

D2011.9.81



# MOUNTAIN WATER COMPANY

P.O. Box 4826 - 1345 W. Broadway - Missoula, MT 59806 - Phone (406) 721-5570 - Fax (406) 523-5090 - www.mtnwater.com

ARVID M. HILLER  
V.P. & General Manager

September 14, 2011

RECEIVED BY  
2011 SEP 16 A 10:11  
PUBLIC SERVICE  
COMMISSION

Kate Whitney, Administrator  
Utility Division  
Montana Public Service Commission  
1701 Prospect Avenue  
Helena, MT 59620

Subject: Mountain Water Company Application For Power Cost Tracking Adjustment

Dear Ms. Whitney

Mountain Water Company hereby submits its annual power cost tracking adjustment pursuant to the power tracker tariff approved by the Commission in its final Order 6644c entered in PSC Docket D2005.5.49 and made permanent in final order 7088e in PSC Docket 2010.4.41 for water service to its customers. The total tracking adjustment, as explained and supported in the accompanying exhibits, is \$171,099.30

Current tariffs are based on power costs effective August 1, 2010. Power costs have been higher than forecast in our previous power tracker filing, so our current tracking rates are causing us to under collect power-related revenues from our customers. Therefore, Mountain is requesting a power cost tracking adjustment which increases the rates it is authorized to charge its customers by an average of 0.92%

Pursuant to the provisions of the Commission approved tariffs governing Mountain's power cost tracking adjustment, the Company will automatically implement new rates, on all bills rendered on or after October 1, 2011. Because the new rates will not have been reviewed and approved by the Commission until after the scheduled implementation date, the new rates are only interim rates, and are subject to refund in the same manner as any other interim rate.

The original of this application is herewith provided as the application has been e-filed on the Commission website. An additional copy of the application has been provided to the Montana Consumer Council.

An employee of the Company responsible for answering questions concerning this Application or for referring inquiries to the appropriate person is Arvid Hiller, vice-president and General Manager, Mountain Water Company, 1345 West Broadway, Missoula, Montana 59806, telephone (406) 721-5570.

MOUNTAIN WATER COMPANY

Arvid M. Hiller  
Vice President and General Manager

Mr. John Alke, Esquire  
Hughes, Kellner, Sullivan and Alke  
40 W. Lawrence Suite A  
P O Box 1166  
Helena, Montana 59634-1166

# Public Service Commission of Montana

MOUNTAIN WATER COMPANY

Sheet No. MT1-320

Canceling Sheet No. MT1-309

(Name of Company)

METERED WATER      Service

Schedule   M  

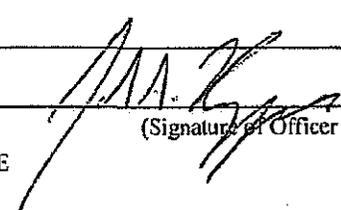
Available For: **Mountain Water Company Customers**

Applicable to: **Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers**

Rates:	Per Meter Per Month
<b><u>Service Charge:</u></b>	
For 5/8 x 3/4-inch meter.....	\$ 16.66
For 3/4-inch meter.....	\$ 23.53
For 1-inch meter.....	\$ 37.28
For 1-1/2-inch meter.....	\$ 71.65
For 2-inch meter.....	\$ 112.89
For 3-inch meter.....	\$ 209.13
For 4-inch meter.....	\$ 346.60
For 6-inch meter.....	\$ 690.29
For 8-inch meter.....	\$ 1,102.72
For 10-inch meter.....	\$ 1,583.89
For 12-inch meter.....	\$ 2,065.05
For 14-inch meter.....	\$ 2,752.43
 <b><u>Quantity Rates:</u></b>	
For all usage, per 100 cu. Ft. ....	\$ 1.9275

This Service Charge is applicable to all metered water service. It is a readiness to serve charge to which is added the charge, computed at the Quantity Rates for water used during the month.

Issued 3-22-11  
(Date)

By   
(Signature of Officer of Utility)

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Staff Approved: March 25, 2011  
Docket Nos.: D2010.4.41, Final Order No. 7088e  
D2009.9.127, Final Order No. 7137

Effective for service rendered after  
March 23, 2011

PUBLIC SERVICE COMMISSION

  
Secretary

# Public Service Commission of Montana

MOUNTAIN WATER COMPANY  
 \_\_\_\_\_  
 (Name of Company)

Sheet No. FRI-323  
 Canceling Sheet No. FRI-312

FLAT RATE WATER      Service

<b>Schedule <u>F</u></b>	
Available For:	Mountain Water Company Customers - To those customers only, served by this as of the effective date of this schedule (except Fire Protection Service)
Applicable to:	Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers
Rate:	Monthly
<u>Single Family Dwellings and Individual Apartments, Duplexes, Triplexes, Fourplexes or Other multi-family residential units.</u>	
4 rooms or less with one toilet and bath or shower.....	\$ 49.47
Each additional room, bath, shower or toilet.....	\$ 5.89
<u>Non-family type efficiency apartments, and other small usage establishments.</u>	
1 Room with one toilet and bath, shower, or toilet.....	\$ 25.93
Commercial establishments, Churches, and Public Authorities offices and buildings.....	\$ 53.03
Rooming house with common bathroom.....	\$ 14.75 per sleeping room
Tourist Camp with common bathroom.....	\$ 23.56 per cabin or trailer
Swimming Pools.....	\$ 88.81 per season
Temporary Construction.....	\$ 50.08
Sewer Flush Tanks.....	\$ 52.43 each

Issued 3-22-11  
 \_\_\_\_\_  
 (Date)

By *[Signature]*  
 \_\_\_\_\_  
 (Signature of Officer of Utility)

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Staff Approved: March 25, 2011  
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 March 23, 2011

PUBLIC SERVICE COMMISSION  
*[Signature]*  
 Secretary

# Public Service Commission of Montana

MOUNTAIN WATER COMPANY

Sheet No. FR2-324

Canceling Sheet No. FR2-313

(Name of Company)

