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June 29, 2009

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

Dear Ms. Whitney:

**Re: Tariff Letter No. 170-E**

This letter is pursuant to Montana Public Service Commission (MPSC or Commission):

- Approval on June 15, 2009 with regard to NorthWestern Energy's (NorthWestern) annual filing for the Competitive Transition Charge for Qualifying Facilities (CTC-QF), pursuant to settlements in Docket No. D97.7.90 and D2001.1.5, approved in Order No. 5986w on January 31, 2002.
- Interim approval on June 23, 2009 with regard to NorthWestern's annual application to implement its current Electric Supply and Deferred Cost Rates in Docket D2009.5.62.
- Interim approval on June 23, 2009 with regard to NorthWestern's annual BPA Residential Exchange Credit in Docket No. D2009.5.78.

Enclosed for filing are three copies of the revised Electric Rate schedules.

These rates will become effective for service on and after July 1, 2009. Below are the Electric tariff sheets being filed for MPSC approval.

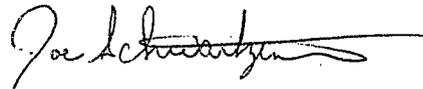
<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
103 <sup>rd</sup> Revised 1.1	Table of Contents	102 <sup>nd</sup> Revised 1.1
60 <sup>th</sup> Revised 1.2	Table of Contents	59 <sup>th</sup> Revised 1.2
18 <sup>th</sup> Revised 10.1	Residential Electric Delivery Service	17 <sup>th</sup> Revised 10.1
18 <sup>th</sup> Revised 20.2	General Service Electric Delivery Service	17 <sup>th</sup> Revised 20.2
18 <sup>th</sup> Revised 30.1	Irrigation Pumping & Sprinkling Electric Delivery Service	17 <sup>th</sup> Revised 30.1

<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
16 <sup>th</sup> Revised 40.2	Electric Lighting Delivery Service	15 <sup>th</sup> Revised 40.2
65 <sup>th</sup> Revised 60.1	Electric Default Supply Service	64 <sup>th</sup> Revised 60.1
7 <sup>th</sup> Revised 61.1	Competitive Transition Charge For Qualifying Facilities	6 <sup>th</sup> Revised 61.1

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 Schwartenberger  
Director of Regulatory Affairs

Enclosures

ELECTRIC TARIFF



Canceling 103<sup>rd</sup> Revised Sheet No. 1.1  
102<sup>nd</sup> Revised Sheet No. 1.1

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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	103 <sup>rd</sup> Revised 1.1; 60 <sup>th</sup> Revised 1.2; and 7 <sup>th</sup> Revised 1.3

PRELIMINARY STATEMENT

PART A – Recovery Mechanism Local Government Fees	Original 2.1
PART B – Electric Cost and Deferred Accounting Provision	Original 2.2 thru 2.4
PART C - State and Local Taxes and Fees Cost Recovery, Tracking and Deferred Accounting Mechanism	Original 2.5 thru 2.7

RATE SCHEDULES

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>MPSC Sheet No</u>
EBS-1	Electric Billing Service	Original 6.1
REDS-1	Residential Electric Delivery Service	18 <sup>th</sup> Revised 10.1; 5 <sup>th</sup> Revised 10.2; 3 <sup>rd</sup> Revised 10.3
GSEDS-1	General Service Electric Delivery Service	9 <sup>th</sup> Revised 20.1; 18 <sup>th</sup> Revised 20.2; Original 20.3 thru 20.4
GSEDS-2	General Service Substation/Transmission Electric Delivery Service	9 <sup>th</sup> Revised 21.1; Original 21.2 thru 21.3
ISEDS-1	Irrigation Pumping & Sprinkling Electric Delivery Service	18 <sup>th</sup> Revised 30.1; 1 <sup>st</sup> Revised 30.2 thru 30.3
ELDS-1	Electric Lighting Delivery Service	9 <sup>th</sup> Revised 40.1; 16 <sup>th</sup> Revised 40.2; Original 40.3 thru 40.6
E-USBC-1	Electric Universal System Benefits Charge	Original 50.1 thru 50.2

