

**BEFORE THE PUBLIC SERVICE COMMISSION OF NEBRASKA**

IN THE MATTER OF NORTHWESTERN )  
CORPORATION d/b/a NORTHWESTERN )  
ENERGY, SIOUX FALLS, SOUTH )  
DAKOTA, SEEKING APPROVAL OF A )  
NATURAL GAS RATE INCREASE FOR )  
NEBRASKA. )

Application No. NG-0048 NEBRASKA PUBLIC SERVICE COMMISSION

**NOTICE OF IMPLEMENTATION OF INTERIM RATES**

NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”), by and through its attorneys of record, hereby respectfully submits this Notice of Implementation of Interim Rates to the Nebraska Public Service Commission (the “Commission”), pursuant to NEB.REV.STAT. § 66-1838(10) (“Notice”).

On June 1, 2007, NorthWestern filed an Application for a Natural Gas Rate Increase (“Application”) with the Commission. Pursuant to NEB.REV.STAT. § 66-1838(2), NorthWestern provided requisite notice of the Application to the Cities simultaneously with the filing of its Application. The Cities of Kearney and North Platte and the Village of Alda adopted and filed with the Commission resolutions to negotiate directly with NorthWestern, and on July 24, 2007, the Commission entered an Order Certifying the Case for Negotiations. The City of Grand Island subsequently approved an interlocal agreement with each of the other affected municipalities for the purposes of, among other things, engaging in negotiations. For purposes of this Notice, Alda, Grand Island, Kearney, and North Platte will collectively be referred to as the “Cities.”

NorthWestern and the Cities entered into good faith negotiations regarding NorthWestern’s Application for a general natural gas rate increase, which negotiations recently culminated in a settlement agreement (the “Agreement”), which the parties anticipate will either be filed with the Commission on the date even herewith or within the next couple of business days. In the

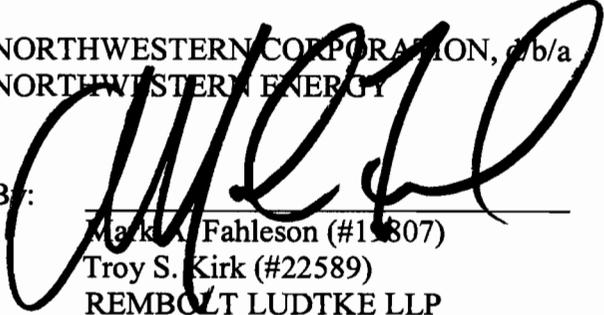
Agreement, NorthWestern and the Cities agree upon a tariff, which reflects new rates for NorthWestern's customers in Nebraska. Pursuant to NEB.REV.STAT. § 66-1838(13), the parties shall file the written Agreement for Commission review and approval, along with proposed findings of fact and conclusions of law, and a proposed order.

Pursuant to NEB.REV.STAT. § 66-1838(10)(a), NorthWestern could have chosen to place its filed rates into effect as interim rates, subject to refund, sixty (60) days after the filing with the Commission, or August 31, 2007. However, NorthWestern chose not to implement its requested rates at that time with the intention that it would reach an agreement with the Cities and obtain Commission approval of final rates in the fall of 2007, at which time it would implement the agreed upon and approved rates. The time for negotiations between the parties was extended to November 21, 2007, well beyond NorthWestern's anticipated completion of negotiations and even beyond NorthWestern's anticipated approval of this Application by the Commission.

Accordingly, NorthWestern, pursuant to the authority provided in NEB.REV.STAT. § 66-1838 to implement interim rates, hereby provides notice to the Commission that it plans to implement interim rates as reflected in the enclosed tariff sheets to become effective as of December 1, 2007 ("Interim Rates"). Rather than implementing the rates that NorthWestern requested in its Application, NorthWestern plans to implement Interim Rates based upon the rates and tariff that NorthWestern and the Cities have recently agreed upon, as reflected in the Agreement. As part of the Agreement between NorthWestern and the Cities, the Cities also agree and consent to the implementation of the Interim Rates effective December 1, 2007. If the Commission approves the Agreement filed by the parties in this proceeding, no refund or other adjustments will be required.

Dated this 21st day of November, 2007.

NORTHWESTERN CORPORATION, d/b/a  
NORTHWESTERN ENERGY

By: 

Mark A. Fahleson (#13807)

Troy S. Kirk (#22589)

