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June 30, 2010

Ms. Kate Whitney
Adminstrator
Montana Public Service Commission
1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601

Dear Ms. Whitney:

Re: Tariff Letter No. 172-G

This letter is pursuant to Montana Public Service Commission (MPSC or Commission) Interim Order No. 7089 approved on June 29, 2010, regarding NorthWestern Energy's (NorthWestern) annual application to implement rates related to its unreflected gas cost, projected gas cost, and gas transportation adjustment clause balance. Enclosed for filing are three copies of the revised Natural Gas Rate schedules.

These rates will become effective for service on and after July 1, 2010. Below are the Natural Gas tariff sheets being filed for Commission certification.

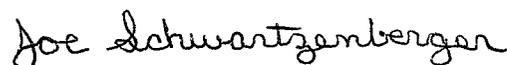
<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
122 nd Revised 1.1	Table of Contents	121 st Revised 1.1
91 st Revised 1.2	Table of Contents	90 th Revised 1.2
97 th Revised 10.1	Residential Natural Gas Service	96 th Revised 10.1
21 st Revised 11.1	Residential Gas Core Aggregation	20 th Revised 11.1
93 rd Revised 20.1;	General Natural Gas Service	92 nd Revised 20.1
19 th Revised 21.1;	General Service Gas Core Aggregation	18 th Revised 21.1
19 th Revised 25.1	Firm Transportation Gas Service - DBU	18 th Revised 25.1

<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
93 rd Revised 30.1	Firm Utility Gas Contract Service - TBU	92 nd Revised 30.1
19 th Revised 80.1	Firm Transportation Gas Service - TBU	18 th Revised 80.1
19 th Revised 85.1	Interruptible Trans. Gas Service - TBU	18 th Revised 85.1
19 th Revised 90.1	Firm Storage Natural Gas Service - TBU	18 th Revised 90.1

The sheets that are three-hole punched are for retention in the Commission's files; and the other, unpunched sheets should be returned to NorthWestern after they have been certified and signed. Because NorthWestern's copies are used for publication and distribution purposes please do not stamp or mark the face of these copies, other than with the Commission Seal and signature.

If there are any questions, please call me at (406) 497-3362.

Sincerely,



Joe Schwartzenberger
Director of Regulatory Affairs

Enclosures

NATURAL GAS TARIFF



Canceling 122nd Revised Sheet No. 1.1
121st Revised Sheet No. 1.1

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates, rules and regulations affecting rates, service and information relating thereto in effect on and after the date indicated thereon.

<u>Title of Sheet</u>	<u>MPSC Sheet No.</u>
Title Page	Original 0.1
Table of Contents	122 nd Revised 1.1; 91 st Revised 1.2; and 3 rd Revised 1.3
<u>PRELIMINARY STATEMENT</u>	
PART A – Gas Transportation Adjustment Clause (GTAC)	Original 2.1 thru 2.4
PART B – Deferred Accounting Gas (DAG) Adjustment Clause	2 nd Revised 2.5 & 2.6; 1 st Revised 2.7
PART C – Recovery Mechanism Local Government Fees	Original 2.8
PART D – Natural Gas Procurement Guidelines (NGPG)	1 st Revised 2.9 thru 3.4
PART E – State and Local Taxes and Fees Cost Recovery, Tracking and Deferred Accounting Mechanism	Original 3.5 thru 3.7

RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>MPSC Sheet No</u>
SGS-1	Special Gas Services	Original 5.1 and 5.2
GBS-1	Gas Billing Service	Original 6.1
D-RG-1	Residential Natural Gas Service	97 th Revised 10.1; 3 rd Revised 10.2
D-RGCA-1	Residential Gas Core Aggregation	21 st Revised 11.1; 2 nd Revised 11.2
DGSG-1	General Natural Gas Service	93 rd Revised 20.1; 1 st Revised 20.2
DGSGCA-1	General Service Gas Core Aggregation	19 th Revised 21.1; 1 st Revised 21.2; Original 21.3
D-FTG-1	Firm Transportation Gas Service - DBU	19 th Revised 25.1; Original 25.2

