BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

IN RE:	)	
	)	**Docket No. NG07-___**
NORTHWESTERN CORPORATION	)	
d/b/a NorthWestern Energy	)	

PREFILED DIRECT TESTIMONY OF JEFFREY J. DECKER ON BEHALF OF NORTHWESTERN ENERGY

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Witness Information

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

A. Jeffrey J. Decker, 600 Market St W., Huron, South Dakota 57350.

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

A. I am employed by NorthWestern Energy as a Regulatory Specialist.

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

A. I graduated in 1986 from Dakota Wesleyan University with a Bachelor of Arts degree in Business Administration. I joined NorthWestern Public Service in 1988 as a corporate accountant working with financial reporting. Starting in 1993, I worked with NorthWestern Growth Corporation. My responsibilities included financial analysis of potential acquisitions. In 1995 I became the director of rates. I was promoted to Manager of Financial Services – NEC in 1998. In 2004, my title was changed to Regulatory Specialist for NorthWestern Energy. Since 1996 I have been responsible for developing the NorthWestern Energy Gas Revenue budgets for South Dakota and Nebraska. I also maintain and analyze heating degree-day data for both states on a monthly basis.

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

A. I am supporting the weather normalization pro forma adjustment to the income statement. The heating degree-days by cycle are shown in Exhibit JJD-WP1. The revenue adjustments are calculated on Statement O.

Weather Normalization

Q. Please explain Exhibit JJD-WP1 and Statement O.

A. The 2006 test year was warmer than normal, which resulted in lower sales and revenues. I adjusted the test year revenues to correspond to normal weather.

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

A. The total net weather adjustment reflects an increase to the Company's test year net income as a result of weather normalizing billed sales and unbilled sales for twelve months ending December 31, 2006. The calculation to obtain this adjustment is included in Statement O. Natural gas volumes were adjusted by class. Adjusted volumes were then used to calculate revenues at present and proposed rates.

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

A. The methodology used for the normalization is consistent with that used in determining the annual forecasted sales for the calculation of the NorthWestern budget projections. This method calculates a normalization factor by taking the sum of the monthly heating degree-day normals and dividing them by the sum of the monthly degree-day actuals. Heating degree-days for actual and normal are calculated on a billing cycle basis to provide a better match with revenues. This normalization factor is applied to actual annual sales (less base-load sales) to either decrease actual sales if it is colder than normal or increase sales if it is warmer than normal.

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

A. The normal and actual heating degree-days are reported by the National Oceanic and Atmospheric Administration. The monthly Normal Heating Degree Days are based on a thirty-year average for the period of 1971-2000.

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

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

A. Yes, I have. This is contained on Exhibit JJD-WP2.

Q. What does this exhibit demonstrate?

A. Shown on this exhibit is the heating degree data for calendar year 2006 for Aberdeen, Brookings, Huron, and Mitchell, South Dakota. The data was derived from the NOAA Weather Service except for Brookings, which was derived from the SDSU Web-Site. NorthWestern's gas markets fall in or near these locations. The data shows that Huron experienced heating degree-days that were 86.83% of normal. The four-city average experienced weather that was 87.23% of normal during 2006. This data, although reported on a calendar as opposed to billing cycle basis, supports the assumption that the Huron weather is representative of our service territory.

Deferred Costs in NG07-009

Q. What is the purpose of the deferred costs referred to on Statement P of the required statements?

A. In docket NG07-009, the Company asked the Commission for permission to defer the costs related to the Company's use of the Nekota pipelines. The costs were included in the Purchased Gas Adjustment (PGA) until March 1, 2007. Included as part of this filing, the Company would propose to include the deferred amount as shown in Exhibit JJD-WP3, times the number of months of deferral, in the Company's PGA. This deferred amount would be applied to the PGA balance at the time the new rates become effective. The deferred amount would then be collected over the following 12 months through the PGA rate.

Revenue Requirements Study

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

A. Yes, I am sponsoring an exhibit related to my testimony in this case, Exhibit JJD-1. Various schedules are included as part of this exhibit, and it sets forth the South Dakota Gas Revenue Requirements study.

Q. Was this exhibit prepared by you or under your direction and supervision?

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

Q. Does this exhibit reflect the information shown on NorthWestern's books

and records for the corresponding base period?

A. Yes. The information shown per books, or actual, was taken from the books and records of NorthWestern for the base period consisting of the twelve-month period ending December 31, 2006. The Federal and State Income Taxes were calculated using a rate of 35%. The historical base period amounts were adjusted for known and measurable changes expected to occur during the time proposed rates go into effect.

Q. What is contained in Exhibit JJD-1?

A. Exhibit JJD-1 is the South Dakota Gas Revenue Requirements study.

Q. Would you briefly summarize what is included as part of Exhibit JJD-1?

A. Schedule No. 2, consisting of 3 pages, is a summary of natural gas sales and transportation revenues, containing actual base year billing units and revenues. Revenues have been broken down into: type of revenue recovery, customer charges, distribution delivery charges, ad valorem tax adjustment clause, and gas costs. In addition, test year billing units are shown with associated revenues derived using present and proposed rates.

Schedule No. 2.1, consisting of 14 pages, contains the weather normalization of billing unit results. Each page sets forth revenues at base year actual, present and proposed rates by rate schedule.

Schedule No. 2.1.a, consisting of 10 pages, sets forth the revenues derived from customers with contracts with deviations.

Schedule No. 2.2, consisting of 1 page, contains the monthly heating degree- days for Huron, South Dakota.

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

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

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

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

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

Schedule No. 9.1, consisting of 2 pages, shows the book balances of plant accounts as of December 31, 2005 and 2006, along with base and test year adjusted thirteen-month average balances.

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

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

Schedule No. 11, consisting of 1 page, sets forth the common or indirect allocation factors for the test period. These factors have been based on actual 12 months ended May 31, 2005 data, and were used to allocate common or indirect costs during 2006.

Pro Forma Adjustments – Operating Income Statement

Q. Mr. Decker, can you please refer to Statement N pages 3 through 5? Would you please explain each individual pro forma adjustment to the operating income statement?

A. I will address adjustments 1, 2, 3, 13 and 18. Witness Kliewer has addressed the remaining adjustments in his testimony.

Adjustment No. 1 – Weather Normalization

Details and calculation of this adjustment are shown on Schedule Nos. 2.1 and 2.2. This adjustment decreases the revenue requirement by $1,100,509.

