

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

**In the matter of: )  
NORTHWESTERN CORPORATION )  
d/b/a NorthWestern Energy, Applicant ) Docket No. NG07-\_\_\_**

**Application of NorthWestern Corporation  
d/b/a NorthWestern Energy**

**For Increased Natural Gas Rates**

**December 31, 2006 Test Year**

**Data Filed Pursuant to  
Public Utilities Rate Filing Rules**

**Chapter 20:10:13**

# NorthWestern<sup>TM</sup> Energy

NorthWestern Corporation  
d/b/a NorthWestern Energy  
125 S. Dakota Avenue  
Sioux Falls, SD 57104-6403  
Telephone: (605) 978-2908  
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www.northwesternenergy.com

June 1, 2007

Patricia Van Gerpen, Executive Director  
SD Public Utilities Commission  
500 E. Capitol  
Pierre, SD 57501

RE: IN THE MATTER OF THE FILING BY NORTHWESTERN ENERGY FOR  
CHANGES TO ITS SCHEDULED RATES FOR NATURAL GAS SERVICE  
IN SOUTH DAKOTA  
NG07-\_\_\_\_

Dear Ms. Van Gerpen:

NorthWestern Energy is submitting to the Commission a rate case for its natural gas operations in South Dakota. As you may know, 1999 was the last such rate case submission made by NorthWestern. We look forward to the consideration of this submission.

Please consider this letter as a letter of transmittal required by ARSD 20:10:13:39 transmitting a rate schedule to the Commission for filing to supersede the provisions of a rate schedule required to be on file. Confidential materials contained within this filing are marked as such.

Included with this filing are all supporting schedules required by Commission Rules and the pre-filed direct testimony of several witnesses and exhibits supporting their testimony. Also included are proposed natural gas rate schedules and tariffs appropriate to NorthWestern Energy. These schedules are designed to produce an additional \$3,682,377 in revenues applicable to NorthWestern Energy's South Dakota natural gas service area. The proposal represents a 5.5% increase from NorthWestern's current revenue requirement.

NorthWestern Energy proposes to make the changes in rates and charges effective on August 1, 2007.

The proposed changes are occasioned by increases in NorthWestern's costs of doing business relative to natural gas service in South Dakota, including additional federal government requirements related to operations and management of natural gas utility services, and the replacement of \$4.7 million worth of defective Century brand natural gas pipeline between 2002 and 2006. The filing will also allow NorthWestern to incorporate the City of Freeman into our rate structure and territory map. NorthWestern also seeks to resolve the deferral of costs related to the Company's use of the Nekota pipelines as described in the Commission's docket NG07-009.

According to Rule 20:10:01:39-42, NorthWestern requests confidential treatment of the enclosed information designated as **Confidential** in Commission files. In accordance with Rule 20:10:01:41, the following information regarding this request is provided:

- (1) Description of Information: March 2007 Purchased Gas Adjustment Calculation
- (2) Length of Time: Fifteen (15) years
- (3) Identification of Contact Person: Pamela A. Bonrud  
Director – SD/NE Government and  
Regulatory Affairs  
NorthWestern Energy  
125 S. Dakota Ave.  
Sioux Falls, SD 57104

The grounds on which confidential treatment is sought are Sections 4 and 5 of Rule 20:10:01:39. Nine (9) copies are enclosed and marked (PRIVILEGED AND CONFIDENTIAL) for Commission use.

Patty, we appreciate the Commission's consideration of this submission. As you know, a tremendous amount of work has gone into the preparation of this filing, and we believe that this filing complies with all of the Commission's rules and regulations with respect to the same. We look forward to engaging with the staff in discussions about the contents of this filing and will stand by to hear more from you and your staff.

Brett Koenecke of May, Adam, Gerdes & Thompson of Pierre will be Northwestern's counsel of record on this matter. Please copy all communications from your office to me at the address above and to him at PO Box 160, Pierre, SD 57501.

Very truly yours,

Pamela A. Bonrud  
Director – SD/NE Government and Regulatory Affairs



NorthWestern  
Energy

# notice...◆◆◆

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As part of NorthWestern Energy's continued commitment to keeping open communications with our customers, we would like to officially notify you that in June, NorthWestern Energy submitted a filing to the South Dakota Public Utilities Commission (SD PUC) requesting a natural gas rate increase.

Our last request for a natural gas rate increase occurred in 1999. Through effective business management practices and watching the bottom line, NorthWestern has been able to hold down its costs of doing business for nearly a decade. However, the past few years have demonstrated that a rate increase is necessary for NorthWestern to continue providing the high level of services that you have come to expect.

There are many options available to participate in the natural gas rate review process. Find out how on the reverse side of this notice...

You can view the actual rate case filing via the Internet on the NorthWestern Energy Web site and/or the SD PUC Web site:

[www.northwesternenergy.com](http://www.northwesternenergy.com)

[www.state.sd.us/puc](http://www.state.sd.us/puc)

A copy of the filing will also be made available at each of our office locations, where you can request a copy to look at in-person. As a NorthWestern Energy South Dakota customer, you can also directly participate in the public process that is undertaken by the SD PUC. According to state law, a customer has a right to join with 24 other customers to file a written objection to a rate increase and request that the PUC suspend the rate increase and hold a public hearing to determine if the rate increase should be allowed (please refer to SDCL 49-43A-12).

