

**NorthWestern Corporation dba NorthWestern Energy  
South Dakota Gas Rate Case  
Report of Tariff Schedule Change  
Test Year Ending December 31, 2010**

<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>	July 1, 2011
<b>Approximate Annual Change in Revenue</b>	
Residential	\$ 2,996,267
Small Commercial	468,014
Large Commercial	125,953
Interruptible	84,950
Contract Sales	136,622
Transport	<u>311,229</u>
	\$ 4,123,035
<b>Communities Affected:</b>	All South Dakota Communities served by NorthWestern Energy
<b>Approximate Number of Customers Affected:</b>	
Residential	37,717
Small Commercial	5,660
Large Commercial	123
Interruptible	68
Contract Sales	95
Transport	<u>87</u>
	43,750
<b>Present Rate:</b>	\$ 57,236,337
<b>Proposed Rate:</b>	\$ 61,359,372
<b>Approximate Annual Increase in Revenue:</b>	\$ 4,123,035
<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 – Government & Regulatory Affairs NorthWestern Energy

**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	19 <sup>th</sup> Revised <hr style="border: 0.5px solid black;"/> Canceling 18 <sup>th</sup> Revised	Section No. 3 Sheet No. 1 Sheet No. 1
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**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:	\$ 9.00	I
<i>Non-Gas Commodity Charge:</i>		
First 30 therms, per therm	\$ 0.5014	I
Over 30 therms, per therm	\$ 0.1700	I
<i>Standby Capacity Charge - December through March:</i>	\$ 12.00	

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)

**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.

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Date Filed: <u>May 20, 2011</u>	Effective Date: <u>July 1, 2011</u>	Service on and after <u>July 1, 2011</u>
Issued By: <u>Jeff J. Decker</u> Specialist Regulatory		

**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	<u>5th Revised</u> Canceling <u>4th Revised</u>	Section No. 3 Sheet No. <u>2</u> Sheet No. <u>2</u>
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CLASS OF SERVICE: <b>General Gas Service</b>	Rate No. <b><u>82</u></b>
RATE DESIGNATION: <b>Firm Sales</b>	

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**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:	\$ 10.00	I
<i>Non-Gas Commodity Charge:</i>		
First 400 therms, per therm	\$ 0.2175	I
Next 1,600 therms, per therm	\$ 0.1100	I
Over 2,000 therms, per therm	\$ 0.0865	I
<i>Standby Capacity Charge - December through March:</i>	\$ 37.00	

Minimum Monthly Bill: \$ 10.00 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)

**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.

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**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY	Section No. 3
HURON	10 <sup>th</sup> Revised Sheet No. 3.1
SOUTH DAKOTA	Canceling 9 <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:	\$ 100.00	\$300.00	I
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0809	\$0.0410	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 Section No. 3  
 HURON 10<sup>th</sup> Revised Sheet No. 4.1  
 SOUTH DAKOTA Canceling 9<sup>h</sup> Revised Sheet No. 4.1

**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. All Grain Dryer Customers with a connected load greater than 20 Mmbtu per hour will be required to obtain service under Rate No. 86.

**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:	\$ 100.00	\$300.00	I
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0809	\$0.0410	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)

**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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**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	3rd Revised <hr style="width: 100%;"/> Canceling 2nd Revised	Section No. 3 Sheet No. <u>5.1</u> Sheet No. <u>5.1</u>
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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, or grain dryers, who have Company installed telemetric equipment in place to monitor daily usage. This service is available on 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.

<u>Monthly Charges:</u>	<u>Option A</u>	<u>Option B</u>	
<i>Customer Charge</i> per Meter:	\$150.00	\$350.00	I
<i>Non-Gas Commodity Charge</i> , all use, per therm:	\$0.0809	\$0.0410	I
<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.			

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.  
 Telemetry: Standard cost of telemetry, installation and hardware, including appropriate tax gross-up.

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**SOUTH DAKOTA GAS RATE SCHEDULE**

NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY HURON SOUTH DAKOTA	10 <sup>th</sup> Revised <hr/> Canceling 9 <sup>th</sup> Revised	Section No. 3 Sheet No. 6.1 <hr/> 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:	<u>\$150.00</u>	<u>\$350.00</u>	I
<i>Commodity Charge</i> , all use, per therm:	<u>\$0.0809</u>	<u>\$0.0410</u>	I

NBPL Milbank Line Contract demand rate, per therm	\$1.08*	
NBPL Milbank Line Firm Transport Only Credit, per therm of Contract demand (\$0.28)		N

\* \$1.08 per therm of contract demand rate assumes delivery at Ortonville tap (milepost 54.6). Rate for deliveries at points upstream will be adjusted as follows: Mileage at selected delivery point divided by 54.6 times \$1.08.

Where a NBPL Milbank Line Customer transports volumes in excess of contract demand, all such additional transport volumes, will be assessed \$0.017 per therm per day.

**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.	D

Minimum Monthly Bill: The Customer Charge

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**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.

**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. In instances where a disconnected customer has reconnected their own service, the Company may charge \$100 to correct the unauthorized changes and reconnect the service. 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. This section does not apply to metering facilities that are damaged by acts of God.

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