FLAT RATE WATER Service

	Schedule <u>F</u>
Available For:	Mountain Water Company Customers - To those customers only, served by this schedule as of the effective date of this schedule (except Fire Protection Service)
Applicable to:	Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers
Rate:	Monthly
<u>Flat Rate Sprinkling Water Rate - per Season</u>	
All square feet, per 100 sq. ft. ....	\$ 3.8550
Minimum Bill.....	\$ 42.37 per season
If billed separately, additional.....	\$ 296.82 per season

Issued 3-22-11

(Date)

By [Signature]

(Signature of Officer of Utility)

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Staff Approved: March 25, 2011  
Docket Nos.: D2010.4.41, Final Order No. 7088e  
D2009.9.127, Final Order No. 7137

Effective for service rendered after  
March 23, 2011

PUBLIC SERVICE COMMISSION

[Signature]  
Secretary

# Public Service Commission of Montana

MOUNTAIN WATER COMPANY

(Name of Company)

Sheet No. FR3-325  
Canceling Sheet No. FR3-314

FLAT RATE WATER Service

Schedule F

Available For: Mountain Water Company Customers - To those customers only, served by this schedule as of the effective date of this schedule (except Fire Protection Service)

Applicable to: Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers

Special Terms and Conditions:

1. Employee residence discount - 25%
2. These rates are not available to those customers who already receive metered service.
3. This flat rate sprinkling rate is not available to those customers receiving metered water service.
4. Fraternity & Sorority houses will be classed as single family residential units.
5. The normal size service pipe for dwellings shall be 5/8 inch.
6. The normal size pipe for sprinkling shall be 3/4 inch.
7. Minimum monthly bill per account with water in the building = \$49.47
8. Any consumer, under this schedule, can choose to be billed for sprinkling water either for the entire season at the beginning of the season; one-fifth of the per season bill in each of the five months of the sprinkling season; or under the Budget Billing Plan offered by the Company. If the consumer does not indicate to the Company an election of either the one-fifth or the Budget Billing alternatives, then the consumer will be billed for the entire season at the beginning of the season.
9. Company will specify the hours and days during which sprinkling will be permitted and will publish notice thereof in newspapers at the start of the sprinkling season or whenever conditions require a change and will permanently post such notice in its local office.
10. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the Commission.

Issued 3-22-11  
(Date)

By [Signature]  
(Signature of Officer of Utility)

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Staff Approved: March 25, 2011  
Docket Nos.: D2010.4.41, Final Order No. 7088e  
D2009.9.127, Final Order No. 7137

Effective for service rendered after  
March 23, 2011

PUBLIC SERVICE COMMISSION

[Signature]  
Secretary

# Public Service Commission of Montana

MOUNTAIN WATER COMPANY

Sheet No. MT1-331

Canceling Sheet No. MT1-320

(Name of Company)

METERED WATER      Service

Schedule   M  

Available For:    Mountain Water Company Customers

Applicable to:    Domestic, Commercial, Industrial, Governmental & Municipal  
and Sprinkling Customers

Rates:	<u>Per Meter Per Month</u>
<u>Service Charge:</u>	
For 5/8 x 3/4-inch meter.....	\$      16.66
For     3/4-inch meter.....	\$      23.53
For       1-inch meter.....	\$      37.28
For    1-1/2-inch meter.....	\$      71.65
For       2-inch meter.....	\$     112.89
For       3-inch meter.....	\$     209.13
For       4-inch meter.....	\$     346.60
For       6-inch meter.....	\$     690.29
For       8-inch meter.....	\$    1,102.72
For      10-inch meter.....	\$    1,583.89
For      12-inch meter.....	\$    2,065.05
For      14-inch meter.....	\$    2,752.43
 <u>Quantity Rates:</u>	
For all usage, per 100 cu. Ft. ....	\$      1.9526

This Service Charge is applicable to all metered water service. It is a readiness to serve charge to which is added the charge, computed at the Quantity Rates for water used during the month.

Issued \_\_\_\_\_  
(Date)

By \_\_\_\_\_  
(Signature of Officer of Utility)

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# Public Service Commission of Montana

MOUNTAIN WATER COMPANY

(Name of Company)

Sheet No. FR1-332

Canceling Sheet No. FR1-323

FLAT RATE WATER      Service

Schedule <u>F</u>	
Available For:	Mountain Water Company Customers - To those customers only, served by this as of the effective date of this schedule (except Fire Protection Service)
Applicable to:	Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers
Rate:	Monthly
<u>Single Family Dwellings and Individual Apartments, Duplexes, Triplexes, Fourplexes or Other multi-family residential units.</u>	
4 rooms or less with one toilet and bath or shower.....	\$ 50.08
Each additional room, bath, shower or toilet.....	\$ 5.96
<u>Non-family type efficiency apartments, and other small usage establishments.</u>	
1 Room with one toilet and bath, shower, or toilet.....	\$ 26.25
Commercial establishments, Churches, and Public Authorities offices and buildings.....	
	\$ 53.68
Rooming house with common bathroom.....	\$ 14.93 per sleeping room
Tourist Camp with common bathroom.....	\$ 23.85 per cabin or trailer
Swimming Pools.....	\$ 89.91 per season
Temporary Construction.....	\$ 50.70
Sewer Flush Tanks.....	\$ 53.07 each

Issued \_\_\_\_\_  
(Date)

By \_\_\_\_\_  
(Signature of Officer of Utility)

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# Public Service Commission of Montana

MOUNTAIN WATER COMPANY  
\_\_\_\_\_  
(Name of Company)