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NATURAL GAS TARIFF



Canceling 91st Revised Sheet No. 1.2
90th Revised Sheet No. 1.2

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RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>MPSC Sheet No.</u>
D-ITG-1	Interruptible Trans. Gas Service - DBU	10 th Revised 27.1; Original 27.2
T-FUGC-1	Firm Utility Gas Contract Service	92 nd Revised 30.1; 1 st Revised 30.2; Original 30.3
USBC-1	Universal System Benefits Charge	3 rd Revised 40.1 and Original 40.2
CTC-RA-1	Competitive Transition Charge for Regulatory Assets	16 th Revised 42.1 and Original 42.2
CTC-RA-Credit	Credit for Competitive Transition Charge for Regulatory Assets	4 th Revised 43.1 and Original 43.2
CTC-GP-1	Competitive Transition Charge for Gas Production Assets	16 th Revised 45.1 and Original 45.2
CTC-GP-Credit	Credit for Competitive Transition Charge for Gas Prod. Assets	6 th Revised 46.1
SLG-1	Special Lessor Gas Service	Original 50.1 and 50.2
T-FTG-1	Firm Transportation Gas Service – TBU	19 th Revised 80.1; and Original 80.2 thru 80.4
T-ITG-1	Interruptible Trans. Gas Service – TBU	19 th Revised 85.1; Original 85.2 & 85.3
T-FSG-1	Firm Storage Gas Service	19 th Revised 90.1; Original 90.2 & 90.3
GTC-1	General Terms and Operating Conditions	Original 95.1 thru 95.25
AGTC-1	Aggregation General Terms and Operating Conditions	Original 96.1 thru 96.20

(continued)

NATURAL GAS TARIFF



Canceling 97th Revised Sheet No. 10.1
96th Revised Sheet No. 10.1

Schedule No. D-RG-1

DISTRIBUTION BUSINESS UNIT
RESIDENTIAL NATURAL GAS SERVICE

APPLICABILITY: Applicable to residential service, including single family dwellings and single family living units which are individually metered, in all territory served by the Utility Distribution Business Unit (Utility).

RATES: Net Monthly Bill:
 Monthly Service Charge per Meter: \$ 6.75

PLUS:

Commodity Charges (Monthly \$/Dkt)	All Dekatherms @	
Distribution Charge	\$ 1.841759	
Transmission Charge	1.090615	
Storage Charge	0.331926	
Gas Supply Charge	5.691600	(I)
Deferred Gas Cost Amortization	0.000000	(I)
DBU GTAC Amortization	0.000585	(I)
TBU GTAC Amortization	0.001910	(I)
Storage GTAC Amortization	<u>(0.001705)</u>	(I)
Total Rate	\$ 8.956690	

PLUS: OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

LOW INCOME DISCOUNT: Customers of the Utility shall obtain a thirty percent (30%) discount during November 1st to April 30th from the above Regular Customer Rate(s) for residential usage, if they have satisfied the requirements for and are receiving energy assistance through the LIEAP program administered by the State of Montana Department of Public Health and Human Services.

(continued)



NATURAL GAS TARIFF

Canceling 21st Revised
20th Revised

Sheet No. 11.1
Sheet No. 11.1

Schedule No. D-RGCA-1

DISTRIBUTION BUSINESS UNIT
RESIDENTIAL GAS CORE AGGREGATION SERVICE

APPLICABILITY: Applicable to residential service, including single family dwellings and single family living units which are individually metered, being served under the Core Aggregation Gas Transportation Program (Program) in all territory served by the Utility Distribution Business Unit (Utility).

AVAILABILITY: Available to residential service customer loads, aggregated in accordance with Rate Schedule No. AGCT-1 and as is administratively feasible for the Utility.

RATES: Net Monthly Bill:
Monthly Service Charge per Meter: \$ 6.75

PLUS:

Commodity Charges (Monthly \$/Dkt)	All Dekatherms @	
Distribution Charge	\$ 1.841759	
Transmission Charge	1.090615	
Storage Charge	0.331926	
Deferred Gas Cost Amortization	0.000000	
DBU GTAC Amortization	0.000585	(I)
TBU GTAC Amortization	0.001910	(I)
Storage GTAC Amortization	(0.001705)	(I)
Total Rate	\$ 3.265090	

PLUS:
OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

LOW INCOME DISCOUNT: Customers of the Utility who obtained a fifteen percent (15%) discount under Rate Schedule No. D-RG-1 shall obtain a twenty-three percent (23%) discount from the above rates for residential usage, if they have satisfied the requirements for and are receiving energy assistance through the LIEAP program administered by the State of Montana Department of Public Health and Human Services.