NorthWestern has made certain adjustments to base year volumes in determining test year volumes. The upward adjustment to base year volumes delivered to retail customers is primarily the result of warmer than normal weather in the base year. Heating degree-days during the base year were approximately 89 percent of normal, as shown on Schedule 2.2. In summary, actual base year volumes were divided into temperature sensitive and non-temperature sensitive volumes. The non-temperature sensitive volume was determined using the August and September 2006 volumes in the base period. The temperature sensitive volume for the year was then calculated by subtracting the non-temperature sensitive volume from the total volume. The temperature sensitive volumes are normalized in a linear manner adjusting the base period temperature sensitive volumes by the ratio of historical normal heating degree days to the actual heating degree days matched to billing cycles during the twelve months ended December 31, 2006.

This adjustment also determines the gas supply cost and ad valorem tax adjustments using weather normalized sales requirements and the cost component of each rate schedule in effect on March 2, 2007. The March 2 Purchased Gas Cost rate used in this filing is higher than the 12-month average rate in effect during the 2006 test year. This results in the higher gas costs and revenue shown in adjustment No. 1.

Adjustment No. 2 – Former Nekota Customer Gas Load

Details and calculation of this adjustment are shown on Schedule No. 2.1a, pages 1 through 10. This adjustment decreases the revenue requirement by $2,180,562.

This adjustment is the result of increasing test period volumes to include the customers formerly served by Nekota. The adjustment was made to reflect pro-forma operations of twelve months. Effective March 1, 2007, Nekota was merged into NorthWestern Energy. Since NorthWestern now serves the customers, it is appropriate to adjust the test year for their applicable revenues and costs. These increased loads have either been occurring during the last 12 months or, as the case with Redfield Ethanol, will start during 2007.

Adjustment No. 3 – Other Revenues

Details and calculation of this adjustment are shown on Schedule No. 3. This adjustment increases the revenue requirement by $10,667.

This adjustment is made to derive a more representative level of test year miscellaneous natural gas service revenues, based on three-year average actual revenues for the period ending December 31, 2006.

Adjustment No. 13 – Freeman Natural Gas Addition

The result of this adjustment is a $205,212 decrease in the revenue requirement. This adjustment is the result of increasing test period volumes to include the customers formerly served by the City of Freeman and the AMPI Pipeline. Effective February 1, 2007, NorthWestern purchased the gas system from the City of Freeman and AMPI. Since NorthWestern now serves the customers, it is appropriate to adjust the test year for their applicable revenues and costs. These increased loads are based on historical information and the number of customers NorthWestern serves as of March 31, 2007.

Adjustment No. 18 – General Terms Proposed Changes

Details and calculation of this adjustment are described in the Changes to General Terms and Conditions section of this testimony. The detail of this adjustment is discussed in the General Terms and Conditions section of this testimony. This adjustment decreases the revenue requirement by $12,712.

Pro Forma Adjustments – Gas Rate Base

Q. Would you please explain each individual pro forma adjustment to rate base, summarized on Statement N page 6?

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

Details and calculation of this adjustment are shown on Schedule No. 8. This adjustment increases rate base by $75,000 with an associated revenue requirement impact of $9,102 for return and associated income taxes.

This pro forma adjustment to rate base is the result of including in rate base the unamortized portion of rate case expense estimated in operating income statement Adjustment No. 4. This is consistent with prior ratemaking treatment.

Adjustment No. 2 – Nekota Plant Additions

Details and calculation of this adjustment are shown on Exhibit JJD-WP4. This adjustment increases rate base by $8,729,164 with an associated revenue requirement impact of $1,059,415 for return and associated income taxes.

This pro forma adjustment to rate base is the result of including in rate base the 13-month average balance of the Nekota Assets. The plant balances were merged into NorthWestern at book value. This is related to the Nekota merger discussed in operating income statement adjustment No. 2 above.

Adjustment No. 3 – Freeman Plant Additions

Details and calculation of this adjustment are shown on Exhibit JJD-WP5.

This adjustment increases rate base by $1,547,694 with an associated revenue requirement impact of $187,836 for return and associated income taxes.

This pro forma adjustment to rate base is the result of including in rate base the 13-month average balance of the Freeman Assets. The plant balances were merged into NorthWestern as of February 1, 2007. This is related to the Freeman purchase as discussed in operating income statement adjustment No. 14 above.

Class Cost of Service Study

Q. What is the basis for the class cost of service study contained in the required Statement O?

A. The study is based on South Dakota jurisdictional operations for the 12-month period ending December 31, 2006, as adjusted for known and measurable changes. All of the operating income statement and rate base figures are taken directly from the detail included in the previously mentioned revenue requirements study.

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

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

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

service study?

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

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

A. I reviewed the last cost allocation study filed with this Commission in Docket No. NG99-002. The cost allocation used in 1999 was based on Docket No. NG94-008. In addition, while preparing for the 1999 rate case filing, NorthWestern witness Hitchcock reviewed MidAmerican Energy's most recent class cost of service study filed as part of their 1998 rate case, including the testimony of the PUC Staff witness. As a result, the 2007 study generally applies cost allocation principles in a manner reasonably consistent with previous studies.

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

A. There are three service classes used for this class cost of service study: residential (Rate No. 81 – Residential Gas Service); small commercial (Rate No. 82 – General Gas Service); and large commercial (Rate Nos. 84 & 85 for sales service, Rate 86 customers and Rate No. 87 for transportation service). Rates for large commercial accounts are offered under either an Option A or B service group. Option A service is currently chosen by large commercial accounts generally using less than 110,000 therms per year. This service rate option carries a smaller customer charge than Option B service, however, the non-gas commodity charge is approximately $0.03 per therm higher. The class cost of service study assumes all service classes are firm, due to a continuing shift away from the sale of gas toward the transportation of gas. In the past, interruptible service was related to gas supply and pipeline constraints, not to the general capability of the distribution system.

Q. Please discuss the principal classification and allocations used in Statement O.

A. Pages 5 and 6 contain the development of the classification ratios of cost for customer, demand or commodity, while the allocation ratios to customer class are shown on pages 7 and 8. Demand-related costs are those that relate to the utility's ability to meet and sustain the maximum gas flow required by customers. On NorthWestern's system, these days occur when it is extremely cold. Demand-related costs thus relate to the capacity that must be built into the system to meet peak operating conditions. Demand-related costs on NorthWestern's system include those associated with investments in peaking facilities and a substantial portion of distribution mains investment and related costs. In my study, I have classified 95 percent of distribution mains and 100 percent of peaking facilities as a demand-related cost. The demand-related costs are allocated on the basis of the February 14, 2007 requirements, grossed up to a 90 heating degree-day for each of the classes. The average temperature on that date was approximately 7 degrees Fahrenheit below zero.