REMBOLT LUDTKE LLP

1201 Lincoln Mall, Ste. 102

Lincoln, NE 68508

Counsel for NorthWestern Corporation

## CERTIFICATE OF SERVICE

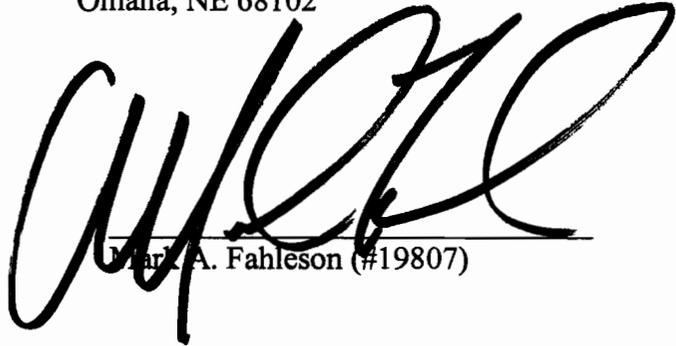
The undersigned hereby certifies that a true and correct copy of the aforementioned Notice of Implementation of Interim Rates was sent by regular U.S. Mail or hand-delivery, on this 21st day of November, 2007, addressed as shown below, to the following:

Laura Demman  
Director of Natural Gas  
Nebraska Public Service Commission  
1200 "N" Street, Suite 300  
Lincoln, NE 68508

Roger P. Cox  
Public Advocate  
HARDING & SHULTZ  
800 Lincoln Square  
121 S. 13<sup>th</sup> Street  
Lincoln, NE 68501-2028

Stephen M. Bruckner  
FRASER STRYKER  
500 Energy Plaza  
409 South 17<sup>th</sup> Street  
Omaha, NE 68102

Doug Law  
BLACKWELL SANDERS PEPER  
MARTIN, LLP  
1620 Dodge Street, Suite 2100  
Omaha, NE 68102



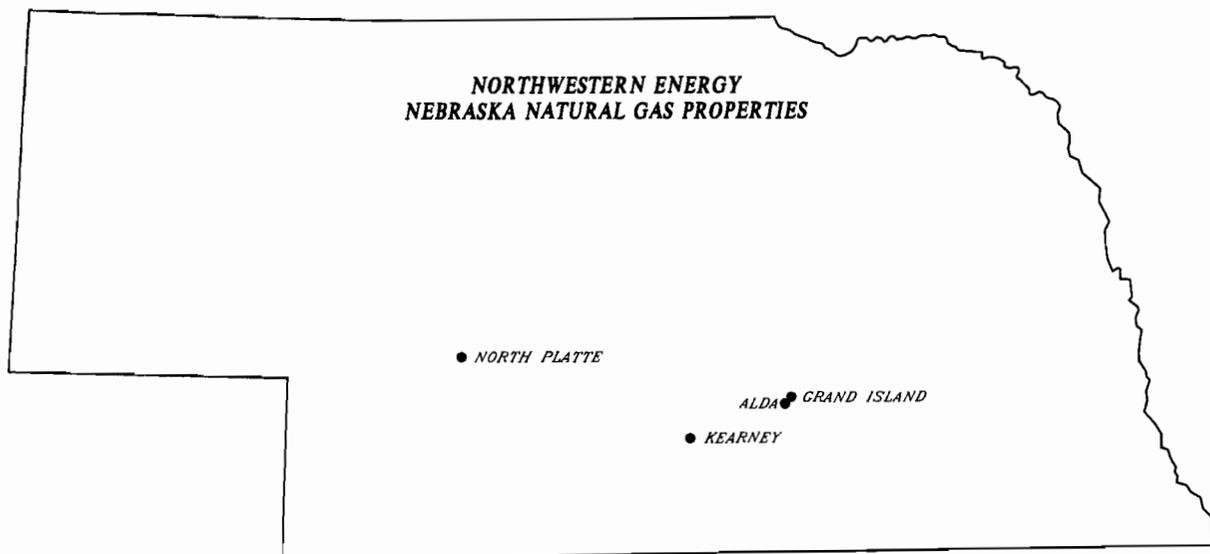
Mark A. Fahleson (#19807)

**NEBRASKA PUBLIC SERVICE COMMISSION  
NATURAL GAS RATE SCHEDULE  
for  
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

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**Section No. 2**  
**Original \_\_\_\_\_ Sheet No. 2**  
**Canceling \_\_\_\_\_ Sheet No. \_\_\_\_\_**

**NORTHWESTERN ENERGY  
NEBRASKA RATE AREA**



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**Date Filed: June 1, 2007**  
**INTERIM**  
**Department**

**Effective Date: December 1, 2007**  
**Issued By: Jeffrey Decker, Regulatory**

**Phone (605) 353-8315**

**NEBRASKA PUBLIC SERVICE COMMISSION  
NATURAL GAS RATE SCHEDULE  
for  
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

	<u>1<sup>st</sup> Revised</u>	Section No. <u>3</u>
<u>Canceling</u>	<u>Original</u>	Sheet No. <u>1</u>
		Sheet No. <u>1</u>

**CLASS OF SERVICE:** Residential Gas Service **Rate No. 91**  
**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 nameplate 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 Nebraska.

