

NorthWestern Corporation, dba NorthWestern Energy  
South Dakota Electric  
Test Year Ended September 30, 2014  
Derivation of Increased Rates and Proof of Revenue

Line	Description	----- Present Rates -----			----- Proposed Rates -----			Revenue Change	
		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Service Rate 10</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	155,028	\$5.00	\$775,140	155,028	\$9.00	\$1,395,252	\$620,112	80.00%
4	First 200 kWh	29,359,892	\$0.06146	1,804,459	29,359,892	\$0.07868	2,310,036	505,577	28.02%
5	Next 600 kWh	63,987,181	\$0.06046	3,868,665	63,987,181	\$0.07740	4,952,608	1,083,943	28.02%
6	Next 200 kWh	12,233,595	\$0.05446	666,242	12,233,595	\$0.06972	852,926	186,685	28.02%
7	Next 200 kWh	8,522,021	\$0.04346	370,367	8,522,021	\$0.05564	474,165	103,798	28.03%
8	Over 1200 kWh	17,680,044	\$0.02046	361,734	17,680,044	\$0.02619	463,040	101,307	28.01%
9	Sub-total Summer Rate	131,782,733		\$7,846,606	131,782,733		\$10,448,028	\$2,601,422	33.15%
10	Booked to Billed Revenue Ratio			104.801%			104.801%		
11	Booked Base Rate Revenue			\$8,223,308			\$10,949,619	\$2,726,311	33.15%
12	<u>Off-Peak Rate</u>								
13	Customer Charge	311,275	\$5.00	\$1,556,375	311,275	\$9.00	\$2,801,475	\$1,245,100	80.00%
14	First 200 kWh	58,478,088	\$0.06146	3,594,063	58,478,088	\$0.07868	4,601,056	1,006,993	28.02%
15	Next 600 kWh	117,955,425	\$0.06046	7,131,585	117,955,425	\$0.07740	9,129,750	1,998,165	28.02%
16	Next 200 kWh	20,414,466	\$0.05446	1,111,772	20,414,466	\$0.06972	1,423,297	311,525	28.02%
17	Next 200 kWh	14,647,775	\$0.04346	636,592	14,647,775	\$0.05564	815,002	178,410	28.03%
18	Over 1200 kWh	50,239,794	\$0.02046	1,027,906	50,239,794	\$0.02619	1,315,780	287,874	28.01%
19	Sub-total Off-Peak Rate	261,735,548		\$15,058,294	261,735,548		\$20,086,360	\$5,028,066	33.39%
20	Booked to Billed Revenue Ratio			97.749%			97.749%		
21	Booked Base Rate Revenue			\$14,719,327			\$19,634,210	\$4,914,883	33.39%
22				\$12,387,812			1,865,212		
23	Total Annual Billed Residential Rate 10	393,518,281		\$22,904,900	393,518,281		\$30,534,388	\$7,629,488	33.31%
24	Booked to Billed Revenue Ratio			100.165%			100.162%		
25	Total Adjusted Annual Residential Rate 10 Revenue			\$22,942,635			\$30,583,829	\$7,641,194	33.31%