Sheet No. FR2-333  
Canceling Sheet No. FR2-324

FLAT RATE WATER Service

	Schedule <u>F</u>
Available For:	Mountain Water Company Customers - To those customers only, served by this schedule as of the effective date of this schedule (except Fire Protection Service)
Applicable to:	Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers
Rate:	Monthly
<u>Flat Rate Sprinkling Water Rate - per Season</u>	
All square feet, per 100 sq. ft. ....	\$ 3.9025
Minimum Bill.....	\$ 42.89 per season
If billed separately, additional.....	\$ 300.48 per season

Issued \_\_\_\_\_  
(Date)

By \_\_\_\_\_  
(Signature of Officer of Utility)

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# Public Service Commission of Montana

MOUNTAIN WATER COMPANY

(Name of Company)

Sheet No. FR3-334

Canceling Sheet No. FR3-325

FLAT RATE WATER Service

## Schedule F

Available For: Mountain Water Company Customers - To those customers only, served by this schedule as of the effective date of this schedule (except Fire Protection Service)

Applicable to: Domestic, Commercial, Industrial, Governmental & Municipal and Sprinkling Customers

### Special Terms and Conditions:

1. Employee residence discount - 25%
2. These rates are not available to those customers who already receive metered service.
3. This flat rate sprinkling rate is not available to those customers receiving metered water service.
4. Fraternity & Sorority houses will be classed as single family residential units.
5. The normal size service pipe for dwellings shall be 5/8 inch.
6. The normal size pipe for sprinkling shall be 3/4 inch.
7. Minimum monthly bill per account with water in the building = \$50.08
8. Any customer has the privilege of paying for water by meter measurement under the regular rules and rates, the meter being furnished and maintained by the Water Company. In all cases not covered by the established flat rates and for Tank Trucks and Portable Tanks which shall be filled at a metered hydrant, water will be furnished by meter measurement and charged according to the applicable meter schedule. The Company reserves the right to install a meter on any service when the Company determines that a customer is using water in an unusual or wasteful manner.
9. Company will specify the hours and days during which sprinkling will be permitted and will publish notice thereof in newspapers at the start of the sprinkling season or whenever conditions require a change and will permanently post such notice in its local office.
10. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the Commission.

Issued \_\_\_\_\_  
(Date)

By \_\_\_\_\_  
(Signature of Officer of Utility)

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**Mountain Water Company  
Missoula, Montana**

**Calculation of Rate Increase Resulting From Power Tracker**  
**Based on Actual Power Rates and Actual Power Usage October 2010 Through July 2011 And**  
**Projected Power Rates and Projected Power Usage August 2011 Through September 2012**



**Mountain Water Company  
Missoula, Montana**

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SCHEDULE I - Summary of Power Cost Increases

SCHEDULE II - Allocation of Increase To Customer Classes

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SCHEDULE IV -- Projected Power Cost 10/10 - 9/11

SCHEDULE V - Unreflected Power Cost 10/10 - 9/11

SCHEDULE VI -- Schedule of Consumption and Revenue Adjustments 8/10 -- 7/11



## SCHEDULE I - Summary of Power Cost Increases

### Power Cost Currently In Rates:

Annual Projected Power Cost - Power Tracker Filing 9/10	\$ 1,341,654.00 (see Schedule IV)
Projected Uncollected Tracker Balance 9/10	62,827.80
Sub-Total Power Cost Currently In Rates	<u>\$ 1,404,481.80</u>
Projected Power Cost For Adjustment Period 10/11 - 9/12	\$ 1,424,630.00 (see Schedule III)
Balance In Power Tracker Account As Of 9/30/10	\$ 73,544.62
Change In Unreflected Power Cost Account 10/10 - 9/11	\$ 69,794.24 (see Schedule V )
Revenue, Consumption and Other Adjustments 8/10 - 7/11	7,612.25 (see Schedule VI)
Sub-Total Power Cost To Be Collected In Rates 10/11 - 9/12	<u>\$ 1,575,581.10</u>
<b>Total Change Power Cost To Be Recovered</b>	<b><u>\$ 171,099.30</u></b>

## SCHEDULE II - Allocation Of Increase To Customer Classes

### Allocation Between Customer Classes:

Rate Case Allocation--	CCF - per 38.5.176	Percent of Total CCF's	Allocation of Power Increase
Metered	4,799,560	70.49%	\$ 120,609.00
Flat Rate	2,009,256	29.51%	50,491.00
Total	6,808,816	100.00%	\$ 171,100.00

### Calculation of Rate Increase:

#### Metered CCF Charge

Metered CCF's Per TY09 Rate Case - 38.5.164	4,799,761.00
Metered Increase For Purch Power	\$ 120,609.00

$$\text{Change in CCF Rate} = \frac{\text{Increase For Purch Power}}{\text{Metered CCF's Per Rate Case}}$$

$$\text{\$ } 120,609.00 \quad / \quad 4,799,761.00 = \quad 0.02513$$

Current CCF Rate	\$ 1.9275
Per CCF Increase	<u>0.02513</u>
Proposed CCF Rate	\$ 1.95263

Percentage CCF Increase 1.3037%

#### Flat Rate - All Rate Classes

Flat Rate Cost of Service For TY09 - 38.5.105	\$ 4,096,434.22
Flat Rate Increase For Purch Power	50,491.00
Percentage Increase	1.2326%