**3. Rates**

Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 8.00
<i>Non-Gas Commodity Charge:</i>	
First 30 therms, per therm	\$ 0.25283
Over 30 therms, per therm	\$ 0.09513
<i>Standby Capacity Charge - December through March:</i>	\$ 12.00
<i>City Approved Economic Development Surcharge</i>	\$ 0.00254

Minimum Monthly Bill: \$ 8.00

Adjustment Clauses:

- a. Purchased Gas Cost Adjustment Clause shall apply. (Sheet Nos. 7, 7.1)
- b. BTU Adjustment Clause shall apply. (Sheet Nos. 8, 8.1)

**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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NATURAL GAS RATE SCHEDULE  
for  
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

	<u>1<sup>st</sup> Revised</u>	Section No. <u>3</u>
<u>Canceling</u>	<u>Original</u>	Sheet No. <u>2</u>
		Sheet No. <u>2</u>

**CLASS OF SERVICE:** General Gas Service **Rate No. 92**  
**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 nameplate 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 Nebraska.

3. **Rates**  
Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 9.00
<i>Non-Gas Commodity Charge:</i>	
First 400 therms, per therm	\$ 0.13332
Next 1,600 therms, per therm	\$ 0.06343
Over 2,000 therms, per therm	\$ 0.03743
<i>Standby Capacity Charge - December through March:</i>	\$ 37.00
<i>City Approved Economic Development Surcharge</i>	\$ 0.00254
 <u>Minimum Monthly Bill:</u>	 \$ 9.00

Adjustment Clauses:

- a. Purchased Gas Cost Adjustment Clause shall apply. (Sheet Nos. 7, 7.1)
- b. BTU Adjustment Clause shall apply. (Sheet Nos. 8, 8.1)

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.

Section No. 3

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NATURAL GAS RATE SCHEDULE  
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	<b>1<sup>st</sup> Revised</b>	<b>Sheet No. 3</b>
<b>Canceling</b>	<b>Original</b>	<b>Sheet No. 3</b>

**CLASS OF SERVICE:** Commercial and Industrial **Rate No. 94**  
**RATE DESIGNATION:** Firm Sales

**1. Applicability**

This rate is available for firm gas volumes, on a contract basis, to commercial and industrial customers who may also require volumes of interruptible gas in excess of firm demand volumes for which they have contracted.

**2. Territory**

The area served with natural gas by the Company in Nebraska.

**3. Rates**

Monthly Charges:

<i>Customer Charge</i> per Meter:	\$ 80.00
<i>Demand Charge – Standard Service:</i>	
Per therm daily contract demand (never less than 50 therms)	\$ 0.21910
<i>Demand Charge – Extended Service:</i>	
Per therm daily contract demand	
1 <sup>st</sup> 500 therms/day (never less than 50 therms)	\$ 0.24590
Over 500 therms/day	\$ 0.00000
<b>Non-Gas Commodity Charge:</b>	
All use, per therm	\$ 0.05911
<i>City Approved Economic Development Surcharge</i>	\$ 0.00254

Minimum Monthly Bill - Amount for therms of demand billed and the customer charge

Adjustment Clauses:

- a. Purchased Gas Cost Adjustment Clause shall apply. (Sheet Nos. 7, 7.1)
- b. BTU Adjustment Clause shall apply. (Sheet Nos. 8, 8.1)

**4. Penalty Provision**

If the customer takes unauthorized gas during the periods of curtailment, a penalty of \$3.00 per therm shall be paid to the Company in addition to the commodity rate specified herein. In addition, the new daily use may then become the daily firm contract demand in place of the previous demand determined by the customer and cannot be reduced by the customer for a period of twelve months.

**5. Other Provisions**

Service will be furnished under the Company's General Terms and Conditions and the following provisions:

1. Extended Service is Defined as Service contracted for a period of 5 years or more.
2. A written contract shall be required for service hereunder.

**Section No. 3**

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NATURAL GAS RATE SCHEDULE  
for  
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

	<b>1<sup>st</sup> Revised</b>	<b>Sheet No. 4</b>
<b>CLASS OF SERVICE: Commercial and Industrial – Interruptible</b>	<b>Canceling</b>	<b>Original</b>
	<b>Sheet No. 4</b>	<b>Sheet No. 4</b>
	<b>Rate Nos. 93 &amp; 95</b>	
	<b>Irrigation Service - 93</b>	
	<b>Standard Service - 95</b>	

**1. Applicability**

Gas service under this rate schedule is available on an interruptible basis to any customer for commercial and industrial or irrigation purposes, provided that the customer's premises are adjacent to the Company's mains and that the capacity of the Company's system and the supply of gas available to it from its supplier is in excess of the requirements of its existing customers.

**2. Territory**

The area served with natural gas by the Company in Nebraska.

