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**PRELIMINARY STATEMENT**

**Territory Served**

The Company provides gas service at retail to the following communities and their immediate environs in eastern South Dakota.

Aberdeen	Doland	Lake Norden	Reville	
Alexandria	Estelline	Lake Preston	Scotland	
Altamont	Ethan	Madison	Sioux Falls	N
Arlington	Ferney	Marion	Spencer	
Aurora	Frankfort	Mellette	Tea	N
Big Stone City	Freeman	Menno	Tripp	
Bristol	Goodwin	Milbank	Turton	
Brookings	Groton	Mitchell	Verdon	
Bryant	Harrisburg	Monroe	Vienna	N
Canistota	Hayti	Mt. Vernon	Volga	
Castlewood	Hazel	Oldham	Warner	
Clark	Holmquist	Olivet	Webster	
Clear Lake	Howard	Parker	Willow Lake	
Conde	Huron	Parkston	Wolsey	
DeSmet	Kranzburg	Raymond	Yale	
Dimock	Labolt	Redfield		

A map showing communities served with gas service at retail follows this sheet.

**Types and Classes of Service**

1. Residential Gas Service
2. General Gas Service
3. Commercial and Industrial Firm Sales Service
4. Commercial and Industrial Interruptible Sales Service
5. Transportation Service, including Customer Balancing and Standby Service Options

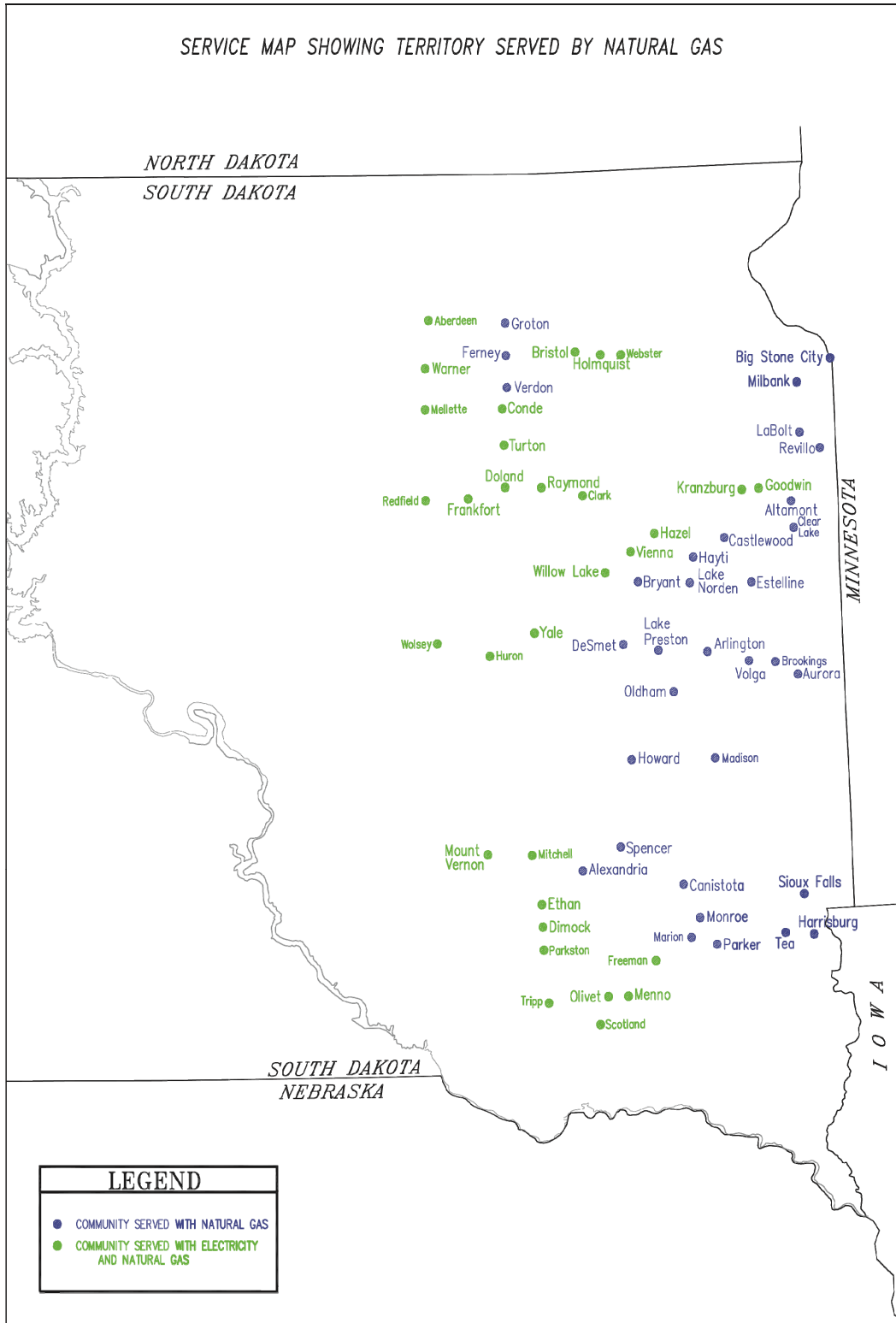
All service is furnished under the provisions of the Company's General Terms and Conditions set forth in Section No. 5 of these tariff schedules.