SCHEDULE III - Projected Power Costs 10/11 - 9/12

	1	2	3	4	5	6	7	8	9	10	11	12	Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
1) Projected Average KWH Rate	\$ 0.071545	\$ 0.071638	\$ 0.071682	\$ 0.073680	\$ 0.073849	\$ 0.073835	\$ 0.073820	\$ 0.073748	\$ 0.073621	\$ 0.073576	\$ 0.073563	\$ 0.073594	
2) Projected KWH Usage (Based on Most Recent Actual)	1,048,100	835,573	928,829	961,886	931,890	943,065	921,040	1,082,594	1,261,070	1,862,455	1,894,180	1,518,840	14,189,522
3) <i>KWH Charge</i>	\$ 74,986.00	\$ 59,859.00	\$ 66,580.00	\$ 71,064.00	\$ 68,819.00	\$ 69,631.00	\$ 67,991.00	\$ 79,837.00	\$ 92,841.00	\$ 137,032.00	\$ 139,341.00	\$ 111,777.00	\$ 1,039,758.00
4) Projected KW Demand Rate	\$ 9.176073	\$ 9.176198	\$ 9.176210	\$ 9.451368	\$ 9.451378	\$ 9.451373	\$ 9.451365	\$ 9.451397	\$ 9.451374	\$ 9.451438	\$ 9.451486	\$ 9.451336	
5) Projected KW Usage (Based on Most Recent Actual)	3,845	3,025	2,707	2,375	2,468	2,694	2,858	3,292	3,784	4,242	4,576	4,305	40,171
6) <i>KW Demand Charge</i>	\$ 35,282.00	\$ 27,758.00	\$ 24,840.00	\$ 22,447.00	\$ 23,326.00	\$ 25,462.00	\$ 27,012.00	\$ 31,114.00	\$ 35,764.00	\$ 40,093.00	\$ 43,250.00	\$ 40,688.00	\$ 377,036.00
7) Projected Service Charges	\$ 8.506667	\$ 8.506667	\$ 8.506667	\$ 8.773333	\$ 8.773333	\$ 8.773333	\$ 8.773333	\$ 8.773333	\$ 8.773333	\$ 8.773333	\$ 8.773333	\$ 8.773333	
8) Projected Number of Annual Charges	75	75	75	75	75	75	75	75	75	75	75	75	900
9) <i>Service Charge</i>	\$ 638.00	\$ 638.00	\$ 638.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 658.00	\$ 7,836.00
10) Total Projected Power Cost	\$ 110,906.00	\$ 88,255.00	\$ 92,058.00	\$ 94,189.00	\$ 92,803.00	\$ 95,751.00	\$ 95,661.00	\$ 111,609.00	\$ 129,263.00	\$ 177,783.00	\$ 183,249.00	\$ 153,123.00	\$ 1,424,630.00

SCHEDULE IV - Computation Of Pro Forma Power Costs--Power Tracker Filing D.2010.9.94

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	
1) Projected Average KWH Rate	\$ 0.064488	\$ 0.064568	\$ 0.064649	\$ 0.066583	\$ 0.066568	\$ 0.066522	\$ 0.066530	\$ 0.066427	\$ 0.066332	\$ 0.066295	\$ 0.066404	\$ 0.066396	
Projected KWH Usage (Based on Actuals Through 7/10	1,073,202	853,241	937,085	969,411	924,609	936,047	929,325	1,118,296	1,319,131	1,942,407	1,971,326	1,559,274	14,531,354
3) <i>KWH Charge</i>	<u>\$ 69,209.00</u>	<u>\$ 55,092.00</u>	<u>\$ 60,582.00</u>	<u>\$ 64,546.00</u>	<u>\$ 61,549.00</u>	<u>\$ 62,268.00</u>	<u>\$ 61,828.00</u>	<u>\$ 74,152.00</u>	<u>\$ 87,500.00</u>	<u>\$ 128,772.00</u>	<u>\$ 130,904.00</u>	<u>\$ 103,530.00</u>	<u>\$ 959,932.00</u>
4) Projected KW Demand Rate	\$ 8.948995	\$ 9.007700	\$ 8.955024	\$ 9.280493	\$ 9.277075	\$ 9.277531	\$ 9.280956	\$ 9.273085	\$ 9.219567	\$ 9.224937	\$ 9.184836	\$ 9.209929	
5) Projected KW Usage (Based on Actuals Through 7/10	3,882	2,857	2,757	2,353	2,530	2,706	2,762	3,303	4,017	4,379	4,669	4,492	40,707
6) <i>KW Demand Charge</i>	<u>\$ 34,740.00</u>	<u>\$ 25,735.00</u>	<u>\$ 24,689.00</u>	<u>\$ 21,837.00</u>	<u>\$ 23,471.00</u>	<u>\$ 25,105.00</u>	<u>\$ 25,634.00</u>	<u>\$ 30,629.00</u>	<u>\$ 37,035.00</u>	<u>\$ 40,398.00</u>	<u>\$ 42,884.00</u>	<u>\$ 41,371.00</u>	<u>\$ 373,526.00</u>
7) Projected Service Charges	\$ 8.564103	\$ 8.564103	\$ 8.564103	\$ 8.820513	\$ 8.820513	\$ 8.820513	\$ 8.820513	\$ 8.820513	\$ 8.820513	\$ 8.820513	\$ 8.820513	\$ 8.820513	
8) Projected Number of Annual Charges	78	78	78	78	78	78	78	78	78	78	78	78	936
9) <i>Service Charge</i>	<u>\$ 668.00</u>	<u>\$ 668.00</u>	<u>\$ 668.00</u>	<u>\$ 688.00</u>	<u>\$ 688.00</u>	<u>\$ 688.00</u>	<u>\$ 688.00</u>	<u>\$ 688.00</u>	<u>\$ 8,196.00</u>				
10) Total Projected Power Cost	<u>\$ 104,617.00</u>	<u>\$ 81,496.00</u>	<u>\$ 85,939.00</u>	<u>\$ 87,071.00</u>	<u>\$ 86,708.00</u>	<u>\$ 88,061.00</u>	<u>\$ 88,160.00</u>	<u>\$ 105,469.00</u>	<u>\$ 126,223.00</u>	<u>\$ 169,856.00</u>	<u>\$ 174,476.00</u>	<u>\$ 146,689.00</u>	<u>\$ 1,341,654.00</u>