If you have any questions about your natural gas services or the proposed rate increase, please call our Customer Service number at: (800) 245-6977.

**NorthWestern**  
Energy

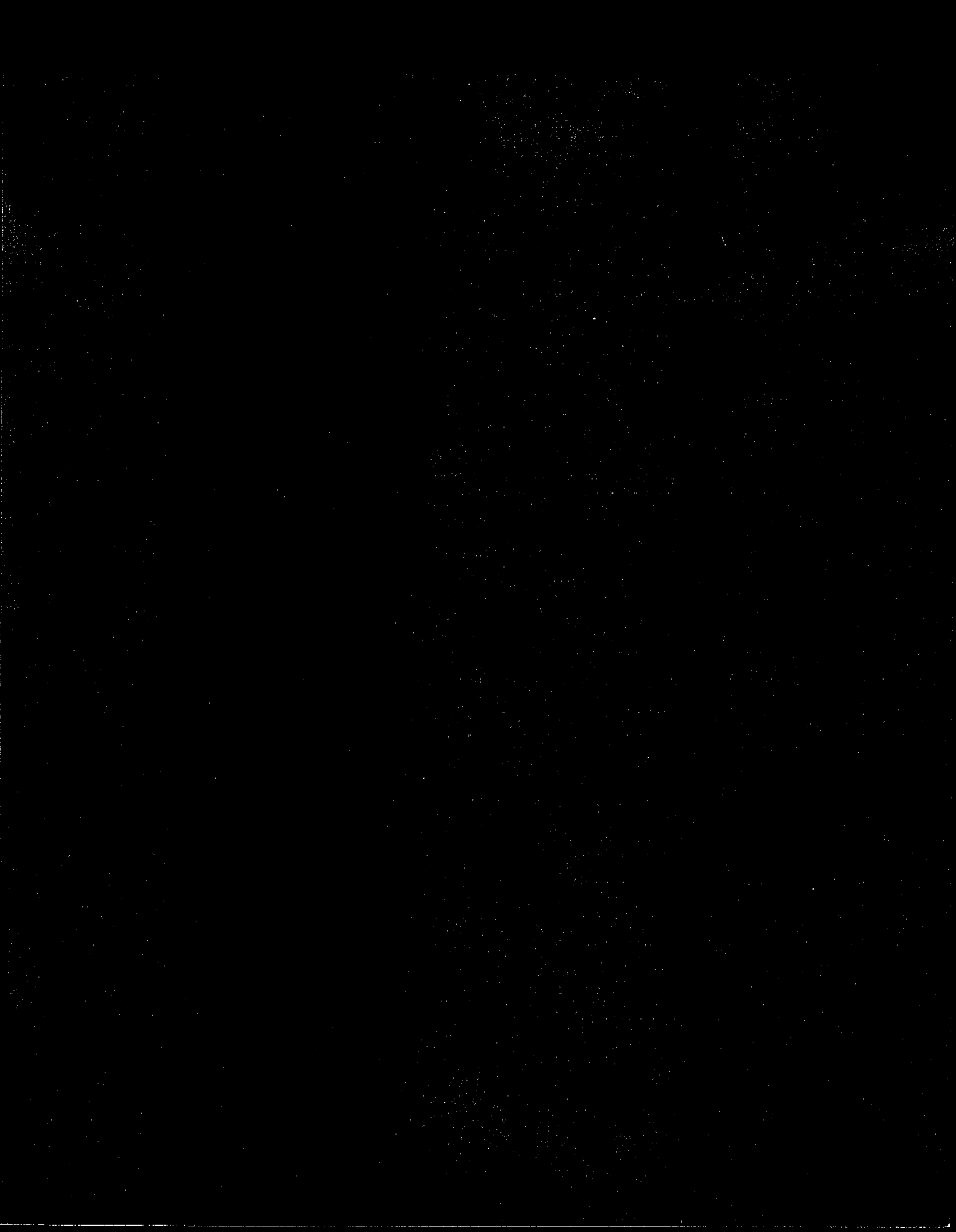




**NorthWestern Corporation dba Northwestern Energy  
South Dakota Gas Rate Case  
Report of Tariff Schedule Change  
Test Year Ending December 31, 2006**

<b>Name of Utility:</b>	NorthWestern Energy
<b>Utility Address:</b>	600 Market Street West Huron, SD 57350
<b>Description of Change:</b>	General Rate Increase
<b>Reason for Change:</b>	Revenue Deficiency
<b>Proposed Effective Date of Modified Rate:</b>	August 1, 2007
<b>Approximate Annual Change in Revenue</b>	
Residential	\$ 2,399,888
Small Commercial	669,543
Large Commercial	81,283
Interruptible	80,785
Contract Sales	85,399
Transport	<u>365,479</u>
	\$ 3,682,377
<b>Communities Affected:</b>	All South Dakota Communities Served by NorthWestern Energy
<b>Approximate Number of Customers Affected:</b>	
Residential	36,445
Small Commercial	5,473
Large Commercial	116
Interruptible	84
Contract Sales	78
Transport	<u>90</u>
	42,286
<b>Present Rate:</b>	\$ 67,290,554
<b>Proposed Rate:</b>	\$ 70,972,931
<b>Approximate Annual Increase in Revenue:</b>	\$ 3,682,377
<b>Number of Customers Whose Cost of Service will be Affected:</b>	All South Dakota Natural Gas Customers
<b>Submitted by:</b>	Pamela A. Bonrud Director – SD/NE Gov't & Reg Affairs NorthWestern Energy