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Canceling 60<sup>th</sup> Revised Sheet No. 1.2  
59<sup>th</sup> 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>
EDSS-1	Electric Default Supply Service	65 <sup>th</sup> Revised 60.1; 10 <sup>th</sup> Revised 60.2; Original 60.3 and 60.4
CTC-QF-1	Competitive Transition Charge for Qualifying Facilities	7 <sup>th</sup> Revised 61.1; Original 61.2
CESGTC-1	Competitive Electric Supply General Terms and Conditions	Original 63.1; 1 <sup>st</sup> Revised 63.2 Original 63.3 and 63.4
ECCGP-1	Electric Customer Choice Guidelines and Procedures	1 <sup>st</sup> Revised 64.1 thru 64.6
EESS-1	Electric Emergency Supply Service	Original 65.1 and 65.2
EGPS-1	Electric Green Power Service	Original 66.1 and 66.2
QFLT-1	Qualifying Facility/Long-Term Power Purchase	Original 70.1 thru 70.3 6 <sup>th</sup> Revised 70.4
LTQF-1	Long-Term Qualifying Power Purchase Facility	Original 73.1 thru 73.12
QF-1	Qualifying Facility Power Purchase	2 <sup>nd</sup> Revised 74.1 thru 74.2 1 <sup>st</sup> Revised 74.3
LTPP-1	Cogeneration/SPP – Long-Term Power Purchase	Original 75.1 thru 75.3

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ELECTRIC TARIFF



Canceling 18th Revised Sheet No. 10.1  
17th Revised Sheet No. 10.1

Schedule No. REDS-1

RESIDENTIAL ELECTRIC DELIVERY SERVICE

APPLICABILITY: Applicable to all domestic purposes in single private dwellings and individual family apartments for Customers receiving electric supply under Default Supply Service or through a Contract with a Competitive Electric Supplier (Electric Supplier).

TYPE OF SERVICE: Single-phase, 120 volts, 2 wire, or 120/240 volts, 3 wire, through one meter at one point of delivery.

RATES: Monthly Bill:

Electric Supply Charge: In Accordance with the Default Supply Service Tariff or with a Contract Between the Customer and an Electric Supplier.

PLUS:

Transmission Charges: In Accordance with the Default Supply Service Tariff if receiving supply under Default Supply Service; or In Accordance with Utility's FERC Approved Transmission Tariff if receiving supply from an Electric Supplier.

PLUS:

Delivery Service Charge (DSC): Customer specific DSC resulting from the sum of the following:

Monthly Customer Charge: \$ 4.75  
Monthly Employee Customer Charge: \$ 2.85

Plus:

Energy (Monthly \$/kWh):  
Regular Customer All kWh @ \$ 0.026101  
Employee All kWh @ \$ 0.015661

PLUS:

BPA Residential Exchange Credit:

Energy (Monthly \$/kWh):  
Regular Customer All kWh @ \$ (0.002759) (R)  
Employee All kWh @ \$ (0.001655) (R)

PLUS:

Other Applicable Charges: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

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Canceling

18<sup>th</sup>  
17<sup>th</sup>

Revised  
Revised

Sheet No.  
Sheet No.

20.2  
20.2

Schedule No. GSEDS-1

GENERAL SERVICE ELECTRIC DELIVERY SERVICE

PLUS:

BPA Residential Exchange Credit: (Residential Load Only – See Definition)

Energy (Monthly \$/kWh):

All kWh @

\$ (0.002759) (R)

Other Applicable Charges: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

RATES:

Delivery Service Charge (DSC): Customer specific DSC resulting from the sum of the following:

Primary Service:

Non-Demand Meter:

Monthly Customer Charge:

\$ 7.10

Plus: Energy (Monthly \$/kWh):

All kWh @

\$ 0.017164

Demand Meter:

Monthly Customer Charge:

\$ 23.60

Plus: Energy (Monthly \$/kWh):

