

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No.1902-0021  
(Expires 12/31/2019)  
Form 1-F Approved  
OMB No.1902-0029  
(Expires 12/31/2019)  
Form 3-Q Approved  
OMB No.1902-0205  
(Expires 12/31/2019)



# **FERC FINANCIAL REPORT**

## **FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

**Exact Legal Name of Respondent (Company)**

NorthWestern Corporation

**Year/Period of Report**

**End of** 2017/Q2

**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

<b>IDENTIFICATION</b>		
01 Exact Legal Name of Respondent NorthWestern Corporation		02 Year/Period of Report End of <u>2017/Q2</u>
03 Previous Name and Date of Change <i>(if name changed during year)</i>  / /		
04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> 3010 West 69th Street, Sioux Falls, SD 57108		
05 Name of Contact Person Elaine A. Vesco		06 Title of Contact Person Assistant Controller
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> 11 East Park Street, Butte, MT 59701		
08 Telephone of Contact Person, <i>Including Area Code</i> (406) 497-2759	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> 06/30/2017

**QUARTERLY CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

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01 Name Crystal D. Lail	03 Signature  Crystal D. Lail	04 Date Signed <i>(Mo, Da, Yr)</i> 08/04/2017
02 Title VP and Controller		
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 06/30/2017	Year/Period of Report End of <u>2017/Q2</u>
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. (Reserved.)</p> <p>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</p> <p>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None

2. None

3. None

4. None

5. None

6. None

7. None

8. None

9. See Note 12, "Commitments and Contingencies".

10. None

11. (Reserved)

12. NA

13. During February 2017, Dorothy M. Bradley notified the company of her intent to not seek re-election to serve another term as a member of the company's Board of Directors (the "Board"). Her retirement was effective upon the election of two new members of the Board at the company's annual meeting of stockholders, which was held on April 27, 2017. During that meeting, the two new members elected to the Board were: Britt E. Ide, President, Ide Energy & Strategy and Interim CEO of the Big Sky Chamber of Commerce, and Linda G. Sullivan, Executive Vice President and CFO of American Water.

14. NA

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	<b>UTILITY PLANT</b>				
2	Utility Plant (101-106, 114)	200-201	5,790,359,258	5,723,324,149	
3	Construction Work in Progress (107)	200-201	150,396,848	107,202,396	
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		5,940,756,106	5,830,526,545	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,122,958,690	2,048,648,650	
6	Net Utility Plant (Enter Total of line 4 less 5)		3,817,797,416	3,781,877,895	
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0	
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0	
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0	
10	Spent Nuclear Fuel (120.4)		0	0	
11	Nuclear Fuel Under Capital Leases (120.6)		0	0	
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0	
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0	
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,817,797,416	3,781,877,895	
15	Utility Plant Adjustments (116)		357,585,527	357,585,527	
16	Gas Stored Underground - Noncurrent (117)		32,123,544	32,119,605	
17	<b>OTHER PROPERTY AND INVESTMENTS</b>				
18	Nonutility Property (121)		686,805	5,667,242	
19	(Less) Accum. Prov. for Depr. and Amort. (122)		47,652	1,829,946	
20	Investments in Associated Companies (123)		0	0	
21	Investment in Subsidiary Companies (123.1)	224-225	21,627,885	21,604,897	
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)				
23	Noncurrent Portion of Allowances	228-229	0	0	
24	Other Investments (124)		47,626,131	43,705,179	
25	Sinking Funds (125)		0	0	
26	Depreciation Fund (126)		0	0	
27	Amortization Fund - Federal (127)		0	0	
28	Other Special Funds (128)		250,000	250,000	
29	Special Funds (Non Major Only) (129)		0	0	
30	Long-Term Portion of Derivative Assets (175)		0	0	
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0	
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		70,143,169	69,397,372	
33	<b>CURRENT AND ACCRUED ASSETS</b>				
34	Cash and Working Funds (Non-major Only) (130)		0	0	
35	Cash (131)		10,532,568	353,420	
36	Special Deposits (132-134)		3,588,310	2,358,634	
37	Working Fund (135)		23,575	22,934	
38	Temporary Cash Investments (136)		0	0	
39	Notes Receivable (141)		0	0	
40	Customer Accounts Receivable (142)		62,730,436	72,413,252	
41	Other Accounts Receivable (143)		8,538,056	11,274,193	
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,295,593	2,947,870	
43	Notes Receivable from Associated Companies (145)		0	0	
44	Accounts Receivable from Assoc. Companies (146)		1,885,309	832,656	
45	Fuel Stock (151)	227	8,711,231	9,584,006	
46	Fuel Stock Expenses Undistributed (152)	227	0	0	
47	Residuals (Elec) and Extracted Products (153)	227	0	0	
48	Plant Materials and Operating Supplies (154)	227	33,640,263	31,071,486	
49	Merchandise (155)	227	0	0	
50	Other Materials and Supplies (156)	227	0	0	
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0	
52	Allowances (158.1 and 158.2)	228-229	0	0	

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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		7,547,012	7,703,909
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		14,814,636	10,683,106
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		145,942	18,888
61	Accrued Utility Revenues (173)		56,553,573	80,425,143
62	Miscellaneous Current and Accrued Assets (174)		81,803	88,131
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		205,497,121	223,881,888
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		12,810,631	13,261,862
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	648,318,764	615,249,945
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		3,103	137
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	123,236	1,103,104
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reacquired Debt (189)		23,326,076	24,810,484
82	Accumulated Deferred Income Taxes (190)	234	203,964,569	229,754,877
83	Unrecovered Purchased Gas Costs (191)		9,240,255	14,093,347
84	Total Deferred Debits (lines 69 through 83)		897,786,634	898,273,756
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		5,380,933,411	5,363,136,043

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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	520,912	519,589
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	1,389,426,320	1,384,270,571
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	422,666,982	394,744,813
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	2,253,112	2,174,219
13	(Less) Reaquired Capital Stock (217)	250-251	96,688,535	95,769,402
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-9,581,474	-9,713,734
16	Total Proprietary Capital (lines 2 through 15)		1,708,597,317	1,676,226,056
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	1,779,660,000	1,779,660,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	26,976,900	26,976,900
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		29,313	37,688
24	Total Long-Term Debt (lines 18 through 23)		1,806,607,587	1,806,599,212
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		23,319,586	24,346,170
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		5,993,092	8,453,894
29	Accumulated Provision for Pensions and Benefits (228.3)		14,865,608	16,319,082
30	Accumulated Miscellaneous Operating Provisions (228.4)		162,710,157	165,336,401
31	Accumulated Provision for Rate Refunds (229)		1,649,174	4,522,161
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		40,403,575	39,401,895
35	Total Other Noncurrent Liabilities (lines 26 through 34)		248,941,192	258,379,603
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		303,658,264	300,810,573
38	Accounts Payable (232)		62,531,450	91,608,698
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		5,299,965	5,297,076
41	Customer Deposits (235)		5,842,704	6,427,078
42	Taxes Accrued (236)	262-263	81,058,190	75,561,296
43	Interest Accrued (237)		18,645,234	18,557,440
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0





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STATEMENT OF INCOME						
<p>Quarterly</p> <p>1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.</p> <p>2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.</p> <p>3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.</p> <p>4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.</p> <p>5. If additional columns are needed, place them in a footnote.</p> <p>Annual or Quarterly if applicable</p> <p>5. Do not report fourth quarter data in columns (e) and (f)</p> <p>6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p>						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	630,203,129	601,676,447	262,714,432	276,078,397
3	Operating Expenses					
4	Operation Expenses (401)	320-323	304,068,248	299,256,261	124,978,636	126,605,708
5	Maintenance Expenses (402)	320-323	29,230,488	27,617,692	15,003,305	14,521,979
6	Depreciation Expense (403)	336-337	73,318,908	70,031,603	36,655,589	35,024,499
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	5,977,031	6,111,895	3,009,149	3,051,664
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	3,513,138	3,513,137	1,756,568	1,756,569
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		8,749,792	-2,163,070	-2,820,527	-1,545,848
13	(Less) Regulatory Credits (407.4)		9,900,208	7,117,755	2,398,250	4,793,803
14	Taxes Other Than Income Taxes (408.1)	262-263	84,241,703	75,228,134	41,565,973	36,945,266
15	Income Taxes - Federal (409.1)	262-263	-5,579,330	-6,149,829	-4,237,832	-3,155,332
16	- Other (409.1)	262-263		-262,723	-560,459	-258,960
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	96,618,314	138,229,690	43,545,866	92,923,819
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	83,924,785	126,832,573	38,148,971	86,842,546
19	Investment Tax Credit Adj. - Net (411.4)	266	-57,228	-92,527	-15,350	-36,777
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		5	7	5	7
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		506,256,066	477,369,928	218,333,692	214,196,231
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		123,947,063	124,306,519	44,380,740	61,882,166



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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
473,692,649	465,819,535	156,104,643	135,501,501	405,837	355,411	2
						3
218,371,042	221,177,719	85,408,348	77,810,591	288,858	267,951	4
25,069,975	23,394,597	4,139,821	4,191,465	20,692	31,630	5
61,617,593	58,725,238	11,681,001	11,285,915	20,314	20,450	6
						7
2,626,763	2,399,078	3,350,268	3,712,817			8
3,929,629	3,940,221	-416,491	-427,084			9
						10
						11
5,032,964	-2,670,498	3,716,828	507,428			12
10,634,805	6,650,519	-734,597	467,236			13
65,494,683	57,977,595	18,714,910	17,220,744	32,110	29,795	14
-5,579,330	-5,528,400		-621,429			15
	129,920		-392,643			16
70,569,060	101,426,278	26,031,026	36,800,454	18,228	2,958	17
64,805,862	93,204,452	19,118,923	33,628,121			18
-47,793	-81,425	-9,435	-11,102			19
						20
						21
5	7					22
						23
						24
371,643,914	361,035,345	134,231,950	115,981,799	380,202	352,784	25
102,048,735	104,784,190	21,872,693	19,519,702	25,635	2,627	26

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017		Year/Period of Report End of 2017/Q2	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		123,947,063	124,306,519	44,380,740	61,882,166	
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)		552,062	560,410	257,439	301,582	
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		74,675	67,578	38,865	31,541	
33	Revenues From Nonutility Operations (417)		4,310	5,406	2,162	2,783	
34	(Less) Expenses of Nonutility Operations (417.1)		462,890	487,911	243,458	233,626	
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119	78,894	-34,694	-14,579	-81,097	
37	Interest and Dividend Income (419)		4,751	33,453	2,090	2,545	
38	Allowance for Other Funds Used During Construction (419.1)		2,253,348	1,605,434	1,280,459	955,689	
39	Miscellaneous Nonoperating Income (421)		1,271,174	2,607,837	779,357	213,126	
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		3,626,974	4,222,357	2,024,605	1,129,461	
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)		539,522	548,646	282,833	320,283	
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		5,000	89		72	
46	Life Insurance (426.2)						
47	Penalties (426.3)						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		36,098	19,472	9,403	6,583	
49	Other Deductions (426.5)		1,549,366	2,847,679	851,261	354,829	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,129,986	3,415,886	1,143,497	681,767	
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	25,022	31,319	11,598	13,883	
53	Income Taxes-Federal (409.2)	262-263	5,872,581	5,782,927	4,347,125	5,709,356	
54	Income Taxes-Other (409.2)	262-263	344,508	345,407	-81,246	-186,290	
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	29,294,467	34,106,724	4,571,651	29,072,138	
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	35,658,416	41,793,776	9,051,347	34,521,948	
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-121,838	-1,527,399	-202,219	87,139	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,618,826	2,333,870	1,083,327	360,555	
61	Interest Charges						
62	Interest on Long-Term Debt (427)		39,072,026	41,550,318	19,536,058	20,734,882	
63	Amort. of Debt Disc. and Expense (428)		700,785	836,096	345,862	412,011	
64	Amortization of Loss on Reacquired Debt (428.1)		1,384,967	1,025,034	692,483	533,052	
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)						
68	Other Interest Expense (431)		7,145,827	8,670,514	3,699,852	5,512,309	
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,134,979	878,110	640,891	518,708	
70	Net Interest Charges (Total of lines 62 thru 69)		47,168,626	51,203,852	23,633,364	26,673,546	
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		78,397,263	75,436,537	21,830,703	35,569,175	
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		78,397,263	75,436,537	21,830,703	35,569,175	

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
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**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		394,744,813	323,095,088
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6	Cumulative-effective adjustment for excess tax benefits			
7	related to share-based compensation for prior years			2,603,388
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			2,603,388
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		78,318,369	75,471,231
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33	Common Stock Dividend		-50,396,200	( 47,865,923)
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-50,396,200	( 47,865,923)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		422,666,982	353,303,784
	APPROPRIATED RETAINED EARNINGS (Account 215)			





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STATEMENT OF CASH FLOWS			
(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc. (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet. (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid. (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.			
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	78,397,263	75,436,537
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	73,318,908	70,031,603
5	Amortization	9,490,169	9,625,032
6	Other Noncash Charges to Income, Net	6,882,177	6,645,404
7			
8	Deferred Income Taxes (Net)	6,329,580	3,710,065
9	Investment Tax Credit Adjustment (Net)	-57,228	-92,527
10	Net (Increase) Decrease in Receivables	11,714,023	18,469,068
11	Net (Increase) Decrease in Inventory	-1,539,105	3,444,210
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-24,488,166	-16,012,531
14	Net (Increase) Decrease in Other Regulatory Assets	1,488,266	-5,364,312
15	Net Increase (Decrease) in Other Regulatory Liabilities	-5,862,067	-3,245,959
16	(Less) Allowance for Other Funds Used During Construction	2,253,348	1,605,434
17	(Less) Undistributed Earnings from Subsidiary Companies	78,894	-34,694
18	Other Assets and Liabilities, Net	19,634,729	-19,569,786
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	172,976,307	141,506,064
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-114,311,251	-117,001,626
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	-3,839,905	-5,536,983
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-2,253,348	-1,605,434
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-115,897,808	-120,933,175
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	379,491	136,665
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

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STATEMENT OF CASH FLOWS			
(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc. (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet. (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid. (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.			
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-115,518,317	-120,796,510
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		60,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)	2,847,691	26,931,975
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	2,847,691	86,931,975
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-55,000,000
74	Preferred Stock		
75	Common Stock		
76	Debt Financing Costs	-141,738	-5,348,605
77			
78	Net Decrease in Short-Term Debt (c)		
79	Treasury Stock Activity	412,046	-1,612,516
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-50,396,200	-47,865,923
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-47,278,201	-22,895,069
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	10,179,789	-2,185,515
87			
88	Cash and Cash Equivalents at Beginning of Period	376,354	4,077,741
89			
90	Cash and Cash Equivalents at End of period	10,556,143	1,892,226



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 06/30/2017	Year/Period of Report End of 2017/Q2
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
SEE PAGE 123 FOR REQUIRED INFORMATION.

