NorthWestern Corporation, dba NorthWestern Energy Class Cost of Service Study Income Statement-Customer Component Claimed ROR South Dakota Electric Test Year Ended September 30, 2014

CUSTOMER COMPONENT CLAIMED ROR

	CLAIMED ROR									
Line			Total	Total	Total	Total	Total	Total	Total	Controlled
No.	Description	Reference	Service Area	Residential	Irrigation	Commercial	Comm & Ind	Municipal	Lighting	Off-Peak 70
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Rate Base Customer Costs:									
2	Electric Plant in Service		53,012,732	27,538,442	251,361	5,506,183	10,421,755	218,218	9,070,527	6,246
3	Less: Accumulated Reserve for Depreciation		20,335,245	9,538,222	83,628	1,747,947	3,953,291	69,747	4,940,430	1,979
4	Plus: Working Capital		(243,600)	(177,758)	(711)	(46,323)	(44,428)	(2,138)	27,834	(76)
5	Plus: Other Addition to Rate Base		123,229	70,798	526	15,953	24,644	686	10,600	22
6	Less: Deductions to Rate Base		4,567,193	2,447,784	22,438	487,929	925,544	19,272	663,677	549
7	Total Customer Component Rate Base		27,989,923	15,445,474	145,110	3,239,937	5,523,137	127,747	3,504,853	3,665
8				,,	,	-,,	0,0=0,101	,	5,55 1,555	
9	Revenues:									
10	Elect Customer Sales Rev Required Claimed ROR		14,423,136	8,391,320	71,164	1,723,118	2,625,714	69,595	1,539,948	2,276
11	Wholesale Sales Revenues		0	0	0	0	0	0	0	0
12	Other Revenues		119,885	70,910	577	15,218	23,425	615	9,121	18
13	Total Revenues		14,543,021	8,462,231	71,741	1,738,336	2,649,140	70,210	1,549,069	2,294
14			, , , , ,	-, -, -	,	,,	, , , ,	-, -	, ,	, , , , , , , , , , , , , , , , , , , ,
15	Expenses:									
16	Operations & maintenance expenses		8,495,166	5,089,526	33,920	1,150,634	1,596,158	49,338	573,998	1,593
17	Depreciation & amortization expense		2,868,145	1,482,059	13,265	302,960	551,549	12,142	505,815	354
18	Regulatory Credits		151,713	87,602	643	19,892	30,569	861	12,119	28
19	Taxes other than income taxes		372,169	214,594	1,581	48,561	74,559	2,094	30,713	68
20										
21	Total Expenses		11,887,193	6,873,782	49,409	1,522,046	2,252,835	64,435	1,122,644	2,043
22										
23	Operating Income Before Income Taxes		2,655,828	1,588,449	22,332	216,290	396,305	5,775	426,425	252
24										
25	Federal Income Taxes		646,449	482,445	11,772	(14,853)	(1,426)	(3,291)	171,809	(6)
26										
27	Adjustments to Taxes		(162,639)	(92,565)	(701)	(20,276)	(30,864)	(847)	(17,361)	(26)
28										
29	Net Operating Income		2,172,018	1,198,569	11,261	251,419	428,595	9,913	271,977	284
30										
31	Customer Component Return on Rate Base		7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%
32										
33										
34	Customer Component Revenue Requirement Line 9		14,423,136	8,391,320	71,164	1,723,118	2,625,714	69,595	1,539,948	2,276
35										
36	Number of Annual Customers		787,962	594,262	816	116,333	29,035	3,157	44,311	48
37	0 1 0 0 0 10 0		0.40.00	04440	007.04	04404	\$20.40	000.04	00475	0.47.40
38	Customer Charge - \$/Month/Customer		\$18.30	\$14.12	\$87.21	\$14.81	\$90.43	\$22.04	\$34.75	\$47.42
39										
40										
41 42										
42										
43										
44										

NorthWestern Corporation, dba NorthWestern Energy Class Cost of Service Study Income Statement-Customer Component Claimed ROR South Dakota Electric Test Year Ended September 30, 2014

CUSTOMER COMPONENT

	CLAIMED ROR				Residential			
Line			Residential	Residential	Sp Htg &	Residential	Irrigation Interr	Irrigation
No.	Description	Reference	Basic 10	w/Sp Htg 11	Cooling 14	Dual-Fuel 15	Irr 16 & 18	Irr 17
	(a)	(b)	(k)	(1)	(m)	(n)	(o)	(p)
1	Rate Base Customer Costs:							
2	Electric Plant in Service		19,871,610	7,430,384	234,418	2,029	239,865	11,496
3	Less: Accumulated Reserve for Depreciation		6,675,324	2,799,711	62,650	538	79,588	4,041
4	Plus: Working Capital		(150,489)	(23,909)	(3,335)	(25)	(666)	(45)
5	Plus: Other Addition to Rate Base		54,273	15,604	914	7	500	25
6	Less: Deductions to Rate Base		1,764,137	662,921	20,548	178	21,413	1,025
7	Total Customer Component Rate Base		11,335,933	3,959,447	148,799	1,295	138,699	6,410
8								
9	Revenues:							
10	Elect Customer Sales Rev Required Claimed ROR		6,293,903	1,990,028	106,507	882	68,115	3,049
11	Wholesale Sales Revenues		0	0	0	0	0	0
12	Other Revenues		53,375	16,771	758	6	550	27
13	Total Revenues		6,347,278	2,006,799	107,266	888	68,665	3,076
14	_							
15	Expenses:		0.004.440	4 050 775	05 700	500	00.400	4 =0.4
16	Operations & maintenance expenses		3,964,449	1,058,775	65,780	522	32,186	1,734
17	Depreciation & amortization expense		1,080,134	388,153	13,655	117	12,657	608
18	Regulatory Credits		67,356	19,078	1,159	9	612	31
19 20	Taxes other than income taxes		164,840	46,926	2,806	23	1,504	77
21	Total Expenses		5,276,780	1,512,932	83,399	671	46,959	2,449
22	Total Expenses		5,276,780	1,512,932	63,399	0/1	40,959	2,449
23	Operating Income Before Income Taxes		1,070,498	493,867	23,866	218	21,706	626
24	operating moonie before moonie raxes		1,070,400	400,007	20,000	210	21,700	020
25	Federal Income Taxes		261,295	207,624	13,399	126	11,610	163
26				,			,	
27	Adjustments to Taxes		(70,466)	(21,010)	(1,080)	(9)	(667)	(34)
28	•		, , ,	, ,	, , ,	. ,	,	` ,
29	Net Operating Income		879,668	307,253	11,547	101	10,763	497
30								
31	Customer Component Return on Rate Base		7.76%	7.76%	7.76%	7.76%	7.76%	7.76%
32								
33								
34	Customer Component Revenue Requirement Line 9		6,293,903	1,990,028	106,507	882	68,115	3,049
35								
36	Number of Annual Customers		468,590	113,192	12,396	84	687	129
37								
38	Customer Charge - \$/Month/Customer		\$13.43	\$17.58	\$8.59	\$10.50	\$99.15	\$23.63
39								
40								
41								
42								
43								
11								