(continued)

**SOUTH DAKOTA GAS RATE SCHEDULE**  
**NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION d/b/a NORTHWESTERN ENERGY**  
**SIOUX FALLS**

Section No. 2  
 Sheet No. 2  
 Sheet No. 2

8th Revised  
 Canceling 7th Revised



**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:	\$ <del>8.00</del> <u>10.00</u>	
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*Non-Gas Commodity Charge:*

First 30 therms, per therm	\$ <del>0.37880</del> <u>0.4368</u>	
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Over 30 therms, per therm	\$ <del>0.17000</del> <u>0.1750</u>	
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<u>Minimum Monthly Bill:</u>	\$ <del>8.00</del> <u>10.00</u>	
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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**

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

**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:	\$ <del>10.00</del> <u>12.00</u>	
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*Non-Gas Commodity Charge:*

First 400 therms, per therm	\$ <del>0.17280</del> <u>0.2194</u>	
Next 1,600 therms, per therm	\$ <del>0.11000</del> <u>0.1310</u>	
Over 2,000 therms, per therm	\$ <del>0.08650</del> <u>0.0973</u>	

<u>Minimum Monthly Bill:</u>	\$ <del>10.00</del> <u>12.00</u>	
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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**

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

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

**1. Applicability**

This rate is available for firm gas volumes, 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. 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 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:	<del>\$ 100.00</del> <u>120.00</u>	<del>\$300.00</del> <u>320.00</u>
<i>Non-Gas Commodity Charge</i> , all use, per therm:	<del>\$0.066</del> <u>20.0955</u>	<del>\$0.033</del> <u>50.0501</u>
<i>Demand Charge</i> per therm of daily firm 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.

**CLASS OF SERVICE: Commercial and Industrial**  
**RATE DESIGNATION: Firm Sales Service**

**Rate No. 84**

**(Con't.)**

Released Capacity and Balancing Services Surcharge:

For all therms taken during a month in excess of the product of the daily firm demand times the number of days in the billing period an additional \$~~0.01700~~.0327 per therm shall be assessed and added to the Gas Commodity Charge shown on Sheet No. 9a. Costs collected will be credited to expense in Adjustment Clause filings.

Minimum Monthly Bill:

The Customer Charge plus the amount for therms of firm demand (never less than 50 therms).

Adjustment Clauses:

- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9.1, 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 or in any way fails to limit the use of gas to the volume of Daily Demand, then all unauthorized gas in excess of Daily Demand 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 excess of authorized limitations, in addition to the regular Commodity Charge for such gas. All costs collected will be credited to expense in Adjustment Clause filings.

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

(Con't.)

~~5. **Surcharge Provision**~~

~~During curtailment of service upstream service providers may have available to the Company gas under a different and higher priced rate than the cost of gas on which this rate is based. In addition, the Company may have propane peak shaving gas available. The surcharge rate per therm for propane peak shaving will be based on beginning of month average propane inventory cost in South Dakota. Should such higher priced gas be available, the Company may offer it to customers served by this rate schedule with an appropriate surcharge to recover the Company's additional costs in lieu of curtailing service under this rate schedule. All surcharge gas charges collected will be in addition to the regular Commodity Charge for such gas. Costs collected will be credited to expense in Adjustment Clause filings.~~

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**56. Procedure for Curtailment of Service**

Service, other than firm service, which is rendered under this rate schedule shall be subject to curtailment by the Company in accordance with the priority guidelines set forth in the Company's General Terms and Conditions, Section No. 5, Sheet No. 5.2. The Customer shall, as directed, curtail the use of natural gas in excess of firm contracted volumes upon two (2) hours notice by the Company, unless the notification is waived by the Customer.