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NorthWestern Corporation			
NOTES TO FINANCIAL STATEMENTS (Continued)			

## NOTES TO FINANCIAL STATEMENTS

(Reference is made to Notes to Financial Statements included in NorthWestern Corporation's Annual FERC Form 1 Report)  
(Unaudited)

### (1) Nature of Operations and Basis of Consolidation

NorthWestern Corporation, doing business as NorthWestern Energy, provides electricity and natural gas to approximately 709,600 customers in Montana, South Dakota and Nebraska.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results could differ from those estimates. The unaudited Financial Statements reflect all adjustments (which unless otherwise noted are normal and recurring in nature) that are, in the opinion of management, necessary to fairly present our financial position, results of operations and cash flows. The actual results for the interim periods are not necessarily indicative of the operating results to be expected for a full year or for other interim periods. Events occurring subsequent to June 30, 2017, have been evaluated as to their potential impact to the Financial Statements through the date of issuance.

The Financial Statements included herein have been prepared by NorthWestern, without audit, pursuant to the rules and regulations of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts. Certain information and footnote disclosures normally included in financial statements prepared in accordance with the accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases have been condensed or omitted pursuant to such rules and regulations; however, management believes that the condensed disclosures provided are adequate to make the information presented not misleading. Management recommends that these unaudited Financial Statements be read in conjunction with the audited financial statements and related footnotes included in our FERC Form 1 Annual Report on for the year ended December 31, 2016.

#### *Financial Statement Presentation*

The financial statements are presented on the basis of the accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than GAAP. This report differs from GAAP due to FERC requiring the presentation of subsidiaries on the equity method of accounting, which differs from Accounting Standards Codification (ASC) 810 "Consolidation". ASC 810 requires that all majority-owned subsidiaries be consolidated (see Note 6). The other significant differences consist of the following:

- Earnings per share is not presented;
- Removal and decommissioning costs of generation, transmission and distribution assets are reflected in the Balance Sheets as a component of accumulated depreciation of \$396.6 million and \$386.4 million as of June 30, 2017 and December 31, 2016, respectively, in accordance with regulatory treatment as compared to regulatory liabilities for GAAP purposes;
- Goodwill is reflected in the Balance Sheets as a utility plant adjustment of \$357.6 million as of June 30, 2017 and December 31, 2016, respectively, in accordance with regulatory treatment, as compared to goodwill for GAAP purposes (see Note 5);



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NOTES TO FINANCIAL STATEMENTS (Continued)			

- The write-down of plant values associated with the 2002 acquisition of the Montana operations is reflected in the Balance Sheets as a component of accumulated depreciation of \$147.6 million for June 30, 2017 and December 31, 2016, respectively, in accordance with regulatory treatment as compared to plant for GAAP purposes;
- The current portion of gas stored underground is reflected in the Balance Sheets as current and accrued assets, as compared to inventory for GAAP purposes;
- Unamortized debt expense is classified in the Balance Sheets as deferred debits in accordance with regulatory treatment, as compared to long-term debt for GAAP purposes;
- Current and long-term debt is classified in the Balance Sheets as all long-term debt in accordance with regulatory treatment, while current and long-term debt are separately presented for GAAP reporting;
- Electric purchase and sale transactions within the Southwest Power Pool are reflected on a net basis in accordance with regulatory treatment, as compared to gross for GAAP purposes;
- Accumulated deferred tax assets and liabilities are classified in the Balance Sheets as gross non-current deferred debits and credits, respectively, while GAAP presentation reflects a net non-current deferred tax liability;
- Uncertain tax positions related to temporary differences are classified in the Balance Sheets within the deferred tax accounts in accordance with regulatory treatment, as compared to other noncurrent liabilities for GAAP purposes. In addition, interest related to uncertain tax positions is recognized in interest expense in accordance with regulatory treatment, as compared to income tax expense for GAAP purposes;
- Regulatory assets and liabilities are reflected in the Balance Sheets as non-current items, while current and non-current amounts are separately presented for GAAP; and
- GAAP revenue differs from FERC revenue primarily due to the equity method of accounting as discussed above, netting of electric purchases and sales for resale in revenue for the GAAP presentation as compared to a gross presentation for FERC purposes (with the exception of these transactions in a regional transmission organization), and the classification of regulatory amortizations in revenue for GAAP as compared to expense for FERC purposes. The following table reconciles GAAP revenues to FERC revenues by segment for the three months ended June 30, 2017:

	Total	Electric	Natural Gas	Other
	(in millions)			
GAAP Revenues	\$651.2	\$500.1	\$151.1	\$-
Revenue from equity investments	(1.9)	-	(1.9)	-
Grossing revenues / power purchases	(28.6)	(28.6)	-	-
Regulatory amortizations	9.9	2.2	7.7	-
Other	(0.4)	0.0	(0.8)	0.4
FERC Revenues	\$630.2	\$473.7	\$156.1	\$0.4

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NorthWestern Corporation			
NOTES TO FINANCIAL STATEMENTS (Continued)			

## **(2) New Accounting Standards**

### **Accounting Standards Adopted**

**Stock Compensation** - During the fourth quarter of 2016, we early adopted the provisions of Accounting Standards Update No. 2016-09 (ASU 2016-09), Improvements to Employee Share-Based Payment Accounting, revising certain elements of the accounting for share-based payments. As a result of this adoption, during the fourth quarter of 2016, excess tax benefits of \$1.8 million related to vested share-based compensation awards were recorded as a decrease in taxes on other income and deductions in the Statement of Income. In addition, we recorded a cumulative-effect adjustment to retained earnings as of the date of adoption of \$2.6 million in the Balance Sheets. The guidance also requires that in future filings that include the previously issued interim financial information, the interim financial information is presented on a recast basis to reflect the adoption of ASU 2016-09 as of January 1, 2016. The Financial Statements for the six months ended June 30, 2016, have been recast to reflect this adoption, resulting in an increase in net income.

### **Accounting Standards Issued**

**Revenue Recognition** - In May 2014, the Financial Accounting Standards Board (FASB) issued accounting guidance on the recognition of revenue from contracts with customers, which will supersede nearly all existing revenue recognition guidance under GAAP. Under the new standard, entities will recognize revenue to depict the transfer of goods and services to customers in amounts that reflect the payment to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows from an entity's contracts with customers.

We expect to adopt this standard for interim and annual periods beginning January 1, 2018, as required, and plan to use the modified retrospective method of adoption. This method requires a cumulative-effect adjustment to be recorded on the balance sheet as of the beginning of 2018, if applicable, as if the standard had always been in effect. Disclosures in 2018 will include a reconciliation of results under the new revenue recognition guidance compared with what would have been reported in 2018 under the old revenue recognition guidance in order to help facilitate comparability with the prior periods.

Our revenues are primarily from tariff based sales, which are in the scope of the guidance. We provide gas and/or electricity to customers under these tariffs without a defined contractual term ('at-will'). We expect that the revenue from these arrangements will be equivalent to the electricity or gas supplied and billed in that period (including estimated billings). As such, we do not expect that there will be a significant shift in the timing or pattern of revenue recognition for such sales. The evaluation of other revenue streams is ongoing, including those tied to longer term contractual commitments. In our evaluation, we are also monitoring unresolved implementation issues for our industry, including the impacts of the guidance on our ability to recognize revenue for certain contracts where collectability is uncertain. The final resolution of these issues and completion of our assessment could impact our current accounting policies and revenue recognition.

**Retirement Benefits** - In March 2017, the FASB issued new guidance on the presentation of net periodic costs related to benefit plans. The new guidance requires the service cost component of net periodic benefit cost to be included within operating income within the same line as other compensation expenses. All other components of net periodic costs must be outside of operating income. In addition, the updated guidance permits only the service cost component of net periodic costs to be capitalized to inventory or property, plant and equipment. This represents a change from current accounting and financial reporting, with presentation of the aggregate net periodic benefit costs on the income statement within operating income, and which permits all components of net periodic costs to be



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
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NOTES TO FINANCIAL STATEMENTS (Continued)			

capitalized.

This guidance is effective for interim and annual periods beginning January 1, 2018. These amendments will be applied retrospectively for the presentation of the various components of net periodic costs and prospectively for the change in eligible costs to be capitalized. We have not yet fully determined the impacts of adoption of the standard, but expect that as a result of application of accounting principles for rate regulated entities, a similar amount of pension cost, including non-service components, will be recognized consistent with the current ratemaking treatment.

**Leases** - In February 2016, the FASB issued revised guidance on accounting for leases. The new standard requires a lessee to recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases with terms longer than 12 months. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for us in our first quarter of 2019 and early adoption is permitted. A modified retrospective transition approach is required for lessees for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. We are currently evaluating the impact of adoption of this guidance. We do not have a significant amount of capital or operating leases. Therefore, based on our initial analysis we do not expect this guidance to have a significant impact on our Financial Statements and disclosures other than an expected increase in assets and liabilities.

**Statement of Cash Flows** - In August 2016, the FASB issued guidance that addresses eight classification issues related to the presentation of cash receipts and cash payments in the statement of cash flows. The new guidance will be effective for us in our first quarter of 2018, with early adoption permitted. We are currently evaluating the impact of adoption of this guidance on our Statement of Cash Flows.

In November 2016, the FASB issued guidance that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The new guidance will be effective for us in our first quarter of 2018, with early adoption permitted. We are currently evaluating the impact of adoption of this guidance on our Statement of Cash Flows.

### (3) Regulatory Matters

#### Montana Natural Gas General Rate Filing

In June 2017, we reached a settlement agreement with intervenors in our revenue requirement phase of the natural gas rate case. This settlement included an overall increase in delivery services and production charges of approximately \$5.7 million, based upon a 6.96 percent rate of return (9.55 percent return on equity, 4.67 percent cost of debt and 53.2 percent debt to rate base). In our initial filing in September 2016, we requested an annual increase to natural gas rates of approximately \$10.9 million, with rebuttal testimony filed in April 2017 supporting a revised requested annual increase to rates of approximately \$9.4 million. The natural gas production part of this filing includes a request for cost-recovery and permanent inclusion in base rates of fields acquired in August 2012 and December 2013 in northern Montana's Bear Paw Basin. Actual production costs are currently recovered in customer rates on an interim basis through our supply tracker.

The MPSC held a work session on July 20, 2017, and voted to draft an order accepting the settlement with modifications. We



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estimate that these modifications lower the increase in delivery services and production charges to approximately \$5.1 million. Due to the MPSC's modification of the settlement, any of the parties may elect to withdraw and request a new hearing. We will evaluate the impact of these modifications upon receipt of a final order, which we expect in August 2017.

### **QF Decision**

Under the Public Utility Regulatory Policies Act (PURPA), electric utilities are required, with exceptions, to purchase energy and capacity from independent power producers that are QFs. The MPSC held a work session in June 2017 to discuss our application for approval of a revised tariff for standard rates for small QFs. In July 2017, the MPSC issued an order establishing a maximum 10-year contract length with a rate adjustment after the first five years, and approving rates that do not include costs associated with the risk of future carbon dioxide emissions regulations. We expect this will result in substantially lower rates for these contracts. In this same order, the MPSC indicated they will apply the 10-year contract term to us for future electric supply resource transactions. We have significant generation capacity deficits and negative reserve margins. In addition to our responsibility to meet peak demand, national reliability standards effective July 2016 require us to have even greater dispatchable generation capacity available and be capable of increasing or decreasing output to address the irregular nature of intermittent generation such as wind or solar. Our 2015 resource plan identified price and reliability risks to our customers of solely relying upon market purchases to address these needs. We filed a motion for reconsideration of the MPSC's order, are evaluating the impact of this decision, and have suspended our competitive solicitation process to determine the lowest-cost / least-risk approach for addressing our intermittent capacity and reserve margin needs in Montana.

### **Montana House Bill 193 / Electric and Natural Gas Tracker Filings**

**House Bill 193** - In April 2017, the Montana legislature passed House Bill 193 (HB 193), repealing the statute that provided for mandatory recovery of our prudently incurred electric supply costs effective July 1, 2017. In May 2017, the MPSC issued a Notice of Commission Action (NCA) initiating a process to develop a replacement electric tracker mechanism. We filed a motion for reconsideration of the May 2017 NCA. On July 7, 2017, the MPSC issued an additional NCA addressing the arguments in our motion for reconsideration and identifying three replacement mechanism alternatives for consideration. Two of the replacement mechanism alternatives identified include updating the fixed rate portion of the recovery of our electric supply assets in addition to the variable costs that were recovered through the prior electric tracker. This would be accomplished through an electric supply revenue requirements filing to be made by us by September 30, 2017. The July 2017 NCA also raises questions regarding our earnings as compared with our authorized rate of return for 2016 for electric supply. As noted below in the hydro compliance filing discussion, our 2016 MPSC annual report indicates we earned less than our authorized rate of return with electric delivery service and supply combined. The NCA established a timeline for the parties to provide comments in July 2017, on the issue of whether the MPSC should require a September 2017 filing. On August 1, 2017, the MPSC voted not to require NorthWestern to make an electric supply revenue requirement filing.

