

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
Sheet No. 5.4
1st Revised
Canceling Original Sheet No. 5.4

CLASS OF SERVICE: Commercial and Industrial Rate No. 86

RATE DESIGNATION: Contract Sales Service

(Con't.)

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

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Jeff J. Decker

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Section No. 3
4th Revised Sheet No. 6.4
Canceling 3rd Revised Sheet No. 6.4

CLASS OF SERVICE: Gas Transportation Tariffs

Rate No. 87

RATE DESIGNATION: Customer Balancing

(Cont.)

2. Cash Out of Commodity Imbalances:

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 Cash out 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) Critical Day Cash Outs

Positive Commodity Imbalance on critical days will be cashed out according to Section No 3, Sheet No 6.4, paragraph 2(a) except when the daily index price is over 200% of either the applicable Inside FERC First Of Month Gas Market Report index prices (FOM index price) or the appropriate pipeline cash out price. When the applicable daily cash out index price is over 200% of either FOM index price or the appropriate pipeline cash out price, the commodity will be cashed out using Section No 3, Sheet No 6.4, paragraph 2(a) for the first 500 Dth. Volumes over 500 Dth will be priced at the greater of the applicable FOM index pricing point or the appropriate monthly pipeline cash out price plus all applicable interstate pipeline transportation fees.

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