DEFERRED GAS COST: Pursuant to MPSC Order the above Deferred Gas Cost Amortization shall be in effect until the balance is extinguished.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

(continued)

NATURAL GAS TARIFF



Canceling 93rd Revised
92nd Revised

Sheet No. 20.1
 Sheet No. 20.1

Schedule No. D-GSG-1

DISTRIBUTION BUSINESS UNIT
GENERAL NATURAL GAS SERVICE

APPLICABILITY: Applicable to commercial, industrial, multiple apartment buildings containing two or more dwelling units served through one meter, and other nonresidential core service in all territory served by the Utility Distribution Business Unit (Utility).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

<u>Meters Rated @</u> <u>Cu. Ft. per hour</u>	<u>Per Meter</u> <u>Charge</u>
0 to 300	\$ 16.95
301 to 1,000	\$ 22.40
1,001 to 2,000	\$ 36.10
2,001 to 5,000	\$ 60.60
5,001 to 10,000	\$ 74.45
10,001 to 30,000	\$ 117.75
>30,000	\$ 143.05

PLUS:

<u>Commodity Charges (Monthly \$/Dkt)</u>	<u>All Dekatherms @</u>
Distribution Charge	\$ 1.820207
Transmission Charge	1.089537
Storage Charge	0.330849
Gas Supply Charge	5.691600 (I)
Deferred Gas Cost Amortization	0.000000 (I)
DBU GTAC Amortization	0.000602 (I)
TBU GTAC Amortization	0.001967 (I)
Storage GTAC Amortization	<u>(0.001705) (I)</u>
Total Rate	\$ 8.933057

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

DEFERRED GAS COST: Pursuant to MPSC Order the above Deferred Gas Cost Amortization shall be in effect until the balance is extinguished.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

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NATURAL GAS TARIFF



Canceling 19th Revised
18th Revised

Sheet No. 21.1
 Sheet No. 21.1

Schedule No. D-GSGCA-1

DISTRIBUTION BUSINESS UNIT
GENERAL SERVICE GAS CORE AGGREGATION

APPLICABILITY: Applicable to commercial, industrial, multiple apartment buildings containing two or more dwelling units served through one meter, and other nonresidential core service, being served under the Core Aggregation Gas Transportation Program (Program) in all territory served by the Utility Distribution Business Unit (Utility).

AVAILABILITY: Available to general service customer loads, aggregated in accordance with Rate Schedule No. AGCT-1 and as is administratively feasible for the Utility.

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

<u>Meters Rated @</u> <u>Cu. Ft. per hour</u>	<u>Per Meter</u> <u>Charge</u>
0 to 300	\$ 16.95
301 to 1,000	\$ 22.40
1,001 to 2,000	\$ 36.10
2,001 to 5,000	\$ 60.60
5,001 to 10,000	\$ 74.45
10,001 to 30,000	\$ 117.75
>30,000	\$ 143.05

PLUS:

<u>Commodity Charges (Monthly \$/Dkt)</u>	<u>All Dekatherms @</u>	
Distribution Charge	\$ 1.820207	
Transmission Charge	1.089537	
Storage Charge	0.330849	
Deferred Gas Cost Amortization	0.000000	
DBU GTAC Amortization	0.000602	(I)
TBU GTAC Amortization	0.001967	(I)
Storage GTAC Amortization	<u>(0.001705)</u>	(I)
Total Rate	\$ 3.241457	

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

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NATURAL GAS TARIFF



Canceling 19th Revised Sheet No. 25.1
18th Revised Sheet No. 25.1

Schedule No. D-FTG-1

DISTRIBUTION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Distribution System under the terms of a Gas Transportation Service Agreement (Agreement) between the Utility Distribution Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

<u>Meters Rated @</u> <u>Cu. Ft. per hour</u>	<u>Per Meter</u> <u>Charge</u>
2,000 to 5,000	\$ 103.15
5,000 to 10,000	\$ 117.90
10,001 to 30,000	\$ 162.10
>30,000	\$ 188.20

PLUS:

Distribution Charge: (\$/MDDQ)	<u>Maximum</u>	
Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 6.526449	
GTAC Amortization (MDDQ)	\$ 0.004359	(I)

MINIMUM BILL: Per respective contracts.

PAYMENT: Billed amounts shall be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate Schedule No. SGS-1.

APPLICATION OF RATES:

Monthly Bill Components: Each month, Shipper's bill shall consist of a Monthly Service Charge and a Reservation Charge.

1. Monthly Service Charge: The Monthly Service Charge shall be the product of the number of delivery meters at Shipper's facility times the applicable Meter Charge(s) set forth above under RATES. If Shipper receives service under more than one rate schedule through a single meter, only one Service Charge per meter per month shall apply.

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NATURAL GAS TARIFF



Canceling 93rd Revised
92nd Revised

Sheet No. 30.1
 Sheet No. 30.1

Schedule No. T-FUGC-1

TRANSPORTATION BUSINESS UNIT
FIRM UTILITY GAS CONTRACT SERVICE

APPLICABILITY: Applicable to natural gas utilities receiving service as of November 1, 1991 for Firm Utility Gas Contract Sales Service provided under terms and conditions of contracts with the Utility Transportation Business Unit (Utility) as approved by the Montana Public Service Commission.

