint" price was not published.
14. **Imbalances** - The difference between Receipts and Deliveries.
15. **Long Critical Day** - Shall mean a day when the Company anticipates that the level of demand on the system is expected to fall below a level of scheduled supply, which could operationally or otherwise adversely impact the Company, its systems, or its customers.
16. **MMBtu, Dekatherm and Therm** - The term "MMBtu" shall mean 1,000,000 Btu's. One MMBtu is equal to one Dekatherm (1 Dth) or 10 Therms. One Therm is equal to 100,000 Btu's. The standard quantity for nomination, confirmation and scheduling is Dekatherms per gas day in the United States.
17. **Month, Monthly, Billing Period** - The period beginning on the first day of a calendar month and ending on the first day of the succeeding calendar month.
18. **Negative Imbalance** - The daily difference between the quantity of gas received at the Receipt Point and a greater quantity of Deliveries.
19. **Nomination** - Quantity of gas the Company is requested to transport daily from the Receipt Point to the Delivery Point.
20. **Operational Flow Order (OFO)** - An order by the Company to transport customer, customers, or group customer, to make deliveries match usage. The stricter provisions of either a critical short or long day will apply to the customer.
21. **Positive Imbalance** - The daily difference between the quantity of gas received at the Receipt Point and the lesser quantity of Deliveries.
22. **Receipts** - Shall mean the quantity of gas received by Company from the transporting pipeline on a daily basis for the account of Customer.

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

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| | 3 rd Revised | Section No. 5 |
| | Canceling 2 nd Revised | Sheet No. 7.3 |

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: Glossary of Terms

(Con't.)

- 23. **Receipt Point** - The point at which the transporting pipeline's facilities are interconnected with the Company's facilities. Receipt Points are usually Town Border Stations ("TBS") applicable to the Delivery Point. The Receipt Point must be at a location applicable to the Customer's historical purchases and the Delivery Point must be the historical purchase site. If, in the sole discretion of the Company, the Company can, operationally and without hardship to its other customers, receive gas for the account of Customer at a point other than the town border station applicable to the Customer's historical purchases, the Receipt Point restriction may be waived by Company.

- 24. **Reservation Charge** - Amount based upon the quantity of service desired.

- 25. **Retention** - The percentage by which gas received at the Receipt Point is reduced in order to arrive at the quantity delivered at the Delivery Point. Where fuel reimbursement is in-kind, the standard fuel calculation mechanism, as this is related to the nomination process, should be $(1 - (\text{fuel \%}/100))$ multiplied by receipt quantity = delivery quantity.

- 26. **Short Critical Day** - Shall mean a day when the Company anticipates that the level of demand on the system is expected to be greater than a level of scheduled supply, which could operationally or otherwise adversely impact the Company, its system, or its customers.

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HURON
SOUTH DAKOTA

Section No. 6
Sheet No.24.1
1st Revised
Canceling Original Sheet No.24.1

NorthWestern Energy - South Dakota T
Service Request Form

This form shall constitute the Customer's Agreement to the terms of the Gas Transportation 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: _____

Customer Account Number: _____ SIC Code: _____

Customer Address - Gas Delivery Point: _____

Customer Address - Notices: _____

Customer Address - Invoices: _____

Customer Contact: _____ Title: _____

Phone: _____ Fax: _____

Receipt Point (NWE TBS): _____

Delivery Point: _____

Meter Number(s): _____

Previous Rate Designation(s): _____

Service Quantity: Therms/Day _____

Firm Transportation: Therms/Day _____

Daily Balancing: Therms/Day _____

Standby Supply Therms/Day _____

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
1st Revised Sheet No.24.2
Canceling Original Sheet No.24.2

NorthWestern Energy - South Dakota T
Service Request Form

Pricing:

From time to time, Customer and Company shall negotiate a rate and term of transportation which shall be by purchase nomination order in the form which is attached as Exhibit A and incorporated by reference in this Agreement.

Service Qualifications:

The Company is notifying Customers who have elected Gas Transportation Service of the risks of transportation reasonably known at the time the Customer begins transporting gas. The Customer hereby understands it may be subject to risks which include, but may not be limited to, the following:

- 1) The Company may not have firm or interruptible gas sales service available if the Customer seeks to purchase gas from the Company; and,
- 2) The Customer may be subject to pipeline penalties assessed to the Company which are caused by the Customer consuming the Company's gas with no authority to do so; and,
- 3) If the Customer elects to discontinue transporting gas and if the Company is able to secure a source of gas supply and transportation for the Customer, the cost of such gas and transportation may exceed the cost of gas being purchased by the Company's other Customers.