**3. Rates**

Monthly Charges:

*Customer Charge per Meter:*

Irrigation Service – 93	\$ 0.00
Standard Service – 95	\$ 70.00

*Non-Gas Commodity Charge all use, per therm:*

Irrigation Service – 93	\$ 0.10574
Standard Service - 95	\$ 0.05911

<i>City Approved Economic Development Surcharge</i>	\$ 0.00254
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Minimum Monthly Bill:

Irrigation Service – 93	\$ 0.00
Standard Service – 95	\$ 70.00

Adjustment Clauses:

- a. Gas Cost Adjustment Clause shall apply. (Sheet Nos. 7, 7.1)
- b. BTU Adjustment Clause shall apply. (Sheet Nos. 8, 8.1)

**4. 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 as established by the Federal Regulatory Commission.

**5. 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 for by the Customer at a rate based on the maximum penalty charges permitted to be made by the Company's supplier for takes of natural gas, in addition to the regular commodity charge for such gas.

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	<b>Section No. 3</b>
<b>1<sup>st</sup> Revised</b>	<b>Sheet No. 5</b>
<b>Canceling Original</b>	<b>Sheet No. 5</b>

**CLASS OF SERVICE: Firm Transportation Service**

**RATE No. 96**

**APPLICABILITY**

This service is available to customers who have firm requirements less than 500 therms per day and who have made arrangements to have natural gas other than the Company's normal pipeline supply delivered to a Company town border station. Customers may transport volumes in excess of their firm contract on an interruptible basis.

**TERRITORY**

The area served with natural gas by the Company in Nebraska.

**RATE**

Customer Charge	\$ 116.90
<i><b>Demand Charge – Standard Service:</b></i>	
Per therm daily contract demand (never less than 50 therms)	\$ 0.21910
<i><b>Demand Charge – Extended Service:</b></i>	
Per therm daily contract demand	\$ 0.24590
Transportation Service	
Negotiated Rate Not to Exceed the Non-Gas Transportation Rate (Rate 94)	\$ 0.05911
<i><b>City Approved Economic Development Surcharge</b></i>	\$ 0.00254
Minimum Charge	Commitment Charge
Adjustment Clauses	
a. Purchased Gas Cost Adjustment Clause shall apply (Sheet Nos. 7, 7.1).	
a. BTU Adjustment Clause shall apply (Sheet Nos. 8, 8.1).	

**OTHER PROVISIONS**

1. Extended Service is Defined as Service contracted for a period of 5 years or more
2. A written contract shall be required for service hereunder.
3. The customer shall sign a Transportation Service Agreement, which shall include the following:

(continued)

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Section No. 3  
1<sup>st</sup> Revised Sheet No. 6  
Canceling Original Sheet No. 6

**CLASS OF SERVICE: Interruptible Transportation Service**

**RATE No. 97**

**APPLICABILITY**

This schedule is available to interruptible customers who have requirements less than 500 therms per day and who have made arrangements to have natural gas other than the Company's normal pipeline supply delivered to a Company town border station.

**TERRITORY**

The area served with natural gas by the Company in Nebraska.

**RATE**

Customer charge per month	\$ 116.90
Negotiated Rate Not to Exceed the Non-Gas Transportation Rate (Rate 94)	\$ 0.05911
<i>City Approved Economic Development Surcharge</i>	\$ 0.00253

Minimum Charge

Customer Charge

Adjustment Clauses

- a. BTU Adjustment Clause shall apply (Sheet Nos. 8, 8.1).

**OTHER PROVISIONS**

1. The customer shall sign a Transportation Service Agreement, which shall include the following:
  - a. The customer shall, as directed, curtail or discontinue the use of natural gas upon two (2) hours notice by the Company;
  - b. The customer shall provide and maintain suitable and adequate standby facilities and have, at all times, adequate standby fuel to maintain continuous plant operation during periods of curtailment in the delivery of natural gas hereunder;

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	<b>Section No. 4</b>
<u>1<sup>st</sup> Revised</u>	<b>Sheet No. 1</b>
<u>Canceling</u> <u>Original</u>	<b>Sheet No. 1</b>

**GENERAL TERMS AND CONDITIONS**

**APPLICABILITY**

These General Terms and Conditions apply to all classes of Gas service unless otherwise indicated on the rate schedule.

**POINT OF SERVICE ATTACHMENT**

Point of service attachment is defined as that point where the facilities of the Company are physically connected to the facilities of the customer. In general, the point of service attachment is on the outlet side of the meter where the customer's fuel piping connects with the meter.

**CUSTOMER'S INSTALLATION**

The customer will furnish and own all fuel piping, equipment, appliances, fixtures and other devices necessary to distribute gas service from the point of service attachment. All such items furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the constituted authorities and with the terms and conditions of the Company. The Company assumes no responsibility for the inspection and/or repair of defects in the Customer's piping, fixtures, or appliances.