**SCHEDULE V - Unreflected Power Cost 10/10 - 9/11**

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Total
<b>Components of Actual Power Cost:</b>													
KWH Charges	65,077.71	49,012.48	58,148.79	60,513.53	66,590.81	67,078.46	81,640.17	65,807.40	71,964.37	104,071.58	138,842.00	109,817.00	916,585.30
KW Demand Charges	35,947.66	27,790.08	28,979.91	24,412.87	25,337.99	23,220.40	26,084.07	27,035.66	28,660.19	38,693.55	41,990.00	39,503.00	367,655.38
Service Charges	657.80	631.00	628.92	637.88	647.36	630.66	647.38	647.09	648.48	863.98	638.00	638.00	7,716.55
<b>Total Actual Power Cost</b>	<b>\$ 101,683.17</b>	<b>\$ 77,433.56</b>	<b>\$ 87,757.62</b>	<b>\$ 85,564.26</b>	<b>\$ 92,576.16</b>	<b>\$ 90,930.54</b>	<b>\$ 88,371.62</b>	<b>\$ 93,490.15</b>	<b>\$ 101,273.04</b>	<b>\$ 143,429.11</b>	<b>\$ 179,470.00</b>	<b>\$ 149,958.00</b>	<b>\$ 1,291,937.23</b>
<b>Actual CCF's Sold</b>													
Power Cost Collected From Metered Customers	66,493.04	41,343.80	39,314.78	41,141.20	41,667.63	45,583.07	43,296.94	50,281.79	69,958.49	120,507.40	166,386.87	129,940.73	854,915.85
Actual Flat Rate Revenues Less Sprinkling	\$ 232,574.60	\$ 231,289.69	\$ 231,183.97	\$ 229,420.07	\$ 227,929.69	\$ 232,828.49	\$ 245,344.99	\$ 244,993.15	\$ 242,464.66	\$ 239,817.39	\$ 243,911.65	\$ 242,766.65	\$ 2,844,525.00
Actual Flat Rate Sprinkling Revenues	118,348.84	12,742.81	11,954.06	12,537.32	12,067.68	12,057.87	11,920.44	13,149.52	131,013.55	129,173.48	133,740.35	131,067.35	729,773.25
Power Cost Collected From Flat Rate Customer:	35,238.29	26,327.38	26,250.32	26,106.05	25,904.22	24,557.84	25,812.78	25,879.26	37,786.68	37,332.68	38,208.97	37,822.68	387,227.14
<b>Total Power Cost Collected</b>	<b>\$ 101,731.33</b>	<b>\$ 67,671.28</b>	<b>\$ 65,565.10</b>	<b>\$ 67,247.28</b>	<b>\$ 67,671.86</b>	<b>\$ 70,140.91</b>	<b>\$ 69,109.72</b>	<b>\$ 76,161.05</b>	<b>\$ 107,745.17</b>	<b>\$ 157,840.08</b>	<b>\$ 203,596.84</b>	<b>\$ 167,763.41</b>	<b>\$ 1,222,142.99</b>
<b>Power Cost (Over) Under Collected</b>	<b>\$ (48.16)</b>	<b>\$ 9,762.28</b>	<b>\$ 22,192.52</b>	<b>\$ 18,317.00</b>	<b>\$ 25,004.31</b>	<b>\$ 20,789.63</b>	<b>\$ 19,261.90</b>	<b>\$ 17,329.10</b>	<b>\$ (6,472.13)</b>	<b>\$ (14,410.97)</b>	<b>\$ (24,125.84)</b>	<b>\$ (17,805.41)</b>	<b>\$ 69,794.24</b>

Total Purchased Power Cost - D,2009,9,119 (collection rates effective 10/1/09 - 9/30/10) \$ 1,067,627.65

Total Purchased Power Cost - D,2010,9,94 (collection rates effective 10/1/10 - 2/11) \$ 1,404,481.80

**Allocation of Purchased Power Cost Between Customer Classes:**

**Allocation of Purchased Power Cost Between Customer Classes:**

	CCF - per 38.5,176	Percent of Total CCF's	Allocation of Power Cost
Rate Case Allocation (from D,2009,9,119) -- Metered	927,330	66.65%	\$ 711,582.00
Flat Rate	463,996	33.35%	356,045.00
<b>Total</b>	<b>1,391,326</b>	<b>100.00%</b>	<b>\$ 1,067,627.00</b>

	CCF - per 38.5,176	Percent of Total CCF's	Allocation of Power Cost
Rate Case Allocation (from D,2010,9,94) -- Metered	711,582	66.65%	\$ 938,098.00
Flat Rate	356,045	33.35%	468,383.00
<b>Total</b>	<b>1,067,628</b>	<b>100.00%</b>	<b>\$ 1,404,481.00</b>

**Purchased Power Cost Per CCF**

\$ 711,582.00 / 4,802,925 = \$ 0.14816  
 Power Cost Allocated Metered Customers to Metered CCF Sales Power Cost Per CCF

**Purchased Power Cost Per CCF**

\$ 938,098.00 / 4,802,925 = \$ 0.19490  
 Power Cost Allocated Metered Customers to Metered CCF Sales Power Cost Per CCF

**Purchased Power Cost Per Flat Rate Revenue Dollar:**

\$ 356,045.00 / \$ 4,287,140.53 = \$ 0.08305  
 Power Cost Allocated Rate Customers to Flat Total Flat Rate Cost of Service - 38.5,176 Power Cost Per Revenue Dollar

**Purchased Power Cost Per Flat Rate Revenue Dollar:**

\$ 468,383.00 / \$ 4,287,140.53 = \$ 0.10925  
 Power Cost Allocated Rate Customers to Flat Total Flat Rate Cost of Service - 38.5,176 Power Cost Per Revenue Dollar

**Total Purchased Power Cost - D.2010.9.94**                    \$    1,404,481.80  
(collection rates effective 3/11-9/11)

**Allocation of Purchased Power Cost Between Customer Classes:**

Rate Case Allocation (from D.2010.9.94) –	CCF - per 38.5,176	Percent of Total CCF's	Allocation of Power Cost
Metered	990,025	70.49%	\$ 990,025.00
Flat Rate	414,457	29.51%	414,457.00
<b>Total</b>	<b>1,404,482</b>	<b>100.00%</b>	<b>\$ 1,404,482.00</b>

