Pamela A. Bonrud
Director - SD/NE Government & Regulatory Affairs
Phone: (605) 978-2900
Fax: (6059) 978-2919
Pam.Bonrud@northwestern.com

NorthWestern Corporation
d/b/a NorthWestern Energy
3010 W 69th Street
Sioux Falls, SD 57108
Telephone: (605) 978-2940
Facsimile: (605) 978-2910
www.northwesternenergy.com

July 7, 2013

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: Depreciation Rate Study for electric, gas and common utility plant in South Dakota

Dear Ms. Van Gerpen:

NorthWestern Energy (NWE) is providing the enclosed copy of a 2012 Depreciation Rate Study (2012 Study) completed by Foster Associates, Inc. on its electric, gas and common utility plant in South Dakota. This study was issued on February 8, 2013 and supersedes the 2006 Depreciation Rate Study. NWE's practice is to engage a depreciation consultant to conduct a study every seven to ten years, the results of which are used in the development of new rates in its next applicable general rate case.

The 2012 Study results in annualized reductions to depreciation expense of approximately $3.3 million for electric operations and $0.1 million for common plant, based on longer estimated useful lives across most asset classes. These results are summarized on pages 3 and 5.

NWE views this as very good news for customers, as this reduction in depreciation expense partially offsets other increasing costs, such as those related to the Aberdeen Generating Station and environmental additions to jointly-owned plants, which will help mitigate the ultimate overall rate impact to customers.

Based on the 2012 Study, NWE updated electric and common depreciation rates in its books and records during the second quarter of 2013.

The 2012 Study also supports an approximate $0.7 million increase to annualized depreciation expense for natural gas operations. However, based on Commission Staff challenges to increased depreciation expense during the 2007 natural gas rate case, NWE is not updating natural gas depreciation rates until it receives Commission approval in its next natural gas rate case.

If there are any questions, please call me at (605) 978-2990.

Sincerely,

Pamela A. Bonrud
Director – Government and Regulatory Affairs

Enclosure

2012 Depreciation Rate Study

NorthWestern® Energy

South Dakota/Nebraska

— Electric Operations

— Gas Operations

— Common Operations

foster associates

foster associates

17595 S. Tamiami Trail, Suite 212
Fort Myers, Florida 33908
T 239.267.1600 | M 239.980.5991

Ronald E. White, Ph.D.
Chairman

February 8, 2013

Mr. Patrick R. Corcoran
Vice President Government and Regulatory Affairs
NORTHWESTERN ENERGY
40 East Broadway Street
Butte, MT 59701

RE: 2012 Depreciation Rate Study

Dear Mr. Corcoran:

Foster Associates is pleased to submit our report of the 2012 Depreciation Rate Study for electric, gas and common utility plant owned and operated by NorthWestern Energy – South Dakota/Nebraska (NorthWestern). The attached report presents the results of our study leading to a recommendation that NorthWestern adopt straight–line, vintage–group, remaining–life rates and record depreciation expense using primary account accrual rates that composite to 2.92 percent for electric operations; 2.95 percent for gas operations; and 6.70 for common plant used for both South Dakota electric and South Dakota/Nebraska gas operations.

Table 1 below provides a comparison of current and proposed depreciation rates and accruals for calendar year 2012, based upon plant investments and deprecation reserves at December 31, 2011.

Function	Accrual Rate			2012 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Electric Operations	3.65%	2.92%	-0.73%	$16,686,976	$13,362,597	$(3,324,379)
Gas Operations	2.43%	2.95%	0.52%	3,138,778	3,822,354	683,576
Common Plant	7.08%	6.70%	-0.38%	2,723,464	2,576,046	(147,418)
Total				$22,549,218	$19,760,997	$(2,788,221)

Table 1. Current and Proposed Rates and Accruals

A continued application of rates currently in effect would provide annual depreciation expense of $22,549,218 compared with an annual expense of $19,760,997 using the rates proposed in the study. The recommended change in depreciation rates produces an annualized 2012 expense reduction of $2,788,221.

The scope of our investigation included:

- Collection of plant and reserve data;
- Reconciliation of database to Company records;
- Discussions with NorthWestern operating personnel;
- Estimation of projection lives and retirement dispersion patterns;
- Analysis of gross salvage and cost of removal;
- Analysis and redistribution of recorded depreciation reserves; and
- Development of recommended accrual rates for each rate category.

The results of our investigation are presented in the attached report in five sections. The Executive Summary provides an overview of the study and a discussion of the principal findings. The Company Profile provides background information about NorthWestern that is foundational to the study. The Study Procedure section describes the steps involved in conducting a depreciation study and the specific procedures used in this engagement. The Statements provide a comparative summary of the current and proposed depreciation parameters, rates and accruals. The report concludes with the Analysis section which provides an example of the supporting schedules prepared for each plant account.

We wish to express our appreciation for this opportunity to again be of service to you and for the assistance provided to us. Our work could not have been completed without the able assistance of Mr. Dan Reardon and Ms. MariKa Stahl. We would be pleased to discuss the study with you or others at your convenience.

Respectfully submitted,
FOSTER ASSOCIATES, INC.
by

Ronald E. White, Ph.D.
Chairman

REW:ml

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EXECUTIVE SUMMARY

INTRODUCTION

This report presents findings and recommendations developed in a 2012 Depreciation Rate Study conducted by Foster Associates, Inc. (Foster Associates) for properties owned and operated by NorthWestern Energy – South Dakota Electric Operations and South Dakota/Nebraska Gas and Common Operations (Company or NorthWestern). Work on the study commenced in April 2012 and progressed through December 2012, at which time the project was completed.

Foster Associates is a public utility economic consulting firm headquartered in Rockville, Maryland offering economic research and consulting services on issues and problems arising from governmental regulation of business. Areas of specialization supported by our Fort Myers office include property service–life forecasting, depreciation estimation, and valuation of industrial property.

Foster Associates has undertaken numerous depreciation engagements for both public and privately owned business entities, including detailed statistical life studies, analyses of required net salvage rates, and the selection of depreciation systems that will most nearly achieve the goals of depreciation accounting under the constraints of either government regulation or competitive market pricing. Foster Associates is widely recognized for industry leadership in the development of depreciation systems, life analysis techniques and computer software for conducting depreciation and valuation studies.

South Dakota Electric Operations

With the exception of General plant (depreciable and amortizable categories), depreciation rates currently used by NorthWestern for South Dakota electric properties were adopted pursuant to a settlement agreement in 1981 with Staff of the South Dakota Public Utilities Commission (Order F–3367, dated August 21, 1981). The adopted rates were developed from parameters estimated in a 1979 depreciation rate study (based on December 31, 1977 plant and reserve balances) conducted by Stone & Webster. Current accrual rates and amortization periods for general plant categories were derived in a 2006 study in contemplation of future rate applications.

South Dakota/Nebraska Gas and Common Operations

With the exception of Production plant Account 320.00 (Other Equipment), Transmission plant Account 367.00 (Mains) and Distribution plant Account 375.00 (Structures and Improvements), depreciation rates currently used by NorthWestern for South Dakota gas and common properties were adopted pursuant to settlement agreements in 2007 with municipalities served in Nebraska and with Staff of the South Dakota Public Utilities Commission for customers served in South Dakota (Order NG07–013, dated December 28, 2007). The adopted rates were developed from parameters estimated in the 2006 depreciation rate study (based on December 31, 2005 plant and reserve balances) conducted by Foster Associates. Current accrual rates for Accounts 320.00 and 375.00 were used prior

to the 2006 study and retained by the Company to avoid recording negative accrual rates. Accrual rates and parameters approved in South Dakota Order NG07–013 were adopted without modification in a 2011 settlement stipulation (South Dakota Order No. NG11–003, dated November 4, 2011).

The principal findings and recommendations of the 2012 NorthWestern Depreciation Study are summarized in the Statements section of this report. Statement A provides a comparative summary of current and proposed annual depreciation rates for each rate category. Statement B provides a comparison of current and proposed annual depreciation accruals. Statement C provides a comparison of computed, recorded and rebalanced depreciation reserves for each rate category. Statement D provides a summary of the investment and net salvage components of rebalanced reserves. Statement E provides a summary of the components used to obtain weighted–average net salvage rates. Statement F provides a comparative summary of current and proposed parameters including projection life, projection curve and future net salvage rates. Statement F also contains current and proposed statistics including average service lives, average remaining lives, and average net salvage rates. Statement G provides a computation of estimated future net salvage rates for steam production facilities A set of statements is included in this report for Electric, Gas and Common Operations

SCOPE OF REVIEW

The principal activities undertaken in conducting the 2012 study included:

- Collection of plant and reserve data;
- Discussions with NorthWestern plant accounting and operating personnel;
- Estimation of projection lives and retirement dispersion patterns;
- Analysis of gross salvage and cost of removal;
- Analysis and redistribution of recorded depreciation reserves; and
- Development of recommended accrual rates for each rate category.

DEPRECIATION SYSTEM

A depreciation rate is formed by combining the elements of a depreciation system. A depreciation system is composed of a method, a procedure and a technique. A depreciation method (*e.g.*, straight–line) describes the component of the system that determines the acceleration or deceleration of depreciation accruals in relation to either time or use. A depreciation procedure (*e.g.*, vintage group) identifies the level of grouping or sub–grouping of assets within a plant category. The level of grouping specifies the weighting used to obtain composite life statistics for an account. A depreciation technique (*e.g.*, remaining–life) describes the life statistic used in the system.

With the exception of selected general support asset categories for which

amortization accounting has been approved, NorthWestern is currently using a depreciation system composed of the straight–line method, vintage group procedure, remaining–life technique. Amortization accounting is used for general plant categories in which the unit cost of plant items is small in relation to the number of units classified in the account. Plant is retired (*i.e.,* credited to plant and charged to the reserve) as each vintage achieves an age equal to the amortization period. Any realized net salvage for amortizable accounts is netted against current–year vintage additions.

The matching and expense recognition principles of accounting provide that the cost of an asset (or group of assets) should be allocated to operations over an estimate of the economic life of the asset in proportion to the consumption of service potential. It is the opinion of Foster Associates that the objectives of depreciation accounting are being achieved using the currently approved vintage–group procedure, which distinguishes service lives among vintages, and the remaining–life technique, which provides cost apportionment over the estimated weighted–average remaining life of a rate category. It is also the opinion of Foster Associates that amortization accounting remains appropriate for the approved amortization categories

RECOMMENDED DEPRECIATION RATES

Table 1 provides a summary of the changes in annual rates and accruals resulting from an application of the parameters and depreciation system recommended for the Company's South Dakota Electric Operations.

	Accrual Rate			2012 Annualized Accrual		
Function	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Steam Production	3.86%	1.46%	-2.40%	$5,125,151	$1,943,983	($3,181,168)
Other Production	3.24%	1.88%	-1.36%	904,308	523,220	(381,088)
Transmission	3.10%	3.26%	0.16%	3,327,461	3,493,753	166,292
Distribution	3.66%	3.74%	0.08%	6,492,535	6,634,211	141,676
General Plant	6.87%	6.29%	-0.58%	837,521	767,430	(70,091)
Total	3.65%	2.92%	-0.73%	$16,686,976	$13,362,597	($3,324,379)

Table 1. South Dakota Electric Operations

The composite accrual rate recommended for electric operations is 2.92 percent. The current equivalent rate is 3.65 percent. The recommended change in the composite rate is a reduction of 0.73 percentage points.

A continued application of current rates would provide annualized depreciation expense of $16,686,976 compared with an annualized expense of $13,362,597 using the proposed rates. The resulting 2012 expense reduction is $3,324,379. The computed change in the annualized accrual includes $986,633 attributable to an amortization of a $18,651,616 reserve excess. The remaining por-

tion of the change is attributable to adjustments in service life parameters recommended in the 2012 study.

Of the 50 primary accounts included in the 2012 study, Foster Associates is recommending rate reductions for 39 plant accounts and rate increases for 11 accounts.

Table 2 provides a summary of the changes in annual rates and accruals resulting from an application of the parameters and depreciation system recommended for the Company's South Dakota/Nebraska Gas Operations.

	Accrual Rate			2012 Annualized Accrual		
Function	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Production	2.13%	0.12%	-2.01%	$29,306	$1,686	($27,620)
Transmission	2.22%	1.62%	-0.60%	90,482	66,028	(24,454)
Distribution	2.17%	2.92%	0.75%	2,529,286	3,403,287	874,001
General Plant	6.52%	4.68%	-1.84%	489,704	351,353	(138,351)
Total	2.43%	2.95%	0.52%	$3,138,778	$3,822,354	$683,576

Table 2. South Dakota/Nebraska Gas Operations

The composite accrual rate recommended for gas operations is 2.95 percent. The current equivalent rate is 2.43 percent. The recommended change in the composite rate is an increase of 0.52 percentage points.

A continued application of current rates would provide annualized depreciation expense of $3,138,778 compared with an annualized expense of $3,822,354 using the proposed rates. The resulting 2012 expense increase is $683,576. The computed change in the annualized accrual includes $88,842 attributable to an amortization of a $2,723,222 reserve excess. The remaining portion of the change is attributable to adjustments in service life parameters recommended in the 2012 study.

Of the 24 primary accounts included in the 2012 study, Foster Associates is recommending rate reductions for 18 plant accounts and rate increases for 6 accounts.

Table 3 provides a summary of the changes in annual rates and accruals resulting from an application of the parameters recommended for the Company's South Dakota/Nebraska Common plant and equipment.

Function	Accrual Rate			2012 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible Plant	16.88%	16.88%	0.00%	$ 792,173	$ 792,173	$ -
General Plant						
Depreciable	5.15%	4.60%	-0.55%	1,393,875	1,246,457	(147,418)
Amortizable	8.04%	8.04%	0.00%	537,416	537,416	0
Total	7.08%	6.70%	-0.38%	$2,723,464	$2,576,046	$(147,418)

Table 3. South Dakota/Nebraska Common Plant

The composite accrual rate recommended for common plant is 6.70 percent. The current equivalent rate is 7.08 percent. The resulting change in the composite rate is a reduction of 0.38 percentage points.

A continued application of current rates would provide annualized depreciation expense of $2,723,464 compared with an annualized expense of $2,576,046 using the proposed rates. The resulting 2012 expense reduction is $147,418. The computed change in the annualized accrual includes $296,814 attributable to amortization of a $4,686,911 reserve deficiency. The remaining portion of the change is attributable to adjustments in service life parameters recommended in the 2012 study.

Of the 16 primary accounts included in the 2012 study of common operations, Foster Associates is recommending rate reductions for 15 plant accounts and rate increases for one account.

COMPANY PROFILE

GENERAL

Founded in 1923 as NorthWestern Public Service, the incorporation of the company brought together two utility properties in Nebraska and two in South Dakota. Backing the new company were members of the Albert Emanuel Company of New York City, an early utility holding company.

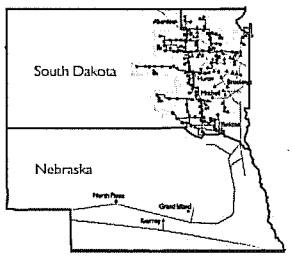
Along with its Midwest holdings, the Emanuel Company owned operating utilities in Ohio, Michigan and Pennsylvania. The formation of NorthWestern Public Service was Emanuel's first major acquisition outside of the lower Midwest and the Mid–Atlantic States; hence, the name of "NorthWestern" Public Service to designate the new consolidated utility.

In the late 1920s, Middle West Utilities Company, later named Northwest Utilities, acquired NorthWestern Public Service. Middle West Utilities owned utility operating companies serving the eastern two–thirds of the nation. The stock market crash of the 1930s contributed to the bankruptcy and the eventual breakup of Middle West Utilities paving the way for NorthWestern as an independent company. Over the years, NorthWestern acquired or built electric and natural gas operations to serve residential, commercial and rural customers in more than 100 South Dakota and Nebraska communities.

In May 1998, NorthWestern Public Service became NorthWestern Corporation, and on February 15, 2002, NorthWestern acquired the energy distribution and transmission business of the former Montana Power Company to form NorthWestern Energy.

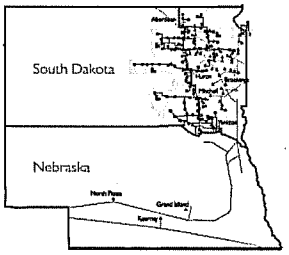
SOUTH DAKOTA ELECTRIC OPERATIONS

The South Dakota energy operations provide electric services to approximately 61,100 customers located in 25 counties in the eastern half of South Dakota. The Company owns 210 megawatts of electric generation serving customers from three coal–fired base load plants and 106 megawatts from various natural gas and fuel oil peaking plants.



The Company owns 3,300 miles of distribution and transmission lines. The transmission system has connections to the Mid–Continent Area Power Pool, having transmission interconnections located in a nine–state area in the North Central region of the United States and in two Canadian provinces.

SOUTH DAKOTA/NEBRASKA GAS OPERATIONS



The South Dakota and Nebraska energy operations provide electric and natural gas distribution services to approximately 61,100 electric customers and 85,700 natural gas customers in the eastern half of South Dakota and in four south–central Nebraska communities. Supply requirements are fulfilled through third–party fixed–term purchase contracts, natural gas storage services contracts and short–term market purchases.

The Company owns 2,300 miles of underground gas distribution pipelines and 55 miles of gas transmission pipelines. Pipeline interconnections include Northern Natural Gas, Northern Border, Kinder–Morgan and Trailblazer.

STUDY PROCEDURE

INTRODUCTION

The purpose of a depreciation study is to analyze the mortality characteristics, net salvage rates and adequacy of the depreciation accrual and recorded depreciation reserve for each rate category. This study provides the foundation and documentation for recommended changes in depreciation rates used by NorthWestern Energy for its South Dakota electric operations and South Dakota/Nebraska gas and common operations. The proposed rates are subject to approval by the South Dakota Public Utilities Commission and the Nebraska Public Service Commission.

SCOPE

The steps involved in conducting a depreciation study can be grouped into five major tasks:

- Data Collection;
- Life Analysis and Estimation;
- Net Salvage Analysis;
- Depreciation Reserve Analysis; and
- Development of Accrual Rates.

The scope of the 2012 study undertaken for NorthWestern included a consideration of each of these tasks as described below.

DATA COLLECTION

The minimum database required to conduct a statistical life study consists of a history of vintage year additions and unaged activity year retirements, transfers and adjustments. These data must be appropriately adjusted for transfers, sales and other plant activity that would otherwise bias the measured service life of normal retirements. The age distribution of surviving plant for unaged data can be estimated by distributing the plant in service at the beginning of the study year to prior vintages in proportion to the theoretical amount surviving from a projection or survivor curve identified in the life study. The statistical methods of life analysis used to examine unaged plant data are known as *semi–actuarial techniques*.

A far more extensive database is required to apply statistical methods of life analysis known as *actuarial techniques*. Plant data used in an actuarial life study most often include age distributions of surviving plant at the beginning of a study year and the vintage year, activity year, and dollar amounts associated with normal retirements, reimbursed retirements, sales, abnormal retirements, transfers, corrections, and extraordinary adjustments over a series of prior activity years. An actuarial database may include age distributions of surviving plant at the beginning of the earliest activity year, rather than at the beginning of the study year. Plant additions, however, must be included in a database containing an opening age distribution to derive aged survivors at the beginning of the study year. All activity year transactions with vintage year identification are coded and stored in a

data file. The data are processed by a computer program and transaction summary reports are created in a format reconcilable to the Company's official plant records. The availability of such detailed information is dependent upon an accounting system that supports aged property records. The Continuing Property Record (CPR) system used by NorthWestern provides aged transactions over the period 1990–2011 for all electric, gas and common plant accounts.

The database used in the 2006 study was assembled by the Company and provided to Foster Associates in Microsoft Excel spreadsheets. Accounting transactions over the period 1990–2001 were extracted from electronic records maintained prior to a system conversion to SAP in 2002. Post–2001 transactions, including age distributions of surviving plant at December 31, 2005, were extracted from the SAP system.

Accounting transactions used in the 2012 study were assembled by NorthWestern and provided to Foster Associates in Excel spreadsheets. The SAP fixed asset system was converted to PowerPlant in September 2011 and uploaded with opening age distributions at January 1, 2010. Transactions over the period 2006 through August 2011 were extracted from the SAP system and appended to the database used in conducting the 2006 study. Transactions over the period September 2011 through December 2011 were extracted from PowerPlant. The accuracy and completeness of the appended data was verified by Foster Associates for activity years 2006 through 2011 by comparing beginning plant balances, additions, retirements, transfers and adjustments, and ending plant balances to the official plant records of the Company

LIFE ANALYSIS AND ESTIMATION

Life analysis and life estimation are terms used to describe a two–step procedure for estimating the mortality characteristics of a plant category. The first step (*i.e.*, life analysis) is largely mechanical and primarily concerned with history. Statistical techniques are used in this step to obtain a mathematical description of the forces of retirement acting upon a plant category and an estimate of the *projection life* of the account. Mathematical expressions used to describe these life characteristics are known as *survival functions* or *survivor curves*.

The second step (*i.e.*, life estimation) is concerned with predicting the expected remaining life of property units still exposed to forces of retirement. It is a process of blending the results of a life analysis with informed judgment (including expectations about the future) to obtain an appropriate projection life and curve. The amount of weight given to the life analysis will depend upon the extent to which past retirement experience is considered descriptive of the future.

The analytical methods used in a life analysis are broadly classified as actuarial and semi–actuarial techniques. Actuarial techniques can be applied to plant accounting records that reveal the age of a plant asset at the time of its retirement

from service. Stated differently, each property unit must be identifiable by date of installation and age at retirement. Semi–actuarial techniques can be used to derive service life and dispersion estimates when age identification of retirements is not maintained or readily available.