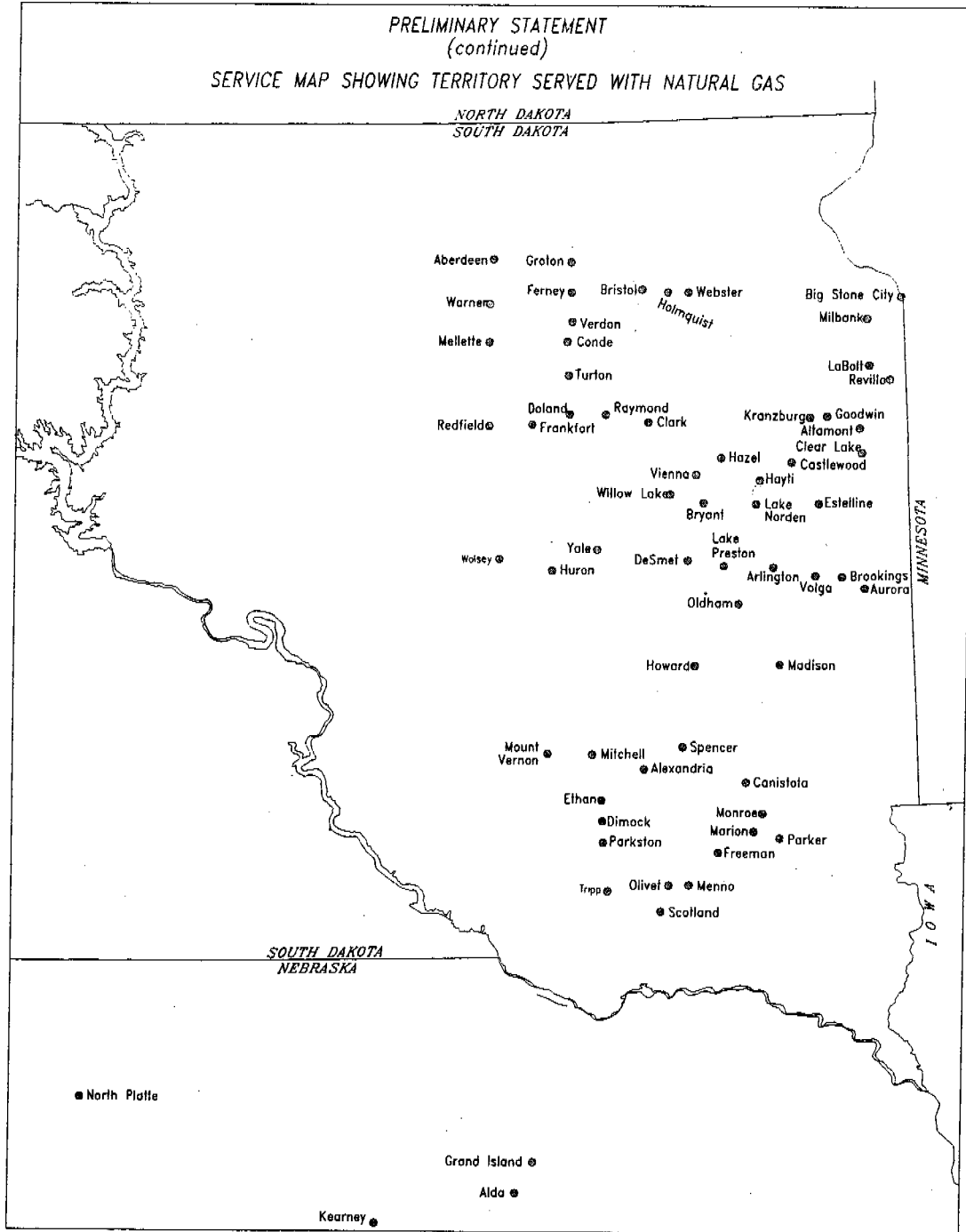




**SOUTH DAKOTA GAS RATE SCHEDULE**

**NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**  
**HURON**  
**SOUTH DAKOTA**

**Section No. 2**  
**7<sup>th</sup> Revised** **Sheet No. 2**  
**Canceling 6<sup>th</sup> Revised** **Sheet No. 2**



Date Filed: June 1, 2007

Effective Date: Aug 1, 07

Jeff J. Decker  
Issued By: Rates Analyst

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY Section No. 3  
HURON 18<sup>th</sup> Revised Sheet No. 1  
SOUTH DAKOTA Canceling 17<sup>th</sup> Revised Sheet No. 1

**CLASS OF SERVICE: Residential Gas Service** Rate No. **81**  
**RATE DESIGNATION: Firm Sales**

**1. Applicability**

This rate is available to domestic customers whose maximum requirements for natural gas are not more than 200 therms per day. The name plate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirements, based on 10 hours use per day.

