

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

Line	Description	Billing			Billing			Revenue Change	
		Units	Rate	Revenue	Units	Rate	Revenue	\$	%
1									
2		----- Present Rates -----			----- Proposed Rates -----				
3	Interruptible Irrigation Service Rate 16			Calculated			Calculated		
4	Customer Charge 16O (May-Oct)	374	\$30.00	\$11,220	374	\$45.00	\$16,830	\$5,610	50.00%
5	Customer Charge 16OW (May-Oct)	41	\$15.00	615	41	\$22.50	923	308	50.00%
6	Customer Charge 16O (Nov-Apr)	98	\$30.00	2,940	98	\$45.00	4,410	1,470	50.00%
7	Customer Charge 16OW (Nov-Apr)	152	\$15.00	2,280	152	\$22.50	3,420	1,140	50.00%
8	Off-Peak Energy Charge (May-Oct)	1,288,382	\$0.01510	19,455	1,288,382	\$0.02049	26,399	6,944	35.70%
9	Off-Peak Energy Charge (Nov-Apr)	101,028	\$0.01510	1,526	101,028	\$0.02049	2,070	545	35.70%
10	On-Peak Energy Charge (May-Oct)	131,692	\$0.08310	10,944	131,692	\$0.11188	14,734	3,790	34.63%
11	On-Peak Energy Charge (Nov-Apr)	8,805	\$0.08310	732	8,805	\$0.11188	985	253	34.63%
12	Shoulder Period Energy Charge (May-Oct)	334,725	\$0.03510	11,749	334,725	\$0.04737	15,856	4,107	34.96%
13	Shoulder Period Energy Charge (Nov-Apr)	27,102	\$0.03510	951	27,102	\$0.04737	1,284	333	34.96%
14	Demand Charge per Season	216	\$81.06	17,481	216	\$108.94	23,493	6,012	34.39%
15	Minimum Customer Charge per Season	0.000	\$180.00		0.000	\$241.91		0	0.00%
16	Irrigation Season kWh On Peak	140,497		\$71,463	140,497		98,234	26,771	37.46%
17	Non-Irrigation Season kWh Off & Shoulder	1,751,237		8,428	1,751,237		12,169	3,740	44.38%
18	Annual Total	1,891,734		\$79,891	1,891,734		\$110,403	\$30,512	38.19%
19	Book to Bill Revenue Ratio						<u>102.490%</u>		
20	Proposed Base Rate Revenue						\$113,152	\$31,272	38.19%

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1		----- Present Rates -----			----- Proposed Rates -----				
2	Irrigation Service Rate 17			Calculated			Calculated		
3	Power Factor Charge (May-Sept)	80	\$7.820	\$627	80	\$10.380	\$833	\$206	32.79%
4	Power Factor Charge (Oct-Apr)	55	\$7.820	432	55	\$10.380	574	142	32.81%
5	Demand Charge per HP (May-Sept)	1,100	\$3.250	3,575	1,100	\$4.310	4,741	1,166	32.62%
6	Demand Charge per HP (Oct-Apr)	258	\$3.250	837	258	\$4.310	1,110	273	32.62%
7	Energy Charge (May-Sept)	141,376	\$0.03310	4,680	141,376	\$0.04398	6,218	1,538	32.87%
8	Energy Charge (Oct-Apr)	72,520	\$0.03310	2,400	72,520	\$0.04398	3,189	789	32.87%
9	Total Irrigation Season (May-Sept)	141,376		\$8,882	141,376		\$11,792	\$2,910	32.76%
10	Total Non-Irrigation Season (Oct-Apr)	72,520		3,670	72,520		4,874	\$1,204	32.80%
11	Annual Total	213,896		\$12,552	213,896		\$16,665	\$4,114	32.77%
12	Book to Billed Revenue Ratio						<u>105.083%</u>		
13	Proposed Base Rate Revenue						\$17,512	\$4,323	32.77%

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1		----- Present Rates -----			----- Proposed Rates -----				
2	Irrigation Service Rate 18								
3	Customer Charge			per Book			Calculated		
4	Irrigation Season (May-Oct)	18	\$30.00	\$540	18	\$45.00	\$810	\$270	50.00%
5	Off Season (Nov-Apr)	4	\$15.00	60	4	\$22.50	90	30	50.00%
6	Energy (kWh) Charge								
7	Off-Peak Energy per kWh (May-Oct)	32,070	\$0.01510	484	32,070	\$0.02049	657	173	35.70%
8	Off-Peak Energy per kWh (Nov-Apr)	53	\$0.01510	1	53	\$0.02049	1	0	35.70%
9	On-Peak Energy per kWh (May-Oct)	1,485	\$0.34810	517	1,485	\$0.46803	695	178	34.45%
10	On-Peak Energy per kWh (Nov-Apr)	9	\$0.34810	3	9	\$0.46803	4	1	34.45%
11	Minimum Charge per Customer (May-Oct)	0	\$180.00	0	0	\$241.91	0	0	0.00%
12	Minimum Charge per Customer (Nov-Apr)	0	\$180.00	0	0	\$241.91	0	0	0.00%
13	Power Factor Charge			681			915	234	34.40%
14	Total	33,617		\$2,286	33,617		\$3,172	\$887	38.78%
15	Difference			118.694%			118.694%		
16	Proposed Base Rate Revenue			\$3,221			\$3,766	\$1,052	46.03%