

NorthWestern[™] Energy

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May 3, 2011

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
Pierre, South Dakota 57501

Dear Ms. Van Gerpen:

Enclosed is the 298th Revised Sheet No. 9a and 197th Revised Sheet No. 9b of NorthWestern's Gas Tariff. Sheet Nos. 9a and 9b reflect changes in the costs of purchased gas and ad valorem taxes paid to be effective May 2, 2011.

The effect of Sheet Nos 9a and 9b for a typical space heating customer using 150 therms per month would be a decrease in the cost from \$113.60 to \$111.54, about 1 7/8%.

Application of these new rates will begin with meter readings on and after May 2, 2011.

Should you have any questions regarding the above changes, please advise.

Sincerely,

Jeff J. Decker

JJD

Enclosures

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
197th Revised Sheet No. 9b
Canceling 196th Revised Sheet No. 9b

ADJUSTMENT CLAUSE RATES(Con't)	Per Therm
<u>Delivered Cost of Energy (Con't):</u>	<u>Per Month</u>
Rate No. 85 - Commercial and Industrial-Interruptible Sales Service	
Gas Commodity Charge	
<i>Gas Supply</i> - Average of NNG Ventura, NBPL Ventura Transfer Point and NNG Demarcation Indices as reported in the first of the month issue of <u>Inside F.E.R.C. Gas Market Report</u> published for the month of billing	0.4300
<i>Fuel Use</i> -1.05% NNG and 2.23% Company L&U	0.0121
<i>Pipeline Transportation Fee</i>	0.0038
<i>Released Capacity Surcharge</i>	0.0140
<i>Balancing Services</i>	0.0030
<i>Scheduling Fee</i>	<u>0.0015</u>
Total Gas Component Charge	<u>\$ 0.4644</u>
Rate No. 86 -- Gas Contract Sales Service	
Rate No. 86 Gas Commodity Charge -- Group 1	\$ 0.4474
Rate No. 86 Gas Commodity Charge -- Group 2	\$ 0.4474
Rate No. 86 Gas Commodity Charge -- Group 3	\$ 0.4474
Rate No. 86 Gas Commodity Charge -- Group 4	\$ 0.4474
Rate No. 86 Gas Commodity Charge -- Group 5	\$ 0.4474
Rate No. 86 Gas Commodity Charge -- Group 6	\$ 0.4474
Rate No. 86 Gas Commodity Charge -- Group 7	\$ 0.4474
Rate No. 86 Index	\$ 0.4474
Rate No. 86 True-up Surcharge	
Rate No. 87 - Gas Transportation Firm Supply Standby Service	
Gas Demand Charge, per therm of daily contract demand	
Rate No. 84 supply standby costs	\$ 0.07
Rate No. 84 pipeline capacity costs	<u>0.74</u>
Total Demand Charge	<u>\$ 0.81</u>
Gas Commodity Charge	
Rate No. 84 Gas Commodity Charge	<u>\$ 0.4474</u>
Imbalance Cash-out Rate Index Points (Rate No. 84, 85, 86 and 87)	
Northern, Ventura 50%, Demarcation 50%	
Northern Border, Ventura\TP 100% less applicable fuel	
<u>Ad Valorem Taxes Paid:</u>	
Rate No. 81 - Residential Gas Service	Commodity Charge \$ 0.0054
Rate No. 82 - General Gas Service	Commodity Charge \$ 0.0034
Rate No. 84 - Commercial and Industrial - Firm Sales Service	
	Commodity Charge - Option A \$ 0.0022
	Commodity Charge - Option B \$ 0.0014
Rate No. 86 -- Contract Sales Service	
	Commodity Charge - Option A \$ 0.0022
	Commodity Charge - Option B \$ 0.0014
Rate No. 85 - Commercial and Industrial - Interruptible Sales Service	
	Commodity Charge - Option A \$ 0.0022
	Commodity Charge - Option B \$ 0.0014
Rate No. 87 - Gas Transportation Service	
	Commodity Charge - Option A \$ 0.0022
	Commodity Charge - Option B \$ 0.0014

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SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA

Section No. 3
298th Revised Sheet No. 9a
Canceling 297th Revised Sheet No. 9a

ADJUSTMENT CLAUSE RATES

<u>Delivered Cost of Energy</u>	Per Therm
Rate No. 81 - Residential Gas Service Gas Commodity Charge	Per Month
Rate No. 82 - General Gas Service Gas Commodity Charge	\$ 0.50896
	\$ 0.50896

Rate No. 84 - Commercial and Industrial-Firm

Gas Demand Charge, per therm of daily contract demand (never less than 50 therms)

NNG Pipeline Capacity Costs

	<u>NNG Rate/Therm</u>	
41.21% of TF12 Base	\$0.7578	\$ 0.31
21.10% of TF12 Variable	\$0.9093	0.19
37.69% of TF5	\$1.5153	0.24
GRI Fee	\$0.0000	0.00
SBA Surcharge	\$0.0000	0.00
GSR Surcharge	\$0.0000	0.00
Order 528 Surcharge	\$0.0000	0.00
Stranded 858 Surcharge	\$0.0000	\$0.00
<i>Total Pipeline Capacity Costs</i>		\$ 0.74
<i>Supply Standby</i>		0.07
<i>Balancing Services</i>		0.09
Total Demand Charge		\$ 0.90

The above percentages are based on the Company's contract demand profile with
NNG (49,020 MMBtu.)

<u>Rate Schedule</u>	<u>MMBtu Demand</u>		<u>Percentage</u>
TF12 Base	20,201		41.21%
TF12 Variable	10,345		21.10%
TF5	18,474	(1)	37.69%
<i>Totals</i>	<i>49,020</i>		100.00%

(1) Service is contracted for 5 months (15.70% is 5/12 ths of 37.69%)

Gas Commodity Charge

<i>Gas Supply</i> - Average of NNG Ventura, NBPL Ventura Transfer Point and NNG Demarcation Indices as reported in the first of the month issue of <i>Inside F.E.R.C. Gas Market Report</i> published for the month of billing	\$ 0.4300
<i>Fuel Use</i> - 1.05% NNG and 2.23% Company L&U	0.0121
<i>Pipeline Transportation Fee</i>	0.0038
<i>Scheduling Fee</i>	0.0015
Total Gas Component Charge	\$ 0.4474

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