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

A. Costs associated with meters, services and regulators were allocated on the basis of the number of customers, weighted to account for differences in cost for the size of customer. In general, expenses were allocated on the basis of the plant to which they relate. Supervision and engineering expenses were allocated on the basis of the other related O&M accounts. Customer accounting expenses were allocated on the basis of weighted customers. Administrative and general costs, including common plant investment, were generally allocated in proportion to the allocation of distribution and production plant investment and expenses.

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

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

Residential	3.89%
Small Commercial	4.89%
Large Commercial	5.68%

Shown on Page 2 of the study is the level of revenue requirement needed by each customer class to attain an overall rate of return of 8.99% as requested by NorthWestern in this filing.

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

A. Based on results of this study, I find that existing gas revenues fail to cover South Dakota Gas jurisdictional revenue requirements by just under $3.7 million. The cost of service study further indicates that the present increase required for the residential class is slightly above the overall increase, whereas the increases to the small commercial and large commercial classes are below the average.

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

A.

Residential	$2,399,888	or 31.80% Increase
Small Commercial	669,543	or 30.03% Increase
Large Commercial	612,946	or 32.73% Increase
Total	$3,682,377	or 31.61% Increase

Rate Design and Proposed Rates

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

A. NorthWestern's primary goal is that its prices for natural gas delivery service be cost-based and competitively priced to alternate fuel choices for customers. The revenues to be recovered by proposed rates are consistent with the class cost of service study results. The class cost of service study indicates that the small commercial class has the lowest rate of return and should therefore receive the greatest percentage increase. As a basic approach to apportioning the total requested increase of approximately $3.7 million, two considerations were utilized: first, to move every class to the system average return of 8.99 percent and, second, to give every class the same percentage increase in non-gas cost revenues at present rates. Because of the narrow range of rates of return, rates are designed to move every class to the system average return on 8.99 percent.

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

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

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

A. Overall proposed revenue increases for residential customers are consistent with revenue levels required in the class cost of service study. NorthWestern is proposing to increase its monthly customer charge for residential customers by $2.00 to $8.00. The class cost of service study indicates that a fully loaded customer charge for this type of account should be in the $14 per month range. The remaining increase, not collected via the proposed customer charge increase, was included in the distribution delivery commodity charge. More of the increase was put into the first rate block, to compensate for the entire customer related costs not being collected in the monthly customer charge. It should be noted that the normalized therms used in the 1999 filing were 33,197,790. The normalized therms for this filing are 28,843,371. This mirrors the reduction in use per HDD factors that we note each year as customers install newer, more efficient furnaces, water heaters and appliances.

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

A. Overall proposed revenue increases for small commercial customers are consistent with revenue levels required in the class cost of service study. NorthWestern is proposing to increase its monthly customer charge for small commercial customers by $2.00 to $9.00. The class cost of service study indicates that a fully loaded customer charge for this type of account should be in the $16 per month range. The remaining increase, not collected via the proposed customer charge increase, was included in the distribution delivery commodity charge. More of the increase was put into the first rate block, to compensate for the entire customer related costs not being collected in the monthly customer charge.

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

A. Again, overall proposed revenue increases for large commercial customers are consistent with revenue levels required in the class cost of service study. NorthWestern is proposing to maintain its current monthly customer charge for large commercial customers. The increase was included in the distribution delivery commodity charge.

Changes to the General Terms and Conditions

Q. Please explain the rate related changes made to NorthWestern's General

Terms and Conditions as part of this filing.

A. Several areas of NorthWestern's general terms and conditions were updated.

Q. What changes are you making to the Customer Connection Charges?

A. Section 5, Sheet No. 1. The current after hours connection/reconnection customer charge is $15.00 or is based on the Company's hourly rates for service work with a one hour minimum for a reconnection. As shown in Exhibit JJD-WP6, the actual cost of this service is significantly higher. The increase in this charge is designed to encourage customers to have connections/reconnections accomplished during normal work hours. The proposed increase will also more closely align the costs to the Company of providing the service with what the Customer pays for the benefit of an after hours reconnection.

Q. Are you changing the cost of the Customer Connection Charges during normal work hours?

A. No, the cost of connection/reconnection during working hours will remain $10.00.

Q. Are you making any other changes to the Customer Connection Charges?

A. Yes, in Section 5, Sheet No. 1, you will also note the addition of a seasonal use customer charge. Again, this change is needed to more closely align the revenue from the service with NorthWestern's cost of providing the service. Seasonal customers normally require additional travel for both the connection and reconnection of their service. Since the customer must be turned off and on at least once each year, there is additional cost in serving the customer as compared to a customer that remains on the system for all twelve months. In instances such as grain dryers, the customer may only be connected for one to two months of the year. Swimming pools are often only connected for three to four months of the year. The company does not collect monthly base customer charges, as the customer is not considered active while the gas is turned off. The customers affected by this change are listed in Exhibit JJD-WP8.

Q. Can you describe the changes regarding residential customers related to Line Connection Costs in Number 6 of Section 5, Sheet 1a?

A. NorthWestern's tariff currently allows for a fixed new service connection charge, plus a fixed cost per foot charge, for new residential and commercial customers.. NorthWestern has filed a number of Contract With Deviations in recent months in order to collect the cost of the natural gas distribution projects, from the customers causing the cost. It is becoming increasingly important for NorthWestern to be able to match the cost of installing needed infrastructure with expected revenues to determine if a contribution in aid of construction is required for a given project. With the tariff changes discussed below, NorthWestern will be better able to respond to customer installations that may require a contribution from the customer.

Q. Why do you specify the contribution of $90 for customers with primary space heating and a water heater verses the other appliances?

A. It is becoming more common for a customer to request the company to run a gas line for a fireplace or a water heater only. Since the use for these appliances is minimal, there is no chance for the Company to recover its investment. Although we enjoy adding customers to our system, it does not make sense to add a customer that will not pay their share of the total system costs. With this change, customers in this category will cover their share of the costs of service.

Q. What if a customer requires more than 150 feet for their gas service? How will you determine the appropriate amount to charge the customer?

A. The Company will compare the expected revenues to the expected cost of installation to determine what, if any, additional contribution should be made by the customer.