All kWh @

\$ 0.006748

Demand (Monthly \$/kW)

All kW @

\$ 3.852394

PLUS:

Other Applicable Charges: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

Monthly Bill Components: Each month, Customers' bills shall include an Electric Supply Charge; a Transmission & Ancillary Services Charge(s); all relevant charges contained on other applicable rate schedules including, but not limited to, competitive transition charges (CTC) and universal systems benefits programs (USBC); and Delivery Services Charge(s) (DSC). Customers may be billed either entirely by the Utility, or in part by the Electric Supplier, in accordance with the Contract between the Utility and Electric Supplier, or the Electric Supplier and its Customer.

(continued)

Schedule No. ISEDS-1

IRRIGATION PUMPING & SPRINKLING  
ELECTRIC DELIVERY SERVICE

APPLICABILITY: Applicable to Irrigation and Pumping Service Customers using this service exclusively for the operation of irrigation pumping and sprinkling equipment billed during the irrigation season, normally the May through October billing periods, who receive electric supply under Default Supply Service or through a Contract with a Competitive Electric Supplier (Electric Supplier). Such service to be supplied through one meter at one point of delivery unless otherwise specified by a special contract between the Utility and Customer.

TYPE OF SERVICE: Sixty hertz alternating current delivered at such phase as Utility may have available.

RATES: Monthly Bill:

Electric Supply Charge: In Accordance with the Default Supply Service Tariff or with a Contract Between the Customer and an Electric Supplier.

PLUS:

Transmission Charges: In Accordance with the Default Supply Service Tariff if receiving supply under Default Supply Service; or In Accordance with Utility's FERC Approved Transmission Tariff if receiving supply from an Electric Supplier.

PLUS:

Delivery Service Charge (DSC): Customer specific DSC resulting from the sum of the following:

Non-Demand Meter:

Seasonal Customer Charge: \$ 48.50

Plus: Energy (Monthly \$/kWh):  
All kWh @ \$ 0.021242

Demand Meter:

Seasonal Customer Charge: \$ 114.35

Plus: Energy (Monthly \$/kWh):  
All kWh @ \$ 0.003531  
Demand (Monthly \$/kW)  
All kW @ \$ 6.518606

PLUS:

BPA Residential Exchange Credit:

Energy (Monthly \$/kWh):  
All kWh @ \$ (0.002759) (R)

(continued)

ELECTRIC TARIFF



Canceling 16<sup>th</sup> Revised Sheet No. 40.2  
15<sup>th</sup> Revised Sheet No. 40.2

Schedule No. ELDS-1

ELECTRIC LIGHTING DELIVERY SERVICE

RATES:

PLUS:

(\$/Unit/month)	
Operations Charge:	\$ 0.56
Maintenance Charge:	\$ 0.54
Billing Charge:	\$ 0.23

PLUS:

BPA Residential Exchange Credit: (Residential Load Only – See Definition)  
 Energy (Monthly \$/kWh):  
 All kWh @ \$ (0.002759) (R)

PLUS:

Other Applicable Charges: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana (Commission).

APPLICATION OF RATES:

Monthly Bill Components: Each month, Customers' bills shall include an Electric Supply Charge; a Transmission & Ancillary Services Charge(s); all relevant charges contained on other applicable rate schedules including, but not limited to, competitive transition charges (CTC) and universal systems benefits programs (USBC); and a Delivery Services Charge (DSC) plus the following applicable charges. Customers may be billed either entirely by the Utility, or in part by the Electric Supplier, in accordance with the Contract between the Utility and Electric Supplier, or the Electric Supplier and its Customer.

Utility-Owned Lighting Unit(s): Monthly Ownership Charge; plus Operations and Maintenance Charges.

Customer-Owned Lighting Unit(s): Monthly Billing Charge; plus an Operations Charge, if Customer has entered into an Operations Contract with the Utility; plus a Maintenance Charge, if Customer has entered into a Maintenance Contract with the Utility.