**Purchased Power Cost Per CCF**

$$\begin{array}{rclcl}
 \$ 990,025.00 & / & 4,799,580 & = & \$ 0.20627 \\
 \text{Power Cost Allocated} & \text{to} & \text{Metered CCF Sales} & & \text{Power Cost Per} \\
 \text{Metered Customers} & & & & \text{CCF}
 \end{array}$$

**Purchased Power Cost Per Flat Rate Revenue Dollar:**

$$\begin{array}{rclcl}
 \$ 414,457.00 & / & \$ 4,096,434.22 & = & \$ 0.10118 \\
 \text{Power Cost Allocated} & \text{to Flat} & \text{Total Flat Rate Cost} & & \text{Power Cost Per} \\
 \text{Rate Customers} & & \text{of Service - 38.5,176} & & \text{Revenue Dollar}
 \end{array}$$

**SCHEDULE VI - Effects of Additional Consumption and Flat Rate Revenue Adjustments 8/10 - 7/11**

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Total
CCF Adjustments From 8/10-7/11	159	248	134	367	(105)	85	-	-	162	554	827	667	3,099
Power Cost Collected From Metered Customers	23.56	36.78	26.15	71.82	(20.46)	16.57	-	-	33.47	114.28	170.55	137.58	610.08
Flat Rate Revenue Adjustments From 8/10 - 7/11	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Power Cost Collected From Unmetered Customers	-	-	-	-	-	-	-	-	-	-	-	-	-
Power Cost Adjustments 8/10-7/11	-	91.81	-	-	-	-	-	-	-	-	(7.13)	(7.30)	77.38
Power Cost Adjustments 1/10-7/10	6,899.39												6,899.39
Other General Ledger Adjustments			25.40										25.40
<b>Power Cost (Over) Under Collected</b>	<b>\$ 6,922.95</b>	<b>\$ 126.59</b>	<b>\$ 61.65</b>	<b>\$ 71.82</b>	<b>\$ (20.46)</b>	<b>\$ 16.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33.47</b>	<b>\$ 114.28</b>	<b>\$ 163.42</b>	<b>\$ 130.28</b>	<b>\$ 7,612.25</b>

**Total Purchased Power Cost - D.2009,9,119**  
(collection rates effective 10/1/09 - 9/30/10)      \$ 1,067,627.65

**Total Purchased Power Cost - D.2010,9,94**  
(collection rates effective 10/1/10 - 2/11)      \$ 1,404,481.80

**Allocation of Purchased Power Cost Between Customer Classes:**

Rate Case Allocation (from D.2009,9,119) --	CCF - per 38.5,176	Percent of Total CCF's	Allocation of Power Cost
Metered	927,330	66.65%	\$ 711,582.00
Flat Rate	463,996	33.35%	356,045.00
<b>Total</b>	<b>1,391,326</b>	<b>100.00%</b>	<b>\$ 1,067,627.00</b>

**Allocation of Purchased Power Cost Between Customer Classes:**

Rate Case Allocation (from D.2010,9,94) --	CCF - per 38.5,176	Percent of Total CCF's	Allocation of Power Cost
Metered	711,582	66.65%	\$ 936,098.00
Flat Rate	356,045	33.35%	468,383.00
<b>Total</b>	<b>1,067,628</b>	<b>100.00%</b>	<b>\$ 1,404,481.00</b>

**Purchased Power Cost Per CCF**

$$\begin{array}{rclcl}
 \$ 711,582.00 & / & 4,802,925 & = & \$ 0.14816 \\
 \text{Power Cost Allocated} & & & & \text{Power Cost Per} \\
 \text{Metered Customers} & \text{to} & \text{Metered CCF Sales} & & \text{CCF}
 \end{array}$$

**Purchased Power Cost Per CCF**

$$\begin{array}{rclcl}
 \$ 936,098.00 & / & 4,802,925 & = & \$ 0.19490 \\
 \text{Power Cost Allocated} & & & & \text{Power Cost Per} \\
 \text{Metered Customers} & \text{to} & \text{Metered CCF Sales} & & \text{CCF}
 \end{array}$$

**Purchased Power Cost Per Flat Rate Revenue Dollar:**

$$\begin{array}{rclcl}
 \$ 356,045.00 & / & \$ 4,287,140.53 & = & \$ 0.08305 \\
 \text{Power Cost Allocated} & & & & \text{Power Cost Per} \\
 \text{Rate Customers} & \text{to Flat} & \text{Total Flat Rate} & & \text{Revenue Dollar} \\
 & & \text{Cost of Service -} & & \\
 & & 38.5,176 & & 
 \end{array}$$

**Purchased Power Cost Per Flat Rate Revenue Dollar:**

$$\begin{array}{rclcl}
 \$ 468,383.00 & / & \$ 4,287,140.53 & = & \$ 0.10925 \\
 \text{Power Cost Allocated} & & & & \text{Power Cost Per} \\
 \text{Rate Customers} & \text{to Flat} & \text{Total Flat Rate} & & \text{Revenue Dollar} \\
 & & \text{Cost of Service -} & & \\
 & & 38.5,176 & & 
 \end{array}$$



**Mountain Water Company  
Missoula, Montana**

**Supplementary Information Related to Power Tracker Calculation**



**Mountain Water Company  
Missoula, Montana**

CONTENTS

Description

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Copy of 38.5.164, Page 2 From D.2010.4.41 – Metered CCF's

Copy of 38.5.176, Page 3 From D. 2010.4.41 – Allocation of Usage Between Customer Classes

Comparisons and Summaries of Northwestern Power Tariffs

Note: Detail of Monthly Power Costs By Cost Type and Usage Quantity August 2010 Through July 2011 can be provided upon request