On July 14, 2017, we filed a proposed electric Power Cost and Credit Adjustment Mechanism (PCCAM) with the MPSC. We believe the PCCAM filing is consistent with the MPSC's advocacy for HB 193, the MPSC's May and July 2017 NCAs, and the Montana-Dakota Utilities (MDU) Montana adjustment mechanism that allows for recovery of 90 percent of the increases or decreases in fuel and purchased energy costs from an established baseline. However, we cannot guarantee how the MPSC may apply the statute in establishing a revised mechanism. We expect application of the new mechanism to variable costs to be retroactive to the effective date of HB 193.

**Electric Tracker Open Dockets - 2015/2016 - 2016/2017** - Under the previous statutory tracker mechanism, each year we



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submitted an electric tracker filing for recovery of supply costs for the 12-month period ended June 30 and for the projected supply costs for the next 12-month period, which were subject to a prudency review. In June 2017, the MPSC consolidated the dockets for the 2015/2016 and 2016/2017 tracker periods, which are approved on an interim basis. The MPSC has not established a schedule regarding these remaining open dockets under the prior statutory tracker.

***Natural Gas Tracker - 2016/2017*** - In May 2017, we filed our annual natural gas tracker filing for the 2016/2017 tracker period, which the MPSC approved on an interim basis. HB 193 does not impact our natural gas recovery mechanism.

***Electric Tracker Litigation - 2012/2013 - 2013/2014 (Consolidated Docket) and 2014/2015 (2015 Tracker)*** - In 2016, we received final electric tracker orders from the MPSC in the Consolidated Docket and 2015 Tracker, resulting in a \$12.4 million disallowance of costs, including interest. In June 2016, we filed an appeal in Montana District Court (Lewis & Clark County) of the MPSC decision in our 2015 Tracker docket to disallow certain portfolio modeling costs. Also, in September 2016, we appealed the MPSC's decisions in the Consolidated Docket regarding the disallowance of replacement power costs from a 2013 outage at Colstrip Unit 4 and the modeling/planning costs, arguing that these decisions were arbitrary and capricious, and violated Montana law. We brought this action in Montana District Court, as well (Yellowstone County). In the Consolidated Docket appeal, we abandoned our appeal of the modeling costs (approximately \$0.3 million) reserving the issue for our 2015 Tracker appeal. The briefing in the Consolidated Docket appeal concluded in May 2017, and we expect a decision within the next 12 months. We expect a decision in the 2015 Tracker appeal in the next 12 to 18 months.

#### **Hydro Compliance Filing**

In December 2015, we submitted the required compliance filing associated with our 2014 purchase of Montana hydroelectric (hydro) generation assets, to remove the Kerr Project from cost of service, adjust for actual revenue credits and increase property taxes to actual amounts. In December 2016, the MPSC issued a final order in this filing reducing the annual amount we are allowed to recover in hydro generation rates by approximately \$1.2 million. In addition, in the final order, the MPSC included language requiring us to indicate by April 30, 2017, whether we intend to file a Montana electric rate case based on a 2016 test year.

On April 26, 2017, we filed our required annual report with the MPSC regarding 2016 results, which indicates we earned less than our authorized rate of return. At the same time, we also submitted a filing to the MPSC responsive to the hydro compliance order, indicating we do not expect to file an electric rate case in 2017 based on a 2016 test year. However, we indicated we expect to file a general electric rate case in 2018 based on a 2017 test year. In the hydro compliance order, the MPSC indicated that if we do not intend to file a rate case in 2017, the MPSC may require us to make an additional financial filing that would facilitate an assessment of whether the MPSC believes additional action would be required to fulfill its obligation to authorize just and reasonable rates.

#### **FERC Filing - Dave Gates Generating Station at Mill Creek (DGGs)**

In May 2016, we received an order from the FERC denying a May 2014 request for rehearing and requiring us to make refunds. The request for rehearing challenged a September 2012 FERC Administrative Law Judge's (ALJ) initial decision regarding cost allocation at DGGs between retail and wholesale customers. This decision concluded that only a portion of these costs should be allocated to FERC jurisdictional customers. We had cumulative deferred revenue of approximately \$27.3 million, consistent with the ALJ's initial decision, which was refunded to wholesale and choice customers in June 2016 in accordance with the FERC order.

In June 2016, we filed a petition for review of the FERC's May 2016 order with the United States Circuit Court of Appeals for the District of Columbia Circuit (D.C. Circuit). The matter is fully briefed, and we are waiting for the Court to set a date for oral argument.

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We do not expect a decision in this matter until the fourth quarter of 2017, at the earliest.

#### (4) Income Taxes

We compute income tax expense for each quarter based on the estimated annual effective tax rate for the year, adjusted for certain discrete items. Our effective tax rate typically differs from the federal statutory tax rate of 35% primarily due to the regulatory impact of flowing through the federal and state tax benefit of repairs deductions, state tax benefit of accelerated tax depreciation deductions (including bonus depreciation when applicable) and production tax credits. The regulatory accounting treatment of these deductions requires immediate income recognition for temporary tax differences of this type, which is referred to as the flow-through method. When the flow-through method of accounting for temporary differences is reflected in regulated revenues, we record deferred income taxes and establish related regulatory assets and liabilities.

The following table summarizes the significant differences in income tax expense based on the differences between our effective tax rate and the federal statutory rate (in thousands):

	Three Months Ended June 30,			
	2017		2016	
Income Before Income Taxes	\$	22,349	\$	38,443
Income tax calculated at 35% federal statutory rate		7,836	35.0%	13,456
				35.0%
Permanent or flow through adjustments:				
State income, net of federal provisions	(526)	(2.2)	(849)	(2.2)
Flow-through repairs deductions	(4,753)	(21.2)	(6,961)	(18.1)
Production tax credits	(1,459)	(6.5)	(2,320)	(6.0)
Plant and depreciation of flow through items	(686)	(3.1)	(246)	(0.7)
Prior year permanent return to accrual adjustments	—	—	(128)	(0.3)
Other, net	(43)	0.6	(248)	(0.7)
	(7,467)	(32.4)	(10,752)	(28.0)
<b>Income Tax Expense</b>	<b>\$</b>	<b>369</b>	<b>2.6%</b>	<b>\$ 2,704</b>
				<b>7.0%</b>



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	Six Months Ended June 30,			
	2017		2016	
Income Before Income Taxes	\$	85,694	\$	78,979
Income tax calculated at 35% federal statutory rate		29,993	35.0%	27,643
				35.0%
Permanent or flow through adjustments:				
State income, net of federal provisions (1)		(1,331)	(1.5)	(1,949)
Flow-through repairs deductions		(13,550)	(15.8)	(13,635)
Production tax credits		(5,290)	(6.2)	(5,095)
Plant and depreciation of flow through items		(2,126)	(2.5)	(1,184)
Share-based compensation (1)		(399)	(0.5)	(1,646)
Prior year permanent return to accrual adjustments		—	—	(128)
Other, net		(387)	(0.4)	(505)
		(23,083)	(26.9)	(24,142)
Income Tax Expense	\$	6,910	8.1%	\$ 3,501
				4.4%

(1) We adopted the provisions of ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, during the fourth quarter of 2016, which resulted in the recognition of \$1.8 million in excess tax benefits. In accordance with the guidance, the impact of this adoption is reflected as of January 1, 2016, and included in the state income, net of federal provisions, and share-based compensation lines, resulting in a reduction in tax expense for the six months ended June 30, 2016.

### Uncertain Tax Positions

We recognize tax positions that meet the more-likely-than-not threshold as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. We have unrecognized tax benefits of approximately \$84.4 million as of June 30, 2017, including approximately \$66.7 million that, if recognized, would impact our effective tax rate. We do not anticipate that total unrecognized tax benefits will significantly change due to the settlement of audits or the expiration of statutes of limitation within the next twelve months.

Our policy is to recognize interest related to uncertain tax positions in interest expense. During the six months ended June 30, 2017 we recognized \$0.3 million of expense for interest in the Statements of Income. During the six months ended June 30, 2016, we recognized \$0.3 million of expense for interest in the Statements of Income. As of June 30, 2017 and December 31, 2016, we had \$1.0 million and \$0.7 million, respectively, of interest accrued in the Balance Sheets.

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Our federal tax returns from 2000 forward remain subject to examination by the Internal Revenue Service.

#### (5) Utility Plant Adjustments

We completed our annual utility plant adjustments impairment test as of April 1, 2017, and no impairment was identified. We calculate the fair value of our reporting units by considering various factors, including valuation studies based primarily on a discounted cash flow analysis, with published industry valuations and market data as supporting information. Key assumptions in the determination of fair value include the use of an appropriate discount rate and estimated future cash flows. In estimating cash flows, we incorporate expected long-term growth rates in our service territory, regulatory stability, and commodity prices (where appropriate), as well as other factors that affect our revenue, expense and capital expenditure projections.

There were no changes in our utility plant adjustments during the six months ended June 30, 2017.

#### (6) Equity Investments

The following table presents our equity investments reflected in the investments in subsidiary companies on the Balance Sheets (in thousands)

	June 30, 2017	December 31, 2016
Havre Pipeline Company, LLC	\$ 14,390	\$ 14,349
Canadian Montana Pipeline Corporation	3,891	3,891
NorthWestern Services, LLC	1,920	1,915
Risk Partners Assurance, Ltd.	1,427	1,450
<b>Total Investments in Subsidiary Companies</b>	<b>\$ 21,628</b>	<b>\$ 21,605</b>

#### (7) Comprehensive Income (Loss)

The following tables display the components of Other Comprehensive Income (Loss), after-tax, and the related tax effects (in thousands):

	Three Months Ended					
	June 30, 2017			June 30, 2016		
	Before Tax Amount	Tax	Net-of- Tax Amount	Before Tax Amount	Tax	Net-of- Tax Amount
Foreign currency translation adjustment	\$ (104)	\$ —	\$ (104)	\$ 8	\$ —	\$ 8
Reclassification of net losses on derivative instruments	153	(60)	93	62	(25)	37
Other comprehensive income (loss)	\$ 49	\$ (60)	\$ (11)	\$ 70	\$ (25)	\$ 45



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**Six Months Ended**

	<b>June 30, 2017</b>			<b>June 30, 2016</b>		
	<b>Before Tax Amount</b>	<b>Tax</b>	<b>Net-of- Tax Amount</b>	<b>Before Tax Amount</b>	<b>Tax</b>	<b>Net-of- Tax Amount</b>
Foreign currency translation adjustment	\$ (53)	\$ —	\$ (53)	\$ (110)	\$ —	\$ (110)
Reclassification of net losses on derivative instruments	306	(120)	186	124	(50)	74
Other comprehensive income (loss)	\$ 253	\$ (120)	\$ 133	\$ 14	\$ (50)	\$ (36)

Balances by classification included within accumulated other comprehensive income (AOCI) on the Balance Sheets are as follows, net of tax (in thousands):

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Foreign currency translation	\$ 1,327	\$ 1,380
Derivative instruments designated as cash flow hedges	(10,166)	(10,352)
Postretirement medical plans	(742)	(742)
Accumulated other comprehensive income	\$ (9,581)	\$ (9,714)

The following tables display the changes in AOCI by component, net of tax (in thousands):

**Three Months Ended**

**June 30, 2017**

	<b>Affected Line Item in the Statements of Income</b>	<b>Interest Rate Derivative Instruments Designated as Cash Flow Hedges</b>	<b>Pension and Postretirement Medical Plans</b>	<b>Foreign Currency Translation</b>	<b>Total</b>
Beginning balance		\$ (10,259)	\$ (742)	\$ 1,431	\$ (9,570)
Other comprehensive loss before reclassifications		—	—	(104)	(104)
Amounts reclassified from AOCI	Interest on long-term debt	93	—	—	93
Net current-period other comprehensive income (loss)		93	—	(104)	(11)
Ending balance		\$ (10,166)	\$ (742)	\$ 1,327	\$ (9,581)

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**Three Months Ended**

**June 30, 2016**

	<b>Affected Line Item in the Statements of Income</b>	<b>Interest Rate Derivative Instruments Designated as Cash Flow Hedges</b>	<b>Pension and Postretirement Medical Plans</b>	<b>Foreign Currency Translation</b>	<b>Total</b>
Beginning balance		\$ (8,977)	\$ (937)	\$ 1,237	(8,677)
Other comprehensive income before reclassifications		—	—	8	8
Amounts reclassified from AOCI	Interest on long-term debt	37	—	—	37
Net current-period other comprehensive income		37	—	8	45
Ending balance		\$ (8,940)	\$ (937)	\$ 1,245	\$ (8,632)

**Six Months Ended**

**June 30, 2017**

	<b>Affected Line Item in the Statements of Income</b>	<b>Interest Rate Derivative Instruments Designated as Cash Flow Hedges</b>	<b>Pension and Postretirement Medical Plans</b>	<b>Foreign Currency Translation</b>	<b>Total</b>
Beginning balance		\$ (10,352)	(742)	\$ 1,380	(9,714)
Other comprehensive loss before reclassifications		—	—	(53)	(53)
Amounts reclassified from AOCI	Interest on long-term debt	186	—	—	186
Net current-period other comprehensive income (loss)		186	—	(53)	133
Ending balance		\$ (10,166)	\$ (742)	\$ 1,327	\$ (9,581)



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Six Months Ended June 30, 2016					
	Affected Line Item in the Statements of Income	Interest Rate Derivative Instruments Designated as Cash Flow Hedges	Pension and Postretirement Medical Plans	Foreign Currency Translation	Total
Beginning balance		\$ (9,014)	(937)	\$ 1,355	(8,596)
Other comprehensive loss before reclassifications		—	—	(110)	(110)
Amounts reclassified from AOCI	Interest on long-term debt	74	—	—	74
Net current-period other comprehensive income (loss)		74	—	(110)	(36)
Ending balance		\$ (8,940)	(937)	\$ 1,245	(8,632)

## (8) Risk Management and Hedging Activities

### Nature of Our Business and Associated Risks

We are exposed to certain risks related to the ongoing operations of our business, including the impact of market fluctuations in the price of electricity and natural gas commodities and changes in interest rates. We rely on market purchases to fulfill a portion of our electric and natural gas supply requirements. Several factors influence price levels and volatility. These factors include, but are not limited to, seasonal changes in demand, weather conditions, available generating assets within regions, transportation availability and reliability within and between regions, fuel availability, market liquidity, and the nature and extent of current and potential federal and state regulations.