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**67. Other Provisions**

Service will be furnished under the Company's General Terms and Conditions, as set forth in Section No. 5. Daily firm demand shall be assigned by the Company based on 1) a 24 cold day read or 2) if a 24 hour cold day read is not available, the daily average of the customer's highest usage month, or 3) in the instance of a customer new to the system, the firm demand will be established based on an agreed upon connected load between the Company and the customer, and will be updated with items 1) or 2) as the information becomes available.

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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. 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:	<del>\$ 100.00</del> 120.00	<del>\$300.00</del> 320.00	I
<i>Non-Gas Commodity Charge</i> , all use, per therm:	<del>\$0.066</del> 20.0955	<del>\$0.033</del> 50.0501	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.

**CLASS OF SERVICE: Commercial and Industrial** **Rate No. 85**  
**RATE DESIGNATION: Interruptible Sales Service**

(Con't.)

~~**5. Surcharge Provision**~~

~~During curtailment of service upstream service providers may have available to the Company gas under a different and higher priced rate than the cost of gas on which this rate is based. In addition, the Company may have propane peak shaving gas available. The surcharge rate per therm for propane peak shaving will be based on beginning of month average propane inventory cost in South Dakota. Should such higher priced gas be available, the Company may offer it to customers served by this rate schedule with an appropriate surcharge to recover the Company's additional costs in lieu of curtailing service under this rate schedule. All surcharge gas charges collected will be in addition to the regular Commodity Charge for such gas. Costs collected will be credited to expense in PGA true-up filings.~~

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**65. Procedure for Curtailment of Service**

Service rendered under this rate schedule shall be subject to curtailment by the Company in accordance with the priority guidelines set forth in the Company's General Terms and Conditions, Section No. 5, Sheet No. 5.2.

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**76. Other Provisions**

Service will be furnished under the Company's General Terms and Conditions, as set forth in Section No. 5.

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**SOUTH DAKOTA GAS RATE SCHEDULE**  
**NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION d/b/a NORTHWESTERN ENERGY**  
**SIOUX FALLS** Section No. 3  
**SOUTH DAKOTA** Sheet No. 5.1  
5th Revised  
Canceling 4th Revised Sheet No. 5.1

**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. 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.

Monthly Charges:

	<u>Option A</u>	<u>Option B</u>
<i>Customer Charge</i> per Meter:	<u>\$150.00</u>	<u><del>\$350.00</del>370.00</u>
<i>Non-Gas Commodity Charge</i> , all use, per therm:	<u><del>\$0.066</del>20.0955</u>	<u><del>\$0.033</del>50.0501</u>
<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.		

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 ~~\$0.017~~0.0327 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 (as required by Paragraph 12 on Sheet No. 5.4): Standard cost of telemetry, installation and hardware, including appropriate tax gross-up. Standard costs shall reflect actual costs and customers will be charged on a nondiscriminatory basis.

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**CLASS OF SERVICE: Commercial and Industrial** **Rate No. 86**  
**RATE DESIGNATION: Contract Sales Service**

(Con't.)

Minimum Monthly Bill:  
The Customer Charge plus the amount for therms of contract demand.

- Adjustment Clauses:
- a. Adjustment Clause shall apply. (Sheet Nos. 9, 9.1, 9a, 9b)
  - b. Tax Adjustment Clause shall apply. (Sheet No. 10)
  - c. BTU Adjustment Clause shall apply. (Sheet Nos. 12, 12a)

**4. ~~Surcharge Provision~~**

~~During curtailment of service, upstream service providers may have available to the Company gas under a different and higher priced rate than the cost of gas on which this rate is based. In addition, the Company may have propane peak shaving gas available. The surcharge rate per therm for propane peak shaving will be based on beginning of month average propane inventory cost in South Dakota. Should such higher priced gas be available, the Company may offer it to customers served by this rate schedule with an appropriate surcharge to recover the Company's additional costs in lieu of curtailing service under this rate schedule. All surcharge gas charges collected will be in addition to the regular Commodity Charge for such gas. Costs collected will be credited to expense in the Company's Adjustment Clause filings.~~

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**CLASS OF SERVICE: Commercial and Industrial** **Rate No. 86**  
**RATE DESIGNATION: Contract Sales Service**  
**(Con't.)**

**54. Curtailment of Service** **T**

Service, other than firm service, which is rendered under this rate schedule shall be subject to curtailment by the Company in accordance with the priority guidelines set forth in the Company's General Terms and Conditions, Section No. 5, Sheet No. 5.2. The Customer shall, as directed, curtail the use of natural gas in excess of firm contracted volumes upon two (2) hours notice by the Company, unless the notification is waived by the Customer. All unauthorized gas in excess of Contract Demand 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 excess of authorized limitations, in addition to the regular Commodity Charge for such gas. All Penalty Gas costs collected will be credited to expense in the Company's Adjustment Clause filings.

