



NorthWestern Corporation  
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June 22, 2011

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. 203-E**

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

- Approval on June 15, 2011 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 21, 2011 with regard to NorthWestern's application for Approval of Deferred Cost Account Balances for Electricity Supply Costs and Colstrip Unit 4 (CU4) Variable Cost/Credits and Projected Electricity Supply Cost Rates and CU4 Variable Rates in Docket No. D2011.5.38; and
- Interim approval on June 21, 2011 with regard to NorthWestern's annual BPA Residential Exchange Credit in Docket No. D2011.5.42.

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

These rates will become effective for service on and after July 1, 2011. Below are the Electric tariff sheets being filed for MPSC approval.

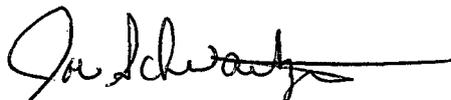
<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
137 <sup>th</sup> Revised 1.1	Table of Contents	136 <sup>th</sup> Revised 1.1
93 <sup>rd</sup> Revised 1.2	Table of Contents	92 <sup>nd</sup> Revised 1.2
28 <sup>th</sup> Revised 10.1	Residential Electric Delivery Service	27 <sup>th</sup> Revised 10.1
28 <sup>th</sup> Revised 20.2	General Service Electric Delivery Service	27 <sup>th</sup> Revised 20.2
28 <sup>th</sup> Revised 30.1	Irrigation Pumping & Sprinkling Electric Delivery Service	27 <sup>th</sup> Revised 30.1

<u>NWE Sheet Number</u>	<u>Title of Sheet</u>	<u>Canceling NWE Sheet Number</u>
26 <sup>th</sup> Revised 40.2	Electric Lighting Delivery Service	25 <sup>th</sup> Revised 40.2
89 <sup>th</sup> Revised 60.1	Electric Default Supply Service	88 <sup>th</sup> Revised 60.1
9 <sup>th</sup> Revised 61.1	Competitive Transition Charge For Qualifying Facilities	8 <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 Schwartzenberger  
Director of Regulatory Affairs

Enclosures

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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	137 <sup>th</sup> Revised 1.1; 93 <sup>rd</sup> Revised 1.2; and 8 <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	28 <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	16 <sup>th</sup> Revised 20.1; 28 <sup>th</sup> Revised 20.2; Original 20.3 thru 20.4
GSEDS-2	General Service Substation/Transmission Electric Delivery Service	16 <sup>th</sup> Revised 21.1; 1 <sup>st</sup> Revised 21.2 thru 21.3
ISEDS-1	Irrigation Pumping & Sprinkling Electric Delivery Service	28 <sup>th</sup> Revised 30.1; 1 <sup>st</sup> Revised 30.2 thru 30.3
ELDS-1	Electric Lighting Delivery Service	16 <sup>th</sup> Revised 40.1; 26 <sup>th</sup> Revised 40.2; 1 <sup>st</sup> Revised 40.3 thru 40.6
E-USBC-1	Electric Universal System Benefits Charge	Original 50.1 thru 50.2

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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	89 <sup>th</sup> Revised 60.1; 17 <sup>th</sup> Revised 60.2; Original 60.3 and 60.4
CTC-QF-1	Competitive Transition Charge for Qualifying Facilities	9 <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	1 <sup>st</sup> Revised 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	3 <sup>rd</sup> Revised 74.1 thru 74.2 2 <sup>nd</sup> Revised 74.3 Original 74.4 thru 74.6
LTTP-1	Cogeneration/SPP – Long-Term Power Purchase	Original 75.1 thru 75.3
WI-1	Wind Integration	Original 80.1 and 80.2
CR-1	Contingency Reserves	Original 85.1 and 85.2

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ELECTRIC TARIFF

Canceling 28th Revised Sheet No. 10.1
27th 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: \$ 5.15
Monthly Employee Customer Charge: \$ 3.09

Plus:

Energy (Monthly \$/kWh):
Regular Customer All kWh @ \$ 0.028176
Employee All kWh @ \$ 0.016905

PLUS:

BPA Residential Exchange Credit:

Energy (Monthly \$/kWh):
Regular Customer All kWh @ \$ (0.002150) (I)
Employee All kWh @ \$ (0.001290) (I)

PLUS:

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

(continued)



ELECTRIC TARIFF

Canceling 28th Revised Sheet No. 20.2
27th Revised Sheet No. 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 @ \$ (0.002150) (I)

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: \$ 7.80

Plus: Energy (Monthly \$/kWh):

All kWh @ \$ 0.018902

Demand Meter:

Monthly Customer Charge: \$ 24.65

Plus: Energy (Monthly \$/kWh):

All kWh @ \$ 0.007040

Demand (Monthly \$/kW)

All kW @ \$ 4.018774

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:	\$ 53.40
Plus:	Energy (Monthly \$/kWh): All kWh @	\$ 0.023399

Demand Meter:

	Seasonal Customer Charge:	\$ 125.90
Plus:	Energy (Monthly \$/kWh): All kWh @	\$ 0.003889
	Demand (Monthly \$/kW) All kW @	\$ 7.179891

PLUS:

BPA Residential Exchange Credit:

	Energy (Monthly \$/kWh): All kWh @	\$ (0.002150) (I)
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ELECTRIC TARIFF

Canceling 26th Revised Sheet No. 40.2
25th Revised Sheet No. 40.2

Schedule No. ELDS-1

ELECTRIC LIGHTING DELIVERY SERVICE

Ownership Charge (Monthly \$/Unit):

Table with 4 columns: Cost Range, Unit Rate, Cost Range, Unit Rate. Rows show various cost ranges from \$3,000 to \$4,799 and corresponding unit rates from \$39.58 to \$53.92.

RATES:

PLUS:

(\$/Unit/month)
Operations Charge: \$ 0.62
Maintenance Charge: \$ 0.60
Billing Charge: \$ 0.25

PLUS:

BPA Residential Exchange Credit: (Residential Load Only - See Definition)
Energy (Monthly \$/kWh):
All kWh @ \$ (0.002150) (I)

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.

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ELECTRIC TARIFF

Canceling 89th Revised Sheet No. 60.1
88th Revised 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:

Table with 5 columns: Rate Classes, Supply Monthly \$/kWh, (I), Supply Deferred Charge Monthly \$/kWh, (R). Rows include Residential, Residential - Employee, General Service - 1 Secondary Non-Demand, General Service - 1 Secondary Demand, General Service - 1 Primary Non-Demand, General Service - 1 Primary Demand, General Service - 2 Substation, General Service - 2 Transmission, Irrigation, and Lighting.

PLUS:

(continued)

ELECTRIC TARIFF



Canceling      9<sup>th</sup> Revised      Sheet No.      61.1  
                          8<sup>th</sup> Revised      Sheet No.      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 @	0.003439	(R)
Residential - Employee	All kWh @	0.002063	(R)
General Service Secondary	All kWh @	0.003439	(R)
General Service Primary	All kWh @	0.003345	(R)
General Service Substation	All kWh @	0.003316	(R)
General Service Transmission	All kWh @	0.003296	(R)
Irrigation	All kWh @	0.003439	(R)
Lighting	All kWh @	0.003439	(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.

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