**2. Territory**

The area served with natural gas by the Company in South Dakota.

**3. Rates**

Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 8.00	(I)
<i>Non-Gas Commodity Charge:</i>		
First 30 therms, per therm	\$ 0.3373	(I)
Over 30 therms, per therm	\$ 0.1370	(I)
<i>Standby Capacity Charge - December through March:</i>	\$ 12.00	

Minimum Monthly Bill: \$ 8.00 (I)

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

**4. Other Provisions**

The Standby Charge is applicable to customers using service pursuant to this schedule as a backup fuel source to an alternately fueled heating system. This charge is not applicable where natural gas service is the primary heating fuel source.

Service will be furnished under the Company's General Terms and Conditions.

Date Filed: June 1, 2007

Service on and after  
Effective Date: Aug 1, 2007

Jeff J. Decker  
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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	4th Revised <hr style="width: 100%;"/> Canceling 3rd Revised	Section No. 3 Sheet No. 2 Sheet No. 2
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**CLASS OF SERVICE: General Gas Service** **Rate No. 82**  
**RATE DESIGNATION: Firm Sales**

**1. Applicability**

This rate is available to non-residential customers whose maximum requirements for natural gas are not more than 200 therms per day. If no historical peak day usage is available, the name plate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirements.

**2. Territory**

The area served with natural gas by the Company in South Dakota.

**3. Rates**

Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 9.00	<b>(I)</b>
<i>Non-Gas Commodity Charge:</i>		
First 400 therms, per therm	\$ 0.1856	<b>(I)</b>
Next 1,600 therms, per therm	\$ 0.0991	<b>(I)</b>
Over 2,000 therms, per therm	\$ 0.0591	
<i>Standby Capacity Charge - December through March:</i>	\$ 37.00	

Minimum Monthly Bill: \$ 9.00 **(I)**

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

**4. Other Provisions**

The Standby Charge is applicable to customers using service pursuant to this schedule as a backup fuel source to an alternately fueled heating system. This charge is not applicable where natural gas service is the primary heating fuel source.

Service will be furnished under the Company's General Terms and Conditions.

Date Filed: <u>June 1, 2007</u>	Service on and after Effective Date: <u>Aug 1, 2007</u>
<u>Jeff J. Decker</u> Issued By: Rates Analyst	

**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY	Section No. 3
HURON	9 <sup>th</sup> Revised Sheet No. 3.1
SOUTH DAKOTA	Canceling 8 <sup>th</sup> Revised Sheet No. 3.1

**CLASS OF SERVICE: Commercial and Industrial** **Rate No. 84**  
**RATE DESIGNATION: Firm Sales Service**

**1. Applicability**

This rate is available for firm gas volumes, on a contract basis, to commercial and industrial customers whose maximum requirements for natural gas are greater than 200 therms per day, and who may also require volumes of interruptible gas in excess of firm demand volumes for which they have contracted. If no historical peak day usage is available, the name plate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirement.

**2. Territory**

The area served with natural gas by the Company in South Dakota.

**3. Rates**

Customer may choose the rate option, and level of daily contract demand (never less than 50 therms), which best fits the customer's needs.

<u>Monthly Charges:</u>	<u>Option A</u>	<u>Option B</u>	
<i>Customer Charge</i> per Meter:	\$ 80.00	\$280.00	
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0643	\$0.0339	(I)
<i>Demand Charge</i> per therm of daily contract demand as shown on Sheet 9a.			

Gas Demand Payment Elections

- A. Annually - in advance, with 5% discount
- B. Seasonally profiled
  - January & February 20% of annual charge per month
  - March & December 15% of annual charge per month
  - April & November 10% of annual charge per month
  - May & October 5% of annual charge per month
  - June through September 0% of annual charge per month
- C. Monthly - 12 equal billings

In the absence of an appropriate election by customer Election "C" will be automatically assigned. Unless otherwise mutually agreed upon between the Company and customer all elections must be for a minimum period of twelve consecutive months.

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**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	8 <sup>th</sup> Revised <hr style="width: 100%;"/> Canceling 7 <sup>th</sup> Revised	Section No. 3 Sheet No. 4.1 Sheet No. 4.1
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**CLASS OF SERVICE: Commercial and Industrial** **Rate No. 85**  
**RATE DESIGNATION: Interruptible Sales Service**

**1. Applicability**

Gas service under this rate schedule is available on an interruptible basis to any customer for commercial and industrial purposes, whose maximum requirements for natural gas are greater than 200 therms per day, provided that the customer's premises are adjacent to the Company's mains and that the capability of the Company's system and the supply of gas available from its suppliers is in excess of the requirements of its existing customers. If no historical peak day usage is available, the name plate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirement.

**2. Territory**

The area served with natural gas by the Company in South Dakota.

**3. Rates**

Customer may choose the rate option which best fits the customer's needs.

<u>Monthly Charges:</u>	<u>Option A</u>	<u>Option B</u>
<i>Customer Charge</i> per Meter:	\$ 80.00	\$280.00
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0643	\$0.0339

(I)

Minimum Monthly Bill:

The Customer Charge.