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

Company

Customer

NorthWestern Energy

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
1st Revised Sheet No.24.3
Canceling Original Sheet No.24.3

NorthWestern Energy - South Dakota T
Service Request Form

EXHIBIT "A"
GAS TRANSPORTATION TARIFF
PURCHASE NOMINATION ORDER

This Purchase Nomination Order ("PNO") is made and entered into by and between Customer and Company. This PNO is pursuant to and in accordance with the provisions of the Agreement for Gas Transportation Tariff executed between the Parties and Company's Gas Transportation Tariff as on file with and made effective by the South Dakota Public Utilities Commission.

TELECOPY TO: _____

ATTENTION: _____

Telephone: _____ Telecopier: _____

RATES:

Transportation: _____ per MMBtu transported

Others:

Please acknowledge the terms outlined above by signing below, and return via facsimile to _____.

NorthWestern Energy
"Company"

"Customer"

Name Date

Name Date

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
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Canceling Sheet No.

N

NorthWestern Energy – South Dakota
Natural Gas Sales Agreement

Customer Name _____

Address _____, _____, _____
City State

NorthWestern Energy (NWE) agrees to deliver and sell natural gas to the Customer, and the Customer agrees to receive and purchase natural gas from NWE, according to the following terms:

- (1) The provisions of NWE Rate No. _____ and NWE's General Terms and Conditions, as approved by the appropriate regulatory authority. A copy of these tariff sheets may be obtained from NWE.
- (2) Customer's firm natural gas requirements are _____/day. All natural gas delivered by NWE to Customer in excess of such firm gas is interruptible gas. Such interruptible gas shall not be used during periods for which notice of curtailment has been given. Use of unauthorized gas during curtailment is subject to application of appropriate penalty provisions.
- (3) The term of this Agreement shall be _____ year(s), beginning this date, and shall continue for additional one-year terms beyond such initial term unless ninety (90) days' written notice is provided by either party.

Dated this _____ day of _____, _____.

Customer

NorthWestern Energy

By _____
Title _____

By _____
Title _____

Account No. _____

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
1st Revised Sheet No.25.1
Canceling Original Sheet No.25.1

NorthWestern Energy - South Dakota T
Supplier Service Agreement

This Supplier Service Agreement is made and entered into as of the _____ day of _____, _____, by and between Northwestern Energy (NWE) and _____, as agent for various end users (Group Customer).

WHEREAS, NWE and end users for whom Group Customer acts as agent have entered into an agreement for Natural Gas Transportation Service pursuant to the terms of NWE tariffs on file with and made effective by the South Dakota Public Utilities Commission and;

WHEREAS, Group Customer qualifies under NWE Optional Balancing Transportation Service tariff as a Group Customer and wishes to elect optional group balancing service.

NOW THEREFORE, in consideration of the mutual promises-contained in this Agreement, the parties agree as follows:

1. NWE will calculate the level of Group Customer's monthly and daily imbalances at the delivery points shown on Appendix A to this Agreement as if incurred under the terms of its Gas Transportation Tariff by one customer.
2. This Agreement is subject to the provisions of NWE's transportation tariff, the general terms and conditions of service applicable to transportation customers and the optional group balancing transportation service tariff as the same may be amended from time to time.

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HURON
SOUTH DAKOTA

Section No. 6
Sheet No.25.2
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Canceling Original Sheet No.25.2

North Western Energy - South Dakota T
Supplier Service Agreement

- 3. NWE shall have the right to file for, and seek approval by the South Dakota Public Utilities Commission for 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 Contract 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.
- 4. This contract shall become effective as of _____ and shall continue for monthly terms thereafter and may be terminated by Company with three days' written notice and Group Customer upon one month's written notice. The contract may be amended at any time by execution of a revised Appendix A to change the applicable delivery points.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first written.

NorthWestern Energy

Group Customer

By: _____

By: _____

Title: _____

Title: _____

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Effective Date: December 1, 2005

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

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NorthWestern Energy - South Dakota T
Supplier Service Agreement

APPENDIX A

Delivery Points

- 1.
- 2.
- 3.

