

Table of Contents

INTRODUCTION	Page 1
The 2006 Gas Procurement Plan	Page 1
Implementation of the 2006 Plan	Page 3
Relationship between the 2006 and current Plan	Page 3
SECTION 1. GOALS AND OBJECTIVES	Page 4
SECTION 2. SEPARATION OF NATURAL GAS SUPPLY, TRANSMISSION AND STORAGE	Page 5
Code of Conduct and Functional Separation	Page 5
SECTION 3. NWE NATURAL GAS SYSTEM	Page 6
Pipeline Interconnections	Page 6
On-System Storage	Page 6
SECTION 4. RESOURCE NEEDS ASSESSMENT	Page 9
Existing Energy Supply Requirements	Page 9
Energy Supply Load Sensitivity and Shape	Page 10
Current Supply Components	Page 11
Energy Supply Storage Utilization	Page 12
Peak Day Supply Adequacy	Page 13
SECTION 5. LONG TERM HEDGING	Page 14
Ownership of Natural Gas Reserves and Production	Page 14
Long Term Financial Hedging	Page 15

SECTION 6. RESOURCE ACQUISITION	Page 16
Natural Gas Demand Side Management (DSM) Program.....	Page 16
Natural Gas DSM Assessment.....	Page 21
10-Year Natural Gas DSM Plan.....	Page 26
Specific Natural Gas DSM Programs	Page 29
Natural Gas Acquisition	Page 30
Requests For Proposals	Page 31
SECTION 7. MODELING AND ANALYSIS	Page 32
Natural Gas Price Market Trends	Page 32
SECTION 8. RISK MANAGEMENT AND MITIGATION	Page 35
Storage.....	Page 36
Layering in Fixed Price Purchases	Page 37
Hard Targets.....	Page 37
Physical Acquisition.....	Page 38
Liquidity	Page 38
SECTION 9. TRANSPARENCY AND DOCUMENTATION.....	Page 39
Appendix 1, Hedging Strategy (Portions of this Appendix are protected)	Page 41
Hedging Plan - January 2009 Forward.....	Page 41
Storage.....	Page 41
Asset Monetization	Page 42
Layering in Fixed Price Purchases	Page 45
Hard Targets.....	Page 46
Long-Term Hedging.....	Page 47

Attachment 1, Natural Gas System Map Page 49

Attachment 2, DSM Calculations..... Pages 50-55

Attachment 3, Green Blocks Program Description.....Pages 56-57

Attachment 4, NorthWestern Energy Natural Gas Energy
Efficiency Potential Study Final Report.....Pages 58-215

Attachment 5, 2009 Natural Gas DSM Plan..... Page 216

Figures and Tables

Figure:

Figure 1, Estimated Annual Energy Saving Potentials in 2018 Due to Program Activity from 2009-2018.....	Page 25
Figure 2, Achievable Energy Savings: All Sectors	Page 26
Figure 3, Natural Gas DSM Supply Curves.....	Page 27
Figure 4, AECO Gas Price Forecasts	Page 34

Table:

Table 1, Pipeline Connections.....	Page 6
Table 2, NWE System Storage Summary	Page 8
Table 3, Actual Supply Requirements	Page 11
Table 4, Portfolio Contract Summary	Page 12
Table 5, Base Storage Requirement.....	Page 13
Table 6, 2007-2008 Gas DSM Measures and Rebates.....	Page 17
Table 7, 2008-2009 Gas DSM Measures and Rebates.....	Page 19
Table 8, E+ Residential Gas Savings Program Home Energy Events.....	Page 20
Table 9, Natural Gas DSM Plan Goals and Annual Budget	Page 29
Table A1. Physical Gas Storage Injection Plan.....	Page 43
Table A2. Proposed Gas Storage Usage.....	Page 43
Table A3. Systematic Gas Storage Usage.....	Page 44
Table A4. Long-Term Hard Targets.....	Page 47
Table A5. Multi-Year Hedging Strategy.....	Page 48