**CUSTOMER CONNECTION CHARGE**

Customer Connection is defined as attaching a customer to receive utility service upon a request for service or reconnection of discontinued service. The Customer, Landlord or representative must be present during the Service turn-on. The connection charge will be billed to all customers applying for utility service. (Customer Connection does not include the reconnection of a customer whose utility services were discontinued due to nonpayment of utility bills. Reconnection charges for such customers are based on the Company's hourly rates for service work with a one-hour minimum.) The amount of the Customer Connection Charge will be \$10.00 for all Customer Connections during normal business hours defined as 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays, and \$125.00 for Customer Connections during other than regular business hours. The Company will attempt to reconnect a Customer on the same day as payment of all past due amounts is made, but the Company does not guaranty such reconnection will be completed during the same day. The Customer Connection Charge shall be paid by the Customer receiving utility service from the Company, and is due and payable upon presentation. If a bill is not paid, the Company shall have the right to refuse service.

Seasonal Use Customers (Grain Dryers, Asphalt Plants, Municipal Pools etc.) will be charged \$80 for all Customer Connections during normal business hours defined as 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays, and \$125.00 for Customer Connections during other than regular business hours. The Customer Connection Charge shall be paid by the Customer receiving utility service from the Company, and is due and payable upon presentation. If a bill is not paid, the Company shall have the right to refuse service.

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	<b>Section No. 4</b>
<u>1<sup>st</sup> Revised</u>	<b>Sheet No. 2</b>
<b>Canceling Original</b>	<b>Sheet No. 2</b>

(continued)

**OWNER'S CONSENT TO OCCUPY**

In case the Customer is not the owner of the premises or of the intervening property between the premises and the Company's lines, the Customer will obtain from the property owner(s) the necessary consent to install and maintain in said premises all such gas equipment as is necessary or convenient for supplying gas to the Customer.

**ACCESS TO PREMISES**

The Company has the right to access to the Customer's premises at all reasonable times for the purpose of installing, reading, inspecting, or repairing any meters, devices and other equipment used in connection or disconnection of any or all service equipment, 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. 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.

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<u>1<sup>st</sup> Revised</u>	<b>Sheet No. 3</b>
<b>Canceling Original</b>	<b>Sheet No. 3</b>

(continued)

**SUBMETERING**

Submetering will not be permitted unless it is at the same premises and either the Customer or the Company have compelling reasons for not combining the existing services into one service and one meter. Under no circumstances shall a Customer's fuel piping cross a public street or alley.

**MASTER METERING**

All buildings, mobile home parks, and trailer courts for which construction was begun after June 13, 1980, shall be metered separately for each residential or commercial unit, with the exception of hospitals, nursing homes, transient hotels and motels, dormitories, campgrounds, other residential facilities of a purely transient nature, central heating or cooling systems, central ventilating systems, central hot water systems, residential multiple occupancy buildings constructed, owned or operated with funds appropriated through the Department of Housing and Urban Development or any other federal or state government agency. Any existing multiple occupancy building receiving master metered service which is substantially remodeled or renovated for continued use as a multiple occupancy building shall be individually metered unless the owner of such building demonstrates that conversion from master metering to individual metering would be impractical, uneconomical, or unfeasible.

**MONTHLY BILLS**

- (a) Bills for service will be rendered monthly unless otherwise applied.
- (b) Failure to receive a bill in no way exempts Customers from the provisions of these Terms and Conditions.
- (c) The Company will attempt to read a meter at least bi-monthly, and any billings between actual readings or when the Company is unable to read a meter after a reasonable effort has been made will be based upon prior usage, adjusted for weather conditions.
- (d) To the rates herein set forth, the Company may add all or any part of any special charge or special tax now imposed upon the Company by any governmental authority, or any new, special, or additional charge or tax which might be imposed as a result of laws, rules, regulations, or ordinances which may be amended, changed, adopted, or enacted by any governmental authority subsequent to the effective date hereof.

**TERMS OF PAYMENT**

Bills will be due upon receipt; timely payment may be made up until the 20th day. On the 20th day after billing, an account with an unpaid balance of \$5.00 or more will be considered late and a late payment charge will apply. The late payment charge shall be 1% of the unpaid balance plus a collection charge of \$2.00. Where a Customer is disconnected for nonpayment of a bill, a reconnection charge will be made in accordance with currently effective Company Re-Connection Policy.

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	<b>Section No. 4</b>
<u>1<sup>st</sup> Revised</u>	<b>Sheet No. 4</b>
<b>Canceling</b> <u>Original</u>	<b>Sheet No. 4</b>

(continued)

**CUSTOMER DEPOSITS**

The Company may request that a Customer, when applying for service, provide credit information and may request a security deposit if the Customer has an unsatisfactory credit history, has established an unsatisfactory payment record with the Company, or has an outstanding undisputed and unpaid service amount owed the Company. The Company may also request a security deposit from an existing Customer who has had three or more disconnection notices in the past twelve months. The amount of a security deposit shall be not more than one-sixth of the estimated annual bill, and the Company may accept a letter of credit or guarantor in lieu of the security deposit. If a customer is unable to pay the full amount of a deposit, the Company will accept payment of the deposit in installments over a period of not more than four (4) months. Upon disconnection of service and receipt of the final payment from the Customer, the Company shall refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills for service furnished by the Company. Interest on a Customer's deposit shall earn simple interest of three percent (3%) per annum. If a Customer has paid his bills for service for twelve (12) consecutive months by the due date for such bills, the Company will automatically refund the deposit plus accrued interest to the Customer.

