UNIVERSAL SYSTEM BENEFITS CHARGE

APPLICABILITY: Applicable to all end-use On-System Sales and Transportation Customers, defined below under RATES, for service provided by the Utility.

PURPOSE: The purpose of this Rate Schedule is to recover the costs associated with public purpose programs for cost-effective local energy conservation, low-income weatherization and low-income bill assistance.

RATES: (Rate/Therm/Month)

Core Customer
$0.0120071

Non-Core Customer:
Post September 1, 1993 Existing Customer $0.0120071
All Other $0.0062410

Core Customer: The Core Customer rate set forth above shall apply to all end-use, core sales customer volumes; and volumes of all core sales customers who elect to convert to transportation service after December 31, 1996.

Non-Core Customer:
1. The Post September 1, 1993, Non-Core Customer rate set forth above shall apply to the volumes of all previously classified core sales customers served by the Utility who converted to non-core transportation service after September 1, 1993, but prior to December 31, 1996;

2. The All Other Non-Core Customer rate set forth above shall apply:
   a. To all end-use, non-core transportation customers who converted to transportation prior to September 1, 1993; and
   b. To all end-use, non-core transportation customers who were not previously served by the Utility prior to November 1, 1991.

APPLICATION OF RATES:
Monthly Billing: Each month, the USBC Charge shall be the product of the actual monthly quantities of gas delivered at Customer's meter times the applicable rate set forth above.

COST TRACKING: The Utility shall track and account for any difference between the USB amount billed to Customers and the actual expenditures associated with the USB programs in the previous year. Such difference shall be accumulated and be accounted according to the following, and reflected as an adjustment to rates as describe below:

A. Account Used: Account 242 – Misc. Current and Accrued Liabilities

(continued)
NATURAL GAS TARIFF

NorthWestern Energy

Original Revised Sheet No. 40.2

Canceling Revised Sheet No. 40.2

Schedule No. USBC-1

UNIVERSAL SYSTEM BENEFITS CHARGE

B. Account Period: The Accounting Period to be used hereunder shall be the 12-month period, January 1 through December 31, of previous calendar year for actual revenues and expense and the current calendar year for the projected revenues and expenses.

C. Rate Change: The current rates will be adjusted annually on May 1st reflecting the difference between the amount billed to Customers and the amount paid by the Utility for the previous calendar year, as well as a projection for the current year.

REPORTING AND FILING:

Annual Filing: On April 1st, the Utility shall submit to the Commission, a filing reflecting the accounting transactions reflected in the above accounts for the 12-month Accounting Period, and the necessary calculations and rates in support of the upcoming period's rate adjustments.

SPECIAL TERMS AND CONDITIONS:

1. Definitions: The definitions of the principal terms used in this Rate Schedule are contained in Rule No. 1.

SERVICE AND RATES SUBJECT TO COMMISSION JURISDICTION: All rates and service conditions under this Rate Schedule are governed by the rules and regulations of the Public Service Commission of Montana and are subject to revision as the Commission may duly authorize in the exercise of its jurisdiction.

Commission Approved: December 9, 2008
Order No.: 6679e
Tariff Letter No. 153-G

Effective for service rendered on or after May 1, 2009

PUBLIC SERVICE COMMISSION

[Signature]
Secretary