

Service Date: December 3, 2010

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER OF NorthWestern Energy's )  
Annual Application for Approval of Monthly )  
Gas Cost Tracker True-up, Projected Gas Costs, )  
and Gas Transportation Balance )

REGULATORY DIVISION  
DOCKET NO. D2009.5.63

IN THE MATTER OF NorthWestern Energy's )  
Annual Application for Approval of Unreflected )  
Gas Cost Account Balance and Projected Gas Cost; )  
and Gas Transportation Adjustment Clause )  
Balance )

DOCKET NO. D2010.5.49

**NOTICE OF OPPORTUNITY TO COMMENT AND REQUEST A HEARING**

On June 2, 2009, NorthWestern Energy (NWE), filed before the Public Service Commission (PSC) its annual natural gas cost tracking application. NWE is requesting approval of a rate change: (a) reflecting rate treatment for unreflected gas costs for the 12-month period ending June 30, 2009; (b) reflecting gas cost projections for the 12-month period ending June 30, 2010; (c) reflecting rate treatment for amortization of the gas transportation adjustment clause balance as of April 30, 2009; and (d) extinguishing the unit amortizations in the current rate schedules.

On May 28, 2010, NWE submitted its next annual natural gas cost tracker filing. NWE is requesting approval of a rate change covering the same items (a) through (d) listed above for the following year. NWE and the Montana Consumer Counsel (MCC) have reached a Stipulation that would resolve Docket Nos. D2009.5.63 and D2010.5.49, if approved by the PSC. Approval of the 2009 and 2010 gas tracker true-ups in the above indicated dockets will finalize gas costs for the period from July 2008 to June 2010. Residential natural gas rates decreased from \$15.08 per dekatherm (dkt) in July 2008 to \$7.03 in June 2010, which is a decrease of 53%. Other rate classes also experienced similar rate decreases.

The Stipulation would also assist the PSC in finalizing its comments on NWE's Natural Gas Biennial Procurement Plan filed in December of 2008 in Docket No. N2008.12.138. If the Stipulation is approved as filed, the PSC would direct comments to NWE on the Procurement Plan consistent with the recommendations in the Stipulation. The Procurement Plan contained NWE's gas procurement strategies for the period 2009-2011. On May 26, 2010, a public hearing was held in Helena, MT on the Procurement Plan. The Procurement Plan is not considered a contested case process and intervenors and the PSC only provides comments to NWE.

A copy of NWE's applications are available for inspection at the business offices of NWE, 40 East Broadway, Butte, Montana 59701; the PSC, 1701 Prospect Avenue, Helena, Montana 59620-2601; and the MCC, 111 North Last Chance Gulch Suite 1B, P.O. Box 201703, Helena, Montana 59620-1703, telephone (406) 444-2771. The MCC is available and may be contacted to assist and represent the interests of the consuming public in this matter.

Any person directly affected by the application may submit comments or request a hearing on the matter by filing comments or a Request for Hearing with the PSC, no later than on December 20, 2010.

Any Request for Hearing must be electronically submitted (e-filed) on the PSC's website at <http://psc.mt.gov/eDocsLogin.asp>. The filing party must also deliver or mail the original Request for Hearing in paper format to the PSC so that it is received by the filing deadline. The PSC will upload e-filed documents to the PSC's website after the paper original has been officially received at the PSC office. One copy must be served on NWE and the MCC at the above addresses. If a hearing is properly requested, hearing procedures will be later implemented. If no hearing is requested, the PSC may issue a default order, consider the matter based on NWE's application, or conduct a hearing on its own motion.

Any interested person who prefers not to formally participate in the matter may submit written comments on the matter to the PSC at the above address. Public comments may also be submitted to the PSC through the PSC's web-based comment form at <http://psc.mt.gov/Consumers/comments/>. Public comments, written or electronic, or a request for hearing must be received by the PSC no later than December 20, 2010.

The PSC's jurisdiction over this matter is provided at Title 69, MCA. The substantive and procedural law applicable is Title 69, MCA, especially at Ch. 3 (public utilities), ARM Title

38, Ch. 5 (utilities), Title 2, Ch. 4, MCA (MAPA), ARM Title 38, Ch. 2 (PSC procedural rules), and any prior orders of the PSC which may bear on the issues presented.

The PSC initially notices proceedings through use of general service lists. Interested persons not requesting a hearing, but wishing to remain on the service list to receive notices and orders, must notify the PSC in writing by the date fixed for hearing requests. Failure to submit notification will result in removal from the service list in this docket.

BY THE MONTANA PUBLIC SERVICE COMMISSION

GREG JERGESON, Chairman  
KEN TOOLE, Vice-Chairman  
GAIL GUTSCHE, Commissioner  
BRAD MOLNAR, Commissioner  
JOHN VINCENT, Commissioner