### Objectives and Strategies for Using Derivatives

To manage our exposure to fluctuations in commodity prices we routinely enter into derivative contracts. These types of contracts are included in our electric and natural gas supply portfolios and are used to manage price volatility risk by taking advantage of fluctuations in market prices. While individual contracts may be above or below market value, the overall portfolio approach is intended to provide greater price stability for consumers. We do not maintain a trading portfolio, and our derivative transactions are only used for risk management purposes consistent with regulatory guidelines.

In addition, we may use interest rate swaps to manage our interest rate exposures associated with new debt issuances or to manage our exposure to fluctuations in interest rates on variable rate debt.

### Accounting for Derivative Instruments

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We evaluate new and existing transactions and agreements to determine whether they are derivatives. The permitted accounting treatments include: normal purchase normal sale; cash flow hedge; fair value hedge; and mark-to-market. Mark-to-market accounting is the default accounting treatment for all derivatives unless they qualify, and we specifically designate them, for one of the other accounting treatments. Derivatives designated for any of the elective accounting treatments must meet specific, restrictive criteria both at the time of designation and on an ongoing basis. The changes in the fair value of recognized derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and the type of hedge transaction.

### **Normal Purchases and Normal Sales**

We have applied the normal purchase and normal sale scope exception (NPNS) to our contracts involving the physical purchase and sale of gas and electricity at fixed prices in future periods. During our normal course of business, we enter into full-requirement energy contracts, power purchase agreements and physical capacity contracts, which qualify for NPNS. All of these contracts are accounted for using the accrual method of accounting; therefore, there were no unrealized amounts recorded in the Financial Statements at June 30, 2017 and December 31, 2016. Revenues and expenses from these contracts are reported on a gross basis in the appropriate revenue and expense categories as the commodities are received or delivered.

### **Credit Risk**

Credit risk is the potential loss resulting from counterparty non-performance under an agreement. We manage credit risk with policies and procedures for, among other things, counterparty analysis and exposure measurement, monitoring and mitigation. We limit credit risk in our commodity and interest rate derivatives activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis.

We are exposed to credit risk through buying and selling electricity and natural gas to serve customers. We may request collateral or other security from our counterparties based on the assessment of creditworthiness and expected credit exposure. It is possible that volatility in commodity prices could cause us to have material credit risk exposures with one or more counterparties. We enter into commodity master enabling agreements with our counterparties to mitigate credit exposure, as these agreements reduce the risk of default by allowing us or our counterparty the ability to make net payments. The agreements generally are: (1) Western Systems Power Pool agreements – standardized power purchase and sales contracts in the electric industry; (2) International Swaps and Derivatives Association agreements – standardized financial gas and electric contracts; (3) North American Energy Standards Board agreements – standardized physical gas contracts; and (4) Edison Electric Institute Master Purchase and Sale Agreements – standardized power sales contracts in the electric industry.

Many of our forward purchase contracts contain provisions that require us to maintain an investment grade credit rating from each of the major credit rating agencies. If our credit rating were to fall below investment grade, the counterparties could require immediate payment or demand immediate and ongoing full overnight collateralization on contracts in net liability positions.

### **Interest Rate Swaps Designated as Cash Flow Hedges**

We have previously used interest rate swaps designated as cash flow hedges to manage our interest rate exposures associated with new debt issuances. We have no interest rate swaps outstanding. These swaps were designated as cash flow hedges with the effective portion of gains and losses, net of associated deferred income tax effects, recorded in AOCI. We reclassify these gains from AOCI into



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interest expense during the periods in which the hedged interest payments occur. The following table shows the effect of these interest rate swaps previously terminated on the Financial Statements (in thousands):

	Location of amount reclassified from AOCI to Income	Amount Reclassified from AOCI into Income during the Six Months Ended June 30, 2017
Interest rate contracts	Interest on long-term debt	\$ 307

A pre-tax loss of approximately \$16.8 million is remaining in AOCI as of June 30, 2017, and we expect to reclassify approximately \$0.6 million of pre-tax losses from AOCI into interest on long-term debt during the next twelve months. These amounts relate to terminated swaps.

## (9) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Measuring fair value requires the use of market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, corroborated by market data, or generally unobservable. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

Applicable accounting guidance establishes a hierarchy that prioritizes the inputs used to measure fair value, and requires fair value measurements to be categorized based on the observability of those inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices available in active markets at the measurement date for identical assets or liabilities;
- Level 2 – Pricing inputs, other than quoted prices included within Level 1, which are either directly or indirectly observable as of the reporting date; and
- Level 3 – Significant inputs that are generally not observable from market activity.

We classify assets and liabilities within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement of each individual asset and liability taken as a whole. The table below sets forth by level within the fair value hierarchy the gross components of our assets and liabilities measured at fair value on a recurring basis. NPNS transactions are not included in the fair values by source table as they are not recorded at fair value. See Note 8 - Risk Management and Hedging Activities for further discussion.

We record transfers between levels of the fair value hierarchy, if necessary, at the end of the reporting period. There were no transfers between levels for the periods presented.

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	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Margin Cash Collateral Offset	Total Net Fair Value
(in thousands)					
<b>June 30, 2017</b>					
Other special deposits	\$ 3,588	\$ —	\$ —	\$ —	\$ 3,588
Rabbi trust investments	29,012	—	—	—	29,012
<b>Total</b>	<b>\$ 32,600</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 32,600</b>
<b>December 31, 2016</b>					
Other special deposits	\$ 2,359	\$ —	\$ —	\$ —	\$ 2,359
Rabbi trust investments	25,064	—	—	—	25,064
<b>Total</b>	<b>\$ 27,423</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 27,423</b>

Other special deposits represents amounts held in money market mutual funds. Rabbi trust investments represent assets held for non-qualified deferred compensation plans, which consist of our common stock and actively traded mutual funds with quoted prices in active markets.

### Financial Instruments

The estimated fair value of financial instruments is summarized as follows (in thousands):

	June 30, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Liabilities:</b>				
Long-term debt	1,806,608	\$ 1,898,482	\$ 1,806,599	\$ 1,852,052

Notes payable consist of commercial paper and are not included in the table above as carrying value approximates fair value. The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies; however, considerable judgment is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we would realize in a current market exchange.

We determined fair value for long-term debt based on interest rates that are currently available to us for issuance of debt with similar terms and remaining maturities, except for publicly traded debt, for which fair value is based on market prices for the same or



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similar issues or upon the quoted market prices of U.S. treasury issues having a similar term to maturity, adjusted for our bond issuance rating and the present value of future cash flows. These are significant other observable inputs, or level 2 inputs, in the fair value hierarchy.

#### (10) Related Party Transactions

Accounts receivable from and payables to associated companies primarily include intercompany billings for direct charges, overhead, and income tax obligations. The following table reflects our accounts receivable from and accounts payable to associated companies (in thousands):

	June 30, 2017	December 31, 2016
Accounts Receivable from Associated Companies:		
Havre Pipeline Company, LLC	\$ 1,867	\$ 815
Risk Partners Assurance, Ltd.	18	18
	<u>\$ 1,885</u>	<u>\$ 833</u>
Accounts Payable to Associated Companies:		
Canadian Montana Pipeline Corporation	\$ 3,692	\$ 3,713
NorthWestern Services, LLC	1,608	1,584
	<u>\$ 5,300</u>	<u>\$ 5,297</u>

#### (11) Employee Benefit Plans

Net periodic benefit cost (income) for our pension and other postretirement plans consists of the following (in thousands):

	Pension Benefits		Other Postretirement Benefits	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2017	2016	2017	2016
Components of Net Periodic Benefit Cost (Income)				
Service cost	\$ 2,367	\$ 2,941	\$ 100	\$ 116
Interest cost	6,388	6,539	178	196
Expected return on plan assets	(5,974)	(7,043)	(211)	(260)
Amortization of prior service cost	—	61	(470)	(470)
Recognized actuarial loss	1,944	2,478	81	71
Net Periodic Benefit Cost (Income)	<u>\$ 4,725</u>	<u>\$ 4,976</u>	<u>\$ (322)</u>	<u>\$ (347)</u>



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	Pension Benefits		Other Postretirement Benefits	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Components of Net Periodic Benefit Cost (Income)				
Service cost	\$ 5,497	\$ 5,880	\$ 228	\$ 246
Interest cost	12,817	13,105	358	398
Expected return on plan assets	(11,982)	(14,124)	(424)	(521)
Amortization of prior service cost	2	123	(941)	(941)
Recognized actuarial loss	3,919	4,944	159	158
Net Periodic Benefit Cost (Income)	\$ 10,253	\$ 9,928	\$ (620)	\$ (660)

## (12) Commitments and Contingencies

### ENVIRONMENTAL LIABILITIES AND REGULATION

#### Environmental Matters

The operation of electric generating, transmission and distribution facilities, and gas gathering, transportation and distribution facilities, along with the development (involving site selection, environmental assessments, and permitting) and construction of these assets, are subject to extensive federal, state, and local environmental and land use laws and regulations. Our activities involve compliance with diverse laws and regulations that address emissions and impacts to the environment, including air and water, protection of natural resources, avian and wildlife. We monitor federal, state, and local environmental initiatives to determine potential impacts on our financial results. As new laws or regulations are implemented, our policy is to assess their applicability and implement the necessary modifications to our facilities or their operation to maintain ongoing compliance.

Our environmental exposure includes a number of components, including remediation expenses related to the cleanup of current or former properties, and costs to comply with changing environmental regulations related to our operations. At present, the majority of our environmental reserve relates to the remediation of former manufactured gas plant sites owned by us and is estimated to range between \$27.9 million to \$32.6 million. As of June 30, 2017, we have a reserve of approximately \$30.6 million, which has not been discounted. Environmental costs are recorded when it is probable we are liable for the remediation and we can reasonably estimate the liability. We use a combination of site investigations and monitoring to formulate an estimate of environmental remediation costs for specific sites. Our monitoring procedures and development of actual remediation plans depend not only on site specific information but also on coordination with the different environmental regulatory agencies in our respective jurisdictions; therefore, while remediation exposure exists, it may be many years before costs are incurred.

Over time, as costs become determinable, we may seek authorization to recover such costs in rates or seek insurance reimbursement as applicable; therefore, although we cannot guarantee regulatory recovery, we do not expect these costs to have a material effect on our financial position or results of operations.

**Manufactured Gas Plants** - Approximately \$23.8 million of our environmental reserve accrual is related to manufactured gas plants. A formerly operated manufactured gas plant located in Aberdeen, South Dakota, has been identified on the Federal



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Comprehensive Environmental Response, Compensation, and Liability Information System list as contaminated with coal tar residue. We are currently conducting feasibility studies, implementing remedial actions pursuant to work plans approved by the South Dakota Department of Environment and Natural Resources, and conducting ongoing monitoring and operation and maintenance activities. As of June 30, 2017, the reserve for remediation costs at this site is approximately \$10.4 million, and we estimate that approximately \$5.9 million of this amount will be incurred during the next five years.

We also own sites in North Platte, Kearney and Grand Island, Nebraska on which former manufactured gas facilities were located. We are currently working independently to fully characterize the nature and extent of potential impacts associated with these Nebraska sites. Our reserve estimate includes assumptions for site assessment and remedial action work. At present, we cannot determine with a reasonable degree of certainty the nature and timing of any risk-based remedial action at our Nebraska locations.

In addition, we own or have responsibility for sites in Butte, Missoula and Helena, Montana on which former manufactured gas plants were located. The Butte and Helena sites, both listed as high priority sites on Montana's state superfund list, were placed into the Montana Department of Environmental Quality (MDEQ) voluntary remediation program for cleanup due to soil and groundwater impacts. Soil and coal tar were removed at the sites in accordance with MDEQ requirements. Groundwater monitoring is conducted semiannually at both sites. In August 2016, the MDEQ sent us a Notice of Potential Liability and Request for Remedial Action regarding the Helena site. At MDEQ's direction, a soil vapor analysis plan for the two buildings located on the Helena site was submitted in January 2017. MDEQ reviewed the results of the analysis and indicated that work should be postponed until the winter of 2017-2018 to be integrated in an overall remediation plan for the Helena site. We expect to continue soil and groundwater sampling at the Helena site. At this time, we cannot estimate with a reasonable degree of certainty the nature and timing of additional remedial actions and/or investigations, if any, at the Butte site.

