

**SOUTH DAKOTA GAS RATE SCHEDULE**

**NORTHWESTERN ENERGY  
HURON  
SOUTH DAKOTA**

Section No. 3  
3rd Revised Sheet No. 6.4  
Canceling 2nd Revised Sheet No. 6.4

**CLASS OF SERVICE: Gas Transportation Tariffs**  
**RATE DESIGNATION: Customer Balancing**  
**(Cont.)**

**Rate No. 87**

**2. Cash Out of Commodity Imbalances:**

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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) Commodity Imbalance Cash Out - 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 in the Purchased Gas Cost Adjustment, Section No. 3, Sheet No. 9b, that is filed monthly with the South Dakota Public Utilities Commission. A tiered level of Imbalance Cashout will be assessed when the Daily Imbalances are greater than 1,000 Dth. Imbalance volumes in excess of 1,000 but less than 2,500 Dth or 10% of scheduled volumes, whichever is greater, will be cashed out at 90% if long, or 110% if short, of applicable Gas Daily index prices plus applicable interstate pipeline transportation fees. Imbalance volumes in excess of 2,500 Dth or 25% of scheduled volumes, whichever is greater, will be cashed out at 50% if long, or 150%, if short, of applicable Gas Daily index prices plus applicable interstate pipeline transportation fees.
- (b) Waiver of Penalties - The Company may, at its discretion, in a non-discriminatory manner, waive its daily imbalance charges in the event of extraneous circumstances, beyond the customers control. 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.

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Jeffrey Decker  
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HURON  
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Section No. 3  
Sheet No. 9b  
Canceling 167th Revised Sheet No. 9b  
168th Revised

**ADJUSTMENT CLAUSE RATES (Cont.)**

Delivered Cost of Energy (Cont.): Per Therm  
Per Month

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 <i>Inside F.E.R.C. Gas Market Report</i> published for the month of billing	\$ 0.6243
<i>Fuel Use</i> - 1.91% NNG and 1.89% Company L&U	0.0244
<i>Gas Supply Management Fee</i>	0.0038
<i>Released Capacity Surcharge</i>	0.0140
<i>Balancing Services</i>	0.0030
<i>Pipeline Transportation Charges</i>	<u>0.0016</u>
Total Gas Component Charge	<u>\$ 0.6711</u>

Rate No. 86 - Gas Contract Sales Service	
Rate No. 86 Gas Commodity Charge - Group 1	\$ 1.2204
Rate No. 86 Gas Commodity Charge - Group 2	\$ 1.3251
Rate No. 86 Gas Commodity Charge - Group 3	\$ 1.2532
Rate No. 86 Gas Commodity Charge - Group 4	\$ 1.1236
Rate No. 86 Gas Commodity Charge - Group 5	\$ 0.9751
Rate No. 86 Gas Commodity Charge - Group 6	\$ 0.8772
Rate No. 86 Gas Commodity Charge - Group 7	\$ 0.7212
Rate No. 86 Index	\$ 0.6995
Rate No. 86 True-up Surcharge	

Rate No. 87 - Gas Transportation Firm Supply Standby Service	
Gas Demand Charge, per therm of daily contract demand	
Rate No. 84 supply standby costs	\$ 0.07
Rate No. 84 pipeline capacity costs	<u>0.75</u>
Total Demand Charge	<u>\$ 0.82</u>
Gas Commodity Charge	
Rate No. 84 Gas Commodity Charge	<u>\$ 0.6541</u>

Imbalance Cash-out Rate Index Points  
Northern, Ventura 65%, Demarcation 35%  
Northern Border, Ventura 100% less applicable fuel

Ad Valorem Taxes Paid:

Rate No. 81 - Residential Gas Service	Commodity Charge	\$ 0.0050
Rate No. 82 - General Gas Service	Commodity Charge	\$ 0.0032
Rate No. 84 - Commercial and Industrial - Firm Sales Service		
	Commodity Charge - Option A	\$ 0.0021
	Commodity Charge - Option B	\$ 0.0013
Rate No. 86 - Contract Sales Service		
	Commodity Charge - Option A	\$ 0.0021
	Commodity Charge - Option B	\$ 0.0013
Rate No. 85 - Commercial and Industrial - Interruptible Sales Service		
	Commodity Charge - Option A	\$ 0.0021
	Commodity Charge - Option B	\$ 0.0013
Rate No. 87 - Gas Transportation Service		
	Commodity Charge - Option A	\$ 0.0021
	Commodity Charge - Option B	\$ 0.0013

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