**65. Gas Contracting Period** **T**

The gas contracting period will be November 1 – October 15 for the following November – April winter period. Grain Dryer Customers will be allowed to contract their October – December Supply. Gas contracts will be offered at least three different times, at the Company's Gas Supply Department's discretion. During such offering periods, the Company will designate the price at which gas can be obtained for the winter or grain drying period, and a customer may choose to contract for such price.

**7.6 True-Up Mechanism** **T**

Rate 86 customers will have their own over/under recovery true-up mechanism. The balances will be reviewed at the end of the winter contract period. The over/under recovered balance will be charged/paid on the July billing. Each customer's share of the balance will be based on that customer's November – April volume as compared to the total November – April volumes used by the rate 86 customer class. Customers choosing to leave the rate 86 tariff will be responsible for their pro rata share of the true-up balance at the time of their leaving rate 86 service. Grain Dryer customer's gas purchases will not contribute to the over/under true-up as they will be cashed out daily. The pricing of the cash out will be as defined in the Customer Balancing section of Rate No. 87, Paragraph 2 of section 3, sheet 6.4.

**8.7 Other Provisions** **T**

Service will be furnished under the Company's General Terms and Conditions, as set forth in Section No. 5.

**CLASS OF SERVICE: Commercial and Industrial Rate No. 86**  
**RATE DESIGNATION: Contract Sales Service**

(Con't.)

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|--|--------------|---|----------|
|  | <b>98.</b>   | <b>Contract:</b> Customer shall execute a written Service Request Form for transportation of customer-owned gas hereunder.  | <b>T</b> |
|  | <b>109.</b>  | <b>Minimum Term:</b> The minimum term of the Service Request Form shall be one year. Should the Company file tariff changes or be ordered by the Commission to change this transportation tariff, Company will, at Customer's request, waive the one year minimum term and six month's notice of termination requirements.  | <b>T</b> |
|  | <b>110.</b>  | <b>Filing:</b> Transportation will not commence until the Customer files with the Company a completed Service Request Form and all other applicable documentation.  | <b>T</b> |
|  | <b>121.</b>  | <b>Metering:</b> In order to utilize the services provided under this Tariff, automatic metering equipment is required for all customers with grain dryers. All costs related to telemetering and any other facilities constructed or installed to provide any Transportation Service will be charged to the Customer but will remain the property of Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections, if necessary, to the meter and provide access to the Company for maintaining and operating such equipment. | <b>T</b> |
|  | <b>1312.</b> | <b>Request for Service:</b><br>(a) Requests for service under this Tariff must be made by filing with the Company the information required on the form entitled "Service Request Form".<br><br>(b) Service under this Tariff will begin on the first of the month following a date which is thirty (30) days after the Service Request Form, and all additional information has been received by the Company.   | <b>T</b> |

**CLASS OF SERVICE: Commercial and Industrial Rate No. 86**

**RATE DESIGNATION: Contract Sales Service**

**(Con't)**

**1413. Successors and Assigns:** Any party which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of any Customer shall be subject to the obligations of its predecessor in title under a Contract. No other assignment of a Contract or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning party, which consent shall not be unreasonably withheld. Any party may assign its respective right, title, and interest in and to and under a Contract to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of any such assignee becoming in any respect obligated to perform the obligation of the assignor under a Contract and, if any such trustee be a corporation, without its being required to qualify to do business in any state in which performance of a Contract may occur. **T**

**1514. Return to Other Service Options:** Service is available under this Tariff at the Customer's option. If a Customer subsequently seeks to purchase system gas on a firm or interruptible basis, the Company shall grant such request only if, and to the extent that adequate System capacity, interstate transportation and supplies are available. The customer will be responsible for their pro rata share of the true-up balance. Customer has the option to make a one lump sum payment or pay through a surcharge over the following 12 months. **T**

**1615. Reference to Sales Tariff:** For all areas not addressed in this Tariff, such as Billing and Payments, the terms of the Service Rules and Regulations Section of the Company's sales tariff shall apply. **T**

**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.

**3. Rates**

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

Monthly Charges:

	Option A	Option B	
<i>Customer Charge</i> per Meter:	\$150.00	<del>\$350.00</del> <u>\$370.00</u>	I
<i>Commodity Charge</i> , all use, per therm:	<del>\$0.0662</del> <u>\$0.0955</u>	<del>\$0.0335</del> <u>\$0.0501</u>	I

NBPL Milbank Line Contract demand rate, per therm \$~~1.08~~ 1.20\* I  
 NBPL Milbank Line Firm Transport Only Credit, per therm of Contract demand (\$0.28)

\* \$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~~ 1.20. I

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. Standard costs shall reflect actual costs and customers will be charged on a nondiscriminatory basis.