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		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Service Rate 10YS</b>								
2	<u>Summer Rate</u>								
3	YS Discount			\$5,530			\$5,530		
4	Customer Charge	757	\$5.00	3,785	757	\$9.00	6,813	\$3,028	80.00%
5	First 200 kWh	138,605	\$0.06146	8,519	138,605	\$0.07868	10,905	2,387	28.02%
6	Next 600 kWh	315,617	\$0.06046	19,082	315,617	\$0.07740	24,429	5,347	28.02%
7	Next 200 kWh	61,130	\$0.05446	3,329	61,130	\$0.06972	4,262	933	28.02%
8	Next 200 kWh	44,165	\$0.04346	1,919	44,165	\$0.05564	2,457	538	28.03%
9	Over 1200 kWh	70,501	\$0.02046	1,442	70,501	\$0.02619	1,846	404	28.01%
10	Sub-total Summer Rate	630,018		\$38,077	630,018		\$50,713	\$12,636	33.19%
11	Booked to Billed Revenue Ratio			100.773%			100.773%		
12	Booked Base Rate Revenue			\$38,371			\$51,105	12,734	33.19%
13	<u>Off-Peak Rate</u>								
14	YS Discount			\$13,328			\$13,328		
15	Customer Charge	1,458	\$5.00	7,290	1,458	\$9.00	13,122	\$5,832	80.00%
16	First 200 kWh	266,102	\$0.06146	16,355	266,102	\$0.07868	20,937	4,582	28.02%
17	Next 600 kWh	647,187	\$0.06046	39,129	647,187	\$0.07740	50,092	10,963	28.02%
18	Next 200 kWh	138,786	\$0.05446	7,558	138,786	\$0.06972	9,676	2,118	28.02%
19	Next 200 kWh	108,278	\$0.04346	4,706	108,278	\$0.05564	6,025	1,319	28.03%
20	Over 1200 kWh	357,915	\$0.02046	7,323	357,915	\$0.02619	9,374	2,051	28.01%
21	Sub-total Off-Peak Rate	1,518,268		\$82,361	1,518,268		\$109,226	\$26,865	32.62%
22	Booked to Billed Revenue Ratio			99.217%			99.217%		
23	Booked Base Rate Revenue			\$81,716			\$108,371	26,655	32.62%
24	Plus: YS WAPA Discount	2,148,286	\$0.00878	\$18,858	2,148,286	\$0.00878	\$18,858	\$0	0.00%
25	Sub-total Annual Residential Rate 10YS excl. YD Discount	2,148,286		\$120,437	2,148,286		\$159,939	\$39,501	32.80%
26	Booked to Billed Revenue Ratio (Before YS Discount)			99.709%			113.038%		
27	Total Adjusted Annual Residential Revenue Before YS Discount			\$120,087			\$159,476	\$39,389	32.80%
28	Net Annual Residential Revenue after 10YS Discount			101,580			141,081	39,501	38.89%
				\$18,507			\$18,395		

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		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Service Rate 10X</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	24	\$0.00	\$0	24	\$0.00	\$0	\$0	0.00%
4	First 200 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
5	Next 600 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
6	Next 200 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
7	Next 200 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
8	Over 1200 kWh	26,379	\$0.01146	302	26,379	\$0.01527	403	101	33.28%
9	Sub-total Summer Rate	26,379		\$302	26,379		\$403	\$101	33.28%
10	Booked to Billed Revenue Ratio			124.795%			124.795%		
11	Booked Base Rate Revenue			\$377			\$503	\$126	33.28%
12	<u>Off-Peak Rate</u>								
13	Customer Charge	48	\$0.00	\$0	48	\$0.00	\$0	\$0	0.00%
14	First 200 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
15	Next 600 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
16	Next 200 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
17	Next 200 kWh		\$0.01146	0	0	\$0.01527	0	0	0.00%
18	Over 1200 kWh	95,698	\$0.01146	1,097	95,698	\$0.01527	1,462	365	33.28%
19	Sub-total Off-Peak Rate	95,698		\$1,097	95,698		\$1,462	\$365	33.28%
20	Booked to Billed Revenue Ratio			90.097%			90.097%		
21	Booked Base Rate Revenue			\$988			\$1,317	\$329	33.28%
22									
23	Total Annual Residential Rate 10X	122,077		\$1,399	122,077		\$1,865	466	33.28%
24	Booked to Billed Revenue Ratio			97.595%			97.595%		
25	Total Adjusted Annual Residential Rate 10X Revenue			\$1,365			\$1,820	454	33.28%