An investigation conducted at the Missoula site did not require remediation activities, but required preparation of a groundwater monitoring plan. Monitoring wells have been installed and groundwater is monitored semiannually. At the request of Missoula Valley Water Quality District (MVWQD), a draft risk assessment was prepared for the Missoula site and presented to the MVWQD. We and the MVWQD agreed additional site investigation work is appropriate. Analytical results from an October 2016 sampling exceeded the Montana Maximum Contaminant Level for benzene and/or total cyanide in certain monitoring wells. These results were forwarded to MVWQD which shared the same with the MDEQ. MDEQ requested that MVWQD file a formal complaint with MDEQ's Enforcement Division, which MVWQD filed in July 2017. This is expected to prompt MDEQ to reevaluate its position concerning listing the Missoula site on the State of Montana's superfund list. New landowners purchased a portion of the Missoula site using funding provided by a third party. The terms of the funding require the new landowners to address environmental issues. The new landowners contacted us and have requested a meeting to address concerns. After researching historical ownership we have identified another potentially responsible party with whom we have initiated communications regarding the site. At this time, we cannot estimate with a reasonable degree of certainty the nature and timing of risk-based remedial action, if any, at the Missoula site.

**Global Climate Change** - National and international actions have been initiated to address global climate change and the contribution of emissions of greenhouse gases (GHG) including, most significantly, carbon dioxide (CO<sub>2</sub>). These actions include legislative proposals, Executive and Environmental Protection Agency (EPA) actions at the federal level, actions at the state level, and private party litigation relating to GHG emissions. Coal-fired plants have come under particular scrutiny due to their level of GHG emissions. We have joint ownership interests in four coal-fired electric generating plants, all of which are operated by other companies. We are responsible for our proportionate share of the capital and operating costs while being entitled to our proportionate share of the power generated.

While numerous bills have been introduced that address climate change from different perspectives, including through direct

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regulation of GHG emissions, the establishment of cap and trade programs and the establishment of Federal renewable portfolio standards, Congress has not passed any federal climate change legislation and we cannot predict the timing or form of any potential legislation. In the absence of such legislation, EPA is presently regulating new and existing sources of GHG emissions through regulations. EPA is currently reviewing its existing regulations as a result of an Executive Order issued by President Trump on March 28, 2017 (the Executive Order) instructing all federal agencies to review all regulations and other policies (specifically including the Clean Power Plan, which is discussed in further detail below) that burden the development or use of domestically produced energy resources and suspend, revise or rescind those that pose an undue burden beyond that required to protect the public interest.

One of the regulations that the EPA was instructed to review under the Executive Order is the final standards of performance issued by EPA on August 3, 2015 which limit GHG emissions from new, modified and reconstructed fossil fuel generating units and from newly constructed and reconstructed natural gas combined cycle (NGCC) units. The standards reflect the degree of emission limitations achievable through the application of the best system of emission reduction that the EPA determined has been demonstrated for each type of unit.

Another regulation that the EPA was instructed to review pursuant to the Executive Order is its final regulation establishing GHG performance standards for existing power plants under Clean Air Act Section 111(d), which was published in October, 2015, and is referred to as the Clean Power Plan (CPP). The CPP establishes CO<sub>2</sub> emission performance standards for existing electric utility steam generating units and NGCC units.

Under the CPP, states may develop implementation plans for affected units to meet the individual state GHG emission reduction targets established in the CPP or may adopt a federal plan. The CPP may require reductions in CO<sub>2</sub> emissions from 2012 emission levels of up to 38.4 percent in South Dakota and 47.4 percent in Montana by 2030. Neither South Dakota nor Montana has submitted implementation plans to date.

Following the issuance of the CPP, judicial appeals were filed in the United States Court of Appeals for the District of Columbia Circuit (D.C. Circuit), including an appeal by us filed on October 23, 2015. The United States Supreme Court (Supreme Court) issued a stay of the CPP on February 9, 2016 pending resolution of the appeals by the D.C. Circuit and possibly the Supreme Court. Oral argument on the case was held in September 2016. In April 2017, the D.C. Circuit granted the EPA's request to hold the case in abeyance pursuant to the Executive Order, but only for a period of sixty days.

In addition, administrative requests for reconsideration of the CPP were filed with the EPA, including one filed by us in December 2015. We requested the EPA reconsider the CPP, in part, on the grounds that the CO<sub>2</sub> reductions in the CPP applicable to Montana were substantially greater than the reductions the EPA had originally proposed. The EPA denied the petition for reconsideration on January 11, 2017, and we appealed that denial to the D.C. Circuit on March 13, 2017. The EPA has also requested that this case be held in abeyance. No action has been taken by the D.C. Circuit in this case.

There is no certainty as to what, if any, action the D.C. Circuit may take in either of these two cases before the EPA takes action to address the CPP.

If the CPP survives the Executive Order, the legal challenges described above, and is implemented as written, it could result in significant additional compliance costs that would affect our future results of operations and financial position if such costs are not recovered through regulated rates. We will continue working with federal and state regulatory authorities, other utilities, and stakeholders to seek relief from the CPP that, in our view, disproportionately impacts customers in our region. We cannot predict the ultimate outcome of these matters or what our obligations might be under the state compliance plans with any degree of certainty until



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they are finalized; however, complying with the CO<sub>2</sub> emission performance standards in the CPP, and with other future environmental rules, may make it economically impractical to continue operating all or a portion of our jointly owned facilities or for individual owners to participate in their proportionate ownership of the coal-fired generating units. This could lead to significant impacts to customer rates for recovery of plant improvements and / or closure related costs and costs to procure replacement power. In addition, these changes could impact system reliability due to changes in generation sources.

In addition, future additional requirements to reduce GHG emissions could cause us to incur material costs of compliance, increase our costs of procuring electricity, decrease transmission revenue and impact cost recovery. Technology to efficiently capture, remove and/or sequester such GHG emissions may not be available within a timeframe consistent with the implementation of any such requirements. Physical impacts of climate change also may present potential risks for severe weather, such as droughts, fires, floods, ice storms and tornadoes, in the locations where we operate or have interests. These potential risks may impact costs for electric and natural gas supply and maintenance of generation, distribution, and transmission facilities.

**Water Intakes and Discharges** - Section 316(b) of the Federal Clean Water Act requires that the location, design, construction and capacity of any cooling water intake structure reflect the "best technology available (BTA)" for minimizing environmental impacts. In May 2014, the EPA issued a final rule applicable to facilities that withdraw at least 2 million gallons per day of cooling water from waters of the US and use at least 25 percent of the water exclusively for cooling purposes. The final rule, which became effective in October 2014, gives options for meeting BTA, and provides a flexible compliance approach. Under the rule, permits required for existing facilities will be developed by the individual states and additional capital and/or increased operating costs may be required to comply with future water permit requirements. Challenges to the final cooling water intake rule filed by industry and environmental groups are under review in the United States Court of Appeals for the Second Circuit.

In November 2015, the EPA published final regulations on effluent limitations for power plant wastewater discharges, including mercury, arsenic, lead and selenium. The rule became effective in January 2016. Some of the new requirements for existing power plants would be phased in starting in 2018 with full implementation of the rule by 2023. The EPA rule estimates that 12 percent of the steam electric power plants in the U.S. will have to make new investments to meet the requirements of the new effluent limitation regulations. Challenges to the final rule have been filed in the United States Court of Appeals for the Fifth Circuit, asserting that the EPA underestimated compliance costs. It is too early to determine whether the impacts of these rules will be material.

**Clean Air Act Rules and Associated Emission Control Equipment Expenditures** - The EPA has proposed or issued a number of rules under different provisions of the Clean Air Act that could require the installation of emission control equipment at the generation plants in which we have joint ownership.

In December 2011, the EPA issued a final rule relating to Mercury and Air Toxics Standards (MATS). Among other things, the MATS set stringent emission limits for acid gases, mercury, and other hazardous air pollutants from new and existing electric generating units. The rule was challenged by industry groups and states, and was upheld by the D.C. Circuit in April 2014. The decision was appealed to the Supreme Court and in June 2015, the Supreme Court issued an opinion that the EPA did not properly consider the costs to industry when making the requisite "appropriate and necessary" determination as part of its analysis in connection with the issuance of the MATS rule. The Supreme Court remanded the case back to the D.C. Circuit, and the D.C. Circuit remanded, without vacatur, the MATS rule to the EPA, leaving the rule in place. In April 2016, the EPA published its final supplemental finding that it is "appropriate and necessary" to regulate coal and oil-fired units under Section 112 of the Clean Air Act. Although industry and trade associations have filed a lawsuit in the D.C. Circuit challenging the EPA's supplemental finding and the D.C. Circuit recently delayed oral argument in the case at the request of the Trump administration, installation or upgrading of relevant environmental controls at our affected plants is complete and we are controlling emissions of mercury under the state and Federal MATS rules.



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In October 2013, the Supreme Court denied certiorari in *Luminant Generation Co v. EPA*, which challenged the EPA's current approach to regulating air emissions during startup, shutdown and malfunction (SSM) events. As a result, fossil fuel power plants may need to address SSM in their permits to reduce the risk of enforcement or citizen actions.

The Clean Air Visibility Rule was issued by the EPA in June 2005, to address regional haze in national parks and wilderness areas across the United States. The Clean Air Visibility Rule requires the installation and operation of Best Available Retrofit Technology (BART) to achieve emissions reductions from designated sources (including certain electric generating units) that are deemed to cause or contribute to visibility impairment in 'Class I' areas.

In September 2012, a final Federal Implementation Plan for Montana was published in the Federal Register to address regional haze. The plan does not require Colstrip Units 3 and 4 to improve removal efficiency for pollutants that contribute to regional haze. In November 2012, PPL Montana (now Talen Montana, LLC) (Talen), the operator of Colstrip, as well as environmental groups (National Parks Conservation Association, Montana Environmental Information Center (MEIC), and Sierra Club) jointly filed a petition for review of the Federal Implementation Plan in the United States Court of Appeals for the Ninth Circuit (Ninth Circuit). MEIC and Sierra Club challenged the EPA's decision not to require any emissions reductions from Colstrip Units 3 and 4. In June 2015, the Ninth Circuit rejected the challengers' contention that the EPA should have required additional pollution-reduction technologies on Unit 4 beyond those in the regulations and the matter is back in EPA Region 8 for action.

On January 10, 2017, the EPA published amendments to the requirements under the Clean Air Act for state plans for protection of visibility. Among other things, these amendments revised the process and requirements for the state implementation plans and extended the due date for the next periodic comprehensive regional haze state implementation plan revisions from 2018 to 2021. Therefore, by 2021, Montana, or EPA, must develop a revised plan that demonstrates reasonable progress toward eliminating man-made emissions of visibility impairing pollutants, which could impact Colstrip Unit 4. On March 13, 2017, we filed a Petition for Review of these amendments with the D.C. Circuit. On March 15, 2017, our petition was consolidated with other petitions challenging the final rule.

**Jointly Owned Plants** - We have joint ownership in generation plants located in South Dakota, North Dakota, Iowa and Montana that are or may become subject to the various regulations discussed above that have been issued or proposed.

Regarding the CPP, as discussed above, we cannot predict the impact of the CPP on NorthWestern until there is a definitive judicial decision or administrative action by the EPA to withdraw or significantly change the CPP.

Compliance with the final rule on Water Intakes and Discharges discussed above, which became effective in January 2016, did not have a significant impact at any of our jointly owned facilities.

**North Dakota.** The North Dakota Regional Haze state implementation plan requires the Coyote generating facility, in which we have 10% ownership, to reduce its nitrogen oxide (NOx) emissions by July 2018. In 2016, Coyote completed installation of control equipment to maintain compliance with the lower NOx emissions of 0.5 pounds per million Btu as calculated on a 30-day rolling average basis, including periods of start-up and shutdown. The cost of the control equipment was not significant.

**Montana.** Colstrip Unit 4, a coal fired generating facility in which we have a 30% interest, is subject to EPA's coal combustion residual rule. A compliance plan has been developed and is in the initial stages of implementation. The current estimate of the total project cost is approximately \$90.0 million (our share is 30%) over the remaining life of the facility.

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**Other** - We continue to manage equipment containing polychlorinated biphenyl (PCB) oil in accordance with the EPA's Toxic Substance Control Act regulations. We will continue to use certain PCB-contaminated equipment for its remaining useful life and will, thereafter, dispose of the equipment according to pertinent regulations that govern the use and disposal of such equipment.

We routinely engage the services of a third-party environmental consulting firm to assist in performing a comprehensive evaluation of our environmental reserve. Based upon information available at this time, we believe that the current environmental reserve properly reflects our remediation exposure for the sites currently and previously owned by us. The portion of our environmental reserve applicable to site remediation may be subject to change as a result of the following uncertainties:

- We may not know all sites for which we are alleged or will be found to be responsible for remediation; and
- Absent performance of certain testing at sites where we have been identified as responsible for remediation, we cannot estimate with a reasonable degree of certainty the total costs of remediation.

## LEGAL PROCEEDINGS

### Billings, Montana Refinery Outage Claim

In August 2014, we received a letter from the ExxonMobil refinery in Billings, Montana claiming that it had sustained approximately \$48.5 million in damages as a result of a January 2014 electrical outage. In December 2015, ExxonMobil increased the estimated losses related to that incident to approximately \$61.7 million. On January 13, 2016, a second electrical outage shut down the ExxonMobil refinery. On January 22, 2016, ExxonMobil filed suit against NorthWestern in U.S. District Court in Billings, Montana, seeking unspecified compensatory and punitive damages arising from both outages. ExxonMobil currently claims property damages and economic losses of at least \$108.0 million. We dispute ExxonMobil's claims and intend to vigorously defend this lawsuit. We have reported the refinery's claims and lawsuit to our liability insurance carriers under our liability insurance coverage, which has a \$2.0 million per occurrence retention. We also have brought third-party complaints against the City of Billings and General Electric International, Inc. alleging that they are responsible in whole or in part for the outages. We are not currently able to predict an outcome or estimate the amount or range of loss that would be associated with an adverse result.

### Pacific Northwest Solar Litigation

Pacific Northwest Solar, LLC (PNWS) is an Oregon solar QF developer with which we began negotiating in early 2016 to purchase capacity and energy at our avoided cost under the QF-1 option 1(a) tariff standard rates in accordance with PURPA as implemented by the FERC and the MPSC.

