OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY) ORDER APPROVING NORTHWESTERN CORPORATION DBA) TARIFF REVISIONS NORTHWESTERN ENERGY FOR APPROVAL)

OF ITS TARIFF REVISIONS) NG12-005

On August 24, 2012, the Public Utilities Commission (Commission) received a filing by Northwestern Corporation dba NorthWestern Energy (NWE) to update its fuel retention percentage in its natural gas transportation service tariff. NWE's tariff provides that the fuel retention percentage is to be adjusted annually with the updated percentage to be effective October 1 of each year. NWE is also providing an updated fuel rate for customers with daily average therm use greater than 30,000. The company states that customers that fit this criterion are primarily direct connect customers whose gas systems are not subject to the normal losses of a distribution system.

On August 30, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of September 14, 2012, to interested individuals and entities. No petitions to intervene or comments were filed. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A.

The revised tariff sheet to NWE's South Dakota Gas Rate Schedule is as follows:

Section No. 5 17th Revised Sheet No. 6,2

Canceling 16th Revised Sheet No. 6.2

At its regularly scheduled meeting of September 25, 2012, the Commission considered this matter. Commission staff recommended approval of the tariff revisions. Finding the tariff revisions to be just and reasonable, the Commission voted unanimously to approve the tariff revisions. It is therefore

ORDERED, that NWE's revised tariff as described above is approved and shall be effective for services rendered on and after October 1, 2012.

Dated at Pierre, South Dakota, this 20d day of October, 2012.

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.

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

CHRIS NELSON, Chairman

KRISTE FIEGEN, Commissioner

GARY HANSON, Commissioner