**Mountain Water Company**  
Missoula, Montana

38.5.164 Working Paper Showing Reconciliation of Book Revenues With Present  
Revenues as Set Forth in Statement H

Acct. No.	Description	Revenues			Proposed Rates (Column 4)	Increase	
		01/01/09 Average Year Cust. (Column 1)	Through Water Sales Ccf (Column 2)	12/31/09 Present Revenue (Column 3)		Amount (Column 5)	Percent (Column 6)
<u>Unmetered Sales</u>							
460.1	Residential	4,615	n/a	\$ 2,795,917	\$ 3,083,597	\$ 287,680	10.2893%
465.2	Sprinkling	n/a	n/a	700,592	792,142	91,550	13.0675%
460.2	Commercial	122	n/a	179,884	198,393	18,509	10.2894%
460.4	Public Authorities	30	n/a	69,794	76,975	7,181	10.2888%
Total Unmetered		4,767	n/a	3,746,187	4,151,107	404,920	10.8089%
<u>Metered Sales</u>							
461.1	Residential	13,314	2,244,011	6,496,192	7,132,011	635,819	9.7876%
461.2	Commercial	3,184	1,686,401	4,368,421	4,820,337	451,916	10.3451%
461.3	Industrial	-	-	-	-	-	0.0000%
461.4	Public Authorities	64	459,890	961,268	1,069,329	108,061	11.2415%
465.1	Metered Sprinkling	228	409,258	830,969	924,972	94,003	11.3125%
Total General Metered		16,790	4,799,560	12,656,849	13,946,649	1,289,800	10.1905%
Total Water Sales		21,557	n/a	16,403,037	18,097,756	1,694,720	10.3317%
462	Private Fire Protection	487	-	187,005	206,061	19,056	10.1901%
0	Public Fire Protection	-	-	514,543	545,403	30,860	5.9976%
466	Sales for Resale	-	-	-	-	-	0.0000%
467	Interdepartmental	1	201	1,631	1,766	135	8.2798%
468	Balancing Account	n/a	-	-	-	-	0.0000%
471	Miscellaneous Revenues	n/a	-	6,018	6,018	-	0.0000%
Computational Rounding					(1,110)	(1,110)	
Total Operating Sales		22,045	n/a	\$ 17,112,233	\$ 18,855,894	\$ 1,743,661	10.1896%

**Mountain Water Company**  
Missoula, Montana

**38.5.176 Statement L - Allocated Cost of Service****d) Depreciation and Amortization**

Account No. 346, Meters, to Metered Water.  
Account No. 347, Meter Installations, to Metered Water.  
Account No. 348, Hydrants, to Public Fire Protection  
Account No. 332, Water Treatment Equip, to Metered and Flat Rate, only, by Capacity Proportions  
Balance by capacity proportion

Rate Classification	Direct Assignment		Capacity Proportions	Balance	Total
	Accounts	Amount			
Meter Water	346 + 347 + 332	\$ 369,068	0.83303562	\$ 1,546,671	\$ 1,915,739
Flat Rate Water	332	2,097	0.16696438	309,998	312,095
Public Fire Protection	348	105,194	-	-	105,194
Private Fire Protection			-	-	-
<b>Total</b>		<b>\$ 476,359</b>	<b>1.00000000</b>	<b>\$ 1,856,669</b>	<b>\$ 2,333,028</b>

**e) Taxes and Return on Rate Base**

All by capacity proportion

Rate Classification	Direct Assignment			Capacity Proportions	Taxes	Return
	Accounts	Taxes	Return			
Meter Water				0.83303562	\$ 2,304,317	\$ 2,586,984
Flat Rate Water				0.16696438	461,851	518,506
Public Fire Protection	348	113,375	278,222	-	113,375	278,222
Private Fire Protection				-	-	-
<b>Total</b>				<b>1.00000000</b>	<b>\$ 2,879,543</b>	<b>\$ 3,383,712</b>

**Calculation of Water Sales - Used on 38.5.176.2, part b):**

	Residential and Avg Sprinkling	Comm., Ind., Pub. Auth	Total
<b>Metered Customers:</b>			
Number of Customers	13,542	3,249	16,791
Total Water Sales, Ccf	2,653,269	2,146,291	4,799,560
Total Usage, per Customer, Ccf	195.93	660.60	N/A
<b>Flat Rate Customers:</b>			
Est. Ccfs per customer (2 times metered)	391.86	1,321.20	N/A
Number of Customers	4,615	152	4,767
Total Estimated Usage, Ccf	1,808,434	200,822	2,009,256

**38.5.177 Statement M - Comparison of Cost of Service**

Information required by this section is included in Section 38.5.105

**ELECTRIC COSTS--General Service 1 Secondary Demand**

Power Cost Increase - Demand

3%

<u>KWH</u>	August-08	August-09	August-10	August-11	August-11 (for 2012- 3.00%% eff Jan)
GS-1 Supply--Energy	0.0654930	0.0552400	0.0547400	0.0612580	0.0630957
GS-1 Supply Deferred Costs	(0.0027040)	(0.0037700)	-	0.0006400	0.0006592
<b>Sub-Total Supply</b>	<b>0.0627890</b>	<b>0.0514700</b>	<b>0.0547400</b>	<b>0.0618980</b>	<b>0.0637549</b>
GS-1 Distribution	0.0046410	0.0044200	0.0047900	0.0048830	0.0050295
GS-1 CTC-QF	0.0032950	0.0032800	0.0035800	0.0034390	0.0035422
GS-1 Storage Sale Credit					-
GS-1 USBC	0.0011430	0.0011400	0.0011400	0.0011430	0.0011773
<b>Sub-Total Transmission and Distribution</b>	<b>0.0090790</b>	<b>0.0088400</b>	<b>0.0095100</b>	<b>0.0094650</b>	<b>0.0097490</b>
<b>TOTAL COMMODITY CHARGE</b>	<b>\$ 0.0718680</b>	<b>\$ 0.0603100</b>	<b>\$ 0.0642500</b>	<b>\$ 0.0713630</b>	<b>\$ 0.0735039</b>
Service Charge	\$ 8.70	\$ 8.30	\$ 9.00	\$ 9.15	\$ 9.42
 <u>KW Demand</u>					
GS-1 Transmission-Demand	2.8702440	2.7340400	2.9666000	3.0199860	3.1105856
GS-1 Distribution Demand	5.8509290	5.5732900	6.0473500	6.1561760	6.3408613
<b>TOTAL COMMODITY CHARGE</b>	<b>\$ 8.7211730</b>	<b>\$ 8.3073300</b>	<b>\$ 9.0139500</b>	<b>\$ 9.1761620</b>	<b>\$ 9.4514469</b>