Q. Have you considered the Commercial or Industrial Customer and their Line Extension Costs?

A. Yes, we have. The Company will compare the cost of providing the Line Extension with the expected revenues. The result of this comparison will determine what, if any, contribution is required of the customer. This seeks to align the costs caused by the customer with the revenue from the same customer.

Q. In Section 5, Sheet No. 1b, why have you included a section to consider the costs of a Line Extension outside of the Normal Construction Season?

A. Costs associated with working in frozen ground are higher than working in the normal construction season. The time for the service is increased, plus the wear and tear on equipment contributes to increased maintenance expense.

Q. What is the purpose of the grade language in Section 5, Sheet No. 1a?

A. If a contractor requests the service to be installed and the grade is later altered, the service may then be too shallow or too deep. This results in a code problem, an operational problem, or both. This change would require the grade to be within six inches of final grade and would eliminate having to later correct a problem that could have been prevented.

Q. How will you determine the revenues to be used in the calculation?

A. As part of the tariff in Section 5, Sheet No. 1c, the Company proposes a "true-up" that will hold both parties accountable to the original estimate. After three years, the Company can review the quantity of gas used by the customer to determine if the gas used is in line with the original projection provided by the customer. If the usage varies by greater than 20%, the Company has the option to pursue an additional contribution or to pay back the excess contribution to the customer.

Q. Have you made any other monetary changes to the general terms and conditions?

A. Yes. In Section 5, Sheet No. 2, the company proposes an addition to the Access to Premises section. The customer billing system currently allows a bill to be estimated up to three (3) consecutive times. On the fourth attempt, the system requires that an actual meter read must be taken. In instances of locked gates, dogs, etc., the meter reader or service tech must make special arrangements with the customer in order to finally be allowed access to read the meter. This requires additional expense. This charge acts as an incentive for the customer to make arrangements so the meter reader can read the meter as part of their normal route.

Q. Are there additional changes in the general terms that will impact customers?

A. In Section 5, Sheet No. 1, the company proposes to add language stating that the Customer or their representative must be present at the time of service connection. This is to ensure the service technician knows what appliances need to be lit, in addition to any special circumstances that may be present at the location.

Q. Please discuss the new language regarding the tampering fee in Section 5, Sheet No. 2.

A. This language allows the Company to bill for the natural gas used, damage to equipment and correcting/removal of any meter tampering or bypass equipment. This change allows the Company to recover costs associated with someone tampering with the Company's meters. NorthWestern can pursue the recovery of its costs from the individual responsible for meter tampering or installing bypass equipment without burdening the local legal system or having those costs shared by other NorthWestern customers or its shareholders.

Q. What is the purpose for the changes made to the budget payment plan in Section 5, sheet 2.1?

A. In May of 2006, in docket EL05-027, NorthWestern received approval from the South Dakota Public Utilities Commission regarding the language change for the budget payment section of our electric tariff. In this filing we are proposing the same language for our South Dakota Gas Tariff. This change does not represent an increase or decrease in cost to the customer.

Q. Does this complete your testimony?

A. Yes it does.

AFFIDAVIT

STATE OF SOUTH DAKOTA)
) ss
COUNTY OF BEADLE)

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

FURTHER THE AFFIANT SAYETH NOT.

Jeffrey Decker

Jeffrey Decker

Subscribed and sworn to before me this 30th day of April, 2007.

JoAnne H Peterson

Notary Public in and for the State of South Dakota

5/29/2010

NorthWestern Corporation, dba NorthWestern Energy
South Dakota Gas Rate Case Model
Exhibit JJD-WP1-8

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NorthWestern Corporation, dba NorthWestern Energy
Normalization of Billing Units - Heating Degree Days in Huron, SD
Test Year Ended December 31, 2006

Line		Actual		Normal		% of
No.	Month	Month	12 Month	Month	12 Month	Normal
	(a)	(b)	(c)	(d)	(e)	(f)
1	200411	554		662		
2	200412	1,006		1,227		
3	200501	1,457		1,510		
4	200502	1,235		1,443		
5	200503	1,070		1,171		
6	200504	682		826		
7	200505	445		418		
8	200506	154		156		
9	200507	6		27		
10	200508	7		3		
11	200509	13		77		
12	200510	212	6,841	301	7,821	87.47%
13	200511	600	6,887	715	7,874	87.47%
14	200512	1,301	7,182	1,222	7,869	91.27%
15	200601	1,211	6,936	1,491	7,850	88.36%
16	200602	1,073	6,774	1,447	7,854	86.25%
17	200603	1,105	6,809	1,165	7,848	86.76%
18	200604	711	6,838	821	7,843	87.19%
19	200605	354	6,747	401	7,826	86.21%
20	200606	125	6,718	163	7,833	85.77%
21	200607	12	6,724	29	7,835	85.82%
22	200608	0	6,717	3	7,835	85.73%
23	200609	82	6,786	80	7,838	86.58%
24	200610	353	6,927	304	7,841	88.34%
25	200611	720	7,047	654	7,780	90.58%
26	200612	1,096	6,842	1,170	7,728	88.54%

NorthWestern Corporation, dba NorthWestern Energy
2006 Heating Degree Days
Test Year Ended December 31, 2006

Aberdeen	Actual	Normal	Departure	Variance %
January	1,166	1,678	-512	-30.51%
February	1,258	1,312	-54	-4.12%
March	989	1,072	-83	-7.74%
April	455	591	-136	-23.01%
May	259	251	8	3.19%
June	28	59	-31	-52.54%
July	0	11	-11	-100.00%
August	2	27	-25	-92.59%
September	277	206	71	34.47%
October	715	569	146	25.66%
November	1,052	1,066	-14	-1.31%
December	1,188	1,506	-318	-21.12%
	7,389	8,348	-959	-11.49%

Brookings	Actual	Normal	Departure	Variance %
January	1,197	1,689	-492	-29.13%
February	1,300	1,326	-26	-1.96%
March	1,057	1,093	-36	-3.29%
April	483	632	-149	-23.58%
May	271	267	4	1.50%
June	37	14	23	164.29%
July	4	0	4	0.00%
August	15	0	15	0.00%
September	299	186	113	60.75%
October	674	588	86	14.63%
November	984	1,059	-75	-7.08%
December	1,216	1,518	-302	-19.89%
	7,537	8,372	-835	-9.97%

NorthWestern Corporation, dba NorthWestern Energy
2006 Heating Degree Days
Test Year Ended December 31, 2006

