

NorthWestern Energy
South Dakota Electric
Revenue Requirement Model Description

Schedule H-5

Schedule H-5 – Field Inventory Adjustment. This schedule adjusts expenses related to a field inventory that occurred in the test year. The total decrease is shown as an adjustment on Line 11, and is adjusted in Statement H, column (g).

NorthWestern Corporation, dba NorthWestern Energy
 South Dakota Rate Case
 Working Papers for FERC 588 Normalizing due to Field Inventory
 September 30, 2014 Test Year

Schedule H-5
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Line No.	FERC (a)	Description (b)	Reference (c)	Adjusted Amount (d)
1	588	Miscellaneous Distribution Expenses		
2		10/2011 - 09/2012		453,963
3		10/2012 - 09/2013		715,425
4		10/2013 - 09/2014		1,425,042
5		Total Expense		<u>2,594,430</u>
6				
7		Average Expense	Ln.5 / 3 years	864,810
8				
9		NWE per books	Stmt H p.2, L37	<u>1,425,042</u>
10				
11		Pro Forma Adjustment to FERC 588	Ln. 7 - Ln. 9	\$ (560,232)