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9a, 9b)
- b. Tax Adjustment Clause shall apply. (Sheet No. 10)
- c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)
- d. Manufactured Gas Plant Removal Cost Adjustment Clause shall apply. (Sheet No. 11)

**4. Penalty Provision**

If customer fails to comply with Company's request to curtail the use of gas, then all unauthorized gas so used shall be "Penalty Gas" and be paid by the Customer at a rate which is the greater of \$3.00 per therm or the maximum penalty charges permitted to be made by the Company's upstream service providers for takes of natural gas in addition to the regular Commodity Charge for such gas. All costs collected will be credited to expense in PGA true-up filings.

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<u>Jeff J. Decker</u> Issued By: Rates Analyst	

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	1 <sup>st</sup> Revised <hr style="width: 100%;"/> Canceling Original	Section No. 3 Sheet No. 5.1 Sheet No. 5.1
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**CLASS OF SERVICE: Commercial and Industrial** **Rate No. 86**  
**RATE DESIGNATION: Contract Sales Service**

**1. Applicability**

This rate is available for gas volumes, on a contract basis, to commercial and industrial customers, including governmental entities. If no historical peak day usage is available, the nameplate input ratings of all gas burning equipment shall be used to determine a customer's maximum requirement.

**2. Availability**

This service is available to commercial and industrial customers, including governmental entities, with facilities served by the Company in South Dakota, with primarily space heating requirements, who have Company installed telemetric equipment in place to monitor daily usage. This service is available on either a firm or interruptible basis.

**3. Rates**

Customer may choose the rate option, and level of daily contract demand (never less than 50 therms), which best fits the customer's needs.

Monthly Charges:

	<u>Option A</u>	<u>Option B</u>
<i>Customer Charge</i> per Meter:	\$ 130.00	\$330.00
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0643	\$0.0339
<i>Demand Charge</i> per therm of daily contract demand as shown on Sheet 9a, as applicable to firm service customers, never less than 50 therms.		

(I)

Unless otherwise mutually agreed upon between the Company and customer all elections must be for a minimum period of twelve consecutive months.

Released Capacity and Balancing Services Surcharge:

For all therms taken during a month in excess of the product of the daily contract demand times the number of days in the billing period an additional \$0.0170 per therm shall be assessed and added to the Gas Commodity Charge shown on Sheet No. 9a.

Such surcharges collected will be credited to expense in the Company's Adjustment Clause filings.

One-Time Charges:

Application Charge: \$50.00 with each request for service.  
 Telemetering: Standard cost of telemetry, installation and hardware, including appropriate tax gross-up, shall be \$2,100 per unit installed.

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Service on and after  
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 Issued By: Rates Analyst

**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	9 <sup>th</sup> Revised <hr/> Canceling 8 <sup>th</sup> Revised	Section No. 3 Sheet No. 6.1 Sheet No. 6.1
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**CLASS OF SERVICE: Gas Transportation Tariffs** **Rate No. 87**  
**RATE DESIGNATION: Transportation Service**

**1. Applicability and Character of Service**

This Transportation Service Tariff shall apply to gas purchased by Customer from a third-party supplier, or through an agency relationship with the Company, delivered to Company's system by an interstate pipeline, and received, transported, and delivered, on a firm basis, by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

**2. Availability**

This service is available to any Customer with facilities served by the Company in South Dakota who has Company installed telemetric equipment in place to monitor daily usage. Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services that may be offered. In the event that a Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

**3. Rates**

Customer may choose the rate option which best fits the customer's needs.

<u>Monthly Charges:</u>	<u>Option A</u>	<u>Option B</u>
<i>Customer Charge</i> per Meter:	\$130.00	\$330.00
<i>Commodity Charge</i> , all use, per therm:	\$0.0643	\$0.0339

(I)

*Fuel Retention*, a Customer or Group Customer, if applicable, shall have the option to choose either an indexed based or inkind method to apply retention, as provided in the Gas Transportation General Terms and Conditions in Section No. 5 of this tariff.

One-Time Charges:

Application Charge: \$50.00 with each request for service.  
 Telemetering: Standard cost of telemetry, installation and hardware, including appropriate tax gross-up, shall be \$2,100 per unit installed.

Minimum Monthly Bill:

The Customer Charge.

Date Filed: June 1, 2007

Service on and after  
 Effective Date: Aug 1, 2007

Jeff J. Decker  
 Issued By: Rates Analyst



**GENERAL TERMS AND CONDITIONS**

**1. Applicability**

These General Terms and Conditions apply to all classes of Gas service unless otherwise indicated on the rate schedule.

**2. Point of Service Attachment**

Point of service attachment is defined as that point where the facilities of the Company are physically connected to the facilities of the customer. In general, the point of service attachment is on the outlet side of the meter where the customer's fuel piping connects with the meter.

**3. Customer's Installation**

The customer will furnish and own all fuel piping, equipment, appliances, fixtures and other devices necessary to distribute gas service from the point of service attachment. All such items furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the constituted authorities and with the terms and conditions of the Company.