An actuarial life analysis program designed and developed by Foster Associates was used in the 2012 study. The first step in an actuarial analysis involves a systematic treatment of the available data for the purpose of constructing an observed life table. A complete life table contains the life history of a group of property units installed during the same accounting period and various probability relationships derived from the data. A life table is arranged by age–intervals (usually defined as one year) and shows the number of units (or dollars) entering and leaving each age–interval and probability relationships associated with this activity. A life table minimally contains the age of each survivor and the age of each retirement from a group of property units installed in a given accounting year.

A life table can be constructed in any one of at least five methods. The annual–rate or retirement–rate method was used in the 2012 study. The mechanics of the annual–rate method require the calculation of a series of ratios obtained by dividing the number of units (or dollars) surviving at the beginning of an age interval into the number of units (or dollars) retired during the same interval. This ratio (or set of ratios) is commonly called retirement ratios. The cumulative proportion surviving is obtained by multiplying the retirement ratio for each age–interval by the proportion of the original group surviving at the beginning of that interval and subtracting this product from the proportion surviving at the beginning of the same interval. The annual–rate method is applied to multiple groups or vintages by combining the retirements and/or survivors of like ages for each vintage included in the analysis.

The second step in an actuarial analysis involves graduating or smoothing the observed life table and fitting the smoothed series to a family of survival functions. The functions used in the 2012 study are the Iowa–type curves mathematically described by the Pearson frequency curve family. Observed life tables were smoothed by a weighted least–squares procedure in which first, second and third degree orthogonal polynomials were fitted to the observed retirement ratios. The resulting functions were expressed as survivorship functions and numerically integrated to obtain an estimate of the projection life of a plant category. The smoothed survivorship function was then fitted by a weighted least–squares procedure to the Iowa–curve family to obtain a mathematical description or classification of the dispersion characteristics of the data. Service life indications derived from the statistical analyses were blended with informed judgment and expectations about the future to obtain an appropriate projection life and curve for each plant category.

The set of computer programs used in the NorthWestern study provides mul-

tiple rolling–band and shrinking–band analyses of an account. Observation bands are defined for a "retirement era" which restricts the analysis to retirement activity of all vintages represented by survivors at the beginning of a selected era. In a rolling–band analysis, a year of retirement experience is added to each successive retirement band and the earliest year from the preceding band is dropped. A shrinking–band analysis begins with the total retirement experience available and the earliest year from the preceding band is dropped for each successive band. A progressive–band analysis adds a year of retirement activity to a previous band without dropping earlier years from the analysis. Rolling, shrinking and progressive band analyses are used to detect the emergence of trends in the behavior of the dispersion and projection life.

Options available in the actuarial life analysis program include the width and location of both placement and observation bands; the interval of years included in a selected band analysis; the estimator of the hazard rate (actuarial, conditional proportion retired, or maximum likelihood); the elements to include on the diagonal of a weight matrix (exposures, inverse of age, inverse of variance, or unweighted); and the age at which an observed life table is truncated. The program also provides tabular and graphics output and algorithms for calculating depreciation rates and accruals.

While actuarial and semi–actuarial statistical methods are well–suited to an analysis of plant categories containing a large number of homogeneous units (*e.g.*, poles and services), theses methods are not well–suited to plant categories composed of major items of plant that will most likely be retired as a single unit. Property units retired from an integrated system prior to the retirement of the entire facility are more properly viewed as interim retirements that will be replaced in order to maintain the integrity of the system. Plant facilities may also be added to the existing system (*i.e.*, interim additions) to expand or enhance its productive capacity without extending the service life of the current system. A proper depreciation rate can be developed for an integrated system using a life–span method.

The life–span method requires the selection of a coterminous retirement date for all plant additions to a specific facility. A composite depreciation rate is calculated for the facility using the technique of harmonic weighting of the expected life span of each vintage addition. The resulting accrual rate must be adjusted for interim retirements to the extent that such retirements can be reasonably expected. Absent this adjustment, the depreciation accumulated over the life span of the facility will be deficient by an amount equal to a portion of the interim retirements. Properly implemented, the life–span method does not include plant additions or replacements of interim retirements until such activity is reported.

All accounts classified in the Steam Production function were identified by location and treated as life–span categories in this study.

NET SALVAGE ANALYSIS

Depreciation rates designed to achieve the goals and objectives of depreciation accounting will normally include a parameter for future net salvage and a variable for average net salvage that reflects both realized and future net salvage rates.

Estimates of net salvage rates applicable to future retirements are most often derived from an analysis of gross salvage and cost of removal realized in the past. An analysis of past experience (including an examination of trends over time) provides a basis for estimating future salvage and cost of removal. However, consideration should also be given to events that may cause deviations from net salvage realized in the past. Among the factors that should be considered are: the age of plant retirements; the portion of retirements likely to be reused; changes in the method of removing plant; the type of plant to be retired in the future; inflation expectations; the shape of the projection life curve; and economic conditions that may warrant greater or lesser weight to be given to net salvage rates observed in the past.

Special consideration should also be given to the treatment of insurance proceeds and other forms of third–party reimbursements credited to the depreciation reserve. A properly conducted net salvage study will exclude such activity from the estimate of future parameters and include the activity in the computation of realized and average net salvage rates.

Five–year moving averages of the ratio of realized salvage and cost of removal to the associated retirements were used in the 2012 study to a) estimate a realized net salvage rate; b) detect the emergence of historical trends; and c) establish a basis for estimating a future net salvage rate. Cost of removal and salvage opinions obtained from Company personnel were blended with judgment and historical net salvage indications in developing estimates of the future.

Consideration was also given in the 2012 study to the cost of dismantling the Big Stone and Coyote generating stations. The projected cost of dismantling these facilities was estimated in a demolition study commissioned by the co–owners in 2008. NorthWestern Energy's share of these costs is summarized in Table 4.

Plant	2008 Cost	Inflation Rate	AYFR	Demolition Cost
A	B	C	D	E
Big Stone	$3,636,331	2.00%	2027	$5,297,447
Coyote	1,303,340	2.00%	2032	2,096,341

Table 4. Demolition Costs

Average net salvage rates for an account or plant function are derived from a direct dollar weighting of a) historical retirements with historical (or realized) net

salvage rates and b) future retirements *(i.e.*, surviving plant) with the estimated future net salvage rate. Average net salvage rates will change, therefore, as additional years of retirement and net salvage activity become available and as the weighting of future net salvage estimates changes from the installation of subsequent plant additions. The computation of estimated average net salvage rates for each rate category is shown in Statement E.

DEPRECIATION RESERVE ANALYSIS

The purpose of a depreciation reserve analysis is to compare the current level of recorded reserves with the level required to achieve the goals or objectives of depreciation accounting if the amount and timing of future retirements and net salvage are realized as predicted. The difference between a required (or theoretical) depreciation reserve and a recorded reserve provides a measurement of the expected excess or shortfall that will remain in the depreciation reserve if corrective action is not taken to gradually extinguish the reserve imbalance.

Unlike a recorded reserve which represents the net amount of depreciation expense charged to previous periods of operations, a theoretical reserve is a measure of the implied reserve requirement at the beginning of a study year if the timing of future retirements and net salvage is in exact conformance with a survivor curve chosen to predict the probable life of plant units still exposed to the forces of retirement. Stated differently, a theoretical depreciation reserve is the difference between the recorded cost of plant currently in service and the sum of the depreciation expense and net salvage that will be charged in the future if retirements are distributed over time according to a specified retirement frequency distribution.

The survivor curve used in the calculation of a theoretical depreciation reserve is intended to describe forces of retirement that will be operative in the future. However, retirements caused by forces such as accidents, physical deterioration and changing technology seldom, if ever, remain stable over time. It is unlikely, therefore, that a probability or retirement frequency distribution can be identified that will accurately describe the age of plant retirements over the complete life cycle of a vintage. It is for this reason that depreciation rates should be reviewed periodically and adjusted for observed or expected changes in the parameters chosen to describe the underlying forces of mortality.

Although reserve records are commonly maintained by various account classifications, the sum of all reserves is the most important indicator of the status of a company's depreciation practices. If statistical life studies have not been conducted or retirement dispersion has been ignored in setting depreciation rates, it is likely that some accounts will be over–depreciated and other accounts will be under–depreciated relative to a calculated theoretical reserve. Differences between theoretical and recorded reserves also will arise as a normal occurrence when ser-

vice lives, dispersion patterns and net salvage estimates are adjusted in the course of depreciation reviews. It is appropriate, therefore, and consistent with group depreciation theory to periodically redistribute or rebalance recorded reserves among primary accounts based upon the most recent estimates of retirement dispersion and net salvage rates.

A redistribution of recorded reserves is again considered appropriate for NorthWestern. Offsetting reserve imbalances attributable to both the passage of time and parameter adjustments recommended in the current study should be realigned among primary accounts to reduce offsetting imbalances and increase depreciation rate stability. A redistribution of recorded reserves will provide an initial reserve balance for each primary account consistent with the age distributions and estimates of retirement dispersion and net salvage rates developed in the current study.

A redistribution of the recorded reserve for depreciable plant was achieved by multiplying the calculated reserve for each primary account within a function (or plant location) by the ratio of the function (or location) total recorded reserve to the function (or location) total calculated reserve. The sum of the redistributed reserves within a function (or location) is, therefore, equal to the function (or location) total recorded depreciation reserve before the redistribution. Redistributed reserves for amortizable categories were obtained by setting redistributed reserves equal to computed reserves and distributing differences between recorded and computed reserves to associated depreciable categories.

Statement C (page 23) provides a comparison of computed and recorded reserves for South Dakota Electric Operations at December 31, 2011. The recorded reserve was $250,037,802 or 54.6 percent of the depreciable plant investment. The corresponding computed reserve is $231,386,187 or 50.1 percent of the depreciable plant investment. A proportionate amount of the measured reserve excess of $18,651,616 will be amortized over the composite weighted–average remaining life of each rate category using the remaining life depreciation rates proposed in this review.

Statement C (page 38) provides a comparison of the computed and recorded reserves for South Dakota/Nebraska Gas Operations at December 31, 2011. The recorded reserve was $56,739,735, or 43.8 percent of the depreciable plant investment. The corresponding computed reserve is $54,016,513 or 41.7 percent of the depreciable plant investment. A proportionate amount of the measured reserve excess of $2,723,222 will be amortized over the composite weighted–average remaining life of each rate category using the remaining life depreciation rates proposed in this review.

Statement C (page 47) provides a comparison of the computed and recorded reserves for South Dakota/Nebraska common plant serving both Electric and Gas

Operations at December 31, 2011. The recorded reserve was $11,240,649 or 29.2 percent of the depreciable plant investment. The corresponding computed reserve is $15,927,560 or 41.4 percent of the depreciable plant investment. A proportionate amount of the measured reserve deficiency of $4,686,911 will be amortized over the composite weighted–average remaining life of each rate category using the remaining life depreciation rates proposed in this review.

DEVELOPMENT OF ACCRUAL RATES

The goal or objective of depreciation accounting is cost allocation over the economic life of an asset in proportion to the consumption of service potential. Ideally, the cost of an asset—which represents the cost of obtaining a bundle of service units—should be allocated to future periods of operation in proportion to the amount of service potential expended during an accounting interval. The service potential of an asset is the present value of future net revenue (*i.e.*, revenue less expenses exclusive of depreciation and other non–cash expenses) or cash inflows attributable to the use of that asset alone.

Cost allocation in proportion to the consumption of service potential is often approximated by the use of depreciation methods employing time rather than net revenue as the apportionment base. Examples of time–based methods include sinking–fund, straight–line, declining balance, and sum–of–the–years' digits. The advantage of a time–based method is that it does not require an estimate of the remaining amount of service capacity an asset will provide or the amount of service potential actually consumed during an accounting interval. Using a time–based allocation method, however, does not change the goal of depreciation accounting. If it is reasonable to predict that the net revenue pattern of an asset will either decrease or increase over time, then an accelerated or decelerated time–based method should be used to approximate the rate at which service potential is actually consumed.

The time period over which the cost of an asset will be allocated to operations is determined by the combination of a procedure and a technique. A depreciation procedure describes the level of grouping or sub–grouping of assets within a plant category. The broad group, vintage group, equal–life group, and item (or unit) are a few of the more widely used procedures. A depreciation technique describes the life statistic used in a depreciation system. The whole life and remaining life (or expectancy) are the most common techniques.

Depreciation rates recommended in the 2012 study were developed using the currently approved system composed of the straight–line method, vintage group procedure, remaining–life technique. This formulation of the accrual rate is equivalent to a straight–line method, vintage group procedure, whole–life technique with amortization of reserve imbalances over the estimated remaining life of each rate category. It is the opinion of Foster Associates that this system will

remain appropriate for NorthWestern, provided depreciation studies are conducted periodically and parameters are routinely adjusted to reflect changing operating conditions.

It is also the opinion of Foster Associates that amortization accounting currently approved for selected general support asset accounts is consistent with the goals and objectives of depreciation accounting and remains appropriate for these plant categories.

The treatment of amortization accounts in the current study was designed to produce annualized accruals equivalent to applying a rate equal to the reciprocal of an amortization period to plant balances after retirements have been recorded. Applying a rate equal to the reciprocal of the amortization period to plant balances prior to posting retirements would overstate the annualized amortization expense.

STATEMENTS

INTRODUCTION

This section provides a comparative summary of depreciation rates, annual depreciation accruals, recorded and computed depreciation reserves, and current and proposed service life and net salvage statistics recommended for NorthWestern Energy. The content of these statements is briefly described below.

- Statement A provides a comparative summary of current and proposed annual depreciation rates using the vintage group procedure, remaining–life technique.
- Statement B provides a comparison of current and proposed annualized 2012 depreciation accruals derived from an application of the depreciation rates contained in Statement A.
- Statement C provides a comparison of recorded, computed and redistributed reserves for each rate category at December 31, 2011.
- Statement D provides a summary of the investment and net salvage components of rebalanced reserves.
- Statement E provides a summary of the components used to obtain a weighted average net salvage rate for each rate category.
- Statement F provides a comparative summary of current and proposed parameters and statistics including projection life, projection curve, average service life, average remaining life and average and future net salvage rates.
- Statement G provides a computation of the estimated future net salvage rate for steam production facilities.

Current depreciation accruals shown on Statement B are the product of the plant investment (Column B) and current depreciation rates shown on Statement A. These are the effective rates used by the NorthWestern for the mix of investments recorded at December 31, 2011. Similarly, proposed depreciation accruals shown on Statement B are the product of the plant investment and proposed depreciation rates shown on Statement A. Accrual rates are given by:

$$\text{Accrual Rate} = \frac{1.0 - \text{Reserve Ratio} - \text{Future Net Salvage Rate}}{\text{Remaining Life}}$$

This formulation of the accrual rate is equivalent to

$$\text{Accrual Rate} = \frac{1.0 - \text{Average Net Salvage}}{\text{Average Life}} + \frac{\text{Computed Reserve} - \text{Recorded Reserve}}{\text{Remaining Life}}$$

where Average Net Salvage, Computed Reserve and Recorded Reserve are expressed in percent.

South Dakota Electric

Statements A through E

NORTHWESTERN ENERGY - SD ELECTRIC Statement A

Component Accrual Rates
Current: BG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2011) Investment	Net Salvage	Total	Proposed (at 12/31/2011) Investment	Net Salvage	Total
A	B	C	D	E	F	G=E+F
STEAM PRODUCTION						
311.00 Structures and Improvements	3.45%	0.40%	3.85%	0.94%	0.08%	1.02%
312.00 Boiler Plant Equipment	3.45%	0.40%	3.85%	1.31%	0.09%	1.40%
314.00 Turbogenerator Units	3.45%	0.41%	3.86%	2.02%	0.18%	2.20%
315.00 Accessory Electric Equipment	3.45%	0.40%	3.85%	1.10%	0.07%	1.16%
316.00 Miscellaneous Power Plant Equipment	3.80%	0.44%	4.24%	1.98%	0.09%	2.06%
Total Steam Production Plant	3.46%	0.40%	3.86%	1.36%	0.10%	1.46%
OTHER PRODUCTION						
341.00 Structures and Improvements			2.62%	0.93%	0.13%	1.06%
342.00 Fuel Holders and Accessories			3.28%	1.83%	0.10%	1.93%
343.00 Prime Movers			3.27%	1.57%	0.35%	1.92%
345.00 Accessory Electric Equipment			3.26%	1.61%	0.08%	1.69%
346.00 Miscellaneous Power Plant Equipment			3.25%	1.62%	0.30%	1.92%
Total Other Production Plant			3.24%	1.56%	0.32%	1.88%
TRANSMISSION PLANT						
352.00 Structures and Improvements			3.27%	1.87%	0.19%	2.06%
353.00 Station Equipment			3.27%	2.32%	0.21%	2.53%
355.00 Poles and Fixtures			3.12%	2.11%	2.52%	4.63%
356.00 Overhead Conductors and Devices			2.56%	2.15%	0.70%	2.85%
357.00 Underground Conduit			2.37%	2.07%		2.07%
358.00 Underground Conductors and Devices			4.12%	2.93%	0.29%	3.22%
Total Transmission Plant			3.10%	2.23%	1.03%	3.26%
DISTRIBUTION PLANT						
361.00 Structures and Improvements			3.27%	2.28%	0.12%	2.40%
362.00 Station Equipment			3.55%	2.38%	0.23%	2.61%
364.00 Poles, Towers and Fixtures			3.96%	3.03%	2.42%	5.45%
365.00 Overhead Conductors and Devices			3.28%	2.96%	0.93%	3.89%
366.00 Underground Conduit			2.37%	2.53%	0.25%	2.78%
367.00 Underground Conductors and Devices			4.12%	3.08%	0.29%	3.37%
368.00 Line Transformers			3.03%	2.08%	0.14%	2.22%
369.00 Services			4.25%	3.11%	1.59%	4.70%
370.00 Meters			3.88%	4.75%	0.23%	4.98%
371.00 Installations on Customers' Premises			7.35%	6.92%	0.43%	7.35%
373.10 Street Lighting and Signal Systems			4.08%	3.43%	1.98%	5.41%
Total Distribution Plant			3.66%	2.85%	0.89%	3.74%
GENERAL PLANT						
Depreciable (VG Procedure)						
390.10 Structures and Improvements			1.40%	2.82%	-0.33%	2.49%
392.20 Transportation Equipment - Hourly/Trailers			5.97%	6.08%	-0.02%	6.06%
392.30 Transportation Equipment - Automobiles			18.26%	13.90%	-1.39%	12.51%
392.50 Transportation Equipment - Light Trucks			16.57%	12.38%	-0.19%	12.19%
396.00 Power Operated Equipment			5.47%	5.30%	0.25%	5.55%
397.20 Communication Equipment			11.75%	7.00%	0.01%	7.01%
Total Depreciable			6.94%	6.36%	-0.06%	6.30%

NORTHWESTERN ENERGY - SD ELECTRIC Statement A

Component Accrual Rates
Current: BG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2011) Investment	Net Salvage	Total	Proposed (at 12/31/2011) Investment	Net Salvage	Total
A	B	C	D	E	F	G=E+F
Amortizable						
391.00 Office Furniture and Equipment						
391.01 Computers and Electronic Equipment						
393.00 Stores Equipment	4.89%		4.89%	4.89%		4.89%
394.00 Tools, Shop and Garage Equipment	6.54%		6.54%	6.54%		6.54%
395.00 Laboratory Equipment	3.72%		3.72%	3.72%		3.72%
397.00 Communication Equipment - 10 Year	7.13%		7.13%	7.13%		7.13%
398.00 Miscellaneous Equipment						
Total Amortizable	6.25%		6.25%	6.64%		6.25%
Total General Plant	0.63%		6.87%	6.38%	-0.05%	6.29%
TOTAL UTILITY	1.02%	0.12%	3.65%	2.29%	0.63%	2.92%
STEAM PRODUCTION						
Big Stone						
311.00 Structures and Improvements	3.45%	0.42%	3.87%	1.35%	0.14%	1.49%
312.00 Boiler Plant Equipment	3.45%	0.42%	3.87%	2.03%	0.17%	2.20%
314.00 Turbogenerator Units	3.45%	0.42%	3.87%	2.65%	0.27%	2.92%
315.00 Accessory Electric Equipment	3.45%	0.42%	3.87%	1.37%	0.12%	1.49%
316.00 Miscellaneous Power Plant Equipment	3.80%	0.47%	4.27%	2.12%	0.14%	2.26%
Total Big Stone	3.46%	0.42%	3.88%	2.01%	0.18%	2.19%
Coyote						
311.00 Structures and Improvements	3.45%	0.39%	3.84%	0.81%	0.04%	0.85%
312.00 Boiler Plant Equipment	3.45%	0.39%	3.84%	1.08%	0.06%	1.14%
314.00 Turbogenerator Units	3.45%	0.39%	3.84%	1.86%	0.13%	1.99%
315.00 Accessory Electric Equipment	3.45%	0.39%	3.84%	1.49%	0.06%	1.55%
316.00 Miscellaneous Power Plant Equipment	3.80%	0.39%	4.19%	1.91%	0.01%	1.92%
Total Coyote	3.45%	0.39%	3.84%	1.18%	0.07%	1.24%
Neal						
311.00 Structures and Improvements	3.45%	0.39%	3.84%	0.26%	0.01%	0.27%
312.00 Boiler Plant Equipment	3.45%	0.39%	3.84%	0.39%	0.01%	0.40%
314.00 Turbogenerator Units	3.45%	0.39%	3.84%	0.23%		0.23%
315.00 Accessory Electric Equipment	3.45%	0.39%	3.84%	0.43%	0.01%	0.44%
316.00 Miscellaneous Power Plant Equipment	3.80%	0.39%	4.19%	1.26%	-0.01%	1.25%
Total Neal	3.45%	0.39%	3.84%	0.36%	0.01%	0.37%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement B

