

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION BY)	ORDER GRANTING JOINT
NORTHWESTERN CORPORATION D/B/A)	MOTION FOR APPROVAL
NORTHWESTERN ENERGY FOR AUTHORITY)	OF SETTLEMENT
TO INCREASE ITS NATURAL GAS RATES)	STIPULATION
)	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 6.7% 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. On August 29, 2007, the Commission issued an Order for and Notice of Procedural Schedule and Hearing setting this matter for hearing on October 10 and 11, 2007. On September 25, 2007, the Commission extended the suspension of proposed schedule of rates for 60 days beyond September 29, 2007. On September 26, 2007, the Commission issued an Amended Order for and Notice of Procedural Schedule and Hearing setting this matter for hearing on November 7 and 8, 2007. On November 2, 2007, the Commission received an Amended Motion for Revision of Scheduling Order from NWE, and the hearing scheduled for November 7 and 8, 2007, was thereupon cancelled. No Second Scheduling Order was issued as NWE and Staff had advised the Commission that a settlement appeared likely.

On November 29, 2007, the Commission received Staff Memorandum Supporting Settlement Stipulation. On December 4, 2007, the Commission received a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation signed by all of the parties. Staff requested that the Commission consider the Settlement Stipulation on December 18, 2007.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-18, 1-26-19, 49-34A-2, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.1, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-16, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-20, 49-34A-21, 49-34A-22, and 49-34A-23.

The Settlement Stipulation was duly noticed for Commission consideration and action at a Commission meeting to be held at 8:30 a.m. on December 18, 2007. The meeting was held as scheduled. The Commission heard from NWE and Commission Staff concerning the proposed Settlement Stipulation. Having thoroughly reviewed the filings in the docket and made inquiry of the parties at the hearing, the Commission found and concluded that the rates, terms and conditions proposed in the Stipulation and Tariff were just, reasonable and in the public interest and that good and sufficient cause was demonstrated to approve the Stipulation, including the Tariff, and the Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation.

The revised tariff sheets proposed by NWE, effective for service rendered on and after December 1, 2007, are as follows:

Section No. 1

30th Revised Sheet No. 1, Canceling 29th Revised Sheet No. 1

Section No. 2

7th Revised Sheet No. 2, Canceling 6th Revised Sheet No. 2

Section No. 3

18th Revised Sheet No. 1, Canceling 17th Revised Sheet No. 1

1st Revised Sheet No. 1.1, Canceling Original Sheet No. 1.1

1st Revised Sheet No. 1.2, Canceling Original Sheet No. 1.2

4th Revised Sheet No. 2, Canceling 3rd Revised Sheet No. 2

1st Revised Sheet No. 2.1, Canceling Original Sheet No. 2.1

1st Revised Sheet No. 2.2, Canceling Original Sheet No. 2.2

1st Revised Sheet No. 2.3, Canceling Original Sheet No. 2.3

9th Revised Sheet No. 3.1, Canceling 8th Revised Sheet No. 3.1

1st Revised Sheet No. 3.4, Canceling Original Sheet No. 3.4

9th Revised Sheet No. 4.1, Canceling 8th Revised Sheet No. 4.1

1st Revised Sheet No. 4.3, Canceling Original Sheet No. 4.3

1st Revised Sheet No. 4.4, Canceling Original Sheet No. 4.4

2nd Revised Sheet No. 5.1, Canceling 1st Revised Sheet No. 5.1

9th Revised Sheet No. 6.1, Canceling 8th Revised Sheet No. 6.1

Section No. 5

3rd Revised Sheet No. 1, Canceling 2nd Revised Sheet No. 1

3rd Revised Sheet No. 1a, Canceling 2nd Revised Sheet No. 1a

Original Sheet No. 1b

Original Sheet No. 1c

3rd Revised Sheet No. 2, Canceling 2nd Revised Sheet No. 2

1st Revised Sheet No. 2.1, Canceling Original Sheet No. 2.1

3rd Revised Sheet No. 5, Canceling 2nd Revised Sheet No. 5

2nd Revised Sheet No. 5.1, Canceling 1st Revised Sheet No. 5.1

It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is hereby granted. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein; and it is further

ORDERED, that the aforementioned tariff sheets are approved for service rendered on and after December 1, 2007.

Dated at Pierre, South Dakota, this 28th day of December, 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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Aldine Kalbo

Date: 12/28/07

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Dustin M. Johnson
DUSTIN M. JOHNSON, Commissioner

Steve Kolbeck
STEVE KOLBECK, Commissioner