

# NorthWestern<sup>TM</sup> Energy

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July 30, 2007

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

Dear Ms. Van Gerpen:

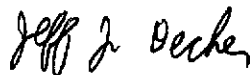
Pursuant to Section No. 3, Sheet No. 33.1 (5) of NorthWestern's Electric Tariff, enclosed is 256th Revised Sheet No. 33a and 37th Revised Sheet No. 33b.

Sheet No. 33a and 33b reflect changes in the delivered cost of fuel, delivered cost of energy and ad valorem taxes paid to be effective August 2, 2007.

The effect of Sheet Nos 33a and 33b for a typical Rate 10 residential service customer using 750 Kwh per month would be an increase in the cost from \$70.90 to \$71.39.

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

Sincerely,



Jeff J. Decker

JJD  
Enclosures

**SOUTH DAKOTA ELECTRIC RATE SCHEDULE**

**NORTHWESTERN ENERGY  
HURON  
SOUTH DAKOTA**

Section No. 3  
Sheet No. 33a  
256th Revised  
Canceling 255th Revised Sheet No. 33a

**ADJUSTMENT CLAUSE RATES**

Per KWH  
Per Month

Delivered Cost of Energy - Energy Charge:

Rate No. 10 - Residential Service .....	\$0.00510 (I)
Rate No. 11 - Residential Service with Space Heating.....	\$0.00510 (I)
Rate No. 14 - Residential Space Heating and Cooling .....	\$0.00510 (I)
Rate No. 15 - Residential Dual Fuel and Controlled Services.....	\$0.00510 (I)
Rate No. 16 - Interruptible Irrigation Service .....	\$0.00555 (I)
Rate No. 17 - Irrigation Service .....	\$0.00555 (I)
Rate No. 18 - Off Peak Irrigation Service.....	\$0.00555 (I)
Rate No. 21 - General Service .....	\$0.00555 (I)
Rate No. 23 - Commercial Water Heating.....	\$0.00555 (I)
Rate No. 24 - Commercial Space Heating and Cooling .....	\$0.00555 (I)
Rate No. 25 - All-Inclusive Commercial Service .....	\$0.00555 (I)
Rate No. 41 - Municipal Pumping Service .....	\$0.00465 (I)
Rate No. 70 - Contolled Off Peak Service.....	\$0.00317 (D)
Rate No. 19 - Reddy-Guard, Rate No. 56 - Street and Area Lighting .....	\$0.00510 (I)

Per KW  
Per Month

Delivered Cost of Energy - Demand Charge:

Rate No. 33 - Commercial and Industrial Service .....	\$1.20 (I)
Rate No. 34 - Large Commercial and Industrial Service .....	\$1.20 (I)

(Continued)

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Date Filed: <u>July 30, 2007</u>	Service on or after
	Effective Date: <u>August 2, 2007</u>
	Issued By: <u>Mike Hanson</u>
	President & CEO

**SOUTH DAKOTA ELECTRIC RATE SCHEDULE**

**NORTHWESTERN ENERGY  
HURON  
SOUTH DAKOTA**

Section No. 3  
Sheet No.33b  
Canceling 36th Revised Sheet No. 33b  
37th Revised

**ADJUSTMENT CLAUSE RATES (cont'd)**

Per KWH  
Per Month

Ad Valorem Taxes Paid - Energy Charge

Rate No. 10 - Residential Service.....	\$0.00271 (R)
Rate No. 11 - Residential Service with Space Heating.....	\$0.00271 (R)
Rate No. 14 - Residential Space Heating and Cooling.....	\$0.00271 (R)
Rate No. 15 - Residential Dual Fuel and Controlled Services.....	\$0.00271 (R)
Rate No. 16 - Interruptible Irrigation Service.....	\$0.00295 (R)
Rate No. 17 - Irrigation Service.....	\$0.00295 (R)
Rate No. 18 - Off Peak Irrigation Service.....	\$0.00295 (R)
Rate No. 21 - General Service.....	\$0.00295 (R)
Rate No. 23 - Commercial Water Heating.....	\$0.00295 (R)
Rate No. 24 - Commercial Space Heating and Cooling.....	\$0.00295 (R)
Rate No. 25 - All-Inclusive Commercial Service.....	\$0.00295 (R)
Rate No. 41 - Municipal Pumping Service.....	\$0.00249 (R)
Rate No. 70 - Controlled Off Peak Service.....	\$0.00159 (R)
Rate No. 19 - Reddy-Guard, Rate No. 56 - Street and Area Lighting.....	\$0.00275 (R)

Per KW  
Per Month

Ad Valorem Taxes Paid - Demand Charge:

Rate No. 33 - Commercial and Industrial Service.....	\$0.64 (R)
Rate No. 34 - Large Commercial and Industrial Service.....	\$0.64 (R)

Per KWH  
Per Month

Delivered Cost of Fuel - All Energy Usage:

All Rate Schedules.....	\$0.01998 (I)
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President - CEO

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August 2, 2007

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

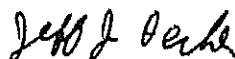
Dear Ms. Van Gerpen:

Enclosed is the 253rd Revised Sheet No. 9a and 151st 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 August 2, 2007.

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 \$143.45 to \$130.93, about 8 3/4%.