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Line	Description	----- Present Rates -----			----- Proposed Rates -----			Revenue Change	
		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Service with Space Heating Rate 11</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	38,054	\$5.00	\$190,270	38,054	\$9.00	\$342,486	\$152,216	80.00%
4	First 200 kWh	7,128,022	\$0.06146	438,088	7,128,022	\$0.07868	560,833	122,745	28.02%
5	Next 600 kWh	14,124,089	\$0.06046	853,942	14,124,089	\$0.07740	1,093,204	239,262	28.02%
6	Next 200 kWh	2,797,424	\$0.05446	152,348	2,797,424	\$0.06972	195,036	42,689	28.02%
7	Next 200 kWh	2,103,737	\$0.04346	91,428	2,103,737	\$0.05564	117,052	25,624	28.03%
8	Over 1200 kWh	6,408,699	\$0.02046	131,122	6,408,699	\$0.02619	167,844	36,722	28.01%
9	Sub-total Summer Rate	32,561,971		\$1,857,199	32,561,971		\$2,476,455	\$619,257	33.34%
10	Booked to Billed Revenue Ratio			103.940%			103.940%		
11	Booked Base Rate Revenue			\$1,930,381			\$2,574,039	\$643,658	33.34%
12	<u>Off-Peak Rate</u>								
13	Customer Charge	74,415	\$5.00	\$372,075	74,415	\$9.00	\$669,735	\$297,660	80.00%
14	First 200 kWh	14,422,658	\$0.06146	886,417	14,422,658	\$0.07868	1,134,775	248,358	28.02%
15	Next 600 kWh	36,383,087	\$0.06046	2,199,721	36,383,087	\$0.07740	2,816,051	616,329	28.02%
16	Next 200 kWh	9,532,600	\$0.05446	519,145	9,532,600	\$0.06972	664,613	145,467	28.02%
17	Next 200 kWh	8,396,136	\$0.01146	96,220	8,396,136	\$0.04737	397,725	301,505	313.35%
18	Over 1200 kWh	69,848,550	\$0.01146	800,464	69,848,550	\$0.01809	1,263,560	463,096	57.85%
19	Sub-total Off-Peak Rate	138,583,031		\$4,874,042	138,583,031		\$6,946,459	\$2,072,416	42.52%
20	Booked to Billed Revenue Ratio			97.159%			\$1		
21	Booked Base Rate Revenue			\$4,735,552			\$6,749,083	\$2,013,531	42.52%
22									
23	Total Annual Residential Rate 11	171,145,002		\$6,731,241	171,145,002		\$9,422,914	\$2,691,673	39.99%
24	Booked to Billed Revenue Ratio			99.030%			\$1		
25	Total Adjusted Annual Residential Rate 11 Revenue			\$6,665,933			\$9,323,122	\$2,657,189	39.86%

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1	<b>Residential Service Rate 11YS</b>								
2	<u>Summer Rate</u>								
3	YS Discount			\$1,853			\$1,853		
4	Customer Charge	210	\$5.00	1,050	210	\$9.00	1,890	\$840	80.00%
5	First 200 kWh	39,922	\$0.06146	2,454	39,922	\$0.07868	3,141	687	28.02%
6	Next 600 kWh	101,920	\$0.06046	6,162	101,920	\$0.07740	7,889	1,727	28.02%
7	Next 200 kWh	23,134	\$0.05446	1,260	23,134	\$0.06972	1,613	353	28.02%
8	Next 200 kWh	17,842	\$0.04346	775	17,842	\$0.05564	993	217	28.03%
9	Over 1200 kWh	28,319	\$0.02046	579	28,319	\$0.02619	742	162	28.01%
10	Sub-total Summer Rate	211,137		\$12,280	211,137		\$16,267	\$3,987	32.46%
11	Booked to Billed Revenue Ratio			99.946%			99.946%		
12	Booked Base Rate Revenue			\$12,274			\$16,258		
13	<u>Off-Peak Rate</u>								
14	YS Discount			\$8,224			\$8,224		
15	Customer Charge	405	\$5.00	2,025	405	\$9.00	3,645	\$1,620	80.00%
16	First 200 kWh	79,206	\$0.06146	4,868	79,206	\$0.07868	6,232	1,364	28.02%
17	Next 600 kWh	219,215	\$0.06046	13,254	219,215	\$0.07740	16,967	3,714	28.02%
18	Next 200 kWh	65,208	\$0.05446	3,551	65,208	\$0.06972	4,546	995	28.02%
19	Next 200 kWh	59,031	\$0.01146	676	59,031	\$0.04737	2,796	2,120	313.35%
20	Over 1200 kWh	514,269	\$0.01146	5,894	514,269	\$0.01809	9,303	3,410	57.85%
21	Sub-total Off-Peak Rate	936,929		\$30,268	936,929		\$43,490	\$13,222	43.68%
22	Booked to Billed Revenue Ratio			99.376%			99.376%		
23	Booked Base Rate Revenue			\$30,079			\$43,218		
24	Annual Residential Revenue before 10YS Discount	1,148,066		\$42,548	1,148,066		\$59,757	\$17,209	40.44%
25	Book Annual Residential Rate 11YS Revenue			\$42,353			\$59,477	\$18,829	44.46%
26	Booked to Billed Revenue Ratio			99.540%			99.540%		
27	Less: YS WAPA Discount	1,148,066	\$0.00878	\$10,078	1,148,066	\$0.00878	\$10,078	\$0	0.00%
28	Total Annual Residential Revenue 10YS after Discount			\$32,471			\$49,679	\$17,209	53.00%