Huron	Actual	Normal	Departure	Variance %
January	1,048	1,572	-524	-33.33%
February	1,171	1,242	-71	-5.72%
March	941	1,004	-63	-6.27%
April	408	567	-159	-28.04%
May	239	242	-3	-1.24%
June	20	49	-29	-59.18%
July	0	8	-8	-100.00%
August	2	21	-19	-90.48%
September	242	180	62	34.44%
October	627	530	97	18.30%
November	942	996	-54	-5.42%
December	1,162	1,423	-261	-18.34%
	6,802	7,834	-1,032	-13.17%

Mitchell	Actual	Normal	Departure	Variance %
January	970	1,549	-579	-37.38%
February	1,120	1,209	-89	-7.36%
March	914	986	-72	-7.30%
April	359	548	-189	-34.49%
May	189	225	-36	-16.00%
June	19	47	-28	-59.57%
July	0	10	-10	-100.00%
August	1	20	-19	-95.00%
September	216	147	69	46.94%
October	573	503	70	13.92%
November	885	977	-92	-9.42%
December	1,124	1,401	-277	-19.77%
	6,370	7,622	-1,252	-16.43%

		% of Normal
4 City average 2006 variance to Normal	-12.77%	87.23%
Huron Only 2006 Variance to Normal	-13.17%	86.83%

NorthWestern Corporation, dba NorthWestern Energy
Nekota Pipeline PGA Costs Removal Summary
Test Year Ended December 31, 2006

	Feb 2007 PGA	Costs Removed	Mar 2007 PGA
NEKOTA PIPELINE CAPACITY - BROOKINGS			
NEC ADMINISTRATIVE COSTS	7,200	7,200	0
NEKOTA PROPERTY TAXES	19,890	19,890	0
NEKOTA RETURN AND TAXES	244,520	244,520	0
DEFERRED CIAC CREDIT	-39,842		-39,842
NORTHWESTERN BACK HAUL PAYMENT	270,992		270,992
	502,760	271,610	231,150
Divided by 12 months		22,634	
NEKOTA PIPELINE CAPACITY - ABERDEEN			
NEC ADMINISTRATIVE COSTS	48,000	48,000	0
NEKOTA PROPERTY TAXES	23,000	23,000	0
NEKOTA RETURN AND TAXES	165,000	165,000	0
RELEASED CAPACITY CREDITS	-16,589	-16,589	0
	219,411	219,411	0
Divided by 12 months		18,284	
Total Monthly Cost		40,918	

NorthWestern Corporation, dba NorthWestern Energy
Nekota Pipeline Pro-Forma Plant Balances
Test Year Ended December 31, 2006

	Asset # Description	1 Mar-07	2 Apr-07	3 May-07	4 Jun-07	5 Jul-07	6 Aug-07	7 Sep-07	8 Oct-07	9 Nov-07	10 Dec-07	11 Jan-08	12 Feb-08	13 Mar-08	13 Month Average
Acq Value	87232 Chancellor Reg Station	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738	261,738
Accum Depr		(37,505)	(40,697)	(43,889)	(47,081)	(50,273)	(53,465)	(56,657)	(59,849)	(63,041)	(66,233)	(69,425)	(72,617)	(75,809)	(56,657)
Net Book		224,233	221,041	217,849	214,657	211,465	208,273	205,081	201,889	198,697	195,505	192,313	189,121	185,929	205,081
Acq Value	87233 Great Plains Chancellor-6" Steel Main	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831	1,115,831
Accum Depr		(159,893)	(173,501)	(187,109)	(200,717)	(214,325)	(227,933)	(241,541)	(255,149)	(268,757)	(282,365)	(295,973)	(309,581)	(323,189)	(241,541)
Net Book		955,938	942,330	928,722	915,114	901,506	887,898	874,290	860,682	847,074	833,466	819,858	806,250	792,642	874,290
Acq Value	87234 Sioux River Ethanol-6" Steel Main	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430	1,215,430
Accum Depr		(118,132)	(126,456)	(134,780)	(143,104)	(151,428)	(159,752)	(168,076)	(176,400)	(184,724)	(193,048)	(201,372)	(209,696)	(218,020)	(168,076)
Net Book		1,097,298	1,088,974	1,080,650	1,072,326	1,064,002	1,055,678	1,047,354	1,039,030	1,030,706	1,022,382	1,014,058	1,005,734	997,410	1,047,354
Acq Value	87235 Sioux River Reg Station	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740	165,740
Accum Depr		(16,109)	(17,244)	(18,379)	(19,514)	(20,649)	(21,784)	(22,919)	(24,054)	(25,189)	(26,324)	(27,459)	(28,594)	(29,729)	(22,919)
Net Book		149,631	148,496	147,361	146,226	145,091	143,956	142,821	141,686	140,551	139,416	138,281	137,146	136,011	142,821
															0
Acq Value	87236 Eagle 6" Steel Main	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048	889,048
Accum Depr		(534,886)	(537,419)	(539,952)	(542,485)	(545,018)	(547,551)	(550,084)	(552,617)	(555,150)	(557,683)	(560,216)	(562,749)	(565,282)	(550,084)
Net Book		354,162	351,629	349,096	346,563	344,030	341,497	338,964	336,431	333,898	331,365	328,832	326,299	323,766	338,964
Acq Value	87237 Eagle 12" Steel Main	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349	296,349
Accum Depr		(178,294)	(179,138)	(179,982)	(180,826)	(181,670)	(182,514)	(183,358)	(184,202)	(185,046)	(185,890)	(186,734)	(187,578)	(188,422)	(183,358)
Net Book		118,055	117,211	116,367	115,523	114,679	113,835	112,991	112,147	111,303	110,459	109,615	108,771	107,927	112,991
Acq Value	87238 James Valley 6" Steel Main	2,084,040	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,041	2,084,042	2,084,041
Accum Depr		(276,720)	(292,157)	(307,594)	(323,031)	(338,468)	(353,905)	(369,342)	(384,779)	(400,216)	(415,653)	(431,090)	(446,527)	(461,964)	(369,342)
Net Book		1,807,320	1,791,884	1,776,447	1,761,010	1,745,573	1,730,136	1,714,699	1,699,262	1,683,825	1,668,388	1,652,951	1,637,514	1,622,078	1,714,699
Acq Value	87239 James Valley Reg Station	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560	231,560
Accum Depr		(30,747)	(32,462)	(34,177)	(35,892)	(37,607)	(39,322)	(41,037)	(42,752)	(44,467)	(46,182)	(47,897)	(49,612)	(51,327)	(41,037)
Net Book		200,813	199,098	197,383	195,668	193,953	192,238	190,523	188,808	187,093	185,378	183,663	181,948	180,233	190,523
Acq Value	87240 Brandt NB Take Off Reg 28.1 and 28.2	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349
Accum Depr		(14,154)	(14,501)	(14,848)	(15,195)	(15,542)	(15,889)	(16,236)	(16,583)	(16,930)	(17,277)	(17,624)	(17,971)	(18,318)	(16,236)
Net Book		113,195	112,848	112,501	112,154	111,807	111,460	111,113	110,766	110,419	110,072	109,725	109,378	109,031	111,113
Acq Value	87241 Brookings NB 1.1	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349
Accum Depr		(14,154)	(14,501)	(14,848)	(15,195)	(15,542)	(15,889)	(16,236)	(16,583)	(16,930)	(17,277)	(17,624)	(17,971)	(18,318)	(16,236)
Net Book		113,195	112,848	112,501	112,154	111,807	111,460	111,113	110,766	110,419	110,072	109,725	109,378	109,031	111,113
Acq Value	87242 VeraSun Reg Station #26	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349	127,349
Accum Depr		(15,050)	(15,947)	(16,844)	(17,741)	(18,638)	(19,535)	(20,432)	(21,329)	(22,226)	(23,123)	(24,020)	(24,917)	(25,814)	(20,432)
Net Book		112,299	111,402	110,505	109,608	108,711	107,814	106,917	106,020	105,123	104,226	103,329	102,432	101,535	106,917
Acq Value	87243 Volga-NB (Soybean Proc) Reg Station #26	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899	84,899
Accum Depr		(10,471)	(11,506)	(12,541)	(13,576)	(14,611)	(15,646)	(16,681)	(17,716)	(18,751)	(19,786)	(20,821)	(21,856)	(22,891)	(16,681)
Net Book		74,428	73,393	72,358	71,323	70,288	69,253	68,218	67,183	66,148	65,113	64,078	63,043	62,008	68,218
Acq Value	87244 Soybean Processors 4" Steel Main	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147	297,147
Accum Depr		(36,647)	(40,271)	(43,895)	(47,519)	(51,143)	(54,767)	(58,391)	(62,015)	(65,639)	(69,263)	(72,887)	(76,511)	(80,135)	(58,391)
Net Book		260,500	256,876	253,252	249,628	246,004	242,380	238,756	235,132	231,508	227,884	224,260	220,636	217,012	238,756
Acq Value	87245 VeraSun 6" Steel Main	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192	679,192
Accum Depr		(80,265)	(85,048)	(89,831)	(94,614)	(99,397)	(104,180)	(108,963)	(113,746)	(118,529)	(123,312)	(128,095)	(132,878)	(137,661)	(108,963)
Net Book		598,927	594,144	589,361	584,578	579,795	575,012	570,229	565,446	560,663	555,880	551,097	546,314	541,531	570,229
Acq Value	87246 BRK 8" STEEL MAIN	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668	2,801,668
Accum Depr		(311,356)	(319,341)	(327,326)	(335,311)	(343,296)	(351,281)	(359,266)	(367,251)	(375,236)	(383,221)	(391,206)	(399,191)	(407,176)	(359,266)
Net Book		2,490,312	2,482,327	2,474,342	2,466,357	2,458,372	2,450,387	2,442,402	2,434,417	2,426,432	2,418,447	2,410,462	2,402,477	2,394,492	2,442,402
Acq Value	87247 RED ETHANOL 4" STEEL MAIN	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720	348,720
Accum Depr		(3,894)	(5,800)	(7,706)	(9,612)	(11,518)	(13,424)	(15,330)	(17,236)	(19,142)	(21,048)	(22,954)	(24,860)	(26,766)	(15,330)
Net Book		344,826	342,920	341,014	339,108	337,202	335,296	333,390	331,484	329,578	327,672	325,766	323,860	321,954	333,390

