BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF NORTHWESTERN CORPORATION D/B/A NORTHWESTERN ENERGY FOR AUTHORITY TO INCREASE ITS NATURAL GAS RATES	))))	**ORDER FOR AND NOTICE OF PROCEDURAL SCHEDULE AND HEARING NG07-013**

On June 1, 2007, NorthWestern Corporation d/b/a NorthWestern Energy (NWE) filed with the Public Utilities Commission (Commission) an application to increase rates for natural gas service to customers in its service territory by $3,682,377 annually or approximately 5.5% based on NWE's 2006 test year. The company states the proposed increase for a residential customer would be $7.15 per month based on usage of 150 therms. The proposed rates may potentially affect approximately 42,286 customers in NWE's service territory.

At its regularly scheduled meeting of June 26, 2007, the Commission found that pursuant to SDCL 49-1A-8, NWE shall be assessed a filing fee as requested by the deputy executive director up to the statutory limit of $100,000. The Commission further established an intervention deadline of July 20, 2007. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by NWE for 90 days beyond July 1, 2007.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19 and 49-34A-21.

The procedural schedule shall be as follows:

DATE	**PROCEDURAL SCHEDULE**
September 21, 2007	Staff and Intervenor Prefiled Testimony Due
October 5, 2007	NWE Rebuttal Testimony Due
October 10 and 11, 2007	Hearing
November 2, 2007	Initial Briefs Due
November 9, 2007	Rebuttal Briefs Due

A hearing shall be held commencing at 8:00 a.m., on Wednesday, October 10, 2007, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota, and if necessary, shall continue commencing at 8:00 a.m., on Thursday, October 11, 2007. The hearing is open to the public. All persons testifying shall be subject to cross-examination.

The issue at the hearing is whether the Commission shall grant NWE's request to implement revised natural gas rate schedules designed to produce additional revenues of $3,682,377.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision

may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission shall determine whether it shall grant NWE's request to implement revised rate schedules. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings. It is further

ORDERED, that the hearing shall commence at 8:00 a.m., on Wednesday, October 10, 2007, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota, and if necessary, shall continue commencing at 8:00 a.m., on Thursday, October 11, 2007.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 29th day of August, 2007.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.

By: Delaine Kolbo

Date: 8/29/07

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

DUSTIN M. JOHNSON, Chairman

GARY HANSON, Commissioner

STEVE KOLBECK, Commissioner