

NorthWestern Corporation, dba NorthWestern Energy  
South Dakota Electric  
Test Year Ended September 30, 2014  
Derivation of Increased Rates and Proof of Revenue

Line	Description	----- Present Rates -----			----- Proposed Rates -----			Revenue Change	
		Billing Units	Rate	Revenue	Billing Units	Rate	Revenue	\$	%
1	<b>Commercial Water Heating Rate 23</b>								
2	<u>Summer Rate</u>								
3	Customer Charge	328	\$1.75	\$574	328	\$5.00	\$1,640	\$1,066	185.71%
4	Energy Charge	165,335	\$0.03310	5,473	165,335	\$0.04310	7,126	1,653	30.21%
5	Sub-total Summer Rate	165,335		\$6,047	165,335		\$8,766	\$2,719	44.97%
6	Booked to Billed Revenue Ratio			107.54%			107.54%		
7	Booked Base Rate Revenue			\$6,502			\$9,427	\$2,924	44.97%
8									
9	<u>Off-Peak Rate</u>								
10	Customer Charge	655	\$1.75	\$1,146	655	\$5.00	\$3,275	\$2,129	185.71%
11	Energy Charge	475,390	\$0.03310	15,735	475,390	\$0.04310	20,489	4,754	30.21%
12	Sub-total Off-Peak Rate	475,390		\$16,882	475,390		\$23,764	\$6,883	40.77%
13	Booked to Billed Revenue Ratio			96.56%			96.56%		
14	Booked Base Rate Revenue			16,301			\$22,947	\$6,646	40.77%
15									
16	Total Annual Commercial Water Heating Rate 23	640,725		\$22,928	640,725		\$32,530	\$9,602	41.88%
17	Booked to Billed Revenue Ratio			99.45%			99.52%		
18	Total Adjusted Annual Comm Wtr Htg Rate 23 Revenue			\$22,803			\$32,373	\$9,570	41.97%