NorthWestern Corporation, dba NorthWestern Energy Class Cost of Service Study Income Statement-Customer Component Claimed ROR South Dakota Electric Test Year Ended September 30, 2014

CUSTOMER COMPONENT

Liu-	CLAIMED ROR		Commonois!	Commercial	Commercial	Commercial	Comm 8 Incl	Comm & Ind	Municipal	Lighting	Lighting	Controlled
Line No.		Reference	Commercial Gen Serv 21	Sep Mtr Water Htg 23	Comm Sp Htg & Cooling 24	All-Inclusive Comm 25	Comm & Ind 33	Lg Comm & Ind 34	Municipal Pumping 41	Reddy-Guard Ltg 19	Hwy Str & Area Ltg 56	Controlled Off-Peak 70
NO.	(a)	(b)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)
	(α)	(5)	(4)	(1)	(5)	(4)	(4)	(*)	()	(*)	(3)	(=)
1	Rate Base Customer Costs:											
2	Electric Plant in Service		4,091,092	22,960	291,429	1,100,702	3,635,791	6,785,964	218,218	1,439,151	7,631,376	6,246
3	Less: Accumulated Reserve for Depreciation		1,272,172	6,049	77,667	392,060	1,244,193	2,709,098	69,747	748,360	4,192,070	1,979
4	Plus: Working Capital		(37,178)	(262)	(3,854)	(5,029)	(30,142)	(14,285)	(2,138)	(783)	28,617	(76)
5	Plus: Other Addition to Rate Base		12,161	79	1,108	2,604	10,769	13,875	686	2,465	8,135	22
6	Less: Deductions to Rate Base	_	362,470	2,023	25,549	97,888	321,230	604,314	19,272	106,986	556,691	549
7	Total Customer Component Rate Base	-	2,431,434	14,706	185,468	608,329	2,050,994	3,472,142	127,747	585,486	2,919,367	3,665
8		-										,
9	Revenues:											
10	Elect Customer Sales Rev Required Claimed ROR		1,282,037	9,047	126,059	305,975	1,070,659	1,555,056	69,595	300,794	1,239,154	2,276
11	Wholesale Sales Revenues		0	0	0	0	0	0	0	0	0	0
12	Other Revenues	_	11,643	70	912	2,594	9,510	13,916	615	1,972	7,149	18
13	Total Revenues		1,293,680	9,117	126,970	308,568	1,080,168	1,568,971	70,210	302,766	1,246,303	2,294
14												
15	Expenses:											
16	Operations & maintenance expenses		893,694	5,607	77,460	173,874	747,077	849,081	49,338	158,564	415,434	1,593
17	Depreciation & amortization expense		226,183	1,312	16,913	58,552	199,653	351,897	12,142	81,585	424,230	354
18	Regulatory Credits		15,165	100	1,407	3,220	13,504	17,064	861	2,952	9,167	28
19	Taxes other than income taxes		37,040	243	3,403	7,875	32,828	41,731	2,094	7,333	23,380	68
20		_										
21	Total Expenses		1,172,082	7,262	99,182	243,521	993,061	1,259,773	64,435	250,434	872,211	2,043
22												
23	Operating Income Before Income Taxes		121,599	1,856	27,788	65,047	87,107	309,198	5,775	52,332	374,093	252
24												
25	Federal Income Taxes		(51,538)	810	14,689	21,185	(58,904)	57,478	(3,291)	10,468	161,341	(6)
26												
27	Adjustments to Taxes		(15,542)	(96)	(1,293)	(3,344)	(13,146)	(17,718)	(847)	(3,570)	(13,791)	(26)
28		-										
29	Net Operating Income	=	188,679	1,141	14,392	47,206	159,157	269,438	9,913	45,434	226,543	284
30		-										
31	Customer Component Return on Rate Base	=	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%
32												
33												
34	Customer Component Revenue Requirement Line 9		1,282,037	9,047	126,059	305,975	1,070,659	1,555,056	69,595	300,794	1,239,154	2,276
35												
36	Number of Annual Customers		100,166	983	6,236	8,948	22,877	6,158	3,157	42,674	1,637	48
37												
38	Customer Charge - \$/Month/Customer		\$12.80	\$9.20	\$20.21	\$34.19	\$46.80	\$252.53	\$22.04	\$7.05	\$756.97	\$47.42
39												