NorthWestern Energy

_____ Group Customer

By: _____

By: _____

Date _____

Date: _____

_____ Effective Date of Appendix A

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
Sheet No. 26
Sheet No. 26
1st Revised
Canceling Original

NORTHWESTERN ENERGY - SOUTH DAKOTA T
TRANSPORTATION SERVICE DESIGNATION

This form shall designate the responsibility of the various parties in the delivery of transportation service. The information listed shall be assumed to be correct until a revised form is received by NorthWestern Energy.

Customer Name: _____

Customer Contact: _____ Title: _____

Customer Address - Gas Delivery Point: _____

Meter Number(s): _____

Effective Date (first of month): _____

Gas Supplier: _____

Gas Supplier Contact Name: _____

Nominations:

The nominations for the delivery point(s) listed above will be made by the party designated below.

_____ Customer Phone: _____ Fax: _____

_____ Supplier Phone: _____ Fax: _____

Usage Information:

The usage information for the delivery point(s) listed above will be sent to the party designated below.

_____ Customer Phone: _____ Fax: _____

_____ Supplier Phone: _____ Fax: _____

Billing:

The transportation billing for the delivery point(s) listed above will be sent to the party designated below. The Customer shall be responsible for the amount billed regardless of the party designated.

_____ Customer (will be sent to address listed on agreement)

_____ Supplier Address: _____

The Customer is responsible for notifying NorthWestern Energy of changes to the above information 3 work days prior to the beginning of the month that the changes are to take effect. Please return this document via fax to : (605) 353-7479

Signature _____

Name _____

Title _____

Date _____

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SOUTH DAKOTA GAS RATE SCHEDULE

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NORTHWESTERN ENERGY - SOUTH DAKOTA T
REQUEST FOR TELEMETERING SERVICE

In order to provide gas transportation service under the terms of the Gas Transportation Tariff a customer must have telemetry equipment installed. According to the terms of the tariff, the customer will be billed for all costs relating to the installation of the required telemetry equipment, at a total cost of \$2,100. This charge will be considered a non-refundable contribution in aid of construction. NorthWestern Energy (NWE) will retain ownership of the equipment and be responsible for maintenance. The charges include an income tax gross-up of the contribution amount.

The standard labor and equipment charged to the customer include the following:

- 1) Cost of the telemetering hardware
- 2) Hardware necessary to retrofit existing meter (electrocorrector installation)
- 3) Labor required to modify meter
- 4) Labor required to install telemetering equipment
- 5) Marketing labor

The telemetering installation costs will be billed as an additional item on the monthly transportation billing. If you would like NWE to bill your gas supplier for these charges, please enter the supplier's information below. You, as the customer of NWE, will have responsibility for these charges should payment not be received by NWE from the supplier designated.

Gas Supplier to be billed: _____

Contact: _____

Phone: _____

Return this executed Request for Telemetering Service to:

North Western Energy
600 Market Street W.
Huron, South Dakota 57350
Phone: (605) 352-8411 or 1-800-245-6977
FAX: (605) 353-8346

Agreed to by: _____

Name: _____

Title: _____

Company: _____

Date: _____

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 6
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Canceling Original

EXTENDED SERVICE AGREEMENT

T

NAME(S) _____ DATE _____

SERVICE ADDRESS _____ CITY _____

ACCOUNT NO. _____ RATE NO. _____ BILLING CYCLE _____

The undersigned Customer and NorthWestern Energy ("NWE") agree that natural gas will be provided by Company to Customer as follows:

(1) Customer has natural gas requirements of at least 2,000 therms per day and is receiving natural gas service from NWE under the rate listed above.

(2) During the term of this Agreement, the rate per therm of natural gas delivered by NWE to Customer will be subject to the discounts on the non-gas portion of the commodity rate in accordance with the following:

| Years Remaining in Contract Term | Discount |
|----------------------------------|-----------|
| More than four | 8 percent |
| Four | 4 percent |
| Three | 3 percent |
| Two | 2 percent |
| One | 1 percent |

(3) The term of this Agreement shall be five years, beginning with the execution of this Agreement.

(4) All provisions of NWE's filed tariff listed above, including NWE's General Terms and Conditions, all as amended from time to time and filed with the South Dakota Public Utilities Commission, not specifically changed by this Agreement shall apply.

Accepted and approved this _____ day of _____, 19____.

NORTHWESTERN ENERGY CUSTOMER

By _____ By _____

Title _____ Title _____

Date Filed: October 27, 2005

Effective Date: December 1, 2005

Jeffrey Decker
Issued By: Regulatory Specialist