

NorthWesternTM 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:

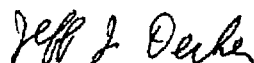
Pursuant to Section No. 3, Sheet No. 35 of NorthWestern's Electric Tariff, enclosed is 30th Revised Sheet No. 35.

Sheet No. 35 reflects changes in the Yankton Sioux Tribe Bill Crediting Program rate to be effective August 2, 2007.

The proposed new credit rate is \$0.01240 per KWH reflecting an increase of \$0.00046 per KWH from the current credit rate of \$0.01194. This change is a result of NorthWestern's increase in it's Composite Rate under the Program relating to higher fuel costs filed in NorthWestern's recent adjustment clause.

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**

30th Revised
Canceling 29th Revised

Section No. 3
Sheet No. 35
Sheet No. 35

**Bill Crediting Program
Western Area Power Administration & Yankton Sioux Tribe**

Billings to qualifying Customers (designated by the Yankton Sioux Tribe, the "Tribe", as eligible tribal members) will reflect an adjustment for preference power committed by the Western Area Power Administration ("Western") to the Tribe for its members. The adjustment will reflect the difference between the composite rate for energy per KWH (designated annually by Western for the Tribe) and the Company's composite rate for energy in a bill crediting program credit rate. At the end of each quarter, the Company will calculate a revised bill crediting program credit rate, adjusting for variances between the estimated energy amounts for the program and the actual energy usage by the eligible tribal member Customers for the quarter. Such variances will be assessed a carrying charge or credit based upon the overall rate of return allowed by the Commission in the Company's last general electric rate filing. The revised credit rate will then be utilized during the following 3 months, coinciding with changes in Northwestern's adjustment clause rates.

	Per KWH	
	Per Month	
<u>Yankton Sioux Bill Credit – Energy Charge</u>		
All Rate Schedules – (Credit Charge).....	\$0.01240	(R)

Date Filed: July 30, 2007

Service on or after
Effective Date: August 2, 2007

Mike Hanson
President & CEO

**NorthWestern Energy, a division of
NorthWestern Corporation ("NorthWestern")**

Western Area Power Administration ("Western")
Bill Crediting Program Adjustment Computation
for Yankton Sioux Tribe ("Yankton Sioux")
Quarter Ending June 30, 2007

Line No.	Description	Apr2007	May2007	Jun2007	Next 12 Months
1	Monthly Amount of Western's Energy Allocation				
2	to Yankton Sioux - KWH	752,093	732,677	791,361	9,676,739
3	Power Supplier Distribution Percent of Western's				
4	Energy Delivered by NorthWestern	50%	50%	50%	50%
5	NorthWestern's Composite Rate - Per KWH	\$0.03591	\$0.03444	\$0.03444	\$0.03475
6	Western's Composite Rate - Per KWH	\$0.01954	\$0.01954	\$0.01954	\$0.01954
7	Composite Rate Difference - Per KWH	\$0.01637	\$0.01490	\$0.01490	\$0.01521
8	Beneficiaries' Monthly Credit (Ln 2 * Ln 4 * Ln 7)	\$6,155.88	\$5,458.44	\$5,895.64	\$73,591.60
9	Monthly Total Beneficiaries' Energy Usage - KWH	400,500	360,384	355,820	
10	Bill Crediting Program Credit Rate - Per KWH	\$0.01749	\$0.01467	\$0.01198	
11	Beneficiaries' Monthly Credit to Billings	\$7,006.73	\$5,287.00	\$4,262.67	
12	Excess (Deficient) Credits to Billings	\$850.85	-\$171.44	-\$1,632.97	
13	First of Month Deferred Bill Crediting Program Credits	\$8,421.99	\$9,347.23	\$9,258.36	
14	Correcting Entry				
15	Carrying Charge (1/12 * 10.60% * Ln 13)	\$74.39	\$82.57	\$81.78	
16	End of Month Deferred Bill Crediting Program Credits	\$9,347.23	\$9,258.36	\$7,707.17	-\$7,707.17
17	Estimated Annual Beneficiaries' Credit with True-up				\$65,884.43
18	Estimated Annual Beneficiaries' Energy Usage - KWH				5,315,056
19	New Bill Crediting Program Credit Rate - Per KWH	Effective: 1-Aug-07			\$0.01240
20	Deferred Bill Crediting Program Credits Entry				
21	154116 P999001	\$925.24	-\$88.87	-\$1,551.19	
22	557200 01BSPDEF100	-\$925.24	\$88.87	\$1,551.19	

NorthWestern Public Service
 Determination of Composite Rate
 Bill Crediting Program-Yankton Sioux Tribe

Line No.	Month (a)	Total Allocation to Yankton Sioux		WS-1 Demand Rate, Less Transmission (d)	Demand Cost on WS-1 Rate (e)	Composite Rate, Without Fuel, per Kwh (f)	
		KW (b)	Kwh (c)				
1							
					Col. (b) X Col. (d)	Col. (e) / Col. (c)	
2	January	1,657	878,990	\$ 7.13	\$ 11,814.41		
3	February	1,647	853,354	\$ 7.13	\$ 11,743.11		
4	March	1,605	781,521	\$ 7.13	\$ 11,443.65		
5	April	1,477	752,903	\$ 7.13	\$ 10,531.01		
6	May	1,597	732,677	\$ 7.13	\$ 11,386.61		
7	June	1,842	791,361	\$ 7.13	\$ 13,133.46		
8	July	1,929	850,490	\$ 7.13	\$ 13,753.77		
9	August	1,937	869,462	\$ 7.13	\$ 13,810.81		
10	September	1,691	781,259	\$ 7.13	\$ 12,056.83		
11	October	1,523	751,671	\$ 7.13	\$ 10,858.99		
12	November	1,467	755,965	\$ 7.13	\$ 10,459.71		
13	December	1,635	859,469	\$ 7.13	\$ 11,657.55		
14	Totals	20,007	9,659,122	\$ 7.13	\$ 142,649.91	\$ 0.01477	
15	PUC Electric Tariff - Section No. 3, 37th Revised Sheet No. 33b						
16	Delivered Cost of Fuel - All Energy Usage per Kwh						\$ 0.01998
17	NorthWestern Composite Rate						
18	August 1, 2007 to October 31, 2007						\$ 0.03475