

Service Date: July 1, 2011

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

IN THE MATTER OF NorthWestern Energy's ) REGULATORY DIVISION  
Application for Approval of Unreflected Gas )  
Cost Account Balance and Projected Gas Cost; ) DOCKET NO. D2011.5.36  
And Gas Transportation Adjustment Clause )  
Balance. )

**NOTICE OF APPLICATION  
AND INTERVENTION DEADLINE**

On May 31, 2011, NorthWestern Corporation d/b/a NorthWestern Energy (NWE) submitted its annual Natural Gas Cost Tracker filing. NWE is requesting approval of a rate change: (a) reflecting rate treatment for unreflected gas costs for the 12-month period ending June 30, 2011; (b) reflecting gas cost projections for the 12-month period ending June 30, 2012; and (c) reflecting rate treatment for amortization of the gas transportation adjustment clause balance as of April 30, 2011. NWE is also requesting approval to continue to collect the costs of its interest in Battle Creek natural gas field in tracker filings on an interim basis, until a Battle Creek revenue requirement filing is processed before the Commission. The projected natural gas price for the 12-month period starting July 1, 2011, is \$5.1354 per dekatherm (Dkt), compared with the 12-month period starting July 1, 2010, of \$5.6916 per Dkt.

NWE is requesting approval to extinguish the current Unreflected Gas Cost Account (UGCA) balance amortization approved in Docket D2010.5.49, and to reflect the UGCA balance of \$252,176 for the 12-month period ending June 30, 2011. NWE is requesting to include the remaining \$55,755 approved in D2010.5.49 in Unreflected Gas Cost balance. The estimated Total Unreflected Gas Cost balance is \$307,971 (\$252,176 + \$55,755).

NWE is requesting to extinguish the current Gas Transportation Adjustment Clause (GTAC) balance approved in D2010.5.49, and to reflect the GTAC balance of (\$535,018), as of April 30, 2011, in natural gas rates. NWE is also requesting, pursuant to Order No. 5667a, FOF No. 3, a continuation to reflect accounting treatment through the GTAC mechanism, for certain

expansions that generate Interruptible Transportation revenues or Interruptible and Firm Transportation revenues.

The effect of the proposed rates will result in a decrease of \$11.33 per month or \$135.96 per year on the total bill for the typical residential customer using 10 Dkt per month. This change is an overall decrease of 10.68% on the total bill of a typical residential customer. NWE has requested that the Public Service Commission (PSC) grant an interim rate adjustment effective July 1, 2011, which has been granted.

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

Any interested person who is directly affected by NWE's filing before the PSC and who wants to be a party to the docket must file a Petition to Intervene with the PSC, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana 59620-2601, no later than July 29, 2011. By the intervention deadline, a person petitioning for intervention must: (1) Submit the petition electronically (E-file) on the PSC's website at <http://psc.mt.gov> ("Account Login/Registration" under "Electronic Documents" tab); and (2) physically deliver or mail the original petition to the PSC at 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana 59620-2601. The PSC will not post an E-filed petition to its website until it receives the original from the petitioner. A person petitioning for intervention in this docket must also serve a hard copy of the petition on the MCC and NWE at the addresses above.

An interested person that does not wish to formally intervene in this docket may submit written public comments on the matter to the PSC at the above address, or through the PSC's web-based comment form at <http://psc.mt.gov> ("Comment on Proceedings").

The PSC's jurisdiction over this matter is provided at Title 69, MCA. The substantive and procedural law applicable is Title 69, MCA, especially Chapter 3, 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 issues orders and notices of proceedings through service lists. An interested

person that does not intervene but wishes to receive orders and notices through the service list for this docket should notify the PSC in writing by the intervention deadline.

**BY THE MONTANA PUBLIC SERVICE COMMISSION**

TRAVIS KAVULLA, Chairman  
GAIL GUTSCHE, Vice Chair  
W. A. (BILL) GALLAGHER, Commissioner  
BRAD MOLNAR, Commissioner  
JOHN VINCENT, Commissioner