Component Accruals
Current: BG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/11 Investment	Current 2012 Annualized Accrual Investment	Net Salvage	Total	Proposed 2012 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
STEAM PRODUCTION								
311.00 Structures and Improvements	$ 22,661,823	$ 781,833	$ 91,255	$ 873,088	$ 213,268	$ 17,445	$ 230,713	$ (642,375)
312.00 Boiler Plant Equipment	75,543,996	2,606,268	304,028	2,910,296	986,623	70,605	1,057,228	(1,853,068)
314.00 Turbogenerator Units	22,775,032	785,738	92,550	878,288	459,069	42,003	501,072	(377,216)
315.00 Accessory Electric Equipment	9,897,081	341,450	39,698	381,148	108,402	6,502	114,904	(266,244)
316.00 Miscellaneous Power Plant Equipment	1,942,186	73,804	8,527	82,331	38,361	1,705	40,066	(42,265)
Total Steam Production Plant	$ 132,820,118	$ 4,589,093	$ 536,058	$ 5,125,151	$ 1,805,723	$ 138,260	$ 1,943,983	$ (3,181,168)
OTHER PRODUCTION								
341.00 Structures and Improvements	$ 1,128,503		$ -	$ 29,567	$ 10,495	$ 1,467	$ 11,962	$ (17,605)
342.00 Fuel Holders and Accessories	1,686,506			55,317	30,863	1,687	32,550	(22,767)
343.00 Prime Movers	23,869,603			780,536	374,753	83,544	458,297	(322,239)
345.00 Accessory Electric Equipment	1,087,002			35,436	17,501	870	18,371	(17,065)
346.00 Miscellaneous Power Plant Equipment	106,206			3,452	1,721	319	2,040	(1,412)
Total Other Production Plant	$ 27,877,820	$ -	$ -	$ 904,308	$ 435,333	$ 87,887	$ 523,220	$ (381,088)
TRANSMISSION PLANT								
352.00 Structures and Improvements	$ 1,804,989	$ -	$ -	$ 59,023	$ 33,753	$ 3,429	$ 37,182	$ (21,841)
353.00 Station Equipment	48,558,775			1,587,872	1,126,564	101,973	1,228,537	(359,335)
355.00 Poles and Fixtures	33,751,077			1,053,034	712,148	850,527	1,562,675	509,641
356.00 Overhead Conductors and Devices	20,498,048			524,750	440,708	143,486	584,194	59,444
357.00 Underground Conduit	383,511			9,089	7,939		7,939	(1,150)
358.00 Underground Conductors and Devices	2,274,109			93,693	66,631	6,595	73,226	(20,467)
Total Transmission Plant	$ 107,270,509	$ -	$ -	$ 3,327,461	$ 2,387,743	$ 1,106,010	$ 3,493,753	$ 166,292
DISTRIBUTION PLANT								
361.00 Structures and Improvements	$ 550,918	$ -	$ -	$ 18,015	$ 12,561	$ 661	$ 13,222	$ (4,793)
362.00 Station Equipment	25,885,039			918,919	616,064	59,536	675,600	(243,319)
364.00 Poles, Towers and Fixtures	31,632,112			1,252,632	958,453	765,497	1,723,950	471,318
365.00 Overhead Conductors and Devices	19,163,745			628,571	567,247	178,223	745,470	116,899
366.00 Underground Conduit	8,332,579			197,482	210,814	20,831	231,645	34,163
367.00 Underground Conductors and Devices	32,082,358			1,321,793	988,137	93,039	1,081,176	(240,617)
368.00 Line Transformers	29,276,200			887,069	608,945	40,987	649,932	(237,137)
369.00 Services	16,492,881			700,947	512,929	262,237	775,166	74,219
370.00 Meters	7,344,119			284,952	348,846	16,891	365,737	80,785
371.00 Installations on Customers' Premises	75,931			5,581	5,254	327	5,581	
373.10 Street Lighting and Signal Systems	6,778,769			276,574	232,512	134,220	366,732	90,158
Total Distribution Plant	$ 177,614,651	$ -	$ -	$ 6,492,535	$ 5,061,762	$ 1,572,449	$ 6,634,211	$ 141,676

NORTHWESTERN ENERGY - SD ELECTRIC

Statement B

Component Accruals

Current: BG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/11 Investment	Current 2012 Annualized Accrual Investment	Net Salvage	Total	Proposed 2012 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
GENERAL PLANT								
Depreciable (VG Procedure)								
390.10 Structures and Improvements	$ 1,097,503		$ -	$ 15,365	$ 30,950	$ (3,622)	$ 27,328	$ 11,963
392.20 Transportation Equipment - Hourly/Traile	7,354,538			439,066	447,156	(1,471)	445,685	6,619
392.30 Transportation Equipment - Automobiles	65,274			11,919	9,073	(907)	8,166	(3,753)
392.50 Transportation Equipment - Light Trucks	895,907			148,452	110,913	(1,702)	109,211	(39,241)
396.00 Power Operated Equipment	577,583			31,594	30,612	1,444	32,056	462
397.20 Communication Equipment	973,421			114,377	68,139	97	68,236	(46,141)
Total Depreciable	$ 10,964,226	$ -	$ -	$ 760,773	$ 696,843	$ (6,161)	$ 690,682	$ (70,091)
Amortizable								
391.00 Office Furniture and Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
391.01 Computers and Electronic Equipment								
393.00 Stores Equipment	153,777	7,522		7,522	7,522		7,522	
394.00 Tools, Shop and Garage Equipment	901,247	58,925		58,925	58,925		58,925	
395.00 Laboratory Equipment	59,711	2,220		2,220	2,220		2,220	
397.00 Communication Equipment - 10 Year	113,324	8,081		8,081	8,081		8,081	
398.00 Miscellaneous Equipment								
Total Amortizable	$ 1,228,059	$ 76,748	$ -	$ 76,748	$ 76,748	$ -	$ 76,748	$ -
Total General Plant	$ 12,192,285	$ 76,748	$ -	$ 837,521	$ 773,591	$ (6,161)	$ 767,430	$ (70,091)
TOTAL UTILITY	$457,775,383	$ 4,665,841	$ 536,058	$16,686,976	$10,464,152	$2,898,445	$13,362,597	$ (3,324,379)
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	$ 9,583,127	$ 330,618	$ 40,249	$ 370,867	$ 129,372	$ 13,416	$ 142,788	$ (228,079)
312.00 Boiler Plant Equipment	31,354,509	1,081,731	131,689	1,213,420	636,497	53,303	689,800	(523,620)
314.00 Turbogenerator Units	12,426,535	428,715	52,191	480,906	329,303	33,552	362,855	(118,051)
315.00 Accessory Electric Equipment	3,665,205	126,450	15,394	141,844	50,213	4,398	54,611	(87,233)
316.00 Miscellaneous Power Plant Equipment	1,191,257	45,268	5,599	50,867	25,255	1,668	26,923	(23,944)
Total Big Stone	$ 58,220,633	$ 2,012,782	$ 245,122	$ 2,257,904	$ 1,170,640	$ 106,337	$ 1,276,977	$ (980,927)
Coyote								
311.00 Structures and Improvements	$ 9,071,150	$ 312,955	$ 35,377	$ 348,332	$ 73,476	$ 3,628	$ 77,104	$ (271,228)
312.00 Boiler Plant Equipment	25,766,332	888,938	100,489	989,427	278,276	15,460	293,736	(695,691)
314.00 Turbogenerator Units	6,500,889	224,281	25,353	249,634	120,917	8,451	129,368	(120,266)
315.00 Accessory Electric Equipment	2,961,558	102,174	11,550	113,724	44,127	1,777	45,904	(67,820)
316.00 Miscellaneous Power Plant Equipment	560,626	21,304	2,186	23,490	10,708	56	10,764	(12,726)
Total Coyote	$ 44,860,555	$ 1,549,652	$ 174,955	$ 1,724,607	$ 527,504	$ 29,372	$ 556,876	$ (1,167,731)

NORTHWESTERN ENERGY - SD ELECTRIC

Statement B

Component Accruals

Current: BG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description	12/31/11 Investment	Current 2012 Annualized Accrual			Proposed 2012 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Neal								
311.00 Structures and Improvements	$ 4,007,546	$ 138,260	$ 15,629	$ 153,889	$ 10,420	$ 401	$ 10,821	$ (143,068)
312.00 Boiler Plant Equipment	18,423,155	635,599	71,850	707,449	71,850	1,842	73,692	(633,757)
314.00 Turbogenerator Units	3,847,608	132,742	15,006	147,748	8,849		8,849	(138,899)
315.00 Accessory Electric Equipment	3,270,318	112,826	12,754	125,580	14,062	327	14,389	(111,191)
316.00 Miscellaneous Power Plant Equipment	190,303	7,232	742	7,974	2,398	(19)	2,379	(5,595)
Total Neal	$ 29,738,930	$ 1,026,659	$ 115,981	$ 1,142,640	$ 107,579	$ 2,551	$ 110,130	$ (1,032,510)

NORTHWESTERN ENERGY - SD ELECTRIC

Statement C

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2011

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
STEAM PRODUCTION							
311.00 Structures and Improvements	$ 22,661,823	$ 21,251,130	93.78%	$ 14,101,442	62.23%	$ 20,257,004	89.39%
312.00 Boiler Plant Equipment	75,543,996	61,363,271	81.23%	42,247,977	55.92%	62,269,686	82.43%
314.00 Turbogenerator Units	22,775,032	15,422,120	67.72%	11,279,606	49.53%	16,147,273	70.90%
315.00 Accessory Electric Equipment	9,897,081	8,901,115	89.94%	5,481,250	55.38%	8,257,807	83.44%
316.00 Miscellaneous Power Plant Equipment	1,942,186	1,386,252	71.38%	1,026,569	52.86%	1,392,118	71.68%
Total Steam Production Plant	$132,820,118	$ 108,323,888	81.56%	$ 74,136,842	55.82%	$ 108,323,888	81.56%
OTHER PRODUCTION							
341.00 Structures and Improvements	$ 1,128,503	$ 988,143	87.56%	$ 639,225	56.64%	$ 906,799	80.35%
342.00 Fuel Holders and Accessories	1,686,506	794,523	47.11%	506,750	30.05%	718,872	42.62%
343.00 Prime Movers	23,869,603	16,005,952	67.06%	11,411,647	47.81%	16,188,462	67.82%
345.00 Accessory Electric Equipment	1,087,002	768,550	70.70%	531,242	48.87%	753,615	69.33%
346.00 Miscellaneous Power Plant Equipment	106,206	86,651	81.59%	53,624	50.49%	76,071	71.63%
Total Other Production Plant	$ 27,877,820	$ 18,643,818	66.88%	$ 13,142,489	47.14%	$ 18,643,818	66.88%
TRANSMISSION PLANT							
352.00 Structures and Improvements	$ 1,804,989	$ 1,350,241	74.81%	$ 860,903	47.70%	$ 763,108	42.28%
353.00 Station Equipment	48,558,775	25,568,101	52.65%	18,625,974	38.36%	16,510,131	34.00%
355.00 Poles and Fixtures	33,751,077	14,673,162	43.47%	26,337,323	78.03%	23,345,498	69.17%
356.00 Overhead Conductors and Devices	20,498,048	8,203,955	40.02%	10,584,583	51.64%	9,382,212	45.77%
357.00 Underground Conduit	383,511	89,351	23.30%	85,148	22.20%	75,476	19.68%
358.00 Underground Conductors and Devices	2,274,109	591,126	25.99%	450,710	19.82%	399,511	17.57%
Total Transmission Plant	$107,270,509	$ 50,475,935	47.05%	$ 56,944,642	53.09%	$ 50,475,935	47.05%
DISTRIBUTION PLANT							
361.00 Structures and Improvements	$ 550,918	$ 104,053	18.89%	$ 84,456	15.33%	$ 70,847	12.86%
362.00 Station Equipment	25,885,039	13,353,447	51.59%	9,708,070	37.50%	8,143,809	31.46%
364.00 Poles, Towers and Fixtures	31,632,112	14,619,238	46.22%	25,428,516	80.39%	21,331,220	67.44%
365.00 Overhead Conductors and Devices	19,163,745	7,759,514	40.49%	11,334,946	59.15%	9,508,547	49.62%
366.00 Underground Conduit	8,332,579	2,364,323	28.37%	2,514,270	30.17%	2,109,146	25.31%
367.00 Underground Conductors and Devices	32,082,358	9,121,154	28.43%	11,811,865	36.82%	9,908,620	30.88%
368.00 Line Transformers	29,276,200	11,082,692	37.86%	6,765,444	23.11%	5,675,328	19.39%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement C

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2011

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
369.00 Services	16,492,881	7,266,999	44.06%	8,845,453	53.63%	7,420,186	44.99%
370.00 Meters	7,344,119	1,793,076	24.42%	1,885,516	25.67%	1,581,702	21.54%
371.00 Installations on Customers' Premises	75,931	(857,621)	-1129.47%	9,443	12.44%	7,921	10.43%
373.10 Street Lighting and Signal Systems	6,778,769	3,048,863	44.98%	4,647,219	68.56%	3,898,412	57.51%
Total Distribution Plant	$177,614,651	$ 69,655,738	39.22%	$ 83,035,197	46.75%	$ 69,655,738	39.22%
GENERAL PLANT							
Depreciable (VG Procedure)							
390.10 Structures and Improvements	$ 1,097,503	$ 300,746	27.40%	$ 768,371	70.01%	$ 513,910	46.83%
392.20 Transportation Equipment - Hourly/Trailers	7,354,538	1,810,673	24.62%	1,863,210	25.33%	1,246,170	16.94%
392.30 Transportation Equipment - Automobiles	65,274	12,349	18.92%	15,090	23.12%	10,092	15.46%
392.50 Transportation Equipment - Light Trucks	895,907	903,067	100.80%	517,899	57.81%	346,387	38.66%
396.00 Power Operated Equipment	577,583	249,338	43.17%	293,696	50.85%	196,433	34.01%
397.20 Communication Equipment	973,421	205,942	21.16%	130,807	13.44%	87,488	8.99%
Total Depreciable	$ 10,964,226	$ 3,482,114	31.76%	$ 3,589,074	32.73%	$ 2,400,480	21.89%
Amortizable							
391.00 Office Furniture and Equipment	$ -	$ (41,636)		$ -		$ -	
391.01 Computers and Electronic Equipment		(12,366)					
393.00 Stores Equipment	153,777	(7,098)	-4.62%	141,765	92.19%	141,765	92.19%
394.00 Tools, Shop and Garage Equipment	901,247	(206,066)	-22.86%	256,270	28.44%	256,270	28.44%
395.00 Laboratory Equipment	59,711	(341,594)	-572.08%	57,262	95.90%	57,262	95.90%
397.00 Communication Equipment - 10 Year	113,324	91,037	80.33%	82,646	72.93%	82,646	72.93%
398.00 Miscellaneous Equipment		(25,969)					
Total Amortizable	$ 1,228,059	$ (543,691)	-44.27%	$ 537,943	43.80%	$ 537,943	43.80%
Total General Plant	$ 12,192,285	$ 2,938,423	24.10%	$ 4,127,017	33.85%	$ 2,938,423	24.10%
TOTAL UTILITY	$457,775,383	$250,037,802	54.62%	$231,386,187	50.55%	$250,037,802	54.62%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement C

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2011

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	$ 9,583,127	$ 9,335,268	97.41%	$ 6,638,846	69.28%	$ 8,388,307	87.53%
312.00 Boiler Plant Equipment	31,354,509	22,702,966	72.41%	19,043,354	60.74%	24,061,639	76.74%
314.00 Turbogenerator Units	12,426,535	7,943,423	63.92%	6,463,007	52.01%	8,166,131	65.72%
315.00 Accessory Electric Equipment	3,665,205	3,729,512	101.75%	2,514,014	68.59%	3,176,504	86.67%
316.00 Miscellaneous Power Plant Equipment	1,191,257	974,025	81.76%	706,450	59.30%	892,613	74.93%
Total Big Stone	$ 58,220,633	$ 44,685,195	76.75%	$ 35,365,671	60.74%	$ 44,685,195	76.75%
Coyote							
311.00 Structures and Improvements	$ 9,071,150	$ 8,083,486	89.11%	$ 5,542,299	61.10%	$ 8,079,453	89.07%
312.00 Boiler Plant Equipment	25,766,332	21,951,139	85.19%	14,706,098	57.07%	21,438,259	83.20%
314.00 Turbogenerator Units	6,500,889	3,837,703	59.03%	2,955,030	45.46%	4,307,785	66.26%
315.00 Accessory Electric Equipment	2,961,558	2,205,948	74.49%	1,501,172	50.69%	2,188,380	73.89%
316.00 Miscellaneous Power Plant Equipment	560,626	309,383	55.19%	256,405	45.74%	373,783	66.67%
Total Coyote	$ 44,860,555	$ 36,387,659	81.11%	$ 24,961,005	55.64%	$ 36,387,659	81.11%
Neal							
311.00 Structures and Improvements	$ 4,007,546	$ 3,832,376	95.63%	$ 1,920,297	47.92%	$ 3,789,243	94.55%
312.00 Boiler Plant Equipment	18,423,155	16,709,165	90.70%	8,498,524	46.13%	16,769,789	91.03%
314.00 Turbogenerator Units	3,847,608	3,640,994	94.63%	1,861,568	48.38%	3,673,357	95.47%
315.00 Accessory Electric Equipment	3,270,318	2,965,655	90.68%	1,466,064	44.83%	2,892,923	88.46%
316.00 Miscellaneous Power Plant Equipment	190,303	102,844	54.04%	63,713	33.48%	125,722	66.06%
Total Neal	$ 29,738,930	$ 27,251,034	91.63%	$ 13,810,166	46.44%	$ 27,251,034	91.63%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement D

Depreciation Reserve Components
Redistributed Reserve
December 31, 2011

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Salvage Reserve Amount	Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
STEAM PRODUCTION							
311.00 Structures and Improvements	$ 22,661,823	$ 18,948,934	83.62%	$ 1,308,069	5.77%	$ 20,257,004	89.39%
312.00 Boiler Plant Equipment	75,543,996	58,357,057	77.25%	3,912,629	5.18%	62,269,686	82.43%
314.00 Turbogenerator Units	22,775,032	15,106,175	66.33%	1,041,098	4.57%	16,147,273	70.90%
315.00 Accessory Electric Equipment	9,897,081	7,867,939	79.50%	389,868	3.94%	8,257,807	83.44%
316.00 Miscellaneous Power Plant Equipment	1,942,186	1,278,003	65.80%	114,115	5.88%	1,392,118	71.68%
Total Steam Production Plant	$ 132,820,118	$ 101,558,108	76.46%	$ 6,765,780	5.09%	$ 108,323,888	81.56%
OTHER PRODUCTION							
341.00 Structures and Improvements	$ 1,128,503	$ 882,768	78.22%	$ 24,031	2.13%	$ 906,799	80.35%
342.00 Fuel Holders and Accessories	1,686,506	689,505	40.88%	29,366	1.74%	718,872	42.62%
343.00 Prime Movers	23,869,603	13,658,739	57.22%	2,529,723	10.60%	16,188,462	67.82%
345.00 Accessory Electric Equipment	1,087,002	718,513	66.10%	35,102	3.23%	753,615	69.33%
346.00 Miscellaneous Power Plant Equipment	106,206	76,274	71.82%	(203)	-0.19%	76,071	71.63%
Total Other Production Plant	$ 27,877,820	$ 16,025,799	57.49%	$ 2,618,019	9.39%	$ 18,643,818	66.88%
TRANSMISSION PLANT							
352.00 Structures and Improvements	$ 1,804,989	$ 693,734	38.43%	$ 69,373	3.84%	$ 763,108	42.28%
353.00 Station Equipment	48,558,775	14,777,953	30.43%	1,732,178	3.57%	16,510,131	34.00%
355.00 Poles and Fixtures	33,751,077	10,541,132	31.23%	12,804,366	37.94%	23,345,498	69.17%
356.00 Overhead Conductors and Devices	20,498,048	7,431,840	36.26%	1,950,372	9.51%	9,382,212	45.77%
357.00 Underground Conduit	383,511	75,740	19.75%	(264)	-0.07%	75,476	19.68%
358.00 Underground Conductors and Devices	2,274,109	361,688	15.90%	37,823	1.66%	399,511	17.57%
Total Transmission Plant	$ 107,270,509	$ 33,882,087	31.59%	$ 16,593,848	15.47%	$ 50,475,935	47.05%
DISTRIBUTION PLANT							
361.00 Structures and Improvements	$ 550,918	$ 67,474	12.25%	$ 3,374	0.61%	$ 70,847	12.86%
362.00 Station Equipment	25,885,039	7,390,441	28.55%	753,368	2.91%	8,143,809	31.46%
364.00 Poles, Towers and Fixtures	31,632,112	11,817,973	37.36%	9,513,247	30.07%	21,331,220	67.44%
365.00 Overhead Conductors and Devices	19,163,745	7,427,363	38.76%	2,081,184	10.86%	9,508,547	49.62%
366.00 Underground Conduit	8,332,579	1,917,405	23.01%	191,741	2.30%	2,109,146	25.31%
367.00 Underground Conductors and Devices	32,082,358	8,909,636	27.77%	998,983	3.11%	9,908,620	30.88%
368.00 Line Transformers	29,276,200	5,710,243	19.50%	(34,915)	-0.12%	5,675,328	19.39%
369.00 Services	16,492,881	5,023,163	30.46%	2,397,023	14.53%	7,420,186	44.99%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement D