NorthWestern Corporation, dba NorthWestern Energy
Nekota Pipeline Pro-Forma Plant Balances
Test Year Ended December 31, 2006

	Asset #	Description	1 Mar-07	2 Apr-07	3 May-07	4 Jun-07	5 Jul-07	6 Aug-07	7 Sep-07	8 Oct-07	9 Nov-07	10 Dec-07	11 Jan-08	12 Feb-08	13 Mar-08	13 Month Average
Acq Value	87248	RED ETHANOL REG STATION	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Accum Depr			(1,218)	(1,901)	(2,584)	(3,267)	(3,950)	(4,633)	(5,316)	(5,999)	(6,682)	(7,365)	(8,048)	(8,731)	(9,414)	(5,316)
Net Book			123,782	123,099	122,416	121,733	121,050	120,367	119,684	119,001	118,318	117,635	116,952	116,269	115,586	119,684
Acq Value	87273	RED Bradley Ent Easement	625	625	625	625	625	625	625	625	625	625	625	625	625	625
Accum Depr			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Book			625	625	625	625	625	625	625	625	625	625	625	625	625	625
Acq Value		Total	10,979,034	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,036	10,979,035
Accum Depr		Total	(1,839,494)	(1,907,889)	(1,976,284)	(2,044,679)	(2,113,074)	(2,181,469)	(2,249,864)	(2,318,259)	(2,386,654)	(2,455,049)	(2,523,444)	(2,591,839)	(2,660,234)	(2,249,864)
Net Book		Total	9,139,539	9,071,145	9,002,750	8,934,355	8,865,960	8,797,565	8,729,170	8,660,775	8,592,380	8,523,985	8,455,590	8,387,195	8,318,801	8,729,170
Summary																
Acq Value		Land Rights	625	625	625	625	625	625	625	625	625	625	625	625	625	625
Accum Depr			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Book			625	625	625	625	625	625	625	625	625	625	625	625	625	625
Acq Value		Reg Station Total	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286	996,286
Accum Depr			(111,100)	(119,757)	(128,414)	(137,071)	(145,728)	(154,385)	(163,042)	(171,699)	(180,356)	(189,013)	(197,670)	(206,327)	(214,984)	(163,042)
Net Book			885,186	876,529	867,872	859,215	850,558	841,901	833,244	824,587	815,930	807,273	798,616	789,959	781,302	833,244
Acq Value		Mains Total	9,727,425	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,426	9,727,427	9,727,426
Accum Depr			(1,700,087)	(1,759,131)	(1,818,175)	(1,877,219)	(1,936,263)	(1,995,307)	(2,054,351)	(2,113,395)	(2,172,439)	(2,231,483)	(2,290,527)	(2,349,571)	(2,408,615)	(2,054,351)
Net Book			8,027,338	7,968,295	7,909,251	7,850,207	7,791,163	7,732,119	7,673,075	7,614,031	7,554,987	7,495,943	7,436,899	7,377,855	7,318,812	7,673,075
Acq Value		Brandt & Brookings NB Take Off	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697	254,697
Accum Depr			(28,307)	(29,001)	(29,695)	(30,389)	(31,083)	(31,777)	(32,471)	(33,165)	(33,859)	(34,553)	(35,247)	(35,941)	(36,635)	(32,471)
Net Book			226,390	225,696	225,002	224,308	223,614	222,920	222,226	221,532	220,838	220,144	219,450	218,756	218,062	222,226
		Nekota Check Total	10,979,034	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,035	10,979,036	10,979,035
			(1,839,494)	(1,907,889)	(1,976,284)	(2,044,679)	(2,113,074)	(2,181,469)	(2,249,864)	(2,318,259)	(2,386,654)	(2,455,049)	(2,523,444)	(2,591,839)	(2,660,234)	(2,249,864)
			9,139,539	9,071,145	9,002,750	8,934,355	8,865,960	8,797,565	8,729,170	8,660,775	8,592,380	8,523,985	8,455,590	8,387,195	8,318,801	8,729,170
		Depreciation Expense		(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(68,395)	(820,740)