**4. Customer Connection Charge**

Customer Connection is defined as attaching a customer to receive utility service upon a request for service or reconnection of discontinued service. The Customer, Landlord or representative must be present during the Service turn-on. The connection charge will be billed to all customers applying for utility service. (Customer Connection does not include the reconnection of a customer whose utility services were discontinued due to nonpayment of utility bills. Reconnection charges for such customers are based on the Company's hourly rates for service work with a one hour minimum.) The amount of the Customer Connection Charge will be \$10.00 for all Customer Connections during normal business hours defined as 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays, and \$125.00 for Customer Connections during other than regular business hours. The Customer Connection Charge shall be paid by the Customer receiving utility service from the Company, and is due and payable upon presentation. If a bill is not paid, the Company shall have the right to refuse service.

(Continued)

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN CORPORATION d/d/a NORTHWESTERN ENERGY

Section No.5

HURON

2nd Revised

Sheet No. 1a

SOUTH DAKOTA

Canceling 1st Revised

Sheet No. 1a

(Continued)

Seasonal Use Customers (Grain Dryers, Asphalt Plants, Municipal Pools etc.) will be charged \$80 for all Customer Connections during normal business hours defined as 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays, and \$125.00 for Customer Connections during other than regular business hours. The Customer Connection Charge shall be paid by the Customer receiving utility service from the Company, and is due and payable upon presentation. If a bill is not paid, the Company shall have the right to refuse service.

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5. Owner's Consent To Occupy

In case the Customer is not the owner of the premises or of the intervening property between the premises and the Company's lines, the Customer will obtain from the property owner(s) the necessary consent to install and maintain in said premises all such gas equipment as is necessary or convenient for supplying gas to the Customer.

6. Service & Mains

For services except mobile homes in mobile home parks, the Company will install a service along the shortest feasible route from the gas main to the customer's building upon the customer making a non-refundable contribution based upon the distance from the customer's property line to the point of service attachment as follows:

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For residential customers Customer using natural gas as their primary heating source and for water heating: the customer will be charged a \$90.00 connection fee for the first 150 feet of service pipe. Any distance beyond 150 feet may result in the company requiring an Advance for Construction or a Contribution in Aid of Construction based on the consideration of revenues from the project and the cost of the construction.

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For residential customers using natural gas for space heating only, fireplace only, water heating only, natural gas grill only, or any combination other than primary space heating and water heating as described above: the Company will consider the total cost of serving the Customer and the expected revenue from the Customer. In this determination, if the project is not economically feasible, the Company may require an Advance for Construction or a Contribution in Aid of Construction from the customer to aid in the construction expense to serve the Customer.

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(Continued)

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(Continued)

For services to mobile homes in mobile home parks, a non-refundable contribution of \$75.00 will be made by the customer for services up to 50 feet of horizontal piping in the mobile home lot. For services over 50 feet, or where the load does not consist of a natural gas furnace and a natural gas water heater, an additional non-refundable contribution may be required as described on sheet 1a, for residential customers.

**Commercial and Industrial Customers:** The Company may install natural gas service or main without charge where the Company deems the anticipated revenue from the customer is sufficient to justify the service or main extension. The Company will apply the general principle that the rendering of natural gas service to the applicant shall be economically feasible so that the cost of extending such service will not have an undue burden on other customers. In determining whether the expenditure of natural gas service or main is economically feasible, the Company shall take into consideration the total cost of serving the Customer and the expected revenue from the Customer. If the Company determines that the extension of service or main to the Customer is not economically feasible, the Company may require an Advance for Construction or a Contribution in Aid of Construction from the customer or customers to aid expansion. In instances where the project is not paid in advance, the Company may require a Letter of Credit or other Guarantee to secure the cost of the project. Projects that term longer than one year will carry interest at the rate of the allowed rate of return in the Company's most recent gas cost of service determination.

In instances where a Contribution in Aid of Construction is required, three years after the project has been completed, the Company will have the option to review the three-year average use. If the actual volumes vary from projected volumes by 20% or more, the Company has the option to charge or credit the customer for the variance, without interest, in projected Contribution in Aid of Construction.

Installation of gas service lines are scheduled by the Company for completion during the regular construction season. The Company may make a charge for added cost of the construction of a gas service line if the installation is required other than during the regular construction season.

The Company will not install Gas Services and Mains until the surface has been graded to within six inches of a permanent established elevation.

(Continued)

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Date Filed: June 1, 2007

Effective Date: Aug 1, 2007

Jeff J. Decker

**SOUTH DAKOTA GAS RATE SCHEDULE**

<b>NORTHWESTERN CORPORATION d/d/a NORTHWESTERN ENERGY</b>	<b>Section No.5</b>
<b>HURON</b>	<u>2nd Revised</u> <b>Sheet No. 1c</b>
<b>SOUTH DAKOTA</b>	<u>Canceling 1st Revised</u> <b>Sheet No. 1c</b>

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(Continued)

**7. Meter Test By Customer Request**

Any customer may request the Company to test its gas meter. The Company shall make such test as soon as possible after receipt of the request. If a request is made within one year after a previous request, the Company may require a residential customer to pay a \$10 deposit and may require any other customer to pay a deposit in the following amount:

Meters rated at 425 CFH or less	\$10.00
Meters rated at 426 CFH to 1000 CFH	\$20.00
Meters rated over 1000 CFH	\$60.00

The deposit shall be refunded only if the meter is found to have an unacceptable error, as defined in the Commission's regulations.