Depreciation Reserve Components
Redistributed Reserve
December 31, 2011

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Salvage Reserve Amount	Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
370.00 Meters	7,344,119	1,501,946	20.45%	79,756	1.09%	1,581,702	21.54%
371.00 Installations on Customers' Premises	75,931	8,387	11.05%	(466)	-0.61%	7,921	10.43%
373.10 Street Lighting and Signal Systems	6,778,769	2,368,065	34.93%	1,530,348	22.58%	3,898,412	57.51%
Total Distribution Plant	$ 177,614,651	$ 52,142,097	29.36%	$ 17,513,642	9.86%	$ 69,655,738	39.22%
GENERAL PLANT							
Depreciable (VG Procedure)							
390.10 Structures and Improvements	$ 1,097,503	$ 374,329	34.11%	$ 139,580	12.72%	$ 513,910	46.83%
392.20 Transportation Equipment - Hourly/Trailers	7,354,538	1,227,714	16.69%	18,456	0.25%	1,246,170	16.94%
392.30 Transportation Equipment - Automobiles	65,274	11,214	17.18%	(1,121)	-1.72%	10,092	15.46%
392.50 Transportation Equipment - Light Trucks	895,907	338,029	37.73%	8,358	0.93%	346,387	38.66%
396.00 Power Operated Equipment	577,583	186,508	32.29%	9,925	1.72%	196,433	34.01%
397.20 Communication Equipment	973,421	89,173	9.16%	(1,686)	-0.17%	87,488	8.99%
Total Depreciable	$ 10,964,226	$ 2,226,968	20.31%	$ 173,512	1.58%	$ 2,400,480	21.89%
Amortizable							
391.00 Office Furniture and Equipment	$ -	$ -		$ -		$ -	
391.01 Computers and Electronic Equipment							
393.00 Stores Equipment	153,777	141,765	92.19%			141,765	92.19%
394.00 Tools, Shop and Garage Equipment	901,247	256,270	28.44%			256,270	28.44%
395.00 Laboratory Equipment	59,711	57,262	95.90%			57,262	95.90%
397.00 Communication Equipment - 10 Year	113,324	82,646	72.93%			82,646	72.93%
398.00 Miscellaneous Equipment							
Total Amortizable	$ 1,228,059	$ 537,943	43.80%	$ -		$ 537,943	43.80%
Total General Plant	$ 12,192,285	$ 2,764,911	22.68%	$ 173,512	1.42%	$ 2,938,423	24.10%
TOTAL UTILITY	$ 457,775,383	$ 206,373,002	45.08%	$ 43,664,800	9.54%	$ 250,037,802	54.62%

NORTHWESTERN ENERGY - SD ELECTRIC Statement D
Depreciation Reserve Components
Redistributed Reserve
December 31, 2011

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Salvage Reserve Amount	Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	$ 9,583,127	$ 7,618,808	79.50%	$ 769,500	8.03%	$ 8,388,307	87.53%
312.00 Boiler Plant Equipment	31,354,509	21,707,954	69.23%	2,353,685	7.51%	24,061,639	76.74%
314.00 Turbogenerator Units	12,426,535	7,417,013	59.69%	749,118	6.03%	8,166,131	65.72%
315.00 Accessory Electric Equipment	3,665,205	2,904,646	79.25%	271,858	7.42%	3,176,504	86.67%
316.00 Miscellaneous Power Plant Equipment	1,191,257	807,083	67.75%	85,530	7.18%	892,613	74.93%
Total Big Stone	$ 58,220,633	$ 40,455,503	69.49%	$ 4,229,691	7.26%	$ 44,685,195	76.75%
Coyote							
311.00 Structures and Improvements	$ 9,071,150	$ 7,611,537	83.91%	$ 467,917	5.16%	$ 8,079,453	89.07%
312.00 Boiler Plant Equipment	25,766,332	20,191,999	78.37%	1,246,259	4.84%	21,438,259	83.20%
314.00 Turbogenerator Units	6,500,889	4,084,297	62.83%	223,488	3.44%	4,307,785	66.26%
315.00 Accessory Electric Equipment	2,961,558	2,081,896	70.30%	106,484	3.60%	2,188,380	73.89%
316.00 Miscellaneous Power Plant Equipment	560,626	346,449	61.80%	27,334	4.88%	373,783	66.67%
Total Coyote	$ 44,860,555	$ 34,316,178	76.50%	$ 2,071,481	4.62%	$ 36,387,659	81.11%
Neal							
311.00 Structures and Improvements	$ 4,007,546	$ 3,718,590	92.79%	$ 70,653	1.76%	$ 3,789,243	94.55%
312.00 Boiler Plant Equipment	18,423,155	16,457,104	89.33%	312,685	1.70%	16,769,789	91.03%
314.00 Turbogenerator Units	3,847,608	3,604,864	93.69%	68,492	1.78%	3,673,357	95.47%
315.00 Accessory Electric Equipment	3,270,318	2,881,398	88.11%	11,526	0.35%	2,892,923	88.46%
316.00 Miscellaneous Power Plant Equipment	190,303	124,471	65.41%	1,251	0.66%	125,722	66.06%
Total Neal	$ 29,738,930	$ 26,786,427	90.07%	$ 464,607	1.56%	$ 27,251,034	91.63%

NORTHWESTERN ENERGY - SD ELECTRIC
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
STEAM PRODUCTION									
311.00 Structures and Improvements	$ 23,262,074	$ 600,251	$ 22,661,823	-2.1%	-7.0%	$ (12,605)	$ (1,588,308)	$ (1,600,913)	-6.9%
312.00 Boiler Plant Equipment	81,147,182	5,603,186	75,543,996	-2.1%	-6.7%	(117,667)	(5,062,825)	(5,180,492)	-6.4%
314.00 Turbogenerator Units	24,196,833	1,421,801	22,775,032	-9.7%	-7.5%	(137,915)	(1,718,238)	(1,856,153)	-7.7%
315.00 Accessory Electric Equipment	10,111,419	214,338	9,897,081	-0.5%	-5.0%	(1,072)	(499,062)	(500,133)	-4.9%
316.00 Miscellaneous Power Plant Equipment	2,269,976	327,790	1,942,186	4.5%	-7.2%	14,751	(139,019)	(124,268)	-5.5%
Total Steam Production Plant	$ 140,987,484	$ 8,167,366	$ 132,820,118	-3.1%	-6.8%	$ (254,508)	$ (9,007,452)	$ (9,261,960)	-6.6%
OTHER PRODUCTION									
341.00 Structures and Improvements	$ 1,485,349	$ 356,846	$ 1,128,503	-16.6%	-5.0%	$ (59,236)	$ (56,425)	$ (115,662)	-7.8%
342.00 Fuel Holders and Accessories	1,723,055	36,549	1,686,506	-17.7%	-5.0%	(6,469)	(84,325)	(90,794)	-5.3%
343.00 Prime Movers	27,115,438	3,245,835	23,869,603	-28.1%	-20.0%	(912,080)	(4,773,921)	(5,686,000)	-21.0%
345.00 Accessory Electric Equipment	1,494,591	407,589	1,087,002	-5.4%	-5.0%	(22,010)	(54,350)	(76,360)	-5.1%
346.00 Miscellaneous Power Plant Equipment	175,540	69,334	106,206	-18.7%	-5.0%	(12,965)	(5,310)	(18,276)	-10.4%
Total Other Production Plant	$ 31,993,973	$ 4,116,153	$ 27,877,820	-24.6%	-17.8%	$ (1,012,761)	$ (4,974,331)	$ (5,987,092)	-18.7%
TRANSMISSION PLANT									
352.00 Structures and Improvements	$ 1,806,769	$ 1,780	$ 1,804,989		-10.0%	$ -	$ (180,499)	$ (180,499)	-10.0%
353.00 Station Equipment	52,179,988	3,621,213	48,558,775	3.5%	-10.0%	126,742	(4,855,878)	(4,729,135)	-9.1%
355.00 Poles and Fixtures	35,792,775	2,041,698	33,751,077	-106.6%	-120.0%	(2,176,450)	(40,501,292)	(42,677,742)	-119.2%
356.00 Overhead Conductors and Devices	21,913,584	1,415,536	20,498,048	-69.5%	-30.0%	(983,798)	(6,149,414)	(7,133,212)	-32.6%
357.00 Underground Conduit	393,463	9,952	383,511	-4.1%		(408)		(408)	-0.1%
358.00 Underground Conductors and Devices	2,292,438	18,329	2,274,109	-1.4%	-10.0%	(257)	(227,411)	(227,668)	-9.9%
Total Transmission Plant	$ 114,379,017	$ 7,108,508	$ 107,270,509	-42.7%	-48.4%	$ (3,034,170)	$ (51,914,494)	$ (54,948,664)	-48.0%
DISTRIBUTION PLANT									
361.00 Structures and Improvements	$ 550,918	$ -	$ 550,918		-5.0%	$ -	$ (27,546)	$ (27,546)	-5.0%
362.00 Station Equipment	27,964,410	2,079,371	25,885,039	-9.3%	-10.0%	(193,382)	(2,588,504)	(2,781,885)	-9.9%
364.00 Poles, Towers and Fixtures	36,106,413	4,474,301	31,632,112	-77.1%	-80.0%	(3,449,686)	(25,305,690)	(28,755,376)	-79.6%
365.00 Overhead Conductors and Devices	24,568,387	5,404,642	19,163,745	-37.7%	-30.0%	(2,037,550)	(5,749,124)	(7,786,674)	-31.7%
366.00 Underground Conduit	8,899,829	567,250	8,332,579	-9.9%	-10.0%	(56,158)	(833,258)	(889,416)	-10.0%
367.00 Underground Conductors and Devices	37,812,402	5,730,044	32,082,358	-6.3%	-10.0%	(360,993)	(3,208,236)	(3,569,229)	-9.4%
368.00 Line Transformers	32,781,375	3,505,175	29,276,200	-21.0%	-5.0%	(736,087)	(1,463,810)	(2,199,897)	-6.7%
369.00 Services	18,335,824	1,842,943	16,492,881	-62.6%	-50.0%	(1,153,682)	(8,246,441)	(9,400,123)	-51.3%
370.00 Meters	10,283,230	2,939,111	7,344,119	-4.6%	-5.0%	(135,199)	(367,206)	(502,405)	-4.9%
371.00 Installations on Customers' Premises	2,074,422	1,998,491	75,931	-6.7%	-5.0%	(133,899)	(3,797)	(137,695)	-6.6%
373.10 Street Lighting and Signal Systems	7,622,197	843,428	6,778,769	-30.2%	-60.0%	(254,715)	(4,067,261)	(4,321,977)	-56.7%
Total Distribution Plant	$ 206,999,407	$ 29,384,756	$ 177,614,651	-29.0%	-29.2%	$ (8,511,350)	$ (51,860,871)	$ (60,372,221)	-29.2%

NORTHWESTERN ENERGY - SD ELECTRIC
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
GENERAL PLANT									
Depreciable (VG Procedure)									
390.10 Structures and Improvements	$ 1,806,242	$ 708,739	$ 1,097,503	80.7%	-5.0%	$ 571,952	$ (54,875)	$ 517,077	28.6%
392.20 Transportation Equipment - Hourly/Trailers	10,068,875	2,714,337	7,354,538	1.8%		48,858		48,858	0.5%
392.30 Transportation Equipment - Automobiles	65,274		65,274		10.0%		6,527	6,527	10.0%
392.50 Transportation Equipment - Light Trucks	3,540,822	2,644,915	895,907	4.3%		113,731		113,731	3.2%
396.00 Power Operated Equipment	714,042	136,459	577,583	-3.3%	-5.0%	(4,503)	(28,879)	(33,382)	-4.7%
397.20 Communication Equipment	1,466,579	493,158	973,421	-0.8%		(3,945)		(3,945)	-0.3%
Total Depreciable	$ 17,661,834	$ 6,697,608	$ 10,964,226	10.8%	-0.7%	$ 726,093	$ (77,227)	$ 648,866	3.7%
Amortizable									
391.00 Offlce Furniture and Equipment	$ -	$ -	$ -			$ -	$ -	$ -	
391.01 Computers and Electronic Equipment									
393.00 Stores Equipment	271,389	117,612	153,777						
394.00 Tools, Shop and Garage Equipment	1,447,838	546,591	901,247						
395.00 Laboratory Equipment	560,095	500,384	59,711						
397.00 Communication Equipment - 10 Year	199,206	85,882	113,324						
398.00 Miscellaneous Equipment									
Total Amortizable	$ 2,478,528	$ 1,250,469	$ 1,228,059			$ -	$ -	$ -	
Total General Plant	$ 20,140,362	$ 7,948,077	$ 12,192,285	9.1%	-0.6%	$ 726,093	$ (77,227)	$ 648,866	3.2%
TOTAL UTILITY	$ 514,500,243	$ 56,724,860	$ 457,775,383	-20.9%	-25.7%	$ (11,832,187)	$ (117,834,375)	$ (129,921,071)	-25.3%
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	$ 9,632,822	$ 49,695	$ 9,583,127	-2.1%	-10.1%	$ (1,044)	$ (967,896)	$ (968,939)	-10.1%
312.00 Boiler Plant Equipment	35,111,818	3,757,309	31,354,509	-2.1%	-10.1%	(78,903)	(3,166,805)	(3,245,709)	-9.2%
314.00 Turbogenerator Units	13,079,444	652,909	12,426,535	-9.7%	-10.1%	(63,332)	(1,255,080)	(1,318,412)	-10.1%
315.00 Accessory Electric Equipment	3,687,915	22,710	3,665,205	-0.5%	-9.3%	(114)	(340,864)	(340,978)	-9.2%
316.00 Miscellaneous Power Plant Equipment	1,338,480	147,223	1,191,257	4.5%	-9.3%	6,625	(110,787)	(104,162)	-7.8%
Total Big Stone	$ 62,850,479	$ 4,629,846	$ 58,220,633	-3.0%	-10.0%	$ (136,768)	$ (5,841,432)	$ (5,978,200)	-9.5%
Coyote									
311.00 Structures and Improvements	$ 9,575,984	$ 504,834	$ 9,071,150	-2.1%	-6.0%	$ (10,602)	$ (544,269)	$ (554,871)	-5.8%
312.00 Boiler Plant Equipment	27,047,162	1,280,830	25,766,332	-2.1%	-6.0%	(26,897)	(1,545,980)	(1,572,877)	-5.8%
314.00 Turbogenerator Units	7,257,525	756,636	6,500,889	-9.7%	-6.0%	(73,394)	(390,053)	(463,447)	-6.4%
315.00 Accessory Electric Equipment	3,128,883	167,325	2,961,558	-0.5%	-4.9%	(837)	(145,116)	(145,953)	-4.7%
316.00 Miscellaneous Power Plant Equipment	728,464	167,838	560,626	4.5%	-4.9%	7,553	(27,471)	(19,918)	-2.7%
Total Coyote	$ 47,738,018	$ 2,877,463	$ 44,860,555	-3.6%	-5.9%	$ (104,177)	$ (2,652,889)	$ (2,757,066)	-5.8%

NORTHWESTERN ENERGY - SD ELECTRIC
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Neal									
311.00 Structures and Improvements	$ 4,053,268	$ 45,722	$ 4,007,546	-2.1%	-1.9%	$ (960)	$ (76,143)	$ (77,104)	-1.9%
312.00 Boiler Plant Equipment	18,988,202	565,047	18,423,155	-2.1%	-1.9%	(11,866)	(350,040)	(361,906)	-1.9%
314.00 Turbogenerator Units	3,859,864	12,256	3,847,608	-9.7%	-1.9%	(1,189)	(73,105)	(74,293)	-1.9%
315.00 Accessory Electric Equipment	3,294,621	24,303	3,270,318	-0.5%	-0.4%	(122)	(13,081)	(13,203)	-0.4%
316.00 Miscellaneous Power Plant Equipment	203,032	12,729	190,303	4.5%	-0.4%	573	(761)	(188)	-0.1%
Total Neal	$ 30,398,987	$ 660,057	$ 29,738,930	-2.1%	-1.7%	$ (13,564)	$ (513,130)	$ (526,694)	-1.7%

NORTHWESTERN ENERGY - SD ELECTRIC

Statement F

Current and Proposed Parameters
Vintage Group Procedure

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
STEAM PRODUCTION												
311.00 Structures and Improvements									44.90	18.87	-6.9	-7.0
312.00 Boiler Plant Equipment									39.78	19.05	-6.4	-6.7
314.00 Turbogenerator Units									32.97	17.77	-7.7	-7.5
315.00 Accessory Electric Equipment									42.50	20.22	-4.9	-5.0
316.00 Miscellaneous Power Plant Equipment									33.94	17.52	-5.5	-7.2
Total Steam Production Plant									39.24	18.82	-6.6	-6.8
OTHER PRODUCTION												
341.00 Structures and Improvements	37.00	SQ					50.00	R3	51.92	23.29	-7.8	-5.0
342.00 Fuel Holders and Accessories	30.00	SQ					45.00	R4	45.42	32.33	-5.3	-5.0
343.00 Prime Movers	30.00	SQ					45.00	R3	45.64	27.23	-21.0	-20.0
345.00 Accessory Electric Equipment	30.00	SQ					38.00	R3	39.51	21.10	-5.1	-5.0
346.00 Miscellaneous Power Plant Equipment	30.00	SQ					30.00	R0.5	35.16	17.36	-10.4	-5.0
Total Other Production Plant									45.52	27.08	-18.7	-17.8
TRANSMISSION PLANT												
352.00 Structures and Improvements							55.00	R3	57.98	32.84	-10.0	-10.0
353.00 Station Equipment	34.00	S5	34.00	25.20	-5.0	-5.0	45.00	R2	45.67	29.99	-9.1	-10.0
355.00 Poles and Fixtures	35.00	R2	35.00	28.20	-5.0	-5.0	50.00	S2	50.32	32.59	-119.2	-120.0
356.00 Overhead Conductors and Devices	43.00	R2	43.00	33.60	-5.0	-5.0	50.00	S3	50.07	29.59	-32.6	-30.0
357.00 Underground Conduit							50.00	S3	50.00	38.86	-0.1	
358.00 Underground Conductors and Devices							35.00	R4	35.00	28.72	-9.9	-10.0
Total Transmission Plant									47.74	30.73	-48.0	-48.4

NORTHWESTERN ENERGY - SD ELECTRIC

Statement F

Current and Proposed Parameters
Vintage Group Procedure

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
DISTRIBUTION PLANT												
361.00 Structures and Improvements							45.00	R4	45.00	38.43	-5.0	-5.0
362.00 Station Equipment	31.00	R4	31.00	20.30			45.00	S1	45.60	30.08	-9.9	-10.0
364.00 Poles, Towers and Fixtures	27.00	R1	27.00	19.90			37.00	R4	37.25	20.66	-79.6	-80.0
365.00 Overhead Conductors and Devices	34.00	R1	34.00	25.70	-5.0	-5.0	38.00	R4	38.44	20.68	-31.7	-30.0
366.00 Underground Conduit	45.00	L0	45.00	42.00	-5.0	-5.0	42.00	R5	41.96	30.45	-10.0	-10.0
367.00 Underground Conductors and Devices	25.00	L1	25.00	21.70			35.00	R4	35.10	23.48	-9.4	-10.0
368.00 Line Transformers	35.00	R1.5	35.00	26.50			50.00	L1.5	50.32	38.62	-6.7	-5.0
369.00 Services	25.00	R1	25.00	18.90			35.00	S3	35.09	22.35	-51.3	-50.0
370.00 Meters	29.00	L3	29.00	17.50			22.00	L0.5	22.15	16.75	-4.9	-5.0
371.00 Installations on Customers' Premises	15.00	S1	15.00	9.80			15.00	L0.5	14.81	12.86	-6.6	-5.0
373.10 Street Lighting and Signal Systems	27.00	R1	27.00	17.70			32.00	R4	32.49	18.96	-56.7	-60.0
Total Distribution Plant									38.30	24.90	-29.2	-29.2
GENERAL PLANT												
Depreciable (VG Procedure)												
390.10 Structures and Improvements	45.00	O4	55.44	54.58	38.2		45.00	S3	47.71	23.38	28.6	-5.0
392.20 Transportation Equipment - Hourly/Trailers	20.00	L1.5	20.36	12.04	4.7	5.0	18.00	L1.5	18.27	13.71	0.5	
392.30 Transportation Equipment - Automobiles							8.00	S1.5	8.02	5.96	10.0	10.0
392.50 Transportation Equipment - Light Trucks	10.00	S2	10.58	3.40	5.4	5.0	10.00	S2	11.54	5.03	3.2	
396.00 Power Operated Equipment	25.00	R4	24.70	13.16	5.4	5.0	25.00	R4	24.71	12.78	-4.7	-5.0
397.20 Communication Equipment	14.00	R4	13.95	5.38			15.00	S3	15.04	12.98	-0.3	
Total Depreciable									18.29	12.74	3.7	-0.7
Amortizable												
391.00 Office Furniture and Equipment	20.00	SQ	20.00	12.12								
391.01 Computers and Electronic Equipment	7.00	SQ	7.00	2.88								
393.00 Stores Equipment	20.00	SQ	20.00	5.74			20.00	SQ	20.00	1.56		
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	6.24			15.00	SQ	15.00	10.73		
395.00 Laboratory Equipment	15.00	SQ	15.00	5.64			15.00	SQ	15.00	1.00		
397.00 Communication Equipment - 10 Year	10.00	SQ	10.00	4.55			10.00	SQ	10.00	2.71		
398.00 Miscellaneous Equipment	20.00	SQ	20.00	14.50								
Total Amortizable									14.78	8.32		
Total General Plant									17.86	12.20	3.2	-0.6
TOTAL UTILITY									39.59	23.62	-25.3	-25.7

