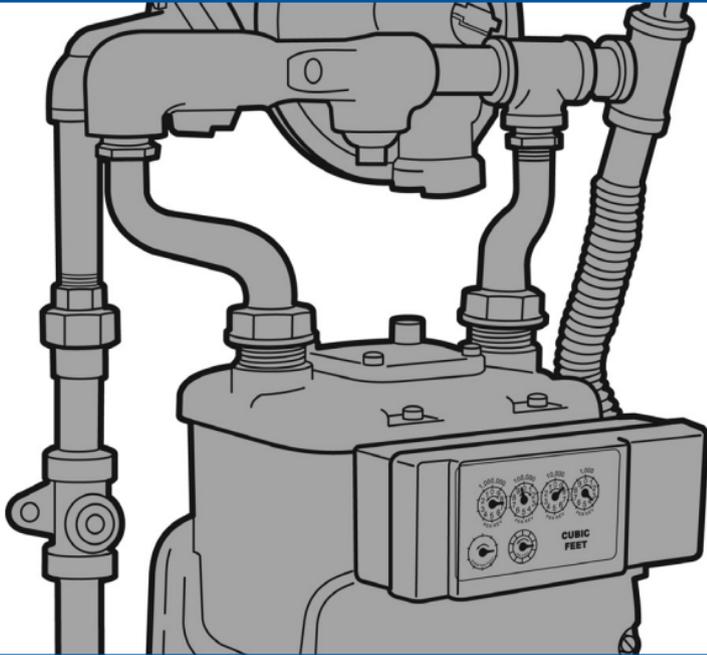


# IMPORTANT NATURAL GAS RATE INFORMATION NOTICE



In May 2011, NorthWestern Energy (NWE) filed with the South Dakota Public Utilities Commission (SDPUC) a request to increase natural gas rates.

NWE's rates have remained the same for four years and will continue to be very competitive.

After extensive review, NWE and SDPUC staff reached settlement on an increase that will go into effect on December 1, 2011. The SDPUC approved the settlement stipulation and rate increase during the commission meeting on November 22, 2011.

The back of this flyer provides further information about the rate increase.

For more information, visit your local office or call the customer contact center 24 hours a day at (800) 245-6977.

**NorthWestern**  
**Energy**  
Delivering a Bright Future

### Q. Why did you seek a rate increase?

A. To cover costs related to the environmental clean-up of an old coal gasification plant, the acquisition of a natural gas pipeline near Milbank that will provide a long-term benefit to customers and the operation and maintenance of the natural gas delivery system. The increase allows us to continue to maintain and enhance our natural gas distribution system to benefit our customers.

### Q. How much will rates increase?

A. Residential rates will increase an average of 5.3 percent, which is below the 7.4 percent rate of inflation over the same time period.

### Q. When will the new rates go into effect?

A. The new rate is effective December 1, 2011. If you are concerned about high winter bills, NWE offers a Budget Billing Plan, which takes the fluctuation out of heating bills, by allowing customers to make even monthly payments throughout the year. NWE's website also provides tips on how to save energy during the cold winter months. Visit [www.northwesternenergy.com](http://www.northwesternenergy.com).

### Q. How will this increase affect my bill?

| Residential Customers |            |          |                    |                     |
|-----------------------|------------|----------|--------------------|---------------------|
| THERMS                | Prior Bill | New Bill | Amount of Increase | Percentage Increase |
| 10                    | \$16.40    | \$18.06  | \$1.66             | 10.1%               |
| 50                    | \$50.76    | \$54.13  | \$3.37             | 6.6%                |
| 100                   | \$89.62    | \$93.99  | \$4.37             | 4.9%                |
| 200                   | \$167.35   | \$173.72 | \$6.37             | 3.8%                |
| 300                   | \$245.08   | \$253.45 | \$8.37             | 3.4%                |
| 500                   | \$400.54   | \$412.91 | \$12.37            | 3.1%                |

| South Dakota Residential Rate Comparison              |           |           |
|---|-----------|-----------|
|   | Old Rates | New Rates |
| Customer Charge                                       | \$7.00    | \$8.00    |
| First 30 Therms                                       | \$0.3130  | \$0.3788  |
| Over 30 Therms  | \$0.1500  | \$0.1700  |
| Ave. Purchased Gas & Ad Valorem Tax Adjustment Charge | \$0.6273  | \$0.6273  |