**ELECTRIC COSTS--General Service 1 Secondary Non-Demand**

Power Cost Increase - Non-Demand

3%

<b><u>KWH</u></b>	<b>August-08</b>	<b>August-09</b>	<b>August-10</b>	<b>August-11</b>	<b>August-11 (for 2012-- 3.00% eff</b>
GS-1 Supply--Energy	0.0592440	0.0508000	0.0506400	0.0576140	0.0593424
GS-1 Supply Deferred Costs	(0.0027040)	(0.0037700)	-	0.0006400	0.0006592
GS-1 Transmission--Energy	0.0080070	0.0076200	0.0082700	0.0079040	0.0081411
<b><i>Sub-Total Supply</i></b>	<b>0.0645470</b>	<b>0.0546500</b>	<b>0.0589100</b>	<b>0.0661580</b>	<b>0.0681427</b>
GS-1 Distribution	0.0370770	0.0353100	0.0383200	0.0366000	0.0376980
GS-1 CTC-QF	0.0032950	0.0032800	0.0035800	0.0034390	0.0035422
GS-1 Storage Sale Credit					-
GS-1 USBC	0.0011430	0.0011400	0.0011400	0.0011430	0.0011773
<b><i>Sub-Total Transmission and Distribution</i></b>	<b>0.0415150</b>	<b>0.0397300</b>	<b>0.0430400</b>	<b>0.0411820</b>	<b>0.0424175</b>
<b>TOTAL COMMODITY CHARGE</b>	<b>\$ 0.1060620</b>	<b>\$ 0.0943800</b>	<b>\$ 0.1019500</b>	<b>\$ 0.1073400</b>	<b>\$ 0.1105602</b>
Service Charge	\$ 7.45	\$ 7.10	\$ 7.70	\$ 7.30	7.52

Monday, August 08, 2011



This chart is for our customers to use with the understanding that rates are subject to change without notice. The information is based on current, approved NorthWestern Energy electric and natural gas rates in Montana. All rate information is considered to be public knowledge.

<u>General Service - 1 Secondary Demand Electric Rates At-A-Glance</u>	<u>Links To Tariff Sheets</u>	<u><sup>4</sup>Supply as of August 1, 2011</u>
GS-1 Supply-Energy	<sup>3</sup> EDSS-1	\$0.061258/kWh
GS-1 Supply Deferred Costs	<sup>3</sup> EDSS-1	(\$0.000640)/kWh
GS-1 Transmission-Demand	<sup>3</sup> EDSS-1	\$3.019986/kW
GS-1 Distribution Energy	<sup>2</sup> GSEDS-1	\$0.004883/kWh
GS-1 Distribution-Demand	<sup>2</sup> GSEDS-1	\$6.156176/kW
GS-1 CTC-QF	<sup>2</sup> CTC-QF-1	\$0.003439/kWh
GS-1 USBC	<sup>2</sup> E-USBC-1	\$0.001143/kWh
GS-1 Distribution Service Charge	<sup>1</sup> GSEDS-1	\$9.15 /Month

\* USBC Note: If monthly kW is under 1000kW use \$0.001143 and if over use \$0.000900

Some customers may qualify for BPA Exchange Credit, see GSEDS-1 tariff for details.

Rates are listed separately on the billing statement as required by law.

<sup>1, 2</sup> NorthWestern Energy provides distribution services regardless of a customer's choice of supplier and bills the customer for the regulated services.

<sup>3</sup> Supply and Transmission Rates for Supply are regulated by the PSC. Prices for Choice Supply and Transmission are set by the competitive supplier with which the customer enters into a contract.

<sup>4</sup> Electric and natural gas trackers allow Supply rates to increase or decrease based on changes to market prices. Actual costs are passed directly to customers without profit.

Monday, August 08, 2011



This chart is for our customers to use with the understanding that rates are subject to change without notice. The information is based on current, approved NorthWestern Energy electric and natural gas rates in Montana. All rate information is considered to be public knowledge.

<u>General Service - 1 Secondary</u> <u>Non Demand</u> <u>Electric Rates</u> <u>At-A-Glance</u>	Links To Tariff Sheets	<sup>4</sup> Supply as of August 1, 2011
GS-1 Supply-Energy	<sup>3</sup> EDSS-1	\$0.057614/kWh
GS-1 Supply Deferred Costs	<sup>3</sup> EDSS-1	(\$0.000640/kWh
GS-1 Transmission Energy	<sup>3</sup> EDSS-1	\$0.007904/kWh
GS-1 Distribution Energy	<sup>2</sup> GSEDS-1	\$0.036600/kWh
GS-1 CTC-QF	<sup>2</sup> CTC-QF-1	\$0.003439/kWh
GS-1 USBC	<sup>2</sup> E-USBC-1	\$0.001143/kWh
GS-1 Distribution Service Charge	<sup>1</sup> GSEDS-1	\$7.30 /Month

\* USBC Note: If monthly kW is under 1000kW use \$0.001143 and if over use \$0.000900

Some customers may qualify for BPA Exchange Credit, see GSEDS-1 tariff for details.

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