NORTHWESTERN ENERGY - SD ELECTRIC

Statement F

Current and Proposed Parameters
Vintage Group Procedure

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	BG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
STEAM PRODUCTION												
Big Stone												
311.00 Structures and Improvements	33.00	SQ	33.00	30.50	-13.0	-13.0	2027	200-SC	40.94	15.18	-10.1	-10.1
312.00 Boiler Plant Equipment	33.00	SQ	33.00	30.50	-13.0	-13.0	2027	200-SC	33.58	15.18	-9.2	-10.1
314.00 Turbogenerator Units	33.00	SQ	33.00	30.50	-13.0	-13.0	2027	200-SC	28.79	15.19	-10.1	-10.1
315.00 Accessory Electric Equipment	33.00	SQ	33.00	30.50	-13.0	-13.0	2027	200-SC	40.72	15.18	-9.2	-9.3
316.00 Miscellaneous Power Plant Equipment	30.00	SQ	30.00	27.60	-13.0	-13.0	2027	200-SC	32.73	15.18	-7.8	-9.3
Total Big Stone									33.73	15.18	-9.5	-10.0
Coyote												
311.00 Structures and Improvements	33.00	SQ	33.00	30.50	-13.0	-13.0	2032	200-SC	46.96	19.93	-5.8	-6.0
312.00 Boiler Plant Equipment	33.00	SQ	33.00	30.50	-13.0	-13.0	2032	200-SC	43.12	19.94	-5.8	-6.0
314.00 Turbogenerator Units	33.00	SQ	33.00	30.50	-13.0	-13.0	2032	200-SC	35.06	19.95	-6.4	-6.0
315.00 Accessory Electric Equipment	33.00	SQ	33.00	30.50	-13.0	-13.0	2032	200-SC	38.53	19.95	-4.7	-4.9
316.00 Miscellaneous Power Plant Equipment	30.00	SQ	30.00	27.60	-13.0	-13.0	2032	200-SC	34.63	19.95	-2.7	-4.9
Total Coyote									41.96	19.94	-5.8	-5.9
Neal												
311.00 Structures and Improvements	33.00	SQ	33.00	30.50	-13.0	-13.0	2040	200-SC	51.74	27.41	-1.9	-1.9
312.00 Boiler Plant Equipment	33.00	SQ	33.00	30.50	-13.0	-13.0	2040	200-SC	50.10	27.42	-1.9	-1.9
314.00 Turbogenerator Units	33.00	SQ	33.00	30.50	-13.0	-13.0	2040	200-SC	52.19	27.41	-1.9	-1.9
315.00 Accessory Electric Equipment	33.00	SQ	33.00	30.50	-13.0	-13.0	2040	200-SC	49.54	27.42	-0.4	-0.4
316.00 Miscellaneous Power Plant Equipment	30.00	SQ	30.00	27.60	-13.0	-13.0	2040	200-SC	41.06	27.45	-0.1	-0.4
Total Neal									50.44	27.42	-1.7	-1.7

NORTHWESTERN ENERGY - SD ELECTRIC
Future Net Salvage
Steam Production

Statement G

Account Description	12/31/11 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	$ 9,583,127	$ 388,326	$ 9,194,801	-25.0%	-9.5%	$ (97,082)	$ (871,525)	$ (968,607)	-10.1%
312.00 Boiler Plant Equipment	31,354,509	1,255,684	30,098,825	-25.0%	-9.5%	(313,921)	(2,852,905)	(3,166,825)	-10.1%
314.00 Turbogenerator Units	12,426,535	490,620	11,935,915	-25.0%	-9.5%	(122,655)	(1,131,341)	(1,253,996)	-10.1%
315.00 Accessory Electric Equipment	3,665,205	149,037	3,516,168	-5.0%	-9.5%	(7,452)	(333,278)	(340,730)	-9.3%
316.00 Miscellaneous Power Plant Equipment	1,191,257	47,630	1,143,627	-5.0%	-9.5%	(2,382)	(108,398)	(110,780)	-9.3%
Total Big Stone	$ 58,220,633	$2,331,297	$ 55,889,336	-23.3%	-9.5%	$(543,491)	$(5,297,447)	$(5,840,938)	-10.0%
Coyote									
311.00 Structures and Improvements	$ 9,071,150	$ 489,404	$ 8,581,746	-25.0%	-4.9%	$(122,351)	$ (423,704)	$ (546,055)	-6.0%
312.00 Boiler Plant Equipment	25,766,332	1,381,874	24,384,458	-25.0%	-4.9%	(345,469)	(1,203,927)	(1,549,395)	-6.0%
314.00 Turbogenerator Units	6,500,889	342,499	6,158,390	-25.0%	-4.9%	(85,625)	(304,056)	(389,681)	-6.0%
315.00 Accessory Electric Equipment	2,961,558	157,707	2,803,851	-5.0%	-4.9%	(7,885)	(138,434)	(146,319)	-4.9%
316.00 Miscellaneous Power Plant Equipment	560,626	29,575	531,051	-5.0%	-4.9%	(1,479)	(26,219)	(27,698)	-4.9%
Total Coyote	$ 44,860,555	$2,401,059	$ 42,459,496	-23.4%	-4.9%	$(562,808)	$(2,096,341)	$(2,659,149)	-5.9%
Neal									
311.00 Structures and Improvements	$ 4,007,546	$ 301,399	$ 3,706,147	-25.0%		$ (75,350)	$ -	$ (75,350)	-1.9%
312.00 Boiler Plant Equipment	18,423,155	1,380,635	17,042,520	-25.0%		(345,159)		(345,159)	-1.9%
314.00 Turbogenerator Units	3,847,608	289,391	3,558,217	-25.0%		(72,348)		(72,348)	-1.9%
315.00 Accessory Electric Equipment	3,270,318	244,833	3,025,485	-5.0%		(12,242)		(12,242)	-0.4%
316.00 Miscellaneous Power Plant Equipment	190,303	13,850	176,453	-5.0%		(693)		(693)	-0.4%
Total Neal	$ 29,738,930	$2,230,108	$ 27,508,822	-22.7%		$(505,790)	$ -	$ (505,790)	-1.7%

South Dakota/Nebraska Gas

Statements A through E

NORTHWESTERN ENERGY - SD/NE GAS Statement A

Component Accrual Rates
Current: BG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2011) Investment	Net Salvage	Total	Proposed (at 12/31/2011) Investment	Net Salvage	Total
A	B	C	D	E	F	G=E+F
PRODUCTION PLANT						
305.00 Structures and Improvements	1.79%	0.18%	1.97%	0.91%	0.12%	1.03%
311.00 Liquefied Petroleum Gas Equipment	2.28%	-0.11%	2.17%	-0.05%	-0.02%	-0.07%
320.00 Other Equipment	1.27%		1.27%			
Total Production Plant	2.19%	-0.06%	2.13%	0.12%	0.00%	0.12%
TRANSMISSION PLANT						
367.00 Mains	2.22%		2.22%	1.54%	0.08%	1.62%
Total Transmission Plant	2.22%		2.22%	1.54%	0.08%	1.62%
DISTRIBUTION PLANT						
375.00 Structures and Improvements	2.51%		2.51%	2.10%	0.21%	2.31%
376.10 Mains - Steel	1.64%	0.18%	1.82%	1.63%	0.33%	1.96%
376.20 Mains - Plastic	1.99%	0.21%	2.20%	2.17%	0.65%	2.82%
378.00 Meas. and Reg. Sta. Equip. - General	2.34%	0.23%	2.57%	2.18%	0.43%	2.61%
379.00 Meas. and Reg. Sta. Equip. - TBS	2.70%	0.29%	2.99%	2.19%	0.44%	2.63%
380.10 Services - Steel	1.68%	0.80%	2.48%	2.38%	2.43%	4.81%
380.20 Services - Plastic	2.23%	0.25%	2.48%	2.44%	1.72%	4.16%
381.10 Meters and Regulators	1.87%	0.10%	1.97%	2.03%	0.40%	2.43%
Total Distribution Plant	1.95%	0.22%	2.17%	2.08%	0.84%	2.92%
GENERAL PLANT						
Depreciable						
390.00 Structures and Improvements	3.73%	-0.01%	3.72%	2.24%	-0.15%	2.09%
392.00 Transportation Equipment - Vehicles	20.83%	-2.26%	18.57%	14.67%	-3.02%	11.65%
392.10 Transportation Equipment - Trailers	7.10%		7.10%	4.14%		4.14%
392.20 Transportation Equipment - Light Trucks	13.86%	-2.96%	10.90%	9.02%	-1.41%	7.61%
396.00 Power Operated Equipment	4.61%	-0.01%	4.60%	3.90%	-0.39%	3.51%
397.00 Communication Equipment	9.82%	-0.74%	9.08%	8.34%	-1.27%	7.07%
Total Depreciable	7.45%	-0.90%	6.54%	5.06%	-0.65%	4.41%
Amortizable						
391.00 Office Furniture and Equipment	4.24%		4.24%	4.24%		4.24%
391.20 Computer Equipment	8.73%		8.73%	8.73%		8.73%
393.00 Stores Equipment						
394.00 Tools, Shop and Garage Equipment	6.48%		6.48%	6.48%		6.48%
395.00 Laboratory Equipment	5.61%		5.61%	5.61%		5.61%
398.00 Miscellaneous Equipment						
Total Amortizable	6.35%		6.35%	6.60%		6.36%
Total General Plant	7.30%	-0.78%	6.52%	5.27%	-0.56%	4.68%
TOTAL UTILITY	2.28%	0.15%	2.43%	2.23%	0.72%	2.95%

NORTHWESTERN ENERGY - SD/NE GAS

Statement B

Component Accruals
Current: BG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/11 Investment	Current 2012 Annualized Accrual Investment	Net Salvage	Total	Proposed 2012 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
PRODUCTION PLANT								
305.00 Structures and Improvements	$ 240,515	$ 4,305	$ 433	$ 4,738	$ 2,189	$ 289	$ 2,478	$ (2,260)
311.00 Liquefied Petroleum Gas Equipment	1,132,129	25,813	(1,245)	24,568	(566)	(226)	(792)	(25,360)
320.00 Other Equipment								
Total Production Plant	$ 1,372,644	$ 30,118	$ (812)	$ 29,306	$ 1,623	$ 63	$ 1,686	$ (27,620)
TRANSMISSION PLANT								
367.00 Mains	$ 4,075,748	$ 90,482	$ -	$ 90,482	$ 62,767	$ 3,261	$ 66,028	$ (24,454)
Total Transmission Plant	$ 4,075,748	$ 90,482	$ -	$ 90,482	$ 62,767	$ 3,261	$ 66,028	$ (24,454)
DISTRIBUTION PLANT								
375.00 Structures and Improvements	$ 341,930	$ 8,582	$ -	$ 8,582	$ 7,181	$ 718	$ 7,899	$ (683)
376.10 Mains - Steel	28,960,880	474,958	52,130	527,088	472,062	95,571	567,633	40,545
376.20 Mains - Plastic	28,433,507	565,827	59,710	625,537	617,007	184,818	801,825	176,288
378.00 Meas. and Reg. Sta. Equip. - General	2,810,240	65,760	6,464	72,224	61,263	12,084	73,347	1,123
379.00 Meas. and Reg. Sta. Equip. - TBS	2,907,942	78,514	8,433	86,947	63,684	12,795	76,479	(10,468)
380.10 Services - Steel	4,560,494	76,616	36,484	113,100	108,540	110,820	219,360	106,260
380.20 Services - Plastic	27,709,970	617,932	69,275	687,207	676,123	476,611	1,152,734	465,527
381.10 Meters and Regulators	20,741,154	387,860	20,741	408,601	421,045	82,965	504,010	95,409
Total Distribution Plant	$ 116,466,117	$ 2,276,049	$ 253,237	$ 2,529,286	$ 2,426,905	$ 976,382	$ 3,403,287	$ 874,001
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	$ 2,484,648	$ 92,677	$ (248)	$ 92,429	$ 55,656	$ (3,727)	$ 51,929	$ (40,500)
392.00 Transportation Equipment - Vehicles	132,388	27,576	(2,992)	24,584	19,421	(3,998)	15,423	(9,161)
392.10 Transportation Equipment - Trailers	268,480	19,062		19,062	11,115		11,115	(7,947)
392.20 Transportation Equipment - Light Trucks	1,808,053	250,596	(53,518)	197,078	163,086	(25,494)	137,592	(59,486)
396.00 Power Operated Equipment	1,590,000	73,299	(159)	73,140	62,010	(6,201)	55,809	(17,331)
397.00 Communication Equipment	195,359	19,184	(1,446)	17,738	16,293	(2,481)	13,812	(3,926)
Total Depreciable	$ 6,478,928	$ 482,394	$ (58,363)	$ 424,031	$ 327,581	$ (41,901)	$ 285,680	$ (138,351)
Amortizable								
391.00 Offlce Furniture and Equipment	$ 60,789	$ 2,577	$ -	$ 2,577	$ 2,577	$ -	$ 2,577	$ -
391.20 Computer Equipment	15,889	1,387		1,387	1,387		1,387	
393.00 Stores Equipment								
394.00 Tools, Shop and Garage Equipment	924,244	59,887		59,887	59,887		59,887	
395.00 Laboratory Equipment	32,509	1,822		1,822	1,822		1,822	
398.00 Miscellaneous Equipment								
Total Amortizable	$ 1,033,431	$ 65,673	$ -	$ 65,673	$ 65,673	$ -	$ 65,673	$ -
Total General Plant	$ 7,512,359	$ 548,067	$ (58,363)	$ 489,704	$ 393,254	$ (41,901)	$ 351,353	$ (138,351)
TOTAL UTILITY	$ 129,426,868	$ 2,944,716	$ 194,062	$ 3,138,778	$ 2,884,549	$ 937,805	$ 3,822,354	$ 683,576

NORTHWESTERN ENERGY - SD/NE GAS

Statement C

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2011

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
PRODUCTION PLANT							
305.00 Structures and Improvements	$ 240,515	$ 106,940	44.46%	$ 96,812	40.25%	$ 194,120	80.71%
311.00 Liquefied Petroleum Gas Equipment	1,132,129	1,005,897	88.85%	458,529	40.50%	919,407	81.21%
320.00 Other Equipment		690					
Total Production Plant	$ 1,372,644	$ 1,113,527	81.12%	$ 555,342	40.46%	$ 1,113,527	81.12%
TRANSMISSION PLANT							
367.00 Mains	$ 4,075,748	$ 26,481	0.65%	$ 32,920	0.81%	$ 26,481	0.65%
Total Transmission Plant	$ 4,075,748	$ 26,481	0.65%	$ 32,920	0.81%	$ 26,481	0.65%
DISTRIBUTION PLANT							
375.00 Structures and Improvements	$ 341,930	$ 139,754	40.87%	$ 88,328	25.83%	$ 92,668	27.10%
376.10 Mains - Steel	28,960,880	16,145,863	55.75%	11,130,253	38.43%	11,677,176	40.32%
376.20 Mains - Plastic	28,433,507	11,135,986	39.17%	10,536,898	37.06%	11,054,664	38.88%
378.00 Meas. and Reg. Sta. Equip. - General	2,810,240	1,293,194	46.02%	974,387	34.67%	1,022,266	36.38%
379.00 Meas. and Reg. Sta. Equip. - TBS	2,907,942	1,542,836	53.06%	806,382	27.73%	846,006	29.09%
380.10 Services - Steel	4,560,494	2,863,323	62.79%	4,270,652	93.64%	4,480,505	98.25%
380.20 Services - Plastic	27,709,970	11,086,433	40.01%	15,077,687	54.41%	15,818,579	57.09%
381.10 Meters and Regulators	20,741,154	9,077,096	43.76%	7,904,220	38.11%	8,292,620	39.98%
Total Distribution Plant	$ 116,466,117	$ 53,284,485	45.75%	$ 50,788,806	43.61%	$ 53,284,485	45.75%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 2,484,648	$ 647,699	26.07%	$ 852,623	34.32%	$ 729,541	29.36%
392.00 Transportation Equipment - Vehicles	132,388	20,644	15.59%	38,703	29.23%	33,116	25.01%
392.10 Transportation Equipment - Trailers	268,480	83,316	31.03%	74,361	27.70%	63,627	23.70%
392.20 Transportation Equipment - Light Trucks	1,808,053	685,753	37.93%	648,083	35.84%	554,528	30.67%
396.00 Power Operated Equipment	1,590,000	438,806	27.60%	526,803	33.13%	450,756	28.35%
397.00 Communication Equipment	195,359	87,584	44.83%	105,278	53.89%	90,080	46.11%
Total Depreciable	$ 6,478,928	$ 1,963,802	30.31%	$ 2,245,852	34.66%	$ 1,921,648	29.66%

NORTHWESTERN ENERGY - SD/NE GAS

Statement C

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2011

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
Amortizable							
391.00 Office Furniture and Equipment	$ 60,789	$ 46,546	76.57%	$ 45,796	75.34%	$ 45,796	75.34%
391.20 Computer Equipment	15,889	7,809	49.14%	13,808	86.90%	13,808	86.90%
393.00 Stores Equipment		(102)					
394.00 Tools, Shop and Garage Equipment	924,244	281,547	30.46%	306,648	33.18%	306,648	33.18%
395.00 Laboratory Equipment	32,509	15,801	48.60%	27,342	84.11%	27,342	84.11%
398.00 Miscellaneous Equipment		(160)					
Total Amortizable	$ 1,033,431	$ 351,440	34.01%	$ 393,594	38.09%	$ 393,594	38.09%
Total General Plant	$ 7,512,359	$ 2,315,242	30.82%	$ 2,639,446	35.13%	$ 2,315,242	30.82%
TOTAL UTILITY	$ 129,426,868	$ 56,739,735	43.84%	$ 54,016,513	41.74%	$ 56,739,735	43.84%

NORTHWESTERN ENERGY - SD/NE GAS

Statement D

Depreciation Reserve Components
Redistributed Reserve
December 31, 2011

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Salvage Reserve Amount	Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
PRODUCTION PLANT							
305.00 Structures and Improvements	$ 240,515	$ 178,132	74.06%	$ 15,988	6.65%	$ 194,120	80.71%
311.00 Liquefied Petroleum Gas Equipment	1,132,129	1,140,789	100.76%	(221,382)	-19.55%	919,407	81.21%
320.00 Other Equipment							
Total Production Plant	$ 1,372,644	$ 1,318,921	96.09%	$ (205,394)	-14.96%	$ 1,113,527	81.12%
TRANSMISSION PLANT							
367.00 Mains	$ 4,075,748	$ 25,220	0.62%	$ 1,261	0.03%	$ 26,481	0.65%
Total Transmission Plant	$ 4,075,748	$ 25,220	0.62%	$ 1,261	0.03%	$ 26,481	0.65%
DISTRIBUTION PLANT							
375.00 Structures and Improvements	$ 341,930	$ 84,493	24.71%	$ 8,175	2.39%	$ 92,668	27.10%
376.10 Mains - Steel	28,960,880	9,730,980	33.60%	1,946,196	6.72%	11,677,176	40.32%
376.20 Mains - Plastic	28,433,507	8,487,170	29.85%	2,567,494	9.03%	11,054,664	38.88%
378.00 Meas. and Reg. Sta. Equip. - General	2,810,240	850,140	30.25%	172,126	6.12%	1,022,266	36.38%
379.00 Meas. and Reg. Sta. Equip. - TBS	2,907,942	706,958	24.31%	139,048	4.78%	846,006	29.09%
380.10 Services - Steel	4,560,494	2,265,444	49.68%	2,215,061	48.57%	4,480,505	98.25%
380.20 Services - Plastic	27,709,970	9,351,447	33.75%	6,467,132	23.34%	15,818,579	57.09%
381.10 Meters and Regulators	20,741,154	6,885,726	33.20%	1,406,894	6.78%	8,292,620	39.98%
Total Distribution Plant	$ 116,466,117	$ 38,362,358	32.94%	$ 14,922,127	12.81%	$ 53,284,485	45.75%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 2,484,648	$ 599,818	24.14%	$ 129,723	5.22%	$ 729,541	29.36%
392.00 Transportation Equipment - Vehicles	132,388	23,999	18.13%	9,117	6.89%	33,116	25.01%
392.10 Transportation Equipment - Trailers	268,480	63,627	23.70%			63,627	23.70%
392.20 Transportation Equipment - Light Trucks	1,808,053	536,414	29.67%	18,114	1.00%	554,528	30.67%
396.00 Power Operated Equipment	1,590,000	501,794	31.56%	(51,038)	-3.21%	450,756	28.35%
397.00 Communication Equipment	195,359	71,171	36.43%	18,909	9.68%	90,080	46.11%
Total Depreciable	$ 6,478,928	$ 1,796,823	27.73%	$ 124,825	1.93%	$ 1,921,648	29.66%

NORTHWESTERN ENERGY - SD/NE GAS

Statement D

Depreciation Reserve Components
Redistributed Reserve
December 31, 2011

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Salvage Reserve Amount	Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
Amortizable							
391.00 Office Furniture and Equipment	$ 60,789	$ 45,796	75.34%	$ -		$ 45,796	75.34%
391.20 Computer Equipment	15,889	13,808	86.90%			13,808	86.90%
393.00 Stores Equipment							
394.00 Tools, Shop and Garage Equipment	924,244	306,648	33.18%			306,648	33.18%
395.00 Laboratory Equipment	32,509	27,342	84.11%			27,342	84.11%
398.00 Miscellaneous Equipment							
Total Amortizable	$ 1,033,431	$ 393,594	38.09%	$ -		$ 393,594	38.09%
Total General Plant	$ 7,512,359	$ 2,190,417	29.16%	$ 124,825	1.66%	$ 2,315,242	30.82%
TOTAL UTILITY	$ 129,426,868	$ 41,896,915	32.37%	$ 14,842,819	11.47%	$ 56,739,735	43.84%