Application of these new rates will begin with meter readings on and after August 2, 2007. 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  
253rd Revised Sheet No. 9a  
 Canceling 252nd Revised Sheet No. 9a

**ADJUSTMENT CLAUSE RATES**

<u>Delivered Cost of Energy</u>	<u>Per Therm</u> <u>Per Month</u>
Freeman Customers Gas Commodity Charge (all classes except 85FAM)	\$ 0.67705
Rate No. 81 - Residential Gas Service Gas Commodity Charge	\$ 0.67705
Rate No. 82 - General Gas Service Gas Commodity Charge	\$ 0.67705

Rate No. 84, 86 - Commercial and Industrial-Firm & Contract Sales Service  
 Gas Demand Charge, per therm of daily contract demand (never less than 50 therms)

*NNG Pipeline Capacity Costs*

	<u>NNG Rate/Therm</u>	
39.39% of TF12 Base	\$0.7659	\$ 0.30
22.64% of TF12 Variable	\$0.9093	0.21
37.98% 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	<u>\$0.00</u>
<i>Total Pipeline Capacity Costs</i>		\$ 0.75
<i>Supply Standby</i>		0.07
<i>Balancing Services</i>		<u>0.09</u>
<b>Total Demand Charge</b>		<b>\$ 0.91</b>

The above percentages are based on the Company's contract demand profile with NNG (52,924 MMBtu.)

<u>Rate Schedule</u>	<u>MMBtu Demand</u>	<u>Percentage</u>
TF12 Base	20,845	39.39%
TF12 Variable	11,981	22.64%
TF5	20,098	(1) 37.98%
<b>Totals</b>	<b>52,924</b>	<b>100.00%</b>

(1) Service is contracted for 5 months (15.83% is 5/12 ths of 37.98%)

**Gas Commodity Charge**

<i>Gas Supply</i> - Average of NNG Ventura and 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	\$ 0.5600
<i>Fuel Use</i> - 1.48% NNG and 1.44% Company L&U	0.0167
<i>Gas Supply Management Fee</i>	0.0007
<i>Pipeline Transportation Charges</i>	<u>0.0038</u>
<b>Total Gas Component Charge</b>	<b>\$ 0.5812</b>

Date Filed: August 2, 2007

Service on or after  
 Effective Date: August 2, 2007

Jeffrey Decker  
 Issued By: Regulatory Department

**SOUTH DAKOTA GAS RATE SCHEDULE**

**NORTHWESTERN ENERGY**  
**HURON**  
**SOUTH DAKOTA**

Section No. 3  
151st Revised Sheet No. 9b  
 Canceling 150th Revised Sheet No. 9b

**ADJUSTMENT CLAUSE RATES(Con't)** Per Therm  
Per Month

Delivered Cost of Energy (Con't):

Rate No. 85 - Commercial and Industrial-Interruptible Sales Service

Gas Commodity Charge	\$ 0.5600
<i>Gas Supply</i> - Average of NNG Ventura and 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	0.0167
<i>Fuel Use</i> - 1.48% NNG and 1.44% Company L&U	0.0007
<i>Gas Supply Management Fee</i>	0.0140
<i>Released Capacity Surcharge</i>	0.0030
<i>Balancing Services</i>	0.0038
<i>Pipeline Transportation Charges</i>	<u>0.0038</u>
Total Gas Component Charge	<u>\$ 0.5982</u>

Rate No. 86 – Gas Contract Sales Service

Rate No. 86 Gas Commodity Charge – Group 1	\$ 0.5812
Rate No. 86 Gas Commodity Charge – Group 2	\$ 0.5812
Rate No. 86 Gas Commodity Charge – Group 3	\$ 0.5812
Rate No. 86 Gas Commodity Charge – Group 4	\$ 0.5812
Rate No. 86 Gas Commodity Charge – Group 5	\$ 0.5812
Rate No. 86 Gas Commodity Charge – Group 6	\$ 0.5812
Rate No. 86 Gas Commodity Charge – Group 7	\$ 0.5812
Rate No. 86 Index	\$ 0.5812
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>0.75</u>
Total Demand Charge	<u>\$ 0.82</u>
Gas Commodity Charge	
Rate No. 84 Gas Commodity Charge	<u>\$ 0.5812</u>

Imbalance Cashout Rate Index Points  
 Northern, Ventura 75%  
 Northern, Demarcation 25%

Ad Valorem Taxes Paid:

Rate No. 81 - Residential Gas Service	Commodity Charge	\$ 0.0131
Rate No. 82 - General Gas Service	Commodity Charge	\$ 0.0083
Rate No. 84 - Commercial and Industrial - Firm Sales Service		
	Commodity Charge - Option A	\$ 0.0054
	Commodity Charge - Option B	\$ 0.0035
Rate No. 86 – Contract Sales Service		
	Commodity Charge - Option A	\$ 0.0054
	Commodity Charge - Option B	\$ 0.0035
Rate No. 85 - Commercial and Industrial - Interruptible Sales Service		
	Commodity Charge - Option A	\$ 0.0054
	Commodity Charge - Option B	\$ 0.0035
Rate No. 87 - Gas Transportation Service		
	Commodity Charge - Option A	\$ 0.0054
	Commodity Charge - Option B	\$ 0.0035

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Jeffrey Decker

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