**CONDITIONS FOR REFUSAL OR DISCONNECTION OF SERVICE**

- The Company may refuse or disconnect service for any of the following reasons:
- (a) Customer has requested disconnection (the Company may require up to forty-eight hours' written notice).
  - (b) An unsafe service condition exists on the Customer's premises, which is likely to cause injury to person or property.
  - (c) An other condition of the Customer's premises makes it unsafe for the Company to perform work on such premises.
  - (d) Customer has a delinquent service bill, and the Company has provided proper notice.
  - (e) Customer has failed to provide credit information, pay a security deposit, pay an additional deposit, or provide a guarantee.
  - (f) Customer has failed to comply with any of the provisions of the applicable Company tariff.
  - (g) Customer has failed to comply with interruption or curtailment orders issued by the Company.
  - (h) Customer is indebted to the Company for past bills incurred and refuses to liquidate the debt.
  - (i) Customer, although not personally liable to the Company, is attempting to return service to an indebted household and no attempts are forthcoming to liquidate the debt of that household. An indebted household exists when the person applying for service (1) was a member of the household when the prior debt was incurred by someone else living in that household, whether at the same address or at a new one, or (2) has moved into the same apartment or building in which the prior bill was incurred, and the person who owes the debt is still living there.
  - (j) A connection, device, or bypass is found on the meter, regulating equipment, or piping of the Customer which prevents the meter from properly registering consumption, or a meter is found with broken seals or otherwise shows evidence of tampering.

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**NEBRASKA PUBLIC SERVICE COMMISSION  
NATURAL GAS RATE SCHEDULE  
for  
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

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	<u>1<sup>st</sup> Revised</u>	<u>Section No. 4</u>
	<u>Canceling</u>	<u>Sheet No. 5</u>
	<u>Original</u>	<u>Sheet No. 5</u>

(continued)

- (k) Customer has otherwise received the benefit of service with respect to the account or has been guilty of fraud or misrepresentation with regard to service.
- (l) Customer refuses to allow authorized Company personnel onto the Customer's premises for purposes of examining the piping, appliances, and other equipment relating to the Company's service; reading the meter, ascertaining connected loads to turn on service, obtain an actual meter reading, to inspect a suspected safety problem, or to perform maintenance work.
- (m) Any other reason where authority is specifically granted by Nebraska statute or applicable administrative rule.

**DISPUTE RESOLUTION**

Pursuant to the provisions of Revised Statutes of Nebraska, 1996 Reissue, Sections 70-1608 through 70-1614, a Customer may request a conference in regard to any dispute over a proposed disconnection of service with the Company. A designated employee of the Company will hear and decide all matters related to the dispute. If a residential Customer disputes the proposed disconnection of service and provides a written statement to the Company setting forth the reasons for the dispute and the relief requested, a conference shall be held between the Company and the Customer before service will be disconnected. Upon receipt of such a written statement, the Company will notify the Customer, in writing, of the time, place, and date scheduled for the conference, which shall be within fourteen (14) days of the Customer's request. At such conference, the employee designated by the Company to hear such dispute, shall, based solely upon the evidence presented, affirm, reverse, or modify any Company decision involving the disputed bill. The employee shall allow termination of utility service only as a measure of last resort after he has exhausted all other remedies less drastic than termination. The Customer may appeal an adverse decision of the Company employee to a management office of the Company, and a hearing will be held to resolve the dispute. At such hearing, the Customer may be represented by legal counsel or other representative or spokesperson, examine the Company's files and records pertaining to all matters directly relevant to the dispute or utilized by the Company in reaching the decision to propose termination, present witnesses and offer evidence, confront and cross-examine witnesses, and make or have made a record of the proceedings at his own expense.

**Budget Payment Plan**

The Company's Budget Bill Plan (BBP) is available to residential and commercial customers. It may be initiated by a customer at any time during the year, provided that the customer has paid all outstanding utility charges due the Company.

The company will have a billing practice under which a Customer may be billed monthly for a percentage or portion of the Customer's total annual consumption as estimated by the Utility. The  
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	<b>Section No. 4</b>
<u>1<sup>st</sup> Revised</u>	<b>Sheet No. 6</b>
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(continued)

purpose of such budget billing is to provide, insofar as it is practicable to do so, a uniform monthly bill.

Each BBP account will be reviewed by the Company at least semi-annually, but no more than quarterly, based on their Budget Billing start date, to determine if an adjustment to the budget amount is necessary, to minimize annual over/under collection balances. The new BPP will be determined by adding the customers actual debit or credit balance, at the time of review, to the customer's prior 12 months billings under current tariff rates, adjusted for normal weather, known changes in consumption, and projected Adjustment Clause price increases or decreases, the sum of which is divided by twelve. Where prior billings are not available, the Company will estimate billings using the best available information of customer's consumption. Adjustments outside of the semi-annual review may be made only if the sum of the actual costs for the first six months and the projected costs for the second six months differ by 10% or more from the amounts initially used to set the BBP.