NORTHWESTERN ENERGY - SD/NE GAS
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
PRODUCTION PLANT									
305.00 Structures and Improvements	$ 405,882	$ 165,367	$ 240,515	-11.4%	-10.0%	$ (18,852)	$ (24,052)	$ (42,903)	-10.6%
311.00 Liquefied Petroleum Gas Equipment	2,663,169	1,531,040	1,132,129	21.1%	20.0%	323,049	226,426	549,475	20.6%
320.00 Other Equipment									
Total Production Plant	$ 3,069,051	$ 1,696,407	$ 1,372,644	17.9%	14.7%	$ 304,198	$ 202,374	$ 506,572	16.5%
TRANSMISSION PLANT									
367.00 Mains	$ 4,082,513	$ 6,765	$ 4,075,748		-5.0%	$ -	$ (203,787)	$ (203,787)	-5.0%
Total Transmission Plant	$ 4,082,513	$ 6,765	$ 4,075,748		-5.0%	$ -	$ (203,787)	$ (203,787)	-5.0%
DISTRIBUTION PLANT									
375.00 Structures and Improvements	$ 344,769	$ 2,839	$ 341,930	-26.3%	-10.0%	$ (747)	$ (34,193)	$ (34,940)	-10.1%
376.10 Mains - Steel	31,330,139	2,369,259	28,960,880	-20.2%	-20.0%	(478,590)	(5,792,176)	(6,270,766)	-20.0%
376.20 Mains - Plastic	28,866,094	432,587	28,433,507	-20.8%	-30.0%	(89,978)	(8,530,052)	(8,620,030)	-29.9%
378.00 Meas. and Reg. Sta. Equip. - General	2,900,030	89,790	2,810,240	-17.9%	-20.0%	(16,072)	(562,048)	(578,120)	-19.9%
379.00 Meas. and Reg. Sta. Equip. - TBS	2,938,570	30,628	2,907,942	-28.2%	-20.0%	(8,637)	(581,588)	(590,225)	-20.1%
380.10 Services - Steel	6,250,565	1,690,071	4,560,494	-107.5%	-100.0%	(1,816,826)	(4,560,494)	(6,377,320)	-102.0%
380.20 Services - Plastic	28,429,293	719,323	27,709,970	-86.3%	-70.0%	(620,776)	(19,396,979)	(20,017,755)	-70.4%
381.10 Meters and Regulators	22,221,150	1,479,996	20,741,154	-17.3%	-20.0%	(256,039)	(4,148,231)	(4,404,270)	-19.8%
Total Distribution Plant	$ 123,280,610	$ 6,814,493	$ 116,466,117	-48.2%	-37.4%	$ (3,287,666)	$ (43,605,761)	$ (46,893,427)	-38.0%
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	$ 2,794,943	$ 310,295	$ 2,484,648	76.2%		$ 236,445	$ -	$ 236,445	8.5%
392.00 Transportation Equipment - Vehicles	548,038	415,650	132,388	27.0%	10.0%	112,226	13,239	125,464	22.9%
392.10 Transportation Equipment - Trailers	299,176	30,696	268,480						
392.20 Transportation Equipment - Light Trucks	4,144,495	2,336,442	1,808,053	22.6%	10.0%	528,036	180,805	708,841	17.1%
396.00 Power Operated Equipment	2,096,960	506,960	1,590,000	9.5%	10.0%	48,161	159,000	207,161	9.9%
397.00 Communication Equipment	582,996	387,637	195,359	29.6%		114,741		114,741	19.7%
Total Depreciable	$ 10,466,608	$ 3,987,680	$ 6,478,928	26.1%	5.4%	$ 1,039,608	$ 353,044	$ 1,392,652	13.3%
Amortizable									
391.00 Office Furniture and Equipment	$ 406,739	$ 345,950	$ 60,789			$ -	$ -	$ -	
391.20 Computer Equipment	84,266	68,377	15,889						
393.00 Stores Equipment									
394.00 Tools, Shop and Garage Equipment	1,698,377	774,133	924,244						
395.00 Laboratory Equipment	365,323	332,814	32,509						
398.00 Miscellaneous Equipment									
Total Amortizable	$ 2,554,705	$ 1,521,274	$ 1,033,431			$ -	$ -	$ -	
Total General Plant	$ 13,021,313	$ 5,508,954	$ 7,512,359	18.9%	4.7%	$ 1,039,608	$ 353,044	$ 1,392,652	10.7%
TOTAL UTILITY	$ 143,453,487	$ 14,026,619	$ 129,426,868	-13.9%	-33.4%	$ (1,943,860)	$ (43,254,130)	$ (45,197,991)	-31.5%

NORTHWESTERN ENERGY - SD/NE GAS

Current and Proposed Parameters
Vintage Group Procedure

Statement F

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
PRODUCTION PLANT												
305.00 Structures and Improvements	45.00	R4	45.52	28.54	-8.4	-5.0	45.00	R4	45.05	28.41	-10.6	-10.0
311.00 Liquefied Petroleum Gas Equipment	30.00	R2	31.67	16.78	2.7		33.00	R3	33.49	16.66	20.6	20.0
320.00 Other Equipment	50.00	R5	50.00	19.20								
Total Production Plant									35.07	18.26	16.5	14.7
TRANSMISSION PLANT												
367.00 Mains	45.00		45.00				65.00	R4	65.00	64.50	-5.0	-5.0
Total Transmission Plant									65.00	64.50	-5.0	-5.0
DISTRIBUTION PLANT												
375.00 Structures and Improvements	45.00	R2.5	45.00	28.70			45.00	R4	47.00	35.93	-10.1	-10.0
376.10 Mains - Steel	50.00	R3	50.22	33.13	-15.2	-10.0	60.00	R3	59.95	40.75	-20.0	-20.0
376.20 Mains - Plastic	45.00	R3	45.09	34.54	-15.4	-10.0	45.00	R3	45.13	32.29	-29.9	-30.0
378.00 Meas. and Reg. Sta. Equip. - General	37.00	S2	37.11	26.67	-10.0	-10.0	45.00	S2	45.05	32.06	-19.9	-20.0
379.00 Meas. and Reg. Sta. Equip. - TBS	30.00	S4	30.26	19.71	-10.4	-10.0	45.00	S4	45.01	34.58	-20.1	-20.0
380.10 Services - Steel	45.00	S3	44.73	25.85	-60.9	-10.0	40.00	S2	40.17	21.15	-102.0	-100.0
380.20 Services - Plastic	40.00	S3	40.06	30.43	-50.3	-10.0	40.00	S3	40.01	27.14	-70.4	-70.0
381.10 Meters and Regulators	45.00	R3	45.21	31.22	-5.0	-5.0	48.00	R3	48.13	32.90	-19.8	-20.0
Total Distribution Plant									46.88	32.16	-38.0	-37.4
GENERAL PLANT												
Depreciable												
390.00 Structures and Improvements	45.00	R4	46.51	19.60	1.2		45.00	R4	47.14	33.84	8.5	
392.00 Transportation Equipment - Vehicles	15.00	SQ	8.37	3.50	27.1	5.0	7.00	S0	7.08	5.58	22.9	10.0
392.10 Transportation Equipment - Trailers	20.00	R2	20.81	11.00			25.00	R2	25.49	18.43		
392.20 Transportation Equipment - Light Trucks	10.00	L1	9.95	5.82	24.0	20.0	12.00	L1	11.94	7.80	17.1	10.0
396.00 Power Operated Equipment	25.00	SC	26.37	18.82	0.2		27.00	L1.5	27.79	17.54	9.9	10.0
397.00 Communication Equipment	15.00	L1.5	14.18	8.18	22.5		13.00	L1.5	13.27	7.62	19.7	
Total Depreciable									21.22	14.34	13.3	5.4

NORTHWESTERN ENERGY - SD/NE GAS

Statement F

Current and Proposed Parameters
Vintage Group Procedure

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
Amortizable												
391.00 Office Furniture and Equipment	20.00	SQ	20.00	6.94			20.00	SQ	20.00	4.93		
391.20 Computer Equipment	7.00	SQ	7.00	1.02			7.00	SQ	7.00	1.50		
393.00 Stores Equipment	20.00	SQ	20.00	4.92								
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	6.13			15.00	SQ	15.00	10.02		
395.00 Laboratory Equipment	15.00	SQ	15.00	4.09			15.00	SQ	15.00	2.38		
398.00 Miscellaneous Equipment	20.00	SQ	20.00	7.66								
Total Amortizable									14.96	9.28		
Total General Plant									20.07	13.41	10.7	4.7
TOTAL UTILITY									43.72	30.29	-31.5	-33.4

Statements A through E

South Dakota/Nebraska Common

NORTHWESTERN ENERGY - SD/NE COMMON Statement A

Comparison of Current and Proposed Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2011) Investment	Net Salvage	Total	Proposed (at 12/31/2011) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
INTANGIBLE PLANT						
Amortizable						
303.10 Intangible - 10 Year	← 10 Year Amortization →			← 10 Year Amortization →		
303.30 Intangible - 3 Year	← 3 Year Amortization →			← 3 Year Amortization →		
303.50 Intangible - 5 Year	← 5 Year Amortization →			← 5 Year Amortization →		
Total Amortizable	16.88%		16.88%	3.07	46.45%	16.88%
Total Intangible Plant	16.88%		16.88%	3.07	46.45%	16.88%
GENERAL PLANT						
Depreciable						
390.00 Structures and Improvements	2.81%		2.81%	2.80%	-0.01%	2.79%
392.00 Transportation Equipment - Vehicles	22.86%	-4.60%	18.26%	15.75%	-1.58%	14.17%
392.10 Transportation Equipment - Trailers	12.54%	-0.18%	12.36%	5.46%	-0.49%	4.97%
392.20 Transportation Equipment - Light Trucks	14.60%	-1.46%	13.14%	12.85%	-1.29%	11.56%
396.00 Power Operated Equipment	4.69%		4.69%	5.40%	-0.28%	5.12%
397.00 Communication Equipment	9.79%	-0.31%	9.48%	8.51%	-0.46%	8.05%
Total Depreciable	5.35%	-0.20%	5.15%	16.88	20.36%	4.60%
Amortizable						
391.00 Office Furniture and Equipment	← 20 Year Amortization →			← 20 Year Amortization →		
391.20 Computer Equipment	← 7 Year Amortization →			← 7 Year Amortization →		
393.00 Stores Equipment	← 20 Year Amortization →			← 20 Year Amortization →		
394.00 Tool, Shop and Garage Equipment	← 15 Year Amortization →			← 15 Year Amortization →		
395.00 Laboratory Equipment	← 15 Year Amortization →			← 15 Year Amortization →		
397.20 Communication Equipment - Electronic	← 10 Year Amortization →			← 10 Year Amortization →		
398.00 Miscellaneous Equipment	← 20 Year Amortization →			← 20 Year Amortization →		
Total Amortizable	8.04%		8.04%	5.74	53.03%	8.04%
Total General Plant	5.88%	-0.16%	5.72%	9.29	26.83%	5.28%
TOTAL UTILITY			7.08%	12.89	29.22%	6.70%

NORTHWESTERN ENERGY - SD/NE COMMON

Statement B

Comparison of Current and Proposed Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/11 Investment	Current 2012 Annualized Accrual Investment	Net Salvage	Total	Proposed 2012 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
INTANGIBLE PLANT								
Amortizable								
303.10 Intangible - 10 Year	$ 394,385	$ 7,407	$ -	$ 7,407	$ 139	$ -	$ 7,407	$ -
303.30 Intangible - 3 Year	198,343	66,114		66,114	22,038		66,114	
303.50 Intangible - 5 Year	4,101,103	718,652		718,652	125,932		718,652	
Total Amortizable	$ 4,693,831	$ 792,173	$ -	$ 792,173	$ 148,109	$ -	$ 792,173	$ -
Total Intangible Plant	$ 4,693,831	$ 792,173	$ -	$ 792,173	$ 148,109	$ -	$ 792,173	$ -
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	$ 18,222,083	$ 512,041	$ -	$ 512,041	$ 510,218	$ (1,822)	$ 508,396	$ (3,645)
392.00 Transportation Equipment - Vehicles	243,021	55,555	(11,179)	44,376	6,989	(110)	34,436	(9,940)
392.10 Transportation Equipment - Trailers	559,722	70,189	(1,007)	69,182	3,777	(19)	27,818	(41,364)
392.20 Transportation Equipment - Light Trucks	1,916,643	279,830	(27,983)	251,847	32,362	(417)	221,564	(30,283)
396.00 Power Operated Equipment	1,381,442	64,790		64,790	3,499	(10)	70,730	5,940
397.00 Communication Equipment	4,764,131	466,408	(14,769)	451,639	38,434	(177)	383,513	(68,126)
Total Depreciable	$ 27,087,042	$ 1,448,813	$ (54,938)	$ 1,393,875	$ 595,279	$ (2,555)	$ 1,246,457	$ (147,418)
Amortizable								
391.00 Office Furniture and Equipment	$ 3,117,166	$ 155,424	$ -	$ 155,424	$ 7,750	$ -	$ 155,424	$ -
391.20 Computer Equipment	2,219,330	288,479		288,479	37,498		288,479	
393.00 Stores Equipment	248,888	12,278		12,278	606		12,278	
394.00 Tool, Shop and Garage Equipment	249,750	14,345		14,345	824		14,345	
395.00 Laboratory Equipment	113,406	5,510		5,510	268		5,510	
397.20 Communication Equipment - Electronic	487,960	48,796		48,796	4,880		48,796	
398.00 Miscellaneous Equipment	251,677	12,584		12,584	629		12,584	
Total Amortizable	$ 6,688,177	$ 537,416	$ -	$ 537,416	$ 52,455	$ -	$ 537,416	$ -
Total General Plant	$ 33,775,219	$ 1,986,229	$ (54,938)	$ 1,931,291	$ 647,734	$ (2,555)	$ 1,783,873	$ (147,418)
TOTAL UTILITY	$ 38,469,050	$ 2,778,402	$ (54,938)	$ 2,723,464	$ 795,843	$ (2,555)	$ 2,576,046	$ (147,418)

NORTHWESTERN ENERGY - SD/NE COMMON

Statement C

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2011

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
INTANGIBLE PLANT							
Amortizable							
303.10 Intangible - 10 Year	$ 394,385	$ 252,098	63.92%	$ 384,698	97.54%	$ 384,698	97.54%
303.30 Intangible - 3 Year	198,343	66,114	33.33%	99,171	50.00%	99,171	50.00%
303.50 Intangible - 5 Year	4,101,103	1,581,347	38.56%	1,696,397	41.36%	1,696,397	41.36%
Total Amortizable	$ 4,693,831	$ 1,899,560	40.47%	$ 2,180,266	46.45%	$ 2,180,266	46.45%
Total Intangible Plant	$ 4,693,831	$ 1,899,560	40.47%	$ 2,180,266	46.45%	$ 2,180,266	46.45%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 18,222,083	$ 3,289,493	18.05%	$ 6,658,454	36.54%	$ 3,599,100	19.75%
392.00 Transportation Equipment - Vehicles	243,021	115,504	47.53%	107,931	44.41%	58,340	24.01%
392.10 Transportation Equipment - Trailers	559,722	230,458	41.17%	192,361	34.37%	103,977	18.58%
392.20 Transportation Equipment - Light Trucks	1,916,643	626,355	32.68%	727,329	37.95%	393,144	20.51%
396.00 Power Operated Equipment	1,381,442	258,807	18.73%	288,495	20.88%	155,941	11.29%
397.00 Communication Equipment	4,764,131	1,791,288	37.60%	2,226,138	46.73%	1,203,296	25.26%
Total Depreciable	$ 27,087,042	$ 6,311,904	23.30%	$ 10,200,710	37.66%	$ 5,513,799	20.36%
Amortizable							
391.00 Office Furniture and Equipment	$ 3,117,166	$ 1,915,786	61.46%	$ 1,997,228	64.07%	$ 1,997,228	64.07%
391.20 Computer Equipment	2,219,330	364,364	16.42%	803,157	36.19%	803,157	36.19%
393.00 Stores Equipment	248,888	170,747	68.60%	182,108	73.17%	182,108	73.17%
394.00 Tool, Shop and Garage Equipment	249,750	114,954	46.03%	128,061	51.28%	128,061	51.28%
395.00 Laboratory Equipment	113,406	63,556	56.04%	61,179	53.95%	61,179	53.95%
397.20 Communication Equipment - Electronic	487,960	232,847	47.72%	201,198	41.23%	201,198	41.23%
398.00 Miscellaneous Equipment	251,677	166,931	66.33%	173,653	69.00%	173,653	69.00%
Total Amortizable	$ 6,688,177	$ 3,029,185	45.29%	$ 3,546,584	53.03%	$ 3,546,584	53.03%
Total General Plant	$ 33,775,219	$ 9,341,089	27.66%	$ 13,747,294	40.70%	$ 9,060,383	26.83%
TOTAL UTILITY	$ 38,469,050	$ 11,240,649	29.22%	$ 15,927,560	41.40%	$ 11,240,649	29.22%

NORTHWESTERN ENERGY - SD/NE COMMON

Statement D

Depreciation Reserve Components
Redistributed Reserve
December 31, 2011

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
INTANGIBLE PLANT							
Amortizable							
303.10 Intangible - 10 Year	$ 394,385	$ 384,698	97.54%	$ -		$ 384,698	97.54%
303.30 Intangible - 3 Year	198,343	99,171	50.00%			99,171	50.00%
303.50 Intangible - 5 Year	4,101,103	1,696,397	41.36%			1,696,397	41.36%
Total Amortizable	$ 4,693,831	$ 2,180,266	46.45%	$ -		$ 2,180,266	46.45%
Total Intangible Plant	$ 4,693,831	$ 2,180,266	46.45%	$ -		$ 2,180,266	46.45%
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	$ 18,222,083	$ 3,555,038	19.51%	$ 44,062	0.24%	$ 3,599,100	19.75%
392.00 Transportation Equipment - Vehicles	243,021	51,298	21.11%	7,043	2.90%	58,340	24.01%
392.10 Transportation Equipment - Trailers	559,722	89,490	15.99%	14,488	2.59%	103,977	18.58%
392.20 Transportation Equipment - Light Trucks	1,916,643	436,160	22.76%	(43,016)	-2.24%	393,144	20.51%
396.00 Power Operated Equipment	1,381,442	162,919	11.79%	(6,978)	-0.51%	155,941	11.29%
397.00 Communication Equipment	4,764,131	1,001,922	21.03%	201,374	4.23%	1,203,296	25.26%
Total Depreciable	$ 27,087,042	$ 5,296,827	19.55%	$ 216,972	0.80%	$ 5,513,799	20.36%
Amortizable							
391.00 Office Furniture and Equipment	$ 3,117,166	$ 1,997,228	64.07%	$ -		$ 1,997,228	64.07%
391.20 Computer Equipment	2,219,330	803,157	36.19%			803,157	36.19%
393.00 Stores Equipment	248,888	182,108	73.17%			182,108	73.17%
394.00 Tool, Shop and Garage Equipment	249,750	128,061	51.28%			128,061	51.28%
395.00 Laboratory Equipment	113,406	61,179	53.95%			61,179	53.95%
397.20 Communication Equipment - Electronic	487,960	201,198	41.23%			201,198	41.23%
398.00 Miscellaneous Equipment	251,677	173,653	69.00%			173,653	69.00%
Total Amortizable	$ 6,688,177	$ 3,546,584	53.03%	$ -		$ 3,546,584	53.03%
Total General Plant	$ 38,469,050	$ 11,023,677	28.66%	$ 216,972	0.56%	$ 11,240,649	29.22%
TOTAL UTILITY	$ 33,775,219	$ 8,843,411	26.18%	$ 216,972	0.64%	$ 9,060,383	26.83%

NORTHWESTERN ENERGY - SD/NE COMMON
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
INTANGIBLE PLANT									
Amortizable									
303.10 Intangible - 10 Year	$ 1,057,185	$ 662,800	$ 394,385			$ -	$ -	$ -	
303.30 Intangible - 3 Year	198,343		198,343						
303.50 Intangible - 5 Year	5,838,335	1,737,232	4,101,103						
Total Amortizable	$ 7,093,863	$ 2,400,032	$ 4,693,831			$ -	$ -	$ -	
Total General Plant	$ 7,093,863	$ 2,400,032	$ 4,693,831	$ -		$ -	$ -	$ -	
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	$ 21,218,724	$ 2,996,641	$18,222,083	4.9%		$ 146,835	$ -	$ 146,835	0.7%
392.00 Transportation Equipment - Vehicles	1,020,450	777,429	243,021	20.8%	5.0%	161,705	12,151	173,856	17.0%
392.10 Transportation Equipment - Trailers	1,072,566	512,844	559,722	23.6%	5.0%	121,031	27,986	149,017	13.9%
392.20 Transportation Equipment - Light Trucks	3,217,955	1,301,312	1,916,643	10.3%	10.0%	134,035	191,664	325,699	10.1%
396.00 Power Operated Equipment	1,621,606	240,164	1,381,442	6.5%	5.0%	15,611	69,072	84,683	5.2%
397.00 Communication Equipment	7,390,995	2,626,864	4,764,131	36.1%		948,298		948,298	12.8%
Total Depreciable	$ 35,542,296	$ 8,455,254	$27,087,042	18.1%	1.1%	$1,527,516	$ 300,874	$1,828,389	5.1%
Amortizable									
391.00 Office Furniture and Equipment	$ 7,481,793	$ 4,364,627	$ 3,117,166			$ -	$ -	$ -	
391.20 Computer Equipment	5,517,739	3,298,409	2,219,330						
393.00 Stores Equipment	362,572	113,684	248,888						
394.00 Tool, Shop and Garage Equipment	1,176,369	926,619	249,750						
395.00 Laboratory Equipment	542,172	428,766	113,406						
397.20 Communication Equipment - Electronic	1,654,570	1,166,610	487,960						
398.00 Miscellaneous Equipment	313,020	61,343	251,677						
Total Amortizable	$ 17,048,235	$10,360,058	$ 6,688,177			$ -	$ -	$ -	
Total General Plant	$ 59,684,394	$21,215,344	$38,469,050	7.2%	0.8%	$1,527,516	$ 300,874	$1,828,389	3.1%
TOTAL UTILITY	$ 52,590,531	$18,815,312	$33,775,219	8.1%	0.9%	$1,527,516	$ 300,874	$1,828,389	3.5%