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

Meters Rated @ Cu. Ft. per hour	Per Meter Charge
10,001 to 30,000	\$ 107.75
>30,000	\$ 277.75

PLUS:

Transmission Charges:

Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 5.244006/MDDQ
Transmission Commodity Rate	\$ 0.062506/Dkt
GTAC Amortization	\$ 0.002236/Dkt (I)

PLUS:

Storage Charges:

Maximum Monthly Reservation Rate for Maximum Storage (MDDQ)	\$ 4.170634/MDDQ
Storage Commodity Rate	\$ 0.015087/Dkt
Storage GTAC Amortization	\$ (0.023606)/MDDQ (I)

PLUS:

Gas Supply Charges:

Gas Supply Charge	\$ 5.691600/Dkt (I)
Deferred Gas Cost Amortization	\$ 0.000000/Dkt (I)

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

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NATURAL GAS TARIFF

Canceling 19th Revised
18th Revised

Sheet No. 80.1
Sheet No. 80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

Meters Rated @ Cu. Ft. per hour	Per Meter Charge
5,001 to 10,000	\$ 100.85
10,001 to 30,000	\$ 145.05
>30,000	\$ 321.90

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 8.248586
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Transmission Commodity Rate (Monthly Rate per Dkt):

Maximum	\$ 0.062506
Minimum	\$ 0.017935
GTAC Amortization	\$ 0.000962 (I)
Balancing Penalty Rate	Higher of \$25.00 / Dkt. Or 150% of Market Price

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

MINIMUM BILL: Per respective contracts.

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NATURAL GAS TARIFF



Canceling 19th Revised Sheet No. 85.1
18th Revised Sheet No. 85.1

Schedule No. T-ITG-1

TRANSPORTATION BUSINESS UNIT
INTERRUPTIBLE TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for interruptible transportation service on the Utility Transmission System under the terms of an Interruptible Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

Meters Rated @ Cu. Ft. per hour	Per Meter Charge
5,001 to 10,000	\$ 100.85
10,001 to 30,000	\$ 145.05
>30,000	\$ 321.90

PLUS:

Transmission Charge: (Monthly Rate per Dkt):	<u>Maximum</u>	<u>Minimum</u>	
Transmission Commodity Rate	\$ 0.334625	\$ 0.017935	(I)
Balancing Penalty Rate	Higher of \$25.00/Dkt. or 150% of Market Price.		
Unauthorized System Use Rate	\$ 25.00	\$ 25.00	

MINIMUM BILL: Per respective contracts.

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

PAYMENT: Billed amounts shall be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate Schedule No. SGS-1.

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NATURAL GAS TARIFF

Canceling 19th Revised Sheet No. 90.1
18th Revised Sheet No. 90.1

Schedule No. T-FSG-1

TRANSPORTATION BUSINESS UNIT
FIRM STORAGE NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for Firm Storage Service under the terms of a Firm Gas Storage Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and the Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Rate:

Table with 2 columns: Rate Description and Rate Value. Includes Withdrawal Reservation Rate, Injection Commodity Rate, Withdrawal Commodity Rate, Storage Capacity Rate, and GTAC Amortization.

APPLICATION OF RATES:

Monthly Bill Components: Each month, Shipper's bill shall include a Withdrawal Reservation Charge and, if applicable, an Injection Commodity Charge for the quantities of natural gas nominated by Shipper and received by Utility for injection into storage, a Withdrawal Commodity Charge for the quantities of natural gas nominated by Shipper and delivered by Utility from storage for Shipper's account and a Storage Capacity Charge.

- 1. Withdrawal Reservation Charge: The Monthly Withdrawal Reservation Charge shall be the product of the Shipper's Storage Maximum Daily Delivery Quantity (MDDQ) as set forth in the Agreement times the applicable rate set forth above.
2. Injection Commodity Charge: The Monthly Injection Commodity Charge shall be the product of the Shipper's nominated quantities of natural gas received by the Utility for injection into storage times the applicable rate set forth above.
3. Withdrawal Commodity Charge: The Monthly Withdrawal Commodity Charge shall be the produce of the Shipper's nominated quantities of natural gas delivered by the Utility from storage times the applicable rate set forth above.
4. Storage Capacity Charge: The Monthly Storage Capacity Charge shall be the product of the Shipper's storage balance at the end of the month times the applicable rate set forth above.
5. Discounting Rates: The Utility shall have the ability to discount the Monthly Withdrawal Reservation Rate set forth above if the Shipper can demonstrate that, as a direct result of the

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