Should a customer request that the Company not take the actual debit or credit balance into consideration when calculating a revised budget amount, the Company will issue a check to a customer with a credit balance or bill the customer for any debit balance.

Service to customers participating in the BPP shall be pursuant to the General Terms and Conditions of service including the Terms of Payment provisions contained therein, provided, however, that service to a BBP customer will not be disconnected for non-payment if the customer has a credit balance in his account. A customer may discontinue participation in the BBP at any time.

**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.

**RESALE PROHIBITED**

All gas purchased under any rate schedule shall not be resold by the purchaser thereof in any manner.

**SERVICE LINE INSTALLATION**

For services, except mobile homes in mobile home parks, the Company will install a service along the shortest feasible route from the gas main to the customer's building upon the customer making a non-refundable contribution based upon the distance from the customer's property line to the point of service attachment as follows:

For residential customers using natural gas as their primary heating source and for water heating: the customer will be charged a \$90.00 connection fee for the first 150 feet of service pipe.

Any distance beyond 150 feet may result in the company requiring

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	<b>Section No. 4</b>
<u>1<sup>st</sup> Revised</u>	<b>Sheet No. 7</b>
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(continued)

an Advance for Construction or a Contribution in Aid of Construction as described in the Economic Feasibility section below.

For residential customers using natural gas for space heating only, fireplace only, water heating only, natural gas grill only, or any combination other than primary space heating and water heating as described above: the Company will consider the total cost of serving the Customer and the expected revenue from the Customer. In this determination, if the project is not economically feasible, the Company may require an Advance for Construction or a Contribution in Aid of Construction from the customer to aid in the construction expense to serve the Customer.

For services to mobile homes in mobile home parks, a non-refundable contribution of \$75.00 will be made by the customer for services up to 50 feet of horizontal piping in the mobile home lot. For service over 50 feet, or where the load does not consist of a natural gas furnace and a natural gas water heater, an additional non-refundable contribution may be required as described in the preceding paragraph.

**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. The process of determining the economic feasibility of a project is 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 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' most recent gas cost of service determination.

In instances where a Contribution in Aid of Construction is required, three years after the project has been completed, the Company will have the option to review the three-year average use. If the actual volumes vary from projected volumes by 20% or more, the Company has the option to charge or credit the customer for the variance, without interest, in projected Contribution in Aid of Construction. The original project non-PGA, non-surcharge revenues will be recalculated using the actual average volumes from the three-year period. The costs and rates used in the original calculation will remain unchanged.

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	<b>Section No. 4</b>
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(continued)

Installation of gas service lines are scheduled by the Company for completion during the regular construction season. The Company may make a charge for added cost of the construction of a gas service line if the installation is required other than during the regular construction season.

The Company will not install Gas Services and Mains until the surface has been graded to within six inches of a permanent established elevation.

**Economic Feasibility:** For determining contributions on pipeline projects, annual revenue will be determined by multiplying projected volumes by the projected tariff delivery rate. The annual non-PGA, non-surcharge revenues will be reduced by the annual projected Operating, Maintenance, and Property Tax expenses. The resulting net margin will be divided by the result of the current allowed return on rate base, 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 may be collected from the customer.

**BILLING DAY AND CURTAILMENT OF GAS**

The billing day for the purpose of determining the amount of gas used will be from 9:00 a.m. CCT (Central Clock Time) one day until 9:00 a.m. CCT the next day. The Company shall have the right to curtail or limit the Customer's use of gas during any billing day to the Contract Demand then in effect when demand by firm and higher priority interruptible natural gas purchasers exceeds available pipeline supply. Curtailment of interruptible gas will commence at 9:00 a.m. CCT at the start of a new billing day. Under normal circumstances, notice of curtailment of interruptible gas will be given to Customer by 3:00 p.m. CCT, prior to the beginning of the gas day in which curtailment is to begin. However, in cases of emergency (to be determined solely by the Company) any notice prior to 9:00 a.m. CCT is deemed to place the curtailment in effect at 9:00 a.m. CCT, and such curtailment shall continue in effect until the Company notifies Customer that the curtailment is released. In cases of emergency when notice of curtailment cannot reasonably be given immediately prior to a new billing day, Customer will cooperate with the Company by curtailing its use of interruptible gas as soon as possible after notice of curtailment by Company. Proper notice of curtailment will be deemed to have been given when any person or persons authorized to receive curtailment orders on behalf of Customer has been notified by telephone or in person by a representative of Company.

The Company will endeavor to give the Customer as much notice as possible with respect to curtailment of service. Customer agrees to provide and maintain complete standby facilities and have available at all times sufficient standby fuel to maintain continuous plant operations during complete curtailment in the delivery of natural gas.