Minimum Monthly Bill: The Customer Charge



**CLASS OF SERVICE: Gas Transportation Tariffs** **Rate No. 87**  
**RATE DESIGNATION: Customer Balancing**

(Cont.)

- (a) Waiver of Penalties – The Company may, at its discretion, in a non-discriminatory manner, waive its daily imbalance charges in the event of extraneous circumstances, beyond the customer’s control, if the imbalance results in no detriment to other NorthWestern customers. Any imbalance charge paid by the Customer or waived by the Company shall not be construed as giving the Customer the right to continue to create an imbalance on the system.

**3. Over/Under Delivery Charges for Balancing Services:**

- (a) Daily - Customers are allowed Positive or Negative Imbalances equal to 10% of net receipts without imbalance charges. Customers with a Positive or Negative Imbalance, after adjustment for optional balancing service, shall be subject to an additional charge at the rate of \$0.01 per therm (\$0.10 per Dth) up to 30% of net receipts. For imbalances greater than 30% of net receipts, the imbalance charge is \$0.10 per therm (\$1.00 per Dth). ~~Daily charges on imbalances will be waived if the customer’s Daily Imbalance is in the opposite direction of the Company’s Daily net system pipeline imbalance, as determined by Gas Control personnel.~~ Daily Net Pipeline System imbalance will be defined as daily variance between daily target and actual results. These charges apply except for Critical or OFO days.
- (b) Short Critical Day - Customers with a Negative Imbalance will be charged \$0.50 per therm (\$5.00 per Dth) for the first 5% Negative Imbalance and will be assessed the greater of \$3.00 per therm (\$30.00 per Dth) or three (3) times the Chicago City-gates “Next Day Ahead Index Gas Price” for any Negative Imbalance in excess of 5% of net receipts.

Customers with a Positive Imbalance on any Short Critical Day will not incur the daily \$0.10 per therm (\$1.00 per Dth) over delivery charge.

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**4. Other Provisions**

Service will be furnished under the Company's General Terms and Conditions, as set forth in Section No. 5 and also the terms of rate 87 with the exception of those defined above. All contracts signed by Customer and Company will be filed as an informational filing with the SDPUC.

Service rates negotiated under this tariff will include recovery of all costs to serve the customer including common and general plant recovery, operation and maintenance costs, administrative and general costs, all taxes and a management fee as defined by FERC. Under no circumstances will the revenue from the customer be less than the incremental cost of service including a reasonable return.

Construction Surcharge – All customers requiring utility construction will be required to pay a surcharge sufficient to recover all related construction and capital costs, including related overhead, allowed return, and applicable federal and state taxes, divided by the contract term divided by projected volumes. In addition, take or pay volumes and project security may be required for the term of the agreement.

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For services to mobile homes in mobile home parks, the Company will extend service without charge 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, a non-refundable contribution may be required as described on [Sheet 1a](#), for residential customers.

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**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 as described in the Economic Feasibility section below. 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 [take or pay volumes and](#) 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. [A construction cost recovery surcharge will be added to the customer’s bill for the duration of the recovery period.](#)

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**Economic Feasibility:** For determining contributions on facility extensions, annual revenue will be determined by multiplying the projected volumes by the projected tariff delivery rate. The annual revenue will be reduced by the annual projected Operating, Maintenance, [and](#) Property Tax Expenses. The resulting net margin will be divided by the current allowed rate of return, grossed up for taxes to determine the level of investment the load will support. Any project costs over and above the determined level of investment will be collected from the customer.

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(Continued)

GENERAL TERMS AND CONDITIONS

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. There will be a charge of ~~\$15.00~~\$30.00 for any check or draft submitted to the Company for payment which is dishonored or returned by the financial institution on which it is drawn. I

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 with the exception of sales of natural gas for motorized transportation at commercial Compressed Natural Gas refueling stations.

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.