1. A. Ownership Charge: For Utility-Owned lighting units, the monthly charge shall be the product of the number of units times the applicable monthly Ownership Charge set forth above under RATES.

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ELECTRIC TARIFF



Canceling  $\frac{65^{\text{th}}}{64^{\text{th}}}$  Revised Revised Sheet No. 60.1  
 Sheet No. 60.1

Schedule No. EDSS-1

ELECTRIC DEFAULT SUPPLY SERVICE

APPLICABILITY: Applicable to all default supply customers of the Utility. Electric supply provided under this tariff is for the Customer's end use; and is prohibited from being remarketed by the Customer.

PURPOSE: The purpose of this Rate Schedule is to recover the market costs of electric supply costs associated with Default Electric Supply requirements, and to recover current MPSC-based retail transmission costs.

RATES:

Supply Monthly Billing: Each month, the Default Supply Service Supply Charge and the Deferred Default Supply Charge shall be the product of the actual monthly consumption, in kWh, delivered at the Customer's meter, times the applicable Supply rate set forth as follows:

<u>Rate Classes:</u>	<u>Supply</u> <u>Monthly \$/kWh</u>		<u>Supply</u> <u>Deferred Charge</u> <u>Monthly \$/kWh</u>	
Residential	\$ 0.055043	(R)	(\$0.003778)	(R)
Residential - Employee	\$ 0.033026	(R)	(\$0.002267)	(R)
General Service – 1 Secondary Non-Demand	\$ 0.050631	(R)	(\$0.003778)	(R)
General Service – 1 Secondary Demand	\$ 0.055043	(R)	(\$0.003778)	(R)
General Service – 1 Primary Non-Demand	\$ 0.053535	(R)	(\$0.003675)	(R)
General Service – 1 Primary Demand	\$ 0.049627	(R)	(\$0.003675)	(R)
General Service – 2 Substation	\$ 0.053073	(R)	(\$0.003644)	(R)
General Service – 2 Transmission	\$ 0.052753	(R)	(\$0.003621)	(R)
Irrigation	\$ 0.050631	(R)	(\$0.003778)	(R)
Lighting	\$ 0.050631	(R)	(\$0.003778)	(R)

PLUS:

(continued)

ELECTRIC TARIFF



Canceling

7<sup>th</sup>  
6<sup>th</sup>

Revised  
Revised

Sheet No.  
Sheet No.

61.1  
61.1

Schedule No. CTC-QF-1

COMPETITIVE TRANSITION CHARGE FOR QUALIFYING FACILITIES

APPLICABILITY: Applicable to all retail electric service provided by the Utility beginning July 1, 2002 and under the jurisdiction of the Montana Public Service Commission. Not applicable for large new loads of 1,000 kW or greater, as defined below under Load Exclusion.

PURPOSE: The purpose of this Rate Schedule is to recover the out-of-market costs associated with Qualifying Facilities Power Contracts, pursuant to electric restructuring.

<u>Rate Classes:</u>		<u>Monthly \$/kWh</u>	
Residential	All kWh @	0.003282	(R)
Residential - Employee	All kWh @	0.001969	(R)
General Service Secondary	All kWh @	0.003282	(R)
General Service Primary	All kWh @	0.003192	(R)
General Service Substation	All kWh @	0.003164	(R)
General Service Transmission	All kWh @	0.003145	(R)
Irrigation	All kWh @	0.003282	(R)
Lighting	All kWh @	0.003282	(R)

The above rates shall be modified annually beginning July 1, 2003 through July 1, 2031 to reflect the respective annual Qualifying Facility charges authorized by Commission Order No. 5986w.

APPLICATION OF RATES:

Monthly Billing: Each month, the CTC-QF Charge shall be the product of the actual monthly consumption, in kWh, delivered at Customer's meter, times the applicable rate set forth above.

TERM OF RATE SCHEDULE:

This Rate Schedule shall be applicable from the effective date of the final Order in Docket No. D97.7.90, until such time that the CTC-QF Charge is no longer needed.

(continued)