

Customer Impact of Oak Tree’s Offer

Customer impact of Oak Tree’s February 25, 2011 offer as compared to the actual calculated avoided cost through 2016 and the estimated escalated costs based on the description on page 12 of Bleau LaFave’s testimony.

Customer Impact								
NW Incremental Cost vs. Oak Tree Offer								
Estimated Load								
Duration Curve								
Year	% Market Purchase	NW On Peak Avoided Cost	NW Off Peak Avoided Cost	NorthWestern Estimate Cost	Oak Tree Offer	Oak Tree Estimate Cost	Consumer Impact Difference	Term of Agreement
2013		\$ 28.85	\$ 23.35	\$ 2,025,622	\$ 54.50	\$ 4,177,534	\$ 2,151,912	
2014		\$ 29.92	\$ 23.83	\$ 2,087,462	\$ 55.86	\$ 4,281,781	\$ 2,194,318	Forecasted
2015		\$ 31.75	\$ 24.97	\$ 2,204,463	\$ 57.26	\$ 4,389,094	\$ 2,184,630	Avoided Cost
2016		\$ 32.16	\$ 25.20	\$ 2,229,767	\$ 58.69	\$ 4,498,706	\$ 2,268,939	\$ 8,799,799
2017	74%	\$ 34.64	\$ 25.92	\$ 2,360,499	\$ 60.16	\$ 4,611,384	\$ 2,250,885	
2018	79%	\$ 37.13	\$ 26.64	\$ 2,491,231	\$ 61.66	\$ 4,726,362	\$ 2,235,131	
2019	83%	\$ 39.61	\$ 27.36	\$ 2,621,963	\$ 63.20	\$ 4,844,406	\$ 2,222,444	
2020	88%	\$ 42.09	\$ 28.08	\$ 2,752,694	\$ 64.78	\$ 4,965,517	\$ 2,212,822	
2021	93%	\$ 44.57	\$ 28.80	\$ 2,883,426	\$ 66.40	\$ 5,089,693	\$ 2,206,267	10 term
2022	97%	\$ 47.06	\$ 29.52	\$ 3,014,158	\$ 68.04	\$ 5,215,402	\$ 2,201,244	\$ 22,128,592
2023	100%	\$ 49.54	\$ 30.25	\$ 3,144,890	\$ 69.76	\$ 5,347,244	\$ 2,202,354	
2024	100%	\$ 50.90	\$ 31.08	\$ 3,231,591	\$ 71.51	\$ 5,481,385	\$ 2,249,794	
2025	100%	\$ 52.31	\$ 31.94	\$ 3,320,682	\$ 73.30	\$ 5,618,592	\$ 2,297,910	
2026	100%	\$ 53.75	\$ 32.82	\$ 3,412,229	\$ 75.13	\$ 5,758,865	\$ 2,346,636	
2027	100%	\$ 55.23	\$ 33.72	\$ 3,506,300	\$ 77.01	\$ 5,902,971	\$ 2,396,670	
2028	100%	\$ 56.75	\$ 34.65	\$ 3,602,965	\$ 78.93	\$ 6,050,142	\$ 2,447,177	
2029	100%	\$ 58.32	\$ 35.61	\$ 3,702,294	\$ 80.91	\$ 6,201,913	\$ 2,499,619	
2030	100%	\$ 59.93	\$ 36.59	\$ 3,804,362	\$ 82.93	\$ 6,356,750	\$ 2,552,388	
2031	100%	\$ 61.58	\$ 37.60	\$ 3,909,244	\$ 85.00	\$ 6,515,420	\$ 2,606,176	20 Year Term
2032	100%	\$ 63.28	\$ 38.63	\$ 4,017,017	\$ 87.13	\$ 6,678,689	\$ 2,661,671	\$ 46,388,986
	Hours per year	4,896	3,864		Oak Tree Estimated Annual Production			
	% split hours/year	56%	44%		76,652	MWh		
Load Duration Curve		Y/Y Change	Forecasted Ave. Market		Levelized Cost		NW	Oak Tree
	Annual	4.60%	Purchase Cost		5	\$28.30	\$57.08	
	Purchases	Generation	HL	LL	10	\$31.28	\$60.11	
2010	42%	58%			20	\$35.85	\$65.44	
2011	47%	53%						
2012	51%	49%						
2013	56%	44%						
2014	60%	40%						
2015	65%	35%						
2016	70%	30%						
2017	74%	26%	\$ 42.08	\$ 25.69				
2018	79%	21%	\$ 43.59	\$ 26.40				
2019	83%	17%	\$ 44.43	\$ 27.13				
2020	88%	12%	\$ 45.66	\$ 27.88				
2021	93%	7%	\$ 46.92	\$ 28.64				
2022	97%	3%	\$ 48.21	\$ 29.43				
2023	100%	0%	\$ 49.54	\$ 30.25				
2024	100%	0%	\$ 50.90	\$ 31.08				
2025	100%	0%	\$ 52.31	\$ 31.94				
2026	100%	0%	\$ 53.75	\$ 32.82				
2027	100%	0%	\$ 55.23	\$ 33.72				
2028	100%	0%	\$ 56.75	\$ 34.65				
2029	100%	0%	\$ 58.32	\$ 35.61				
2030	100%	0%	\$ 59.93	\$ 36.59				
2031	100%	0%	\$ 61.58	\$ 37.60				
2032	100%	0%	\$ 63.28	\$ 38.63				