NORTHWESTERN ENERGY - SD/NE COMMON

Statement F

Current and Proposed Parameters
Vintage Group Procedure

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
INTANGIBLE PLANT												
Amortizable												
303.10 Intangible - 10 Year	20.00	SQ					10.00	SQ	10.00	1.00		
303.30 Intangible - 3 Year	20.00	SQ					3.00	SQ	3.00	1.50		
303.50 Intangible - 5 Year	20.00	SQ					5.00	SQ	5.00	3.30		
Total Amortizable									5.07	3.07		
Total Intangible Plant									5.07	3.07	3.5	0.9
GENERAL PLANT												
Depreciable												
390.00 Structures and Improvements	55.00	L0		47.51		5.0	45.00	R4	45.05	28.79	0.7	
392.00 Transportation Equipment - Vehicles	55.00	L0		50.48		5.0	8.00	L2	8.22	5.01	17.0	5.0
392.10 Transportation Equipment - Trailers	55.00	L0		50.48		5.0	20.00	L4	21.84	15.38	13.9	5.0
392.20 Transportation Equipment - Light Trucks	55.00	L0		50.48		5.0	10.00	R1.5	10.38	6.01	10.1	10.0
396.00 Power Operated Equipment	25.00	L1		18.68		-5.0	20.00	SC	20.90	16.34	5.2	5.0
397.00 Communication Equipment	12.00	R2.5		7.89			15.00	L1.5	15.19	9.28	12.8	
Total Depreciable									26.45	16.88	5.1	1.1
Amortizable												
391.00 Office Furniture and Equipment	20.00	SQ					20.00	SQ	20.00	7.19		
391.20 Computer Equipment	7.00	SQ					7.00	SQ	7.00	4.89		
393.00 Stores Equipment	20.00	SQ					20.00	SQ	20.00	5.37		
394.00 Tool, Shop and Garage Equipment	15.00	SQ					15.00	SQ	15.00	7.31		
395.00 Laboratory Equipment	15.00	SQ					15.00	SQ	15.00	6.91		
397.20 Communication Equipment - Electronic	10.00	SQ					10.00	SQ	10.00	5.88		
398.00 Miscellaneous Equipment	20.00	SQ					20.00	SQ	20.00	6.20		
Total Amortizable									11.71	5.74		
Total General Plant									13.40	9.29	3.5	0.9
TOTAL UTILITY									24.12	12.89	3.5	0.9

ANALYSIS

INTRODUCTION

This section provides an explanation of the supporting schedules developed in the NorthWestern – South Dakota electric and South Dakota/Nebraska gas and common depreciation study to estimate appropriate projection curves, projection lives and net salvage statistics for each rate category. The form and content of the schedules developed for an account depend upon the method of analysis adopted for the category.

This section also includes examples of the supporting schedules developed for distribution Account 364.00 – Poles, Towers and Fixtures. Documentation for all other plant accounts is contained in the study work papers. The supporting schedules developed in the NorthWestern study include:

Schedule A – Generation Arrangement;

Schedule B – Age Distribution;

Schedule C – Plant History;

Schedule D – Actuarial Life Analysis;

Schedule E – Graphics Analysis; and

Schedule F – Net Salvage History.

The format and content of these schedules are briefly described below.

SCHEDULE A – GENERATION ARRANGEMENT

The purpose of this schedule is to obtain appropriate weighted–average life statistics for a rate category. The weighted–average remaining–life is the sum of Column H divided by the sum of Column I. The weighted average life is the sum of Column C divided by the sum of Column I.

It should be noted that the generation arrangement does not include parameters for net salvage. Computed Net Plant (Column H) and Accruals (Column I) must be adjusted for net salvage to obtain a correct measurement of theoretical reserves and annualized depreciation accruals.

The following table provides a description of each column in the generation arrangement.

Column	Title	Description
A	Vintage	Vintage or placement year of surviving plant.
B	Age	Age of surviving plant at beginning of study year.
C	Surviving Plant	Actual dollar amount of surviving plant.
D	Average Life	Estimated average life of each vintage. This statistic is the sum of the realized life and the unrealized life, which is the product of the remaining life (Column E) and the theoretical proportion surviving.
E	Remaining Life	Estimated remaining life of each vintage.
F	Net Plant Ratio	Theoretical net plant ratio of each vintage.
G	Allocation Factor	A pivotal ratio which determines the amortization period of the difference between the recorded and computed
H	Computed Net Plant	Plant in service less theoretical reserve for each vintage.
I	Accrual	Ratio of computed net plant (Column H) and remaining life (Column E).

Table 5. Generation Arrangement

SCHEDULE B – AGE DISTRIBUTION

This schedule provides the age distribution and realized life of surviving plant This schedule provides the age distribution and realized life of surviving plant shown in Column C of the Generation Arrangement (Schedule A). The format of the schedule depends upon the availability of either aged or unaged data. Derived additions for vintage years older than the earliest activity year in an account for unaged data are obtained from the age distribution of surviving plant at the beginning of the earliest activity year. The amount surviving from these vintages is shown in Column D. The realized life (Column G) is derived from the dollar years of service provided by a vintage over the period of years the vintage has been in service. Plant additions for vintages older than the earliest activity year in an account are represented by the opening balances shown in Column D.

The computed proportion surviving (Column D) for unaged is derived from a computed mortality analysis. The average service life displayed in the title block is the life statistic derived for the most recent activity year, given the derived age distribution at the start of the year and the specified retirement dispersion. The realized life (Column F) is obtained by finding the slope of an SC retirement dispersion, which connects the computed survivors of a vintage (Column E) to the recorded vintage addition (Column B). The realized life is the area bounded by the SC dispersion, the computed proportion surviving and the age of the vintage.

SCHEDULE C – PLANT HISTORY

An Unadjusted Plant History schedule provides a summary of recorded plant data extracted from the continuing property records maintained by the Company. Activity year total amounts shown on this schedule for aged data are obtained from a historical arrangement of the data base in which all plant accounting transactions are identified by vintage and activity year. Activity year totals for unaged data are obtained from a transaction file without vintage identification. Information displayed in the unadjusted plant history is consistent with regulated investments reported internally by the Company.

An Adjusted Plant History schedule provides a summary of recorded plant data extracted from the continuing property records maintained by the Company with sales, transfers, and adjustments appropriately aged for depreciation study purposes. Activity year total amounts shown on this schedule for aged data are obtained from a historical arrangement of the data base in which all plant accounting transactions are identified by vintage and activity year. Ageing of adjusting transactions is achieved using transaction codes that identify an adjusting year associated with the dollar amount of a transaction. Adjusting transactions processed in the adjusted plant history are not aged in the Company's records or in the unadjusted plant history.

SCHEDULE D – ACTUARIAL LIFE ANALYSIS

These schedules provide a summary of the dispersion and life indications obtained from an actuarial life analysis for a specified placement band. The observation band (Column A) is specified to produce a rolling–band, shrinking–band, or progressive–band analysis depending upon the movement of the end points of the band. The degree of censoring (or point of truncation) of the observed life table is shown in Column B for each observation band. The estimated average service life, best fitting Iowa dispersion, and a statistical measure of the goodness of fit are shown for each degree polynomial (First, Second, and Third) fitted to the estimated hazard rates. Options available in the analysis include the width and location of both the placement and observation bands; the interval of years included in a selected rolling, shrinking, or progressive band analysis; the estimator of the hazard rate (actuarial, conditional proportion retired, or maximum likelihood); the elements to include on the diagonal of a weight matrix (exposures, inverse of age, inverse of variance, or unweighted); and the age at which an observed life table is truncated.

Estimated projection lives (Columns C, F, and I) are flagged with an asterisk if negative hazard rates are indicated by the fitted polynomial. All negative hazard rates are set equal to zero in the calculation of the graduated survivor curve. The Conformance Index (Columns E, H, and K) is the square root of the mean sum–of–squared differences between the graduated survivor curve and the best fitting

Iowa curve. A Conformance Index of zero would indicate a perfect fit.

SCHEDULE E – GRAPHICS ANALYSIS

This schedule provides a graphics plot of a) the observed proportion surviving for a selected placement and observation band; b) the statistically best fitting Iowa dispersion and derived projection life; and c) the projection curve and projection life selected to describe future forces of mortality.

The graphics analysis also provides a plot of the observed hazard rates and graduated hazard function for a selected placement and observation band. The estimator of the hazard rates and weighting used in fitting orthogonal polynomials to the observed data are displayed in the title block of the displayed graph.

SCHEDULE F – NET SALVAGE HISTORY

An Unadjusted Net Salvage History contains recorded activity–year retirements, salvage, cost of removal and other depreciation reserve activity appropriately recognized in the computation of average net salvage rates. This schedule provides a moving–average analysis of the ratio of realized net salvage (Column I) to the associated retirements (Column B). The schedule also provides a moving–average analysis of the components of unadjusted net salvage related to retirements. The ratio of gross salvage to retirements is shown in Column D and the ratio of cost of removal to retirements is shown in Column G.

An Adjusted Net Salvage History contains recorded activity–year total retirements, salvage, cost of removal and other depreciation reserve activity appropriately adjusted in the estimation of future net salvage rates. The moving–average adjusted net salvage analysis and component analysis are displayed in columns corresponding to an unadjusted net salvage analysis.

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant
Account: 364.00 Poles, Towers and Fixtures

Dispersion: 37 - R4
Procedure: Vintage Group

Generation Arrangement

	December 31, 2011				Net			
Vintage	Age	Surviving Plant	Avg. Life	Rem. Life	Plant Ratio	Alloc. Factor	Computed Net Plant	Accrual
A	B	C	D	E	F	G	H=C*F*G	I=H/E
2011	0.5	1,178,465	37.00	36.50	0.9865	1.0000	1,162,555	31,850
2010	1.5	1,339,860	36.97	35.50	0.9602	1.0000	1,286,505	36,238
2009	2.5	670,667	37.00	34.50	0.9325	1.0000	625,405	18,126
2008	3.5	1,647,840	37.00	33.51	0.9055	1.0000	1,492,194	44,536
2007	4.5	718,251	37.00	32.51	0.8786	1.0000	631,054	19,412
2006	5.5	2,807,955	37.00	31.51	0.8517	1.0000	2,391,481	75,889
2005	6.5	887,380	37.00	30.52	0.8248	1.0000	731,908	23,982
2004	7.5	860,822	37.00	29.53	0.7980	1.0000	686,950	23,266
2003	8.5	565,036	37.00	28.54	0.7712	1.0000	435,749	15,270
2002	9.5	2,198,182	37.00	27.55	0.7445	1.0000	1,636,592	59,406
2001	10.5	420,508	37.01	26.57	0.7179	1.0000	301,873	11,363
2000	11.5	423,006	37.01	25.59	0.6914	1.0000	292,464	11,430
1999	12.5	423,006	37.01	24.61	0.6650	1.0000	281,309	11,429
1998	13.5	434,566	37.02	23.65	0.6388	1.0000	277,599	11,740
1997	14.5	451,462	37.02	22.69	0.6128	1.0000	276,642	12,194
1996	15.5	456,080	37.03	21.74	0.5869	1.0000	267,688	12,316
1995	16.5	563,733	37.04	20.79	0.5613	1.0000	316,450	15,219
1994	17.5	619,771	37.06	19.86	0.5360	1.0000	332,219	16,725
1993	18.5	613,920	37.07	18.95	0.5110	1.0000	313,732	16,560
1992	19.5	614,782	37.10	18.04	0.4863	1.0000	298,996	16,573
1991	20.5	562,812	37.12	17.15	0.4620	1.0000	260,033	15,161
1990	21.5	573,715	37.16	16.28	0.4381	1.0000	251,349	15,440
1989	22.5	573,427	37.20	15.42	0.4146	1.0000	237,750	15,415
1988	23.5	587,408	37.25	14.59	0.3916	1.0000	230,003	15,769
1987	24.5	587,840	37.31	13.77	0.3690	1.0000	216,892	15,753
1986	25.5	595,880	37.34	12.97	0.3473	1.0000	206,954	15,957
1985	26.5	600,294	37.41	12.19	0.3259	1.0000	195,623	16,045
1984	27.5	562,061	37.59	11.44	0.3043	1.0000	171,008	14,954
1983	28.5	566,055	37.72	10.70	0.2836	1.0000	160,560	15,008
1982	29.5	578,784	37.87	9.98	0.2636	1.0000	152,571	15,285
1981	30.5	578,122	38.04	9.28	0.2441	1.0000	141,094	15,198
1980	31.5	558,110	38.21	8.60	0.2251	1.0000	125,657	14,605
1979	32.5	463,595	38.48	7.95	0.2065	1.0000	95,736	12,049
1978	33.5	464,432	38.68	7.32	0.1891	1.0000	87,841	12,007
1977	34.5	430,951	38.99	6.72	0.1724	1.0000	74,304	11,054
1976	35.5	5,453,336	37.36	6.17	0.1651	1.0000	900,377	145,950
Total	17.8	$31,632,112	37.25	20.66	0.5547	1.0000	$17,547,117	$849,175

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

Age Distribution

Vintage	Age as of 12/31/2011	Derived Additions	1990 Opening Balance	Experience to 12/31/2011 Amount Surviving	Proportion Surviving	Realized Life
A	B	C	D	E	F=E/(C+D)	G
2011	0.5	1,178,465		1,178,465	1.0000	0.5000
2010	1.5	1,413,944		1,339,860	0.9476	1.4738
2009	2.5	670,667		670,667	1.0000	2.5000
2008	3.5	1,647,840		1,647,840	1.0000	3.5000
2007	4.5	718,251		718,251	1.0000	4.5000
2006	5.5	2,807,955		2,807,955	1.0000	5.5000
2005	6.5	887,380		887,380	1.0000	6.5000
2004	7.5	865,012		860,822	0.9952	7.4976
2003	8.5	565,036		565,036	1.0000	8.5000
2002	9.5	2,204,804		2,198,182	0.9970	9.4985
2001	10.5	420,508		420,508	1.0000	10.5000
2000	11.5	423,747		423,006	0.9983	11.4991
1999	12.5	423,747		423,006	0.9983	12.4991
1998	13.5	434,566		434,566	1.0000	13.5000
1997	14.5	452,102		451,462	0.9986	14.4993
1996	15.5	456,080		456,080	1.0000	15.5000
1995	16.5	563,733		563,733	1.0000	16.5000
1994	17.5	620,063		619,771	0.9995	17.4998
1993	18.5	616,085		613,920	0.9965	18.4982
1992	19.5	615,814		614,782	0.9983	19.4992
1991	20.5	563,462		562,812	0.9988	20.4994
1990	21.5	575,601		573,715	0.9967	21.4984
1989	22.5		575,601	573,427	0.9962	22.4981
1988	23.5		588,817	587,408	0.9976	23.4988
1987	24.5		588,817	587,840	0.9983	24.4992
1986	25.5		602,675	595,880	0.9887	25.4516
1985	26.5		615,343	600,294	0.9755	26.4308
1984	27.5		567,692	562,061	0.9901	27.4936
1983	28.5		567,692	566,055	0.9971	28.4966
1982	29.5		580,454	578,784	0.9971	29.4961
1981	30.5		580,454	578,122	0.9960	30.4953
1980	31.5		564,205	558,110	0.9892	31.4689
1979	32.5		465,066	463,595	0.9968	32.4984
1978	33.5		466,808	464,432	0.9949	33.4385
1977	34.5		454,655	430,951	0.9479	34.4397
1976	35.5		8,274,236	5,453,336	0.6591	33.4717
1975	36.5		218,701		0.0000	24.4451
1974	37.5		195,792		0.0000	25.2716

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

Age Distribution

Vintage	Age as of 12/31/2011	Derived Additions	1990 Opening Balance	Experience to 12/31/2011		
				Amount Surviving	Proportion Surviving	Realized Life
A	B	C	D	E	F=E/(C+D)	G
1973	38.5		83,541		0.0000	26.4126
1972	39.5		62,732		0.0000	23.5764
1971	40.5		55,592		0.0000	25.7058
1970	41.5		33,846		0.0000	25.1385
1969	42.5		33,196		0.0000	24.4103
1968	43.5		70,271		0.0000	26.0107
1967	44.5		70,210		0.0000	25.5593
1966	45.5		50,015		0.0000	25.1966
1965	46.5		89,201		0.0000	25.7518
1964	47.5		23,223		0.0000	26.5129
1963	48.5		18,903		0.0000	27.6350
1962	49.5		6,492		0.0000	28.0000
1961	50.5		12,860		0.0000	29.1767
1960	51.5		9,141		0.0000	30.0808
1959	52.5		10,555		0.0000	31.9841
1957	54.5		1,793		0.0000	35.0000
1953	58.5		442,968		0.0000	40.3356
Total	17.8	$19,124,862	$16,981,550	$31,632,112	0.8761	

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

Unadjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
1990	16,910,914	568,538	176,565		17,302,886
1991	17,302,886	563,462	140,813		17,725,536
1992	17,725,536	615,814	111,710		18,229,640
1993	18,229,640	616,085	114,877		18,730,848
1994	18,730,848	620,063	173,899		19,177,012
1995	19,177,012	563,733	88,721		19,652,024
1996	19,652,024	456,080	108,758		19,999,346
1997	19,999,346	452,102	82,295		20,369,153
1998	20,369,153	434,566	75,490		20,728,229
1999	20,728,229	423,747	104,871		21,047,105
2000	21,047,105	423,747	319,044		21,151,808
2001	21,151,808	420,508	257,333		21,314,983
2002	21,314,983	2,278,948	572,667		23,021,264
2003	23,021,264	568,592	125,438		23,464,418
2004	23,464,418	865,012	175,047		24,154,383
2005	24,154,383	887,380	255,447		24,786,316
2006	24,786,316	2,762,883	337,151		27,212,048
2007	27,212,048	718,922	166,126		27,764,844
2008	27,764,844	1,655,841	271,243		29,149,443
2009	29,149,443	657,811	201,696	1,521	29,607,078
2010	29,607,078	1,523,236	302,079	2,023	30,830,259
2011	30,830,259	1,111,044	313,030	3,840	31,632,112

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

Adjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
1990	16,910,914	568,538	176,565		17,302,886
1991	17,302,886	563,462	140,813		17,725,536
1992	17,725,536	615,814	111,710		18,229,640
1993	18,229,640	616,085	114,877		18,730,848
1994	18,730,848	620,063	173,899		19,177,012
1995	19,177,012	563,733	88,721		19,652,024
1996	19,652,024	456,080	108,758		19,999,346
1997	19,999,346	452,102	82,295		20,369,153
1998	20,369,153	434,566	75,490		20,728,229
1999	20,728,229	423,747	104,871		21,047,105
2000	21,047,105	423,747	319,044		21,151,808
2001	21,151,808	420,508	257,333		21,314,983
2002	21,314,983	2,282,504	572,667		23,024,820
2003	23,024,820	565,036	125,438		23,464,418
2004	23,464,418	865,012	175,047		24,154,383
2005	24,154,383	887,380	255,447		24,786,316
2006	24,786,316	2,762,883	337,151		27,212,048
2007	27,212,048	718,922	166,126		27,764,844
2008	27,764,844	1,655,841	271,243		29,149,443
2009	29,149,443	657,811	201,696	1,521	29,607,078
2010	29,607,078	1,455,815	302,079	2,023	30,762,838
2011	30,762,838	1,178,465	313,030	3,840	31,632,112

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

T-Cut: None
Placement Band: 1953-2011
Hazard Function: Proportion Retired
Weighting: Exposures

Rolling Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1990-1994	0.0	31.1	L3 *	24.35	29.1	S3 *	20.57	26.4	R3 *	15.69
1991-1995	0.0	33.1	L3 *	27.46	29.1	S3 *	20.78	28.6	S3 *	19.65
1992-1996	0.0	34.8	L3 *	30.31	28.8	R4 *	20.56	29.7	R4 *	22.37
1993-1997	0.0	37.3	L3 *	34.32	28.8	R4 *	21.23	30.4	R4 *	24.17
1994-1998	0.0	40.1	L3 *	37.81	28.3	R3 *	21.02	31.1	S4 *	25.25
1995-1999	0.0	45.1	L2 *	42.72	28.9	R3 *	22.08	31.7	S4 *	25.81
1996-2000	0.0	43.3	L2 *	41.79	28.9	R3 *	24.01	30.9	S4 *	25.50
1997-2001	0.0	43.6	L2 *	40.62	30.5	R3 *	25.32	31.1	R5 *	24.09
1998-2002	0.0	38.5	L2 *	34.28	29.7	R3 *	23.46	29.8	R5 *	20.41
1999-2003	0.0	39.9	L2 *	22.11	33.4	S3 *	32.61	31.5	R5 *	40.20
2000-2004	84.5	40.6	L2 *	7.46	35.4	S3 *	3.65	34.3	S4 *	2.23
2001-2005	85.0	42.4	L2 *	7.47	37.3	S3 *	3.46	36.5	S3 *	2.83
2002-2006	83.4	42.3	L2 *	8.25	37.6	S3 *	3.69	36.5	S4 *	2.28
2003-2007	86.8	48.8	L2 *	6.83	40.7	S3 *	2.96	37.9	S4 *	1.61
2004-2008	84.9	47.2	L2 *	8.02	40.5	S3 *	3.50	38.4	S4 *	1.84
2005-2009	84.4	47.7	L2 *	8.48	41.5	S3 *	3.65	39.8	S4 *	1.91
2006-2010	83.1	47.6	L2 *	9.24	41.7	S3 *	4.08	39.8	S4 *	2.10
2007-2011	82.4	50.5	L2 *	8.43	42.8	S3 *	3.42	41.1	S4 *	1.82