NorthWestern Corporation, dba NorthWestern Energy
Freeman Pro-Forma Plant Balances
Test Year Ended December 31, 2006

			1	2	3	4	5	6	7	8	9	10	11	12	13	
	Asset #	Description	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	13 Month Average
Acq Value	86142	2007-YNK Gas Meters (Freeman Purchase)	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126	21,126
Accum Depr			(1)	(46)	(91)	(136)	(181)	(226)	(271)	(316)	(361)	(406)	(451)	(496)	(541)	(271)
Net Book			21,125	21,080	21,035	20,990	20,945	20,900	20,855	20,810	20,765	20,720	20,675	20,630	20,585	20,855
Acq Value	86144	2007-YNK Regulators (House Regs)	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627
Accum Depr			(1)	(26)	(51)	(76)	(101)	(126)	(151)	(176)	(201)	(226)	(251)	(276)	(301)	(151)
Net Book			8,626	8,601	8,576	8,551	8,526	8,501	8,476	8,451	8,426	8,401	8,376	8,351	8,326	8,476
Acq Value	87163	2007 FRM 4" PLASTIC SERVICES	923	923	923	923	923	923	923	923	923	923	923	923	923	923
Accum Depr			(1)	(4)	(7)	(10)	(13)	(16)	(19)	(22)	(25)	(28)	(31)	(34)	(37)	(19)
Net Book			922	919	916	913	910	907	904	901	898	895	892	889	886	904
Acq Value	87164	2007 FRM 2" PLASTIC SERVICES	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769
Accum Depr			(1)	(9)	(17)	(25)	(33)	(41)	(49)	(57)	(65)	(73)	(81)	(89)	(97)	(49)
Net Book			2,768	2,760	2,752	2,744	2,736	2,728	2,720	2,712	2,704	2,696	2,688	2,680	2,672	2,720
Acq Value	87165	2007 FRM 1" & UNDER PLASTIC SERVICES	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851	180,851
Accum Depr			(1)	(524)	(1,047)	(1,570)	(2,093)	(2,616)	(3,139)	(3,662)	(4,185)	(4,708)	(5,231)	(5,754)	(6,277)	(3,139)
Net Book			180,850	180,327	179,804	179,281	178,758	178,235	177,712	177,189	176,666	176,143	175,620	175,097	174,574	177,712
Acq Value	87166	2007 FRM 6" PLASTIC MAIN	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112	53,112
Accum Depr			(0)	(151)	(302)	(453)	(604)	(755)	(906)	(1,057)	(1,208)	(1,359)	(1,510)	(1,661)	(1,812)	(906)
Net Book			53,112	52,961	52,810	52,659	52,508	52,357	52,206	52,055	51,904	51,753	51,602	51,451	51,300	52,206
Acq Value	87167	2007 FRM 4" PLASTIC MAIN	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868	31,868
Accum Depr			(2)	(93)	(184)	(275)	(366)	(457)	(548)	(639)	(730)	(821)	(912)	(1,003)	(1,094)	(548)
Net Book			31,866	31,775	31,684	31,593	31,502	31,411	31,320	31,229	31,138	31,047	30,956	30,865	30,774	31,320
Acq Value	87168	2007 FRM 2" PLASTIC MAIN	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582	180,582
Accum Depr			(1)	(515)	(1,029)	(1,543)	(2,057)	(2,571)	(3,085)	(3,599)	(4,113)	(4,627)	(5,141)	(5,655)	(6,169)	(3,085)
Net Book			180,581	180,067	179,553	179,039	178,525	178,011	177,497	176,983	176,469	175,955	175,441	174,927	174,413	177,497
Acq Value	87169	2007 FRM 4" STEEL MAIN - AMPI	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138	856,138
Accum Depr			(0)	(2,439)	(4,878)	(7,317)	(9,756)	(12,195)	(14,634)	(17,073)	(19,512)	(21,951)	(24,390)	(26,829)	(29,268)	(14,634)
Net Book			856,138	853,699	851,260	848,821	846,382	843,943	841,504	839,065	836,626	834,187	831,748	829,309	826,870	841,504
Acq Value	87170	2007 FRM - AMPI EASEMENTS	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817
Accum Depr			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Book			123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817	123,817
Acq Value	87171	2007 MUSTANG SQUEEZE OFF TOOLS	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979	3,979
Accum Depr			(1)	(11)	(21)	(31)	(41)	(51)	(61)	(71)	(81)	(91)	(101)	(111)	(121)	(61)
Net Book			3,978	3,968	3,958	3,948	3,938	3,928	3,918	3,908	3,898	3,888	3,878	3,868	3,858	3,918
Acq Value	87172	2007 ODORATOR (FRM)	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724	7,724
Accum Depr			(0)	(19)	(38)	(57)	(76)	(95)	(114)	(133)	(152)	(171)	(190)	(209)	(228)	(114)
Net Book			7,724	7,705	7,686	7,667	7,648	7,629	7,610	7,591	7,572	7,553	7,534	7,515	7,496	7,610
Acq Value	87192	2007 FRM REG STATION #14	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541	75,541
Accum Depr			(0)	(205)	(410)	(615)	(820)	(1,025)	(1,230)	(1,435)	(1,640)	(1,845)	(2,050)	(2,255)	(2,460)	(1,230)
Net Book			75,541	75,336	75,131	74,926	74,721	74,516	74,311	74,106	73,901	73,696	73,491	73,286	73,081	74,311
Acq Value	87193	2007 FRM TBS STATION #13	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180	25,180
Accum Depr			(0)	(57)	(114)	(171)	(228)	(285)	(342)	(399)	(456)	(513)	(570)	(627)	(684)	(342)
Net Book			25,180	25,123	25,066	25,009	24,952	24,895	24,838	24,781	24,724	24,667	24,610	24,553	24,496	24,838
Acq Value		Total	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237	1,572,237
Accum Depr		Total	(9)	(4,099)	(8,189)	(12,279)	(16,369)	(20,459)	(24,549)	(28,639)	(32,729)	(36,819)	(40,909)	(44,999)	(49,089)	(24,549)
Net Book		Total	1,572,228	1,568,138	1,564,048	1,559,958	1,555,868	1,551,778	1,547,688	1,543,598	1,539,508	1,535,418	1,531,328	1,527,238	1,523,148	1,547,688

