



October 8, 2014

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
Pierre, SD, 57501

Dear Ms. Van Gerpen:

With this letter, NorthWestern Corporation ("NorthWestern" or the "Company"), doing business as NorthWestern Energy, is filing with the Commission revisions to its Natural Gas Tariff. NorthWestern respectfully requests Commission approval of these proposed revisions.

Pursuant to ARSD 20:10:13:39, the Company states:

1. The documents submitted with this filing include:

Rate 86	Section No. 3, 4th revised Sheet No. 5.1
Rate 86	Section No. 3, 1st revised Sheet No. 5.4
Rate 87	Section No. 3, 1 st revised Sheet No. 6.3A
Rate 87	Section No. 3, 4 th revised Sheet No. 6.4
Rate 87	Section No. 3, 1st revised Sheet No. 6.4A
Rate 87	Section No. 3, 3rd revised Sheet No. 6.11
Rate 87	Section No. 3, 1st revised Sheet No. 6.12

The proposed effective date for the tariff revisions is December 1, 2014.

2. Brief description of the tariff changes:

The purpose of this filing is to provide clarity while providing for additional protection for retail customers during volatile daily gas markets. The winter of 2013-2014 saw unprecedented daily index gas prices which allowed large transportation customers to profit at the expense of the regulated utility customers. Finally, there is updated language for revised procedures. The changes for each tariff sheet are described as follows:

In Section 3, sheets 5.1 and 5.4, the Company proposes to add language to eliminate the requirement of telemetering for Rate 86 non-grain drying customers. Rate 86 non-grain drying customers are not subject to daily balancing, therefore there is no need for daily meter reads for this group of customers.



The change in Section 3, sheet 6.3a provides clarity that the imbalance cash out rules apply even though a customer is exempt from penalty charges because of the direction of its imbalance on a critical day.

In Section 3, sheet 6.4, will be updated with a critical day cash out section to protect regulated utility customers. In the event of large daily price swings, transportation customers currently may take advantage of pricing at the expense of regulated utility customers.

Section 3, sheet 6.4a simply contains a relocation of the language that was originally on sheet 6.4.

Section 3, sheets 6.11 and 6.12 contain clarifying language changes.

3. Reasons for the proposed tariff changes:
See Section 2.
4. Number of customers whose cost of service will be affected and annual changes in cost of service to such customers.

There are 80 rate 86 customers and 20 rate 87 customers that are potentially impacted by these changes.

Sincerely,

Jeff J. Decker
Regulatory Specialist
jeff.decker@northwestern.com
O 605-353-8315