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Effective Date: Aug 1, 2007

Jeff J. Decker  
Issued By: Rates Analyst

**GENERAL TERMS AND CONDITIONS**  
(Continued)

**ACCESS TO PREMISES**

The Company has the right of access to the Customer's premise at all reasonable times for the purpose of installing, reading, inspecting, or repairing any meters, devices and other equipment used in connection with furnishing of any or all service, or for the purpose of removing its property and for all other proper purposes.

Access to the meter is required for the Company to read the meter. If access is not provided, the Company may estimate the billing for up to three consecutive months. The Company will notify the Customer upon each unsuccessful attempt to access the meter. If access has not been provided at the end of the three consecutive month period, the Company may charge a \$20 Special Access Fee, in order to secure an actual read of the meter.

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**PROTECTION OF COMPANY'S PROPERTY**

The Customer will properly protect the Company's property on the Customer's premises from loss or damage and will permit no one who is not an agent of the Company to remove or tamper with the Company's property.

**METERING**

The service used will be measured by a meter or meters to be furnished and installed by the Company at its own expense and upon the registration of said meters all bills will be calculated. If more than one meter is installed on different classes of service ( each class being charged for at different rates ) each meter will be considered by itself in calculating the amount of any bill, except as otherwise provided on a specific rate schedule. Meters include all measuring instruments.

**BYPASSING OR TAMPERING WITH METERING FACILITIES**

Customers shall not interfere in any way with the metering facilities after they have been set in place. In cases where the meter seal is broken or the working parts of the meter have been tampered with or the meter damaged or there is evidence that a bypass has been used, the Utility may render a bill for the current billing period based upon the estimated use, considering past experience under similar conditions and may, in addition thereto, charge for the actual cost of repairing or replacing said meter and connections. Service may be discontinued or refused at the premises where such bypassing or tampering has occurred until all such charges are paid. Legal action may also be pursued in the instance of meter tampering.

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GENERAL TERMS AND CONDITIONS

MASTER METERING

All buildings, mobile home parks, and trailer courts for which construction was begun after June 13, 1980, shall be meters separately for each residential or commercial unit, with the exception of hospitals; nursing homes; transient hotels and motels; dormitories; campgrounds; other residential facilities of a purely transient nature; central heating or cooling systems; central ventilating systems; central hot water systems; residential multiple occupancy building of only two units, one of which unit is occupied by the owner of the building; and multiple occupancy buildings constructed, owned, or operated with funds appropriated through the Department of Housing and Urban Development or any other federal or state government agency. Any existing multiple occupancy building receiving master metered service which is substantially remodeled or renovated for continued use as a multiple occupancy building, if such remodeling or renovation is begun after June 13, 1980, shall be individually metered, unless the building meets any of the exceptions listed above or unless the owner of such building demonstrates to the satisfaction of the Public Utilities Commission that conversion from master metering to individual metering would be impractical uneconomical, or unfeasible.

The restrictions against master metering contained in the preceding paragraph are waived to the extent requests for variances are granted by the Public Utilities Commission.

MONTHLY BILLS

- (a) Bills for service will be rendered monthly unless otherwise specified.
- (b) Failure to receive a bill in no way exempts Customers from the provisions of these Terms and Conditions.
- (c) The Company will attempt to read a meter at least bi-monthly, and any billings between actual readings or when the Company is unable to read a meter after a reasonable effort has been made will be based upon prior usage, adjusted for weather conditions.

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TERMS OF PAYMENT

Bills are due and payable upon receipt and will be delinquent if not paid by the 20<sup>th</sup> day after billing. A late payment charge of 1% of the unpaid balance plus a collection fee of \$2.00 will be assessed against any delinquent account having an unpaid balance of \$5.00 or more at the time of processing of the next monthly bill. Where a customer has been disconnected for non-payment of a bill, a reconnection charge will be assessed in accordance with the Company's concurrent connection policy.

DISCONTINUANCE OF SERVICE

In addition to the provisions of ARSD 20:10:20, the company has the right to discontinue service to a customer in the event that an unsafe service condition exists on the Customer's premises, which is likely to cause injury to person or property. The Company will notify the Customer prior to such disconnection, if practical under the circumstances.

RESALE PROHIBITED

All gas purchased under any rate schedule shall not be resold by the purchaser thereof in any manner.

PEAK SHAVING GAS SUPPLIES

The Company may supply gas from any stand-by equipment provided that the gas so supplied shall be reasonably equivalent to the natural gas normally supplied hereunder.

AGENTS CANNOT MODIFY AGREEMENT

No agent has power to amend, modify, alter or waive any of these Terms and Conditions, or to bind the Company by making any promise or representation not contained herein. However, the Company will continue its policy of attempting to accommodate customers and customer problems wherever possible.