NorthWestern Corporation, dba NorthWestern Energy
Workpaper for Seasonal Reconnection Charge Increase from $10 to $80
Interruptible Rate 85 Customers Who Have Received a Closing Bill Between April 2006 and April 2007
Test Year Ended December 31, 2006

Account Number	# Bills Sent	Account Name	Rate	Acct Sts
127065	4	RIX FARMS	85A	IA
129063	5	WEBSTER CITY	85A	IA
132932	4	SWIMMING POOL	85A	IA
140985	1	HESBY-DRYER, STAN	85A	IA
141429	1	PROUTY-DRYER, DON	85A	IA
143901	4	CITY OF MADISON - POOL	85A	IA
143939	2	WIESE, REGGIE	85A	IA
143942	2	WIESE, RANDY	85A	IA
145538	4	CITY OF HOWARD-(POOL)	85A	IA
147260	4	SUPREME MMT INC	85A	IA
147513	2	UCKERT, JOE	85A	IA
147550	1	MENNENGA, LA VERNE	85A	IA
147556	2	KANNAS, ALLEN	85A	IA
147560	1	WATLAND-DRYER, ALFRED	85A	IA
147852	5	CASTLEWOOD FARMERS ELEVATO	85A	AC
148300	3	ESTELLINE COOP GRAIN	85A	IA
150350	4	LOU'S GREENHOUSE	85A	AC
150503	3	MERTENS CROP DRYER, JAMES	85A	IA
150605	2	O'BRIEN-CROP DRYER, JAMES	85A	IA
150611	2	KARELS FARMS	85A	IA
150652	2	STREICH-CROP DRYER, GREG	85A	IA
169203	7	HAZEL FARMERS ELEVATOR	85A	AC
169216	4	RACOTA VALLEY RANCH &	85A	IA
169271	4	WILLOW LAKE CITY	85A	AC
170615	6	CLARK CITY	85A	AC
172166	3	LAKE PRESTON COOP ELEVATOR	85A	IA
172171	7	COOP ELEVATOR 1	85A	AC
173418	2	WENDLING, MARK	85A	IA
194511	1	TIEDE, TIM	85A	IA
194513	1	TIEDE, JIM	85A	IA
194540	2	PARKSTON CITY POOL	85A	IA
196971	4	TRIPP CITY SWIMMING POOL	85A	IA
198515	1	BINDENAGEL, ARDEN	85A	IA
218591	7	TURNER COUNTY-HIWAY DEPT	85A	AC
218638	8	TURNER CO COURTHOUSE	85A	AC
218753	2	MERRILL FARMS INC	85A	IA
218802	6	EBELING FARMS	85A	IA
218913	2	FITZGERALD, PATRICK	85A	IA
218914	2	BUSEMAN, RAY	85A	IA
218926	1	HEALY, DON	85A	IA
218928	1	HEALY, BILL	85A	IA
219023	2	FITZGERALD, LEO	85A	IA

NorthWestern Corporation, dba NorthWestern Energy
Workpaper for Seasonal Reconnection Charge Increase from $10 to $80
Interruptible rate 85 customers who have received a closing bill between April 2006 and April 2007
Test Year Ended December 31, 2006

Account Number	# Bills Sent	Account Name	Rate	Acct Sts
219245	8	FRE-MAR GRAIN MILL	85A	IA
220260	3	FARMERS ELEV CO	85A	AC
220438	7	FAIR MFG INC	85A	AC
220668	1	EBERHARDT, DAVID	85A	AC
220703	3	NEC - MAXWELL COLONY	85A	AC
221269	7	ZION LUTHERAN CHURCH	85A	AC
318968	1	HANSEN, RANDY	85A	IA
328720	2	DYKSTRA, DENNIS	85A	IA
1058454	2	BUNKERS(GRAIN DRYER), DALE	85A	IA
1060032	2	KOPMAN BROTHERS	85A	IA
1061576	1	EDELMAN, DELRAY	85A	IA
1062994	2	VANDER WAL FARMS	85A	IA
1077508	4	BEVING, CHARLES	85A	IA
1082559	1	STRAND, WADE	85A	IA
1109293	2	HEARNEN, BILL V	85A	IA
1159641	1	THORSON, DAVID E	85A	IA
1160957	2	SEUBERT, DOUG	85A	IA
1273265	6	L W SALES	85A	IA
1279591	8	ELLWEIN, DENNIS	85A	AC
1294361	2	JOHNSON, JERRY W	85A	IA
1296865	2	HASKELL- (GRAIN DRYER), SCOTT	85A	IA
1300243	2	BUSEMAN, JOEL N	85A	IA
1300731	9	SD WHEAT GROWERS	85A	IA
1306279	3	REIMNITZ, BOYD	85A	AC
1312262	2	THE LEARNING GARDEN	85A	CP
1313433	8	MITCHELL PARK & REC	85A	AC
1319254	4	GLENDALE COLONY	85A	CP
1319449	5	SD WHEAT GROWERS	85A	AC
1323021	2	BUSEMAN, JOEL N	85A	IA
1323023	2	BUSEMAN, JOEL N	85A	IA
1325000	4	FORDHAM COLONY	85A	AC
1327924	2	WEBSTER SCALE INC	85A	AC
		# of Customers Affected	76	
		Times Proposed Charge ($80) less current ($10)	$70	
		Proposed reduction to account 879	$5,320	