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		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Service Rate 11X</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	0	\$0.00	\$0	0	\$0.00	\$0	\$0	0.00%
4	First 200 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
5	Next 600 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
6	Next 200 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
7	Next 200 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
8	Over 1200 kWh	44,405	\$0.01146	509	44,405	\$0.01527	678	169	33.28%
9	Sub-total Summer Rate	44,405		\$509	44,405		\$678	\$169	33.28%
10	Booked to Billed Revenue Ratio			124.663%			124.663%		
11	Booked Base Rate Revenue			\$634			\$846	\$211	33.28%
12	<u>Off-Peak Rate</u>								
13	Customer Charge	0	\$0.00	\$0	0	\$0.00	\$0	\$0	0.00%
14	First 200 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
15	Next 600 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
16	Next 200 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
17	Next 200 kWh		\$0.01146	0		\$0.01527	0	0	0.00%
18	Over 1200 kWh	194,861	\$0.01146	2,233	194,861	\$0.01527	2,976	743	33.28%
19	Sub-total Off-Peak Rate	194,861		\$2,233	194,861		\$2,976	\$743	33.28%
20	Booked to Billed Revenue Ratio			89.119%			89.119%		
21	Booked Base Rate Revenue			\$1,990			\$2,652	\$662	33.28%
22									
23	Total Annual Residential Rate 11X	239,266		\$2,742	239,266		\$3,655	913	33.28%
24	Booked to Billed Revenue Ratio			95.715%			95.715%		
25	Total Adjusted Annual Residential Rate 11X			\$2,625			\$3,498	874	33.28%

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Line	Description	----- Present Rates -----			----- Proposed Rates -----			Revenue Change	
		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Space Heating and Cooling Rate 14</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	4,144	\$1.40	\$5,802	4,144	\$3.00	\$12,432	6,630	114.29%
4	Energy	1,561,547	\$0.02246	35,072	1,561,547	\$0.03877	60,541	25,469	72.62%
5	Sub-total Summer Rate	1,561,547		\$40,874	1,561,547		\$72,973	\$32,099	78.53%
6	Booked to Billed Revenue Ratio			102.743%			102.743%		
7	Booked Base Rate Revenue			\$41,995			\$74,975	\$32,980	78.53%
8	<u>Off-Peak Rate</u>								
9	Customer Charge	8,252	\$1.40	\$11,553	8,252	\$3.00	\$24,756	13,203	114.29%
10	Energy	14,256,188	\$0.01246	177,632	14,256,188	\$0.02154	307,078	129,446	72.87%
11	Sub-total Off-Peak Rate	14,256,188		\$189,185	14,256,188		\$331,834	\$142,649	75.40%
12	Booked to Billed Revenue Ratio			92.483%			92.483%		
13	Booked Base Rate Revenue			\$174,963			\$306,890	\$131,926	75.40%
14									
15	Annual Residential Space Heating and Cooling Rate 14	15,817,735		\$230,059	15,817,735		\$404,807	174,749	75.96%
16	Booked to Billed Revenue Ratio			94.306%			94.332%		
17	Total Adjusted Annual Residential Rate 14			\$216,959			\$381,864	\$164,906	76.01%

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		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Residential Dual-Fuel and Controlled Service Rate 15</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	28	\$1.40	\$39	28	\$3.00	\$84	45	114.29%
4	Energy	10,109	\$0.02246	227	10,109	\$0.04607	466	239	105.12%
5	Sub-total Summer Rate	10,109		\$266	10,109		\$550	\$283	106.47%
6	Booked to Billed Revenue Ratio			99.820%			99.820%		
7	Booked Base Rate Revenue			\$266			\$549		
8	<u>Off-Peak Rate</u>								
9	Customer Charge	56	\$1.40	\$78	56	\$3.00	\$168	90	114.29%
10	Energy	108,315	\$0.00746	808	108,315	\$0.01530	1,657	849	105.09%
11	Sub-total Off-Peak Rate	108,315		\$886	108,315		\$1,825	\$939	105.91%
12	Booked to Billed Revenue Ratio			89.035%			89.035%		
13	Booked Base Rate Revenue			\$789			\$1,625	\$939	118.95%
14									
15	Annual Res. Dual-Fuel and Controlled Service Rate 15	118,424		\$1,153	118,424		\$2,375	1,222	106.04%
16	Booked to Billed Revenue Ratio			91.526%			91.531%		
17	Total Adjusted Annual Residential Rate 15			\$1,055			\$2,174	\$1,222	115.85%