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**BILLING DAY AND CURTAILMENT OF GAS**

The billing day for the purpose of determining the amount of gas used will be from 9:00 a.m. CCT one day until 9:00 a.m. CCT the next day. The Company shall have the right to curtail or limit the Customer's use of gas during any billing day to the Contract Demand then in effect when demand by firm and higher priority interruptible natural gas purchasers exceeds available pipeline supply. Curtailment of interruptible gas will commence at 9:00 a.m. CCT at the start of a new billing day. Under normal circumstances, notice of curtailment of interruptible gas will be given to Customer by 3:00 p.m. CCT, prior to the beginning of the gas day in which curtailment is to begin. However, in cases of emergency (to be determined solely by the Company) any notice prior to 9:00 a.m. CCT is deemed to place the curtailment in effect at 9:00 a.m. CCT, and such curtailment shall continue in effect until the Company notifies Customer that the curtailment is released. In cases of emergency when notice of curtailment cannot reasonably be given immediately prior to a new billing day, Customer will cooperate with the Company by curtailing its use of interruptible gas as soon as possible after notice of curtailment by Company. Proper notice of curtailment will be deemed to have been given when any person or persons authorized to receive curtailment orders on behalf of Customer has been notified by telephone or in person by a representative of Company.

The Company will endeavor to give the Customer as much notice as possible with respect to curtailment of service. Customer agrees to provide and maintain complete standby facilities and have available at all times sufficient standby fuel to maintain continuous plant operations during complete curtailment in the delivery of natural gas.

**CONTINUITY OF SERVICE, INTERRUPTIONS, AND LIABILITY**

The Company will endeavor to provide continuous service but does not guarantee an uninterrupted or undisturbed supply of gas service. The Company will not be responsible for any loss or damage resulting from the interruption or disturbance of service for any cause other than negligence of the Company. The Company will not be liable for any loss of profits or other consequential damages resulting from the use of service or any interruption or disturbance of service.

The Company shall use due care and diligence to furnish gas service near the normal pressure levels and in accordance with the acceptable levels of delivery pressure as may exist under operating conditions in the pipeline and

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distribution system. Because delivery pressure may vary, the customer shall install, operate, and maintain, at his own expense such pressure regulating devices as may be necessary to regulate the pressure of gas after its delivery to the customer. The Company shall not be liable for the control of gas pressure or gas after delivery of gas to the consumer.

Neither Customer nor the Company shall have any claim against the other for damages sustained as a result of interruptions of gas deliveries caused by Acts of God, weather conditions, labor disturbances, fires, accidents, breakage or repair of pipeline, mechanical failure of any machinery, equipment or other mechanical devices, shortage of gas supply, or other causes or contingencies beyond the reasonable control of and occurring without negligence on the part of such other party. When such causes or contingencies cease to be operative, delivery and receipt of gas shall resume as soon as practicable. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected. Any such cause or contingency, however, exempting customers from liability for non-performance (except where prevented by valid orders or requirements of Federal, State, or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve customer of its obligation to pay minimum charges in accordance with the applicable rate schedule.

The Customer agrees to save, indemnify and hold the Company harmless from any and all claims, damage, or injury to persons or property arising from any cause whatsoever after the delivery of gas by the Company to the point of service attachment, except where such injury or damage is shown to have been caused solely by the negligence of the Company. The Customer shall not be liable for any loss, damage, or injury to persons or property arising from any cause whatsoever before the actual delivery of gas to the point of service attachment, except where such injury or damage is shown to have arisen solely from the negligence of the Customer. The Customer shall assume responsibility for all service and equipment at and from the Customer's point of service attachments.

#### DELIVERY PRESSURE

The volume of gas measured, where delivered at other than 0.25 p.s.i.g. at the customer's meter, shall be adjusted to a base pressure equal to atmospheric pressure plus 0.25 p.s.i. in accordance with accepted standards for measurement of gas at varying pressures

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**PRIORITY OF SERVICE**

All Customers will be classified according to priorities. The Company may require curtailments of natural gas at any time in order to protect deliveries of natural gas having a higher priority. The Company shall have the right to curtail use of natural gas in any community due to capacity limitations of facilities of either the pipeline supplier or the Company, even though service is continued for lower priority customers in another community. When the Company is unable to supply the full natural gas requirements of all its customers, curtailment of natural gas service will progress in the following sequence: Priorities 4, 3, 2 and 1. Company, at its discretion, shall have the right to curtail / interrupt based on other operational factors.

**Priority 1:** Firm residential and small commercial requirements less than 500 therms on a peak day. Curtailment within this priority will, where operationally possible, be on a pro rata basis.

**Priority 2:** Firm commercial requirements from 500 through 1,999 therms on a peak day, and industrial requirements from 0 through 1,999 therms on a peak day. Curtailment within this priority will, where operationally possible, be on a pro rata basis.

**Priority 3:** Firm commercial and industrial requirements greater than 2,000 therms on a peak day. Curtailment within this priority will, where operationally possible, be on a pro rata basis.

**Priority 4:** Interruptible commercial and industrial requirements. The Company may curtail a customer's usage regardless of priority if the customer elects to take interruptible service. Curtailment, where possible, will be ordered on the basis of lowest to highest non-gas margin regardless of jurisdiction or end-use.

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