On June 16, 2016, however, the MPSC entered a Notice of Commission Action (MPSC Notice) suspending the availability of QF-1 option 1(a) standard rates for solar projects greater than 100 kW, which included the various projects proposed by PNWS. The MPSC exempted from the suspension any contracts with solar QFs greater than 100 kW, but no larger than 3 MW, at the standard tariff rate, if prior to the date of the MPSC Notice, the QF had submitted a signed power purchase agreement and had executed an interconnection agreement. PNWS had not obtained interconnection agreements for any of its projects as of June 16, 2016 and, based on the MPSC Notice and subsequent July 25, 2016 Order 7500 of like effect from the MPSC, we discontinued further negotiations with PNWS.



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On August 30, 2016, PNWS sent us a letter demanding that we enter into power purchase agreements for 21 solar projects and threatening to sue us for \$106 million if we did not accede to its demand. We declined to do so, and on November 16, 2016, PNWS sued us in state court seeking unspecified damages for breach of contract and other relief, including a judicial declaration that some or all of the proposed power purchase agreements were in effect. We removed the state lawsuit to the United States District Court for the District of Montana, which then stayed the case until September 29, 2017, so that the MPSC could consider related issues that might bear on the issues raised in PNWS's lawsuit.

On July 19, 2017, we and PNWS entered into a partial settlement agreement that resolved some but not all of PNWS' litigation claims. In return for our support of PNWS' application to the MPSC for approval of its first four solar projects, PNWS agreed to drop its damage claims related to the other 17 projects. If the MPSC approves the four projects, PNWS will also drop its damage claims related to those four projects. If the MPSC does not approve the four projects, PNWS will be able to pursue all of its claims related to those four projects. PNWS can continue to seek (and we can continue to oppose) regulatory approval of the remaining projects, but PNWS will not pursue monetary damage claims related to those projects.

We dispute all of the claims that PNWS has made in its lawsuit and intend to vigorously defend those that have not been resolved by the partial settlement. This matter is in the initial stages, and we cannot predict an outcome or estimate the amount or range of loss that would be associated with an adverse result on the remaining claims.

#### **State of Montana - Riverbed Rents**

On April 1, 2016, the State of Montana filed a complaint on remand with the Montana First Judicial District Court (State District Court), naming us, along with Talen, as defendants. The State claims it owns the riverbeds underlying 10 of our hydroelectric facilities (dams, along with reservoirs and tailraces) on the Missouri, Madison and Clark Fork Rivers, and seeks rents for Talen's and our use and occupancy of such lands. The facilities at issue in the litigation include the Hebgen, Madison, Hauser, Holter, Black Eagle, Rainbow, Cochrane, Ryan and Morony facilities on the Missouri-Madison Rivers and the Thompson Falls facility on the Clark Fork River. We acquired these facilities from Talen in November 2014.

Prior to our acquisition of the facilities, Talen litigated this issue against the State in State District Court, the Montana Supreme Court and in the United States Supreme Court. In August 2007, the State District Court determined that the 10 hydroelectric facilities were located on rivers which were navigable and that the State held title to the riverbeds. Subsequently, in June 2008, the State District Court awarded the State compensation with respect to all 10 facilities of approximately \$34 million for the 2000-2006 period and approximately \$6 million for 2007. The District Court deferred the determination of compensation for 2008 and future years to the Montana State Land Board.

Talen appealed the issue of navigability to the Montana Supreme Court, which in March 2010 affirmed the State District Court decision. In June 2011, the United States Supreme Court granted Talen's petition to review the Montana Supreme Court decision. The United States Supreme Court issued an opinion in February 2012, overturning the Montana Supreme Court and holding that the Montana courts erred first by not considering the navigability of the rivers on a segment-by-segment basis and second in relying on present day recreational use of the rivers. The United States Supreme Court also considered the navigability of what it referred to as the Great Falls Reach and concluded, at least from the head of the first waterfall to the foot of the last, that the Great Falls Reach was not navigable for title purposes, and thus the State did not own the riverbeds in that segment. The United States Supreme Court remanded the case to the Montana Supreme Court for further proceedings not inconsistent with its opinion.

Following the 2012 remand, the case laid dormant for four years until the State filed its complaint on remand with the State



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District Court. The complaint on remand renews all of the State's claims that the rivers on which the 10 hydroelectric facilities are located are navigable (including the Great Falls Reach), that because they were navigable the riverbeds became State lands upon Montana's statehood in 1889 and that the State is entitled to rent for their use. The State's complaint on remand does not claim any specific rental amount. Pursuant to the terms of our acquisition of the hydroelectric facilities, Talen and NorthWestern will share jointly the expense of this litigation, and Talen is responsible for any rents applicable to the periods of time prior to the acquisition (i.e., before November 18, 2014), while we are responsible for periods thereafter.

On April 20, 2016, we removed the case from State District Court to the United States District Court for the District of Montana (Federal District Court), and Talen consented to our removal. On April 27, 2016, we and Talen filed motions with the Federal District Court seeking to dismiss the portion of the litigation dealing with the Great Falls Reach in light of the United States Supreme Court's decision that the Great Falls Reach was not navigable for title purposes, and thus the State did not own the riverbeds in that segment.

On May 19, 2016, the State asked the Federal District Court to remand the case back to the State District Court and to dismiss Talen's consent to removal. The parties briefed the remand issue and oral argument was held before the Magistrate on January 17, 2017. On January 23, 2017 the Magistrate issued his Findings and Recommendation. The Magistrate recommended the Federal District Court remand the case to State District Court. On February 20, 2017, we filed objections to the Magistrate's Findings and Recommendation, arguing that the Federal District Court should retain jurisdiction. The following day Talen filed its objections to the Federal Magistrate's Findings and Recommendation, which we joined in on February 23, 2017. On March 21, 2017, the State filed its response to the objections. On March 24, 2017, in separate motions, both we and Talen filed motions asking the Federal District Court to hear oral argument on our respective objections. On July 10, 2017, the Federal District Court granted the motions for oral argument. Oral argument will be held before the U.S. District Judge on August 16, 2017. Our objections to the Magistrate's Findings and Recommendation along with Talen's and our motions to dismiss the State's claim regarding the Great Falls Reach remain pending. The Federal District Court will not address the motions to dismiss unless it retains jurisdiction. If the case is remanded to State District Court, we will file new motions to dismiss regarding the Great Falls Reach.

We dispute the State's claims and intend to vigorously defend the lawsuit. This matter is in the initial stages, and we cannot predict an outcome. If the Federal District Court (or the State District Court if the case is remanded to it) determines the riverbeds under all 10 of the hydroelectric facilities are navigable (including the five hydroelectric facilities on the Great Falls Reach) and if it calculates damages as the State District Court did in 2008, we estimate the annual rents could be approximately \$7.0 million commencing in November 2014, when we acquired the facilities. We anticipate that any obligation to pay the State rent for use and occupancy of the riverbeds would be recoverable in rates from customers, although there can be no assurances that the MPSC would approve any such recovery.

#### **Other Legal Proceedings**

We are also subject to various other legal proceedings, governmental audits and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these other actions will not materially affect our financial position, results of operations, or cash flows.







Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	5,058,332,724	3,916,078,226		
4	Property Under Capital Leases	40,209,537			
5	Plant Purchased or Sold				
6	Completed Construction not Classified				
7	Experimental Plant Unclassified	1,631,264	1,631,264		
8	Total (3 thru 7)	5,100,173,525	3,917,709,490		
9	Leased to Others				
10	Held for Future Use	4,769,005	4,764,105		
11	Construction Work in Progress	150,396,848	132,917,017		
12	Acquisition Adjustments	685,416,728	855,736,320		
13	Total Utility Plant (8 thru 12)	5,940,756,106	4,911,126,932		
14	Accum Prov for Depr, Amort, & Depl	2,122,958,690	1,632,461,168		
15	Net Utility Plant (13 less 14)	3,817,797,416	3,278,665,764		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	2,012,494,234	1,589,084,817		
19	Amort & Depl of Producing Nat Gas Land/Land Right	25,804,626			
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	58,851,300	17,567,821		
22	Total In Service (18 thru 21)	2,097,150,160	1,606,652,638		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj	25,808,530	25,808,530		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,122,958,690	1,632,461,168		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
954,401,968	1,521,084			186,331,446	3
			40,209,537		4
					5
					6
					7
954,401,968	1,521,084		40,209,537	186,331,446	8
					9
4,900					10
10,745,485				6,734,346	11
		-170,319,592			12
965,152,353	1,521,084	-170,319,592	40,209,537	193,065,792	13
404,702,068	872,095	12,328,614	22,115,222	50,479,523	14
560,450,285	648,989	-182,648,206	18,094,315	142,586,269	15
					16
					17
347,199,645	872,095	12,328,614	22,115,222	40,893,841	18
25,804,626					19
					20
31,697,797				9,585,682	21
404,702,068	872,095	12,328,614	22,115,222	50,479,523	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
404,702,068	872,095	12,328,614	22,115,222	50,479,523	33





Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
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**Transmission Service and Generation Interconnection Study Costs**

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2	FAC Studies	2,774	253	10,000	253
3	SIS Studies	5,112	253	10,000	253
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22	FAC Studies	15,607	253	255,000	253
23	Fast Track Studies	154	253		
24	FEA Studies	26,262	253	64,237	253
25	Optional Studies	1,296	253	10,000	253
26	SIS Studies	52,660	253	328,900	253
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

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OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.							
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.							
3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)	
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)		
1	Montana:						
2							
3	FAS 109	380,031,906	9,043,202			389,075,108	
4							
5	Basin Creek Capital Lease	7,252,185	26,251			7,278,436	
6							
7	Distribution System Infrastructure Project	2,351,819		588 & 880	783,939	1,567,880	
8	Docket D2011.1.7						
9	Amortization 2013 - 2017						
10							
11	BPA Residential Exchange Program	1,349,512	1,538,833	254	1,869,486	1,018,859	
12	Docket 2015.8.62 and Docket 2016.8.61						
13	Annual Amortization						
14							
15	Property Tax Tracker	6,315,926	4,034,026	(2)407	3,058,973	7,290,979	
16	Docket 2015.10.81 and Docket 2016.12.97						
17	Annual Amortization						
18							
19	FAS 106	4,742,685		(2)926	288,159	4,454,526	
20	Docket 93.6.24 and Docket 2009.9.129						
21							
22	FAS 112	4,826,391				4,826,391	
23	Docket 93.6.24 and Docket 2009.9.129						
24							
25	CTC QF Over/Under Collections	17,537	433,528	407	169,021	282,044	
26	Docket 97.7.90 and Docket 2001.1.5						
27	Annual Amortization						
28							
29	Compensated Absences	10,800,894	448,384	242	92,724	11,156,554	
30	Docket 97.11.219						
31							
32	Excess Refunds Interim General Rate Case	32,105				32,105	
33							
34	Pension Plan	116,895,208	3,559,514	(2)407	677,606	119,777,116	
35							
36	Montana Consumer Counsel Tax	1,436,445	52,998	Various	516	1,488,927	
37	Docket 2016.9.73						
38							
39	Montana Public Service Commission Tax	2,216,014	204,855	Various	16,670	2,404,199	
40	Docket 2016.9.72						
41							
42	Natural Gas Transmission Verification Program		160,000	588 & 880		160,000	
43	Docket No. D2016.11.88 Order No. 7528a						



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OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.						
3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1						
2	Asset Retirement Obligation	9,921,024	559,641			10,480,665
3						
4						
5						
6						
7	South Dakota:					
8						
9	FAS 109	54,479,700	1,478,958			55,958,658
10						
11	Pension Plan	13,683,806		(2)407	185,745	13,498,061
12						
13	Manufactured Gas Plants	13,377,095		(2)407	98,922	13,278,173
14	Docket NG 11-003					
15						
16	Rate Case Costs	208,216		407	19,521	188,695
17	Docket EL 14-106					
18						
19	Field Inventory	689,299		407	22,479	666,820
20	Docket EL 14-106					
21						
22	Miscellaneous Regulatory Asset	167,990				167,990
23	Docket EL 14-106					
24						
25	Asset Retirement Obligation	3,106,693	159,885			3,266,578
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL :	633,902,450	21,700,075		7,283,761	648,318,764

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.						
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.						
3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Montana Operations:					
2						
3	Deferred Gas Storage Sales	9,463,913	2407	105,129		9,358,784
4	Docket D2001.1.1					
5	Amortization 2001 - 2039					
6						
7	Montana Public Service Commission &	503,195	Various	640	24,334	526,889
8	Montana Consumer Counsel Taxes					
9	Dockets D2015.9.67 and D2016.9.72					
10						
11	Environmental Insurance Proceeds	1,560,000				1,560,000
12						
13	South Dakota Operations:					
14						
15	Current Ad Valorem True-Up	773,237	(2)407	221,462		551,775
16	Docket GE98-001					
17						
18	Aberdeen Manufactured Gas Plant	3,066,745	2407	1,009,792	346,478	2,403,431
19	Docket NG 11-003					
20						
21	Unbilled Revenues	9,659,209	173	812,326		8,846,883
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	25,026,299		2,149,349	370,812	23,247,762

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
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**ELECTRIC OPERATING REVENUES (Account 400)**