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

T-Cut: None

Placement Band: 1953-2011

Hazard Function: Proportion Retired

Weighting: Exposures

Shrinking Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1990-2011	0.0	43.6	L2 *	14.62	37.9	S3 *	7.82	37.2	R4 *	5.17
1992-2011	0.0	44.5	L2 *	14.13	38.3	S3 *	8.14	37.4	R4 *	6.16
1994-2011	0.0	45.2	L2 *	13.31	38.9	S3 *	8.78	37.8	R4 *	7.88
1996-2011	0.0	45.9	L2 *	11.88	39.8	S3 *	9.41	39.0	S3 *	9.33
1998-2011	0.0	46.0	L2 *	11.57	40.4	S3 *	11.04	40.2	S3 *	11.13
2000-2011	70.0	45.5	L2 *	6.14	40.8	S3 *	1.95	49.6	L2 *	2.41
2002-2011	73.0	46.5	L2 *	6.94	41.4	S3 *	2.22	41.5	S3 *	2.31
2004-2011	76.9	48.6	L2 *	7.42	41.9	S3 *	2.57	40.9	R4 *	1.54
2006-2011	79.6	48.7	L2 *	8.37	42.2	S3 *	3.18	41.0	R4 *	1.80
2008-2011	83.2	49.5	L2 *	8.86	42.4	S3 *	3.59	41.0	R4 *	2.02
2010-2011	85.4	49.3	L1.5 *	8.89	41.8	R3 *	3.53	41.0	R4 *	2.54

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

T-Cut: None

Placement Band: 1953-2011

Hazard Function: Proportion Retired

Weighting: Exposures

Progressing Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1990-1991	0.0	28.9	L3 *	21.57	28.7	S3 *	20.28	24.3	L3 *	16.65
1990-1993	0.0	31.0	L3 *	24.30	29.5	S3 *	21.18	26.5	S3 *	15.60
1990-1995	0.0	32.2	L3 *	26.05	29.1	S3 *	20.68	28.0	S3 *	18.53
1990-1997	0.0	34.7	L3 *	29.96	29.3	S3 *	21.54	30.0	R4 *	22.83
1990-1999	0.0	37.5	L3 *	33.53	29.7	R3 *	22.28	31.7	S4 *	25.60
1990-2001	0.0	37.8	S1.5 *	33.64	30.1	R3 *	22.88	31.8	S4 *	25.25
1990-2003	0.0	38.1	S1.5 *	30.93	30.9	R3 *	20.66	32.3	S4 *	22.01
1990-2005	0.0	39.8	L2 *	30.39	32.6	S3 *	20.59	33.5	S4 *	20.82
1990-2007	0.0	41.1	L2 *	28.78	34.4	S3 *	20.09	34.4	S4 *	18.98
1990-2009	0.0	42.5	L2 *	25.31	36.3	S3 *	17.75	35.7	R4 *	15.42
1990-2011	0.0	43.6	L2 *	14.62	37.9	S3 *	7.82	37.2	R4 *	5.17

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

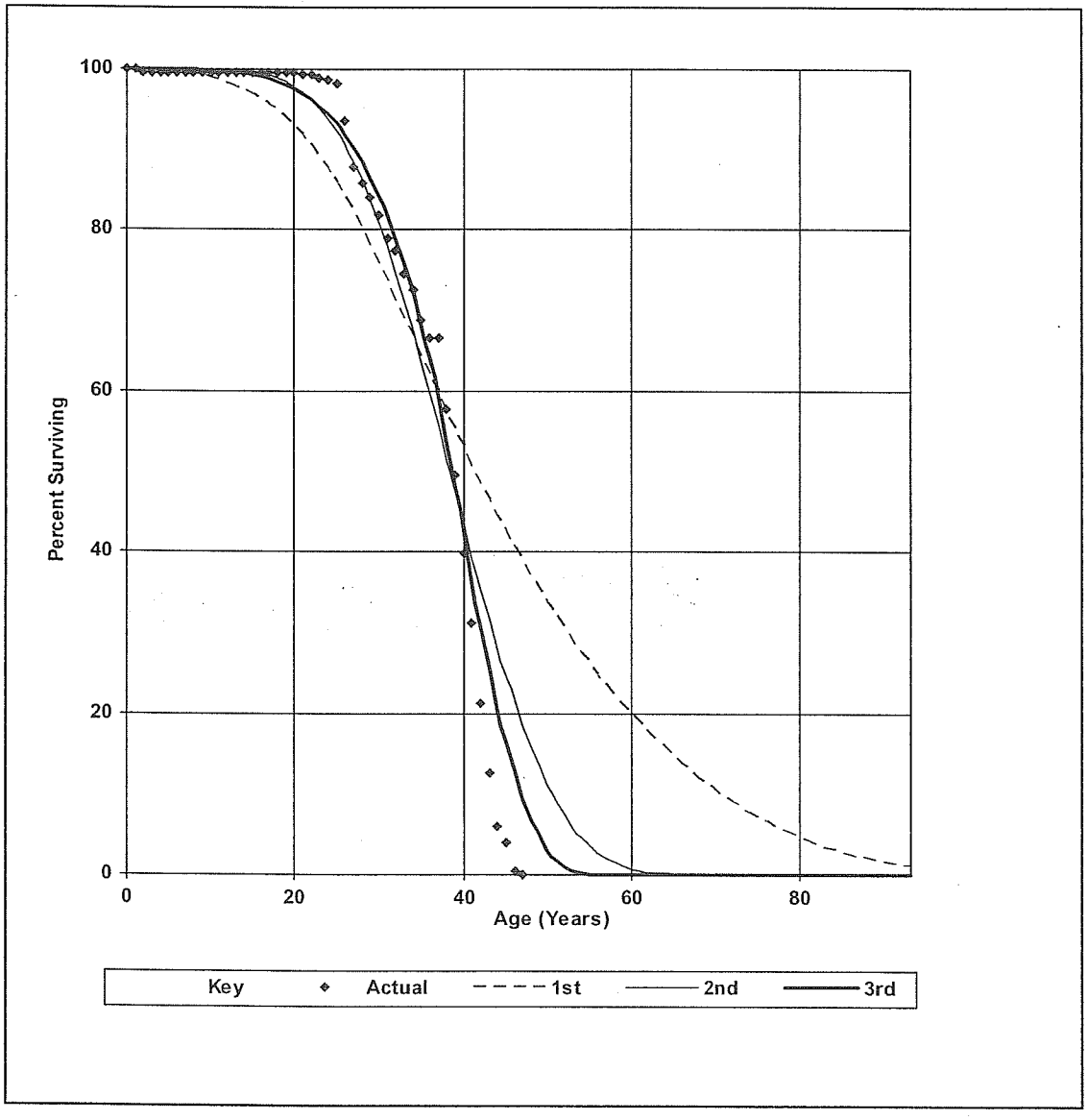
T-Cut: None

Placement Band: 1953-2011 Observation Band: 1990-2011

Hazard Function: Proportion Retired

Weighting: Exposures

Graphics Analysis 1st: 43.6-L2 2nd: 37.9-S3 3rd: 37.2-R4



NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

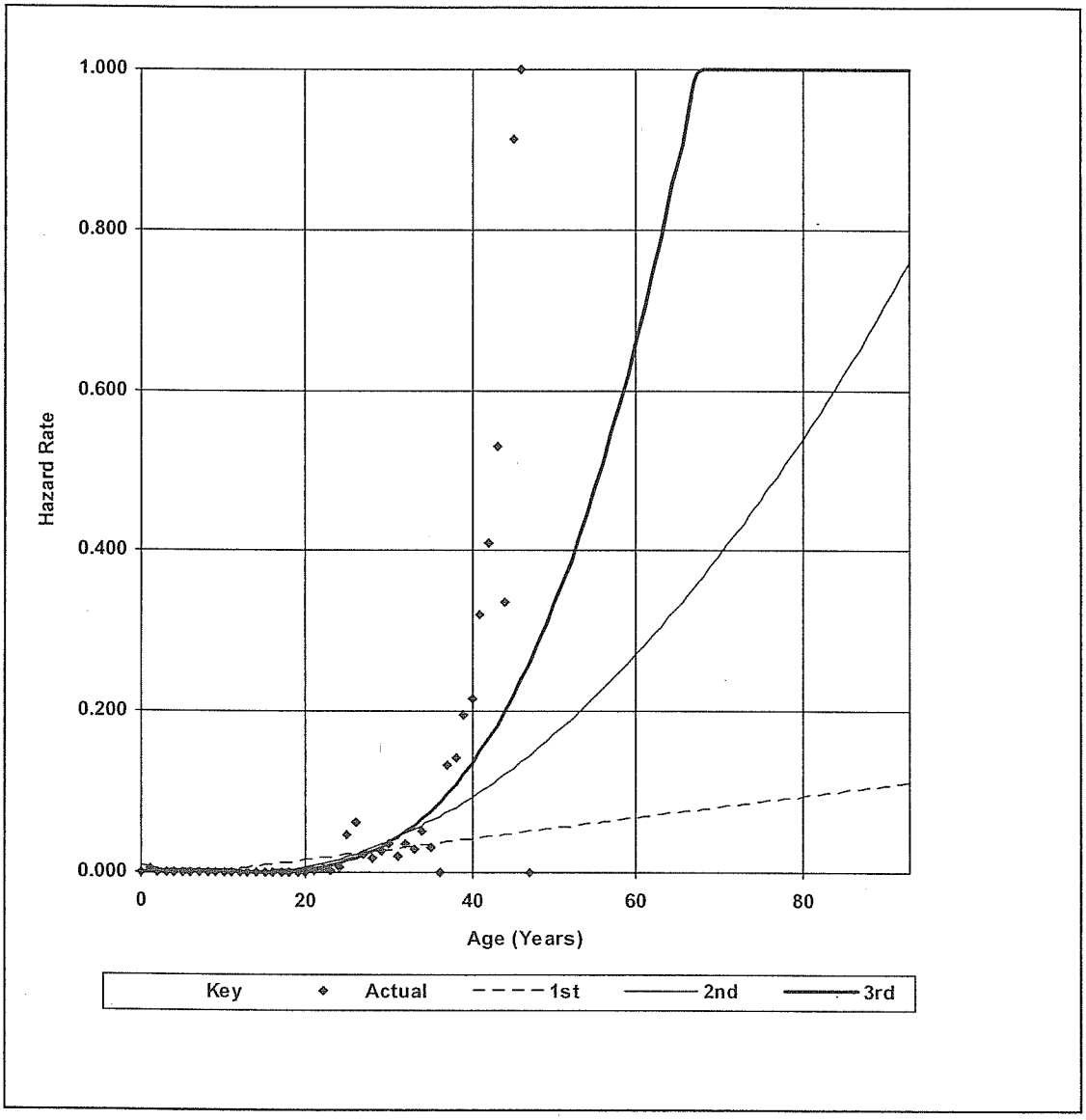
T-Cut: None

Placement Band: 1953-2011 Observation Band: 1990-2011

Hazard Function: Proportion Retired

Weighting: Exposures

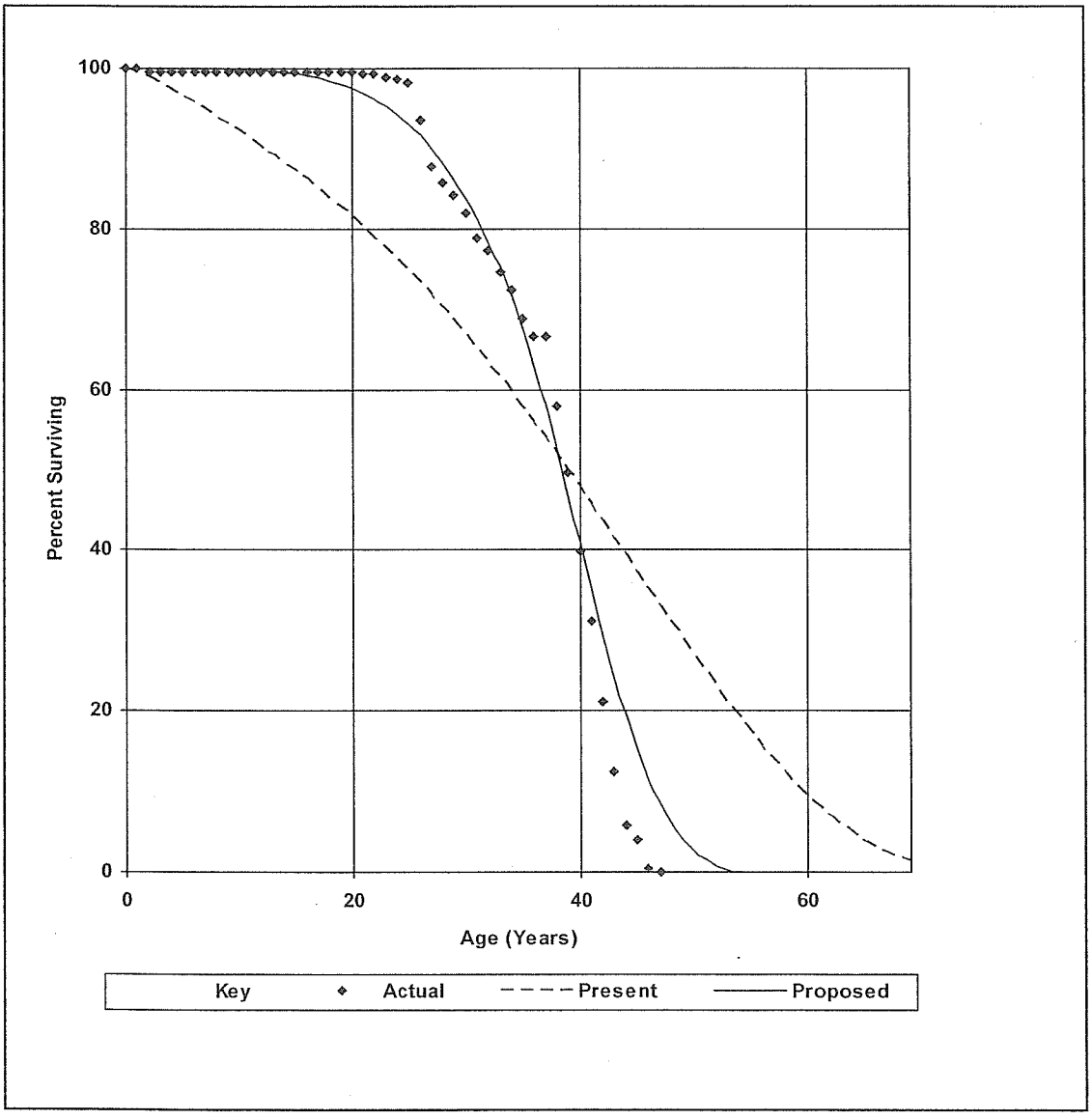
Polynomial Hazard Function 1st: 43.6-L2 2nd: 37.9-S3 3rd: 37.2-R4



NORTHWESTERN ENERGY - SD ELECTRIC
Distribution Plant
Account: 364.00 Poles, Towers and Fixtures

T-Cut: None
Placement Band: 1953-2011
Observation Band: 1990-2011

Present and Proposed Projection Life Curves Present: 37.0-R1 Proposed: 37.0-R4



NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

Unadjusted Net Salvage History

		Gross Salvage			Cost of Retiring			Net Salvage		
Year	Retirements	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.
A	B	C	D=C/B	E	F	G=F/B	H	I=C-F	J=I/B	K
1990	176,565	80,321	45.5		158,675	89.9		(78,354)	-44.4	
1991	140,813	56,045	39.8		129,564	92.0		(73,519)	-52.2	
1992	111,710	46,066	41.2		112,811	101.0		(66,745)	-59.7	
1993	114,877	41,014	35.7		132,872	115.7		(91,858)	-80.0	
1994	173,899	86,063	49.5	43.1	153,369	88.2	95.7	(67,306)	-38.7	-52.6
1995	88,721	31,161	35.1	41.3	96,478	108.7	99.2	(65,316)	-73.6	-57.9
1996	108,758	12,066	11.1	36.2	153,826	141.4	108.6	(141,760)	-130.3	-72.4
1997	82,295	49,220	59.8	38.6	126,934	154.2	116.7	(77,713)	-94.4	-78.1
1998	75,490	29,539	39.1	39.3	120,381	159.5	123.0	(90,841)	-120.3	-83.7
1999	104,871	25,386	24.2	32.0	165,211	157.5	144.1	(139,825)	-133.3	-112.0
2000	319,044	54,092	17.0	24.7	262,859	82.4	120.1	(208,766)	-65.4	-95.4
2001	257,333	38,102	14.8	23.4	158,560	61.6	99.4	(120,458)	-46.8	-76.0
2002	572,667	13,320	2.3	12.1	253,829	44.3	72.3	(240,510)	-42.0	-60.2
2003	125,438		0.0	9.5	176,126	140.4	73.7	(176,126)	-140.4	-64.2
2004	175,047		0.0	7.3	104,301	59.6	65.9	(104,301)	-59.6	-58.7
2005	255,447		0.0	3.7	150,275	58.8	60.8	(150,275)	-58.8	-57.1
2006	337,151	12,829	3.8	1.8	745,241	221.0	97.5	(732,412)	-217.2	-95.8
2007	166,126	5,187	3.1	1.7	108,684	65.4	121.3	(103,497)	-62.3	-119.6
2008	271,243	12,558	4.6	2.5	232,212	85.6	111.3	(219,655)	-81.0	-108.7
2009	201,696	22,388	11.1	4.3	116,518	57.8	109.8	(94,129)	-46.7	-105.5
2010	302,079	7,057	2.3	4.7	277,114	91.7	115.8	(270,056)	-89.4	-111.1
2011	313,030	6,845	2.2	4.3	141,818	45.3	69.9	(134,973)	-43.1	-65.6
Total	4,474,301	629,261	14.1		4,077,656	91.1		(3,448,395)	-77.1	

NORTHWESTERN ENERGY - SD ELECTRIC

Distribution Plant

Account: 364.00 Poles, Towers and Fixtures

Adjusted Net Salvage History

		Gross Salvage			Cost of Retiring			Net Salvage		
Year	Retirements	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.
A	B	C	D=C/B	E	F	G=F/B	H	I=C-F	J=I/B	K
1990	176,565	80,321	45.5		158,675	89.9		(78,354)	-44.4	
1991	140,813	56,045	39.8		129,564	92.0		(73,519)	-52.2	
1992	111,710	46,066	41.2		112,811	101.0		(66,745)	-59.7	
1993	114,877	41,014	35.7		132,872	115.7		(91,858)	-80.0	
1994	173,899	86,063	49.5	43.1	153,369	88.2	95.7	(67,306)	-38.7	-52.6
1995	88,721	31,161	35.1	41.3	96,478	108.7	99.2	(65,316)	-73.6	-57.9
1996	108,758	12,066	11.1	36.2	153,826	141.4	108.6	(141,760)	-130.3	-72.4
1997	82,295	49,220	59.8	38.6	126,934	154.2	116.7	(77,713)	-94.4	-78.1
1998	75,490	29,539	39.1	39.3	120,381	159.5	123.0	(90,841)	-120.3	-83.7
1999	104,871	25,386	24.2	32.0	165,211	157.5	144.1	(139,825)	-133.3	-112.0
2000	319,044	54,092	17.0	24.7	262,859	82.4	120.1	(208,766)	-65.4	-95.4
2001	257,333	38,102	14.8	23.4	158,560	61.6	99.4	(120,458)	-46.8	-76.0
2002	572,667	13,320	2.3	12.1	253,829	44.3	72.3	(240,510)	-42.0	-60.2
2003	125,438		0.0	9.5	176,126	140.4	73.7	(176,126)	-140.4	-64.2
2004	175,047		0.0	7.3	104,301	59.6	65.9	(104,301)	-59.6	-58.7
2005	255,447		0.0	3.7	150,275	58.8	60.8	(150,275)	-58.8	-57.1
2006	337,151		0.0	0.9	745,241	221.0	97.5	(745,241)	-221.0	-96.6
2007	166,126		0.0	0.0	108,684	65.4	121.3	(108,684)	-65.4	-121.3
2008	271,243		0.0	0.0	232,212	85.6	111.3	(232,212)	-85.6	-111.3
2009	201,696		0.0	0.0	116,518	57.8	109.8	(116,518)	-57.8	-109.8
2010	302,079		0.0	0.0	277,114	91.7	115.8	(277,114)	-91.7	-115.8
2011	313,030		0.0	0.0	141,818	45.3	69.9	(141,818)	-45.3	-69.9
Total	4,474,301	562,396	12.6		4,077,656	91.1		(3,515,260)	-78.6	