**CONTINUITY OF SERVICE, INTERRUPTIONS, AND LIABILITY**

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The Company will endeavor to provide continuous service but does not guarantee an uninterrupted or undisturbed supply of gas service. The Company will not be responsible for any loss or damage resulting from the interruption or disturbance of service for any cause other than negligence of the Company. The Company will not be liable for any loss of profits or other consequential damages resulting from the use of service or any interruption or disturbance of service.

(continued)

	<u>1<sup>st</sup> Revised</u>	<b>Section No. 4</b>
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(continued)

The Company shall use due care and diligence to furnish gas service near the normal pressure levels and in accordance with the acceptable levels of delivery pressure as may exist under operating conditions in the pipeline and distribution system. Because delivery pressure may vary, the customer shall install, operate, and maintain, at his own expense such pressure regulating devices as may be necessary to regulate the pressure of gas after its delivery to the customer. The Company shall not be liable for the control of gas pressure or gas after delivery of gas to the consumer.

Neither Customer nor the Company shall have any claim against the other for damages sustained as a result of interruptions of gas deliveries caused by Acts of God, weather conditions, labor disturbances, fires, accidents, breakage or repair of pipeline, mechanical failure of any machinery, equipment or other mechanical devices, shortage of gas supply, or other causes or contingencies beyond the reasonable control of and occurring without negligence on the part of such other party. When such causes or contingencies cease to be operative, delivery and receipt of gas shall resume as soon as practicable. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected. Any such cause or contingency, however, exempting customers from liability for non-performance (except where prevented by valid orders or requirements of Federal, State, or other governmental regulatory bodies having jurisdiction in the premises) shall not relieve customer of its obligation to pay minimum charges in accordance with the applicable rate schedule.

The Customer agrees to save, indemnify and hold the Company harmless from any and all claims, damage, or injury to persons or property arising from any cause whatsoever after the delivery of gas by the Company to the point of service attachment, except where such injury or damage is shown to have been caused solely by the negligence of the Company. The Customer shall not be liable for any loss, damage, or injury to persons or property arising from any cause whatsoever before the actual delivery of gas to the point of service attachment, except where such injury or damage is shown to have arisen solely from the negligence of the Customer. The Customer assumes all responsibility for all service and equipment at and from the Customer's point of service attachment of such service, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring by such services and equipment, except where said injury or damage is shown to have been occasioned solely by the negligence of the Company.

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**DELIVERY PRESSURE**

The volume of gas measured, where delivered at other than 0.25 p.s.i.g. at the customer's meter, shall be adjusted to a base pressure equal to 14.73 p.s.i.a. in accordance with accepted standards for measurement of gas at varying pressures.

(continued)

	<u>1<sup>st</sup> Revised</u>	Section No. 4
	<u>Canceling</u>	Sheet No. 10
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**METER ACCURACY AND TESTING OF METERS**

A Customer may request the Company to test his meter, and the Company will make the test as soon as practical after the request. If a request is made within one year after a previous request, the Company may require a Customer to pay a reasonable deposit for the test. The deposit will be refunded if the meter is found to have an error of more than two percent (2%) fast, and the Company will refund to the Customer the percentage of the inaccuracy of the billed amount for the period equal to one-half the time elapsed since the most recent test, but not to exceed six (6) months. If the meter is found to have an error of more than two percent (2%) slow, the Company may bill the Customer for the percentage of the inaccuracy of the billed amount for the period equal to one-half the time elapsed since the most recent test, but not to exceed six (6) months.

**PRIORITY OF SERVICE**

All Customers will be classified according to priorities. The Company may require curtailments of natural gas at any time in order to protect deliveries of natural gas having a higher priority. The Company shall have the right to curtail use of natural gas in any community due to capacity limitations of facilities of either the pipeline supplier or the Company, even though service is continued for lower priority customers in another community. When the Company is unable to supply the full natural gas requirements of all its customers, curtailment of natural gas service will progress in the following sequence: Priorities 4, 3, 2 and 1. The Company, at its discretion, shall have the right to curtail / interrupt based on other operational factors.

**Priority 1:** Firm residential and small commercial requirements less than 500 therms on a peak day. Curtailment within this priority will, where operationally possible, be on a pro rata basis.

**Priority 2:** Firm commercial requirements from 500 through 1,999 therms on a peak day, and industrial requirements from 0 through 1,999 therms on a peak day. Curtailment within this priority will, where operationally possible, be on a pro rata basis.

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**Priority 3:** Firm commercial and industrial requirements greater than 2,000 therms on a peak day. Curtailment within this priority will, where operationally possible, be on a pro rata basis.

**Priority 4:** Interruptible commercial and industrial requirements. The Company may curtail a customer's usage regardless of priority if the customer elects to take interruptible service. Curtailment, where possible, will be ordered on the basis of lowest to highest non-gas margin regardless of jurisdiction or end-use.

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