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	179,572,510	
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	206,978,712	
5	Large (or Ind.) (See Instr. 4)	31,538,627	
6	(444) Public Street and Highway Lighting	9,192,136	
7	(445) Other Sales to Public Authorities	386,724	
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	547,522	
10	TOTAL Sales to Ultimate Consumers	428,216,231	
11	(447) Sales for Resale	12,389,657	
12	TOTAL Sales of Electricity	440,605,888	
13	(Less) (449.1) Provision for Rate Refunds	-2,453,580	
14	TOTAL Revenues Net of Prov. for Refunds	443,059,468	
15	Other Operating Revenues		
16	(450) Forfeited Discounts	241,538	
17	(451) Miscellaneous Service Revenues	133,335	
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	1,869,671	
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	4,258,746	
22	(456.1) Revenues from Transmission of Electricity of Others	24,129,891	
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	30,633,181	
27	TOTAL Electric Operating Revenues	473,692,649	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
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**ELECTRIC OPERATING REVENUES (Account 400)**

6. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,552,757				2
				3
1,870,091				4
322,808				5
33,525				6
3,401				7
				8
4,950				9
3,787,532				10
1,217,867				11
5,005,399				12
				13
5,005,399				14

Line 12, column (b) includes \$ 0 of unbilled revenues.  
Line 12, column (d) includes 0 MWH relating to unbilled revenues

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES				
Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.				
Line No.	Account (a)	Year to Date Quarter (b)		
1	1. POWER PRODUCTION AND OTHER SUPPLY EXPENSES			
2	Steam Power Generation - Operation (500-509)	22,368,403		
3	Steam Power Generation - Maintenance (510-515)	6,234,867		
4	Total Power Production Expenses - Steam Power	28,603,270		
5	Nuclear Power Generation - Operation (517-525)			
6	Nuclear Power Generation - Maintenance (528-532)			
7	Total Power Production Expenses - Nuclear Power			
8	Hydraulic Power Generation - Operation (535-540.1)	6,727,148		
9	Hydraulic Power Generation - Maintenance (541-545.1)	2,248,496		
10	Total Power Production Expenses - Hydraulic Power	8,975,644		
11	Other Power Generation - Operation (546-550.1)	8,249,378		
12	Other Power Generation - Maintenance (551-554.1)	2,024,755		
13	Total Power Production Expenses - Other Power	10,274,133		
14	Other Power Supply Expenses			
15	Purchased Power (555)	100,459,589		
16	System Control and Load Dispatching (556)	105,801		
17	Other Expenses (557)	2,303,099		
18	Total Other Power Supply Expenses (line 15-17)	102,868,489		
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	150,721,536		
20	2. TRANSMISSION EXPENSES			
21	Transmission Operation Expenses			
22	(560) Operation Supervision and Engineering	2,493,899		
23				
24	(561.1) Load Dispatch-Reliability	596,069		
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	500,304		
26	(561.3) Load Dispatch-Transmission Service and Scheduling	691,504		
27	(561.4) Scheduling, System Control and Dispatch Services			
28	(561.5) Reliability, Planning and Standards Development	39,130		
29	(561.6) Transmission Service Studies			
30	(561.7) Generation Interconnection Studies			
31	(561.8) Reliability, Planning and Standards Development Services			
32	(562) Station Expenses	792,234		
33	(563) Overhead Line Expenses	810,827		
34	(564) Underground Line Expenses			
35	(565) Transmission of Electricity by Others	8,015,240		
36	(566) Miscellaneous Transmission Expenses	844,907		
37	(567) Rents	376,549		
38	(567.1) Operation Supplies and Expenses (Non-Major)			

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES				
Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.				
Line No.	Account (a)	Year to Date Quarter (b)		
39	TOTAL Transmission Operation Expenses (Lines 22 - 38)	15,160,663		
40	Transmission Maintenance Expenses			
41	(568) Maintenance Supervision and Engineering	565,823		
42	(569) Maintenance of Structures	18,023		
43	(569.1) Maintenance of Computer Hardware	578,049		
44	(569.2) Maintenance of Computer Software	-1,543		
45	(569.3) Maintenance of Communication Equipment	63,536		
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
47	(570) Maintenance of Station Equipment	559,968		
48	(571) Maintenance Overhead Lines	1,018,413		
49	(572) Maintenance of Underground Lines			
50	(573) Maintenance of Miscellaneous Transmission Plant			
51	(574) Maintenance of Transmission Plant			
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	2,802,269		
53	Total Transmission Expenses (Lines 39 and 52)	17,962,932		
54	3. REGIONAL MARKET EXPENSES			
55	Regional Market Operation Expenses			
56	(575.1) Operation Supervision	2,834		
57	(575.2) Day-Ahead and Real-Time Market Facilitation	162,425		
58	(575.3) Transmission Rights Market Facilitation	1,417		
59	(575.4) Capacity Market Facilitation			
60	(575.5) Ancillary Services Market Facilitation	-45,597		
61	(575.6) Market Monitoring and Compliance	22,799		
62	(575.7) Market Facilitation, Monitoring and Compliance Services			
63	Regional Market Operation Expenses (Lines 55 - 62)	235,072		
64	Regional Market Maintenance Expenses			
65	(576.1) Maintenance of Structures and Improvements			
66	(576.2) Maintenance of Computer Hardware			
67	(576.3) Maintenance of Computer Software			
68	(576.4) Maintenance of Communication Equipment			
69	(576.5) Maintenance of Miscellaneous Market Operation Plant			
70	Regional Market Maintenance Expenses (Lines 65-69)			
71	TOTAL Regional Control and Market Operation Expenses (Lines 63,70)	235,072		
72	4. DISTRIBUTION EXPENSES			
73	Distribution Operation Expenses (580-589)	11,370,417		
74	Distribution Maintenance Expenses (590-598)	9,998,125		
75	Total Distribution Expenses (Lines 73 and 74)	21,368,542		



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
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**ELECTRIC CUSTOMER ACCOUNTS, SERVICE, SALES, ADMINISTRATIVE AND GENERAL EXPENSES**

Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.

Line No.	Account (a)	Year to Date Quarter (b)
1	(901-905) Customer Accounts Expenses	6,738,122
2	(907-910) Customer Service and Information Expenses	2,964,983
3	(911-917) Sales Expenses	221,957
4	8. ADMINISTRATIVE AND GENERAL EXPENSES	
5	Operations	
6	920 Administrative and General Salaries	17,161,181
7	921 Office Supplies and Expenses	6,129,115
8	(Less) 922 Administrative Expenses Transferred-Credit	2,170,809
9	923 Outside Services Employed	2,608,222
10	924 Property Insurance	1,121,109
11	925 Injuries and Damages	3,906,414
12	926 Employee Pensions and Benefits	2,767,060
13	927 Franchise Requirements	
14	928 Regulatory Commission Expenses	1,163,454
15	(Less) 929 Duplicate Charges-Credit	
16	930.1 General Advertising Expenses	5,842
17	930.2 Miscellaneous General Expenses	7,720,173
18	931 Rents	1,054,649
19	TOTAL Operation (Total of lines 6 thru 18)	41,466,410
20	Maintenance	
21	935 Maintenance of General Plant	1,761,463
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	43,227,873

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	MONTANA CHOICE TRANSMISSION CUST				
2	Ash Grove Cement	Talen Energy	Ash Grove Cement	FNO	
3	Aspen Air Corporation	Talen Energy	Aspen Air Corporation	FNO	
4	Barretts Minerals, Inc.	Talen Energy	Barretts Minerals, Inc.	FNO	
5	Beartooth Electric Cooperative, Inc.	Twin Eagle & WAPA	Beartooth Electric Cooperative, .	FNO	
6	Benefis Health System	Energy Keepers Inc.	Benefis Health Systems	FNO	
7	Big Horn County Electric Coop, Inc.	BPA & WAPA	Big Horn County Electric Coop, I.	FNO	
8	Bonneville Power Administration	BPA	Bonneville Power Administration	FNO	
9	Basin Electric Power Cooperative	Basin Electric & WAPA	Basin Electric Power Cooperative	FNO	
10	Basin Electric Power Cooperative	Basin Electric & WAPA	Basin Electric Power Cooperative	FNO	
11	CHS, Inc.	Talen Energy	CHS, Inc.	FNO	
12	City of Great Falls	Talen Energy	City of Great Falls	FNO	
13	Colstrip Steam Electric Station	Avista Energy	Colstrip Steam Electric Station	FNO	
14	ConocoPhillips Company	Energy Keepers, Inc.	Phillips 66 Company	FNO	
15	ExxonMobil Corporation	Talen Energy	ExxonMobil Corporation	FNO	
16	General Mills Operations, LLC	Talen Energy	General Mills Operations, LLC	FNO	
17	Great Falls Public Schools	Talen Energy	Great Falls Public Schools	FNO	
18	Oldcastle Materials Cement Holdings, Inc.	Energy Keepers, Inc.	Oldcastle Materials Cement Holdi.	FNO	
19	Imerys Talc America, Inc.	Energy Keepers, Inc. and Talen	Imerys Talc America, Inc.	FNO	
20	Suiza Dairy Group, LLC	Talen Energy	Suiza Dairy Group, LLC	FNO	
21	Calumet Refining, LLC	Talen Energy	Montana Refining Company, Inc.	FNO	
22	Montana Resources	Talen Energy	Montana Resources	FNO	
23	REC Silicon Company	Talen Energy	REC Silicon Company	FNO	
24	Roseburg Forest Products Company	Talen Energy	Roseburg Forest Products Company	FNO	
25	Stillwater Mining Company	Talen Energy	Stillwater Mining Company	FNO	
26	Town of Philipsburg	Town of Philipsburg	Town Of Philipsburg	FNO	
27	Western Area Power Authority	WAPA	Various NWMT & WAUW	FNO	
28	Project Spokane LLC	Energy Keepers, Inc.	Project Spokane, LLC	FNO	
29					
30	MONTANA				
31	Western Area Power Administration	WAPA	NWMT	NF	
32	Western Area Power Administration	WAPA	WAPA	NF	
33	Western Area Power Administration	WAPA	WAPA	NF	
34	Western Area Power Administration	WAPA	NWMT	NF	
	TOTAL				

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2			
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
Vol #5	Colstrip	Clancy, MT	6	9,770	9,770	2
Vol #5	Colstrip	Billings, MT	11	13,503	13,503	3
Vol #5	Colstrip	Dillon, MT	6	8,791	8,791	4
Vol #5	Various & Great Falls	Various in Montana	18	16,446	16,446	5
Vol #5	Kerr	Various in Montana	4	7,667	7,667	6
Vol #5	BPAT.NWMT & Great Fs	Various in Montana	15	15,049	15,049	7
Vol #5	BPAT.NWMT	Various in Montana	212	180,279	180,279	8
Vol #5	Crossover, Great Falls	Various NWMT & WAUW	210	89,154	89,154	9
Vol #5	Crossover	Various NWMT & WAUW	15	177,804	177,804	10
Vol #5	Colstrip	Various in Montana	46	16,635	16,635	11
Vol #5	Colstrip	Various in Montana	6	5,252	5,252	12
Vol #5	AVAT.NWMT	Nichols Pump Sub	10	6,990	6,990	13
Vol #5	Kerr	Various in Montana	70	75,673	75,673	14
Vol #5	Colstrip	Billings, MT	35	64,020	64,020	15
Vol #5	Colstrip	Great Falls, MT	4	4,991	4,991	16
Vol #5	Colstrip	Great Falls, MT	1	2,545	2,545	17
Vol #5	Kerr	Three Forks, MT	6	8,717	8,717	18
Vol #5	Kerr	Three Forks, MT	6	7,052	7,052	19
Vol #5	Colstrip	Various in Montana	2	1,542	1,542	20
Vol #5	Colstrip	Great Falls, MT	25	29,494	29,494	21
Vol #5	Colstrip	Butte, MT	50	91,938	91,938	22
Vol #5	Hardin & Rimrock	Butte, MT	135	178,003	178,003	23
Vol #5	Kerr	Missoula, MT	8	13,792	13,792	24
Vol #5	Colstrip	Various in Montana	34	62,153	62,153	25
Vol #5	NWE System	Philipsburg, MT		218	218	26
Vol #5	Great Falls (WAPA) T	Various NWMT & WAUW	4	3	3	27
Vol #5	Kerr	Bonner, MT	14	24,072	24,072	28
						29
						30
Vol #5	Canyon Ferry	NWMT System		2,844	2,844	31
Vol #5	Canyon Ferry	Crossover		45,383	45,383	32
Vol #5	Canyon Ferry	Great Falls		24,755	24,755	33
Vol #5	Great Falls	NWMT System		455	455	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
32,006			32,006	2
46,120			46,120	3
39,749			39,749	4
113,784			113,784	5
43,795			43,795	6
110,730			110,730	7
1,155,671			1,155,671	8
1,093,143			1,093,143	9
96,801			96,801	10
372,506			372,506	11
27,752			27,752	12
46,736			46,736	13
494,142			494,142	14
269,207			269,207	15
22,690			22,690	16
12,040			12,040	17
47,512			47,512	18
35,567			35,567	19
7,774			7,774	20
117,809			117,809	21
401,907			401,907	22
749,289			749,289	23
58,325			58,325	24
270,545			270,545	25
975			975	26
6,617			6,617	27
60,552			60,552	28
				29
				30
	12,314		12,314	31
	196,508		196,508	32
	107,189		107,189	33
	1,970		1,970	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Western Area Power Administration	WAPA	NWMT	SFP	
2	Western Area Power Administration	WAPA	WAPA	NF	
3	Western Area Power Administration	WAPA	WAPA	NF	
4	Western Area Power Administration	WAPA	NWMT	NF	
5					
6	PacifiCorp - Transmission	NWMT	NWMT	SFP	
7	PacifiCorp - Transmission	NWMT	NWMT	NF	
8	PacifiCorp - Transmission	Colstrip Partners	PacifiCorp	NF	
9	PacifiCorp - Transmission	Colstrip Partners	PacifiCorp	SFP	
10	PacifiCorp - Transmission	PacifiCorp	NWMT	NF	
11	PacifiCorp - Transmission	BPA	NWMT	NF	
12	PacifiCorp - Transmission	BPA	NWMT	NF	
13	PacifiCorp - Transmission	PacifiCorp	BPA	NF	
14	PacifiCorp - Transmission	BPA	PacifiCorp	NF	
15	PacifiCorp - Transmission	BPA	PacifiCorp	NF	
16	PacifiCorp - Transmission	PacifiCorp	NWMT	NF	
17					
18	Avista Corporation	AVISTA	NWMT	NF	
19	Avista Corporation	AVISTA	NWMT	SFP	
20	Avista Corporation	AVISTA	NWMT	NF	
21	Avista Corporation	Colstrip Partners	AVISTA	NF	
22	Avista Corporation	Colstrip Partners	AVISTA	SFP	
23	Avista Corporation	NWMT	NWMT	NF	
24					
25	Bonneville Power Administration	BPA	NWMT	NF	
26	Bonneville Power Administration	BPA	PacifiCorp	NF	
27	Bonneville Power Administration	BPA	PacifiCorp	NF	
28	Bonneville Power Administration	BPA	WAPA	NF	
29					
30	Black Hills Power Inc.	PacifiCorp	NWMT	NF	
31	Black Hills Power Inc.	PacifiCorp	PacifiCorp	NF	
32					
33	Basin Electric Coop	PacifiCorp	NWMT	NF	
34	Basin Electric Coop	PacifiCorp	WAPA	NF	
	TOTAL				

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Vol #5	Great Falls	NWMT.System	2	4,362	4,362	1
Vol #5	Crossover	Great Falls		12,321	12,321	2
Vol #5	Great Falls	Crossover		11,409	11,409	3
Vol #5	Crossover	NWMT.System		626	626	4
						5
Vol #5	Colstrip	NWMT.System		431	431	6
Vol #5	Colstrip	NWMT.System		146	146	7
Vol #5	Colstrip	YTP		3,071	3,071	8
Vol #5	Colstrip	YTP	2	5,129	5,129	9
Vol #5	YTP	NWMT.System		93	93	10
Vol #5	BPAT.NWMT	NWMT.System		530	530	11
Vol #5	BPAT.NWMT	Colstrip		24	24	12
Vol #5	YTP	BPAT.NWMT		96	96	13
Vol #5	BPAT.NWMT	BRDY		550	550	14
Vol #5	BPAT.NWMT	YTP		12,720	12,720	15
Vol #5	YTP	Colstrip		142	142	16
						17
Vol #5	AVAT.NWMT	NWMT.System		56	56	18
Vol #5	AVAT.NWMT	NWMT.System		504	504	19
Vol #5	AVAT.NWMT	Colstrip		114	114	20
Vol #5	Colstrip	AVAT.NWMT		596	596	21
Vol #5	Colstrip	AVAT.NWMT		329	329	22
Vol #5	Colstrip	NWMT.System		40	40	23
						24
Vol #5	BPAT.NWMT	NWMT.System		1,895	1,895	25
Vol #5	BPAT.NWMT	YTP		239	239	26
Vol #5	BPAT.NWMT	BRDY		4	4	27
Vol #5	BPAT.NWMT	Great Falls		7	7	28
						29
Vol #5	BRDY	NWMT.System		3	3	30
Vol #5	BRDY	YTP		78	78	31
						32
Vol #5	YTP	NWMT.System		8	8	33
Vol #5	YTP	Crossover		21	21	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
18,960			18,960	1
	53,350		53,350	2
	49,401		49,401	3
	2,711		2,711	4
				5
1,870			1,870	6
	632		632	7
	13,297		13,297	8
22,235			22,235	9
	403		403	10
	2,295		2,295	11
	104		104	12
	416		416	13
	2,381		2,381	14
	55,078		55,078	15
	615		615	16
				17
	242		242	18
2,182			2,182	19
	494		494	20
	2,581		2,581	21
1,455			1,455	22
	173		173	23
				24
	8,205		8,205	25
	1,035		1,035	26
	17		17	27
	30		30	28
				29
	13		13	30
	338		338	31
				32
	35		35	33
	91		91	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Basin Electric Coop	NWMT	NWMT	NF	
2	Basin Electric Coop	NWMT	PacifiCorp	NF	
3	Basin Electric Coop	NWMT	WAPA	NF	
4	Basin Electric Coop	WAPA	PacifiCorp	NF	
5	Basin Electric Coop	WAPA	WAPA	NF	
6					
7	Brookfield Renewable Energy	BPA	NWMT	NF	
8	Brookfield Renewable Energy	BPA	PacifiCorp	SFP	
9	Brookfield Renewable Energy	BPA	PacifiCorp	NF	
10	Brookfield Renewable Energy	BPA	WAPA	NF	
11					
12	Shell Energy North America	BPA	NWMT	NF	
13	Shell Energy North America	BPA	NWMT	SFP	
14	Shell Energy North America	BPA	WAPA	NF	
15	Shell Energy North America	BPA	MATL	NF	
16	Shell Energy North America	WAPA	BPA	NF	
17	Shell Energy North America	NWMT	BPA	NF	
18	Shell Energy North America	AVISTA	NWMT	NF	
19	Shell Energy North America	AVISTA	WAPA	NF	
20	Shell Energy North America	NWMT	BPA	NF	
21	Shell Energy North America	PacifiCorp	BPA	NF	
22	Shell Energy North America	PacifiCorp	NWMT	NF	
23	Shell Energy North America	BPA	PacifiCorp	NF	
24	Shell Energy North America	BPA	PacifiCorp	SFP	
25	Shell Energy North America	BPA	PacifiCorp	NF	
26	Shell Energy North America	BPA	PacifiCorp	NF	
27					
28	Eagle Energy Partners	NWMT	BPAT	NF	
29	Eagle Energy Partners	NWMT	NWMT	NF	
30	Eagle Energy Partners	NWMT	PacifiCorp	NF	
31	Eagle Energy Partners	PacifiCorp	PacifiCorp	NF	
32					
33	Energy Keepers	NWMT	BPA	NF	
34	Energy Keepers	NWMT	BPA	LFP	
	<b>TOTAL</b>				

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	----------------------------------------------	-----------------------------------------

**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.

6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.

7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Vol #5	Colstrip	NWMT.System		4	4	1
Vol #5	Kerr	YTP		216	216	2
Vol #5	Colstrip	Crossover		83	83	3
Vol #5	Crossover	YTP		611	611	4
Vol #5	Crossover	Great Falls	31	67,704	67,704	5
						6
Vol #5	BPAT.NWMT	NWMT.System		3	3	7
Vol #5	BPAT.NWMT	YTP		216	216	8
Vol #5	BPAT.NWMT	YTP		122	122	9
Vol #5	BPAT.NWMT	Crossover		125	125	10
						11
Vol #5	BPAT.NWMT	NWMT.System		70	70	12
Vol #5	BPAT.NWMT	NWMT.System		168	168	13
Vol #5	BPAT.NWMT	Crossover		1,290	1,290	14
Vol #5	BPAT.NWMT	MATL.NWMT		306	306	15
Vol #5	Crossover	BPAT.NWMT		48	48	16
Vol #5	Kerr	BPAT.NWMT		15	15	17
Vol #5	AVAT.NWMT	NWMT.System		2	2	18
Vol #5	AVAT.NWMT	Crossover		37	37	19
Vol #5	TFalls	BPAT.NWMT		46	46	20
Vol #5	YTP	BPAT.NWMT		1,970	1,970	21
Vol #5	YTP	NWMT.System		47	47	22
Vol #5	BPAT.NWMT	BRDY		2,419	2,419	23
Vol #5	BPAT.NWMT	BRDY	2	4,200	4,200	24
Vol #5	BPAT.NWMT	JEFF		390	390	25
Vol #5	BPAT.NWMT	YTP		250	250	26
						27
Vol #5	Colstrip	BPAT.NWMT		305	305	28
Vol #5	Colstrip	NWMT.System		25	25	29
Vol #5	Colstrip	YTP		429	429	30
Vol #5	Colstrip	MCLK		280	280	31
						32
Vol #5	Kerr	BPAT.NWMT		225	225	33
Vol #5	Kerr	BPAT.NWMT	37	80,808	80,808	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	17		17	1
	935		935	2
	359		359	3
	2,646		2,646	4
293,880			293,880	5
				6
	13		13	7
935			935	8
	528		528	9
	541		541	10
				11
	303		303	12
727			727	13
	5,586		5,586	14
	1,325		1,325	15
	208		208	16
	65		65	17
	9		9	18
	160		160	19
	199		199	20
	8,530		8,530	21
	204		204	22
	10,474		10,474	23
18,182			18,182	24
	1,689		1,689	25
	1,082		1,082	26
				27
	1,321		1,321	28
	108		108	29
	1,858		1,858	30
	1,212		1,212	31
				32
	974		974	33
257,955			257,955	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Energy Keepers	NWMT	AVAT	NF	
2	Energy Keepers	NWMT	NWMT	NF	
3	Energy Keepers	NWMT	NWMT	NF	
4	Energy Keepers	NWMT	PacifiCorp	SFP	
5	Energy Keepers	NWMT	PacifiCorp	SFP	
6	Energy Keepers	NWMT	PacifiCorp	LFP	
7	Energy Keepers	NWMT	PacifiCorp	NF	
8	Energy Keepers	NWMT	PacifiCorp	SFP	
9	Energy Keepers	NWMT	PacifiCorp	SFP	
10	Energy Keepers	NWMT	PacifiCorp	NF	
11	Energy Keepers	AVISTA	PacifiCorp	NF	
12	Energy Keepers	BPA	NWMT	NF	
13	Energy Keepers	BPA	PacifiCorp	NF	
14					
15	CP Energy Marketing	BPA	NWMT	NF	
16	CP Energy Marketing	BPA	MATL	NF	
17	CP Energy Marketing	MATL	BPAT	NF	
18	CP Energy Marketing	MATL	NWMT	NF	
19					
20	Eugene Water & Electric Board	NWMT	BPA	NF	
21					
22	Portland General Electric	NWMT	NWMT	NF	
23	Portland General Electric	Colstrip Partners	BPA	NF	
24	Portland General Electric	Colstrip Partners	NWMT	NF	
25	Portland General Electric	BPA	NWMT	NF	
26	Portland General Electric	BPA	NWMT	NF	
27					
28	Idaho Power Company	Avista	PacifiCorp	NF	
29	Idaho Power Company	BPA	Idaho	SFP	
30	Idaho Power Company	PacifiCorp	NWMT	SFP	
31					
32	Morgan Stanley	Pacificorp	AVISTA	NF	
33	Morgan Stanley	Pacificorp	BPA	NF	
34	Morgan Stanley	Pacificorp	NWMT	NF	
	<b>TOTAL</b>				

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2			
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Vol #5	Kerr	AVAT.NWMT		66	66	1
Vol #5	Kerr	NWMT.SYSTEM		2,868	2,868	2
Vol #5	Colstrip	NWMT.SYSTEM		3	3	3
Vol #5	Kerr	BRDY		480	480	4
Vol #5	Kerr	BRDY	4	8,778	8,778	5
Vol #5	Kerr	BRDY	25	54,600	54,600	6
Vol #5	Kerr	YTP		40	40	7
Vol #5	Kerr	YTP	17	36,575	36,575	8
Vol #5	Kerr	YTP	3	5,375	5,375	9
Vol #5	Colstrip	YTP		34	34	10
Vol #5	AVAT.NWMT	YTP		50	50	11
Vol #5	BPAT.NWMT	NWMT.System		18	18	12
Vol #5	BPAT.NWMT	YTP		179	179	13
						14
Vol #5	BPAT.NWMT	NWMT.System		139	139	15
Vol #5	BPAT.NWMT	MATL.NWMT		1,288	1,288	16
Vol #5	MATL.NWMT	BPAT.NWMT		100	100	17
Vol #5	MATL.NWMT	NWMT.System		6	6	18
						19
Vol #5	NWMTIMBALANCE	BPAT.NWMT		50	50	20
						21
Vol #5	Colstrip	NWMT System		17	17	22
Vol #5	Colstrip	BPAT.NWMT		372	372	23
Vol #5	Colstrip	Townsend		745	745	24
Vol #5	BPAT.NWMT	NWMT.System		62	62	25
	BPAT.NWMT	Colstrip		338	338	26
						27
Vol #5	AVAT.NWMT	BRDY		5	5	28
Vol #5	BPAT.NWMT	TNDY		264	264	29
Vol #5	JEFF	MLCK		720	720	30
						31
Vol #5	JEFF	AVAT.NWMT		54	54	32
Vol #5	JEFF	BPAT.NWMT		83	83	33
Vol #5	BRDY	NWMT.SYSTEM		21	21	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	286		286	1
	12,418		12,418	2
	13		13	3
2,078			2,078	4
37,920			37,920	5
237,000			237,000	6
	173		173	7
158,000			158,000	8
23,378			23,378	9
	147		147	10
	216		216	11
	78		78	12
	775		775	13
				14
	602		602	15
	5,577		5,577	16
	433		433	17
	26		26	18
				19
	216		216	20
				21
	74		74	22
	1,611		1,611	23
	3,226		3,226	24
	268		268	25
	1,464		1,464	26
				27
	22		22	28
1,143			1,143	29
3,117			3,117	30
				31
	234		234	32
	359		359	33
	91		91	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Morgan Stanley	Pacificorp	NWMT	NF	
2	Morgan Stanley	Pacificorp	MATL	NF	
3	Morgan Stanley	BPA	PacifiCorp	NF	
4	Morgan Stanley	BPA	PacifiCorp	NF	
5	Morgan Stanley	BPA	PacifiCorp	SFP	
6	Morgan Stanley	BPA	PacifiCorp	NF	
7	Morgan Stanley	BPA	PacifiCorp	SFP	
8	Morgan Stanley	BPA	WAPA	NF	
9	Morgan Stanley	BPA	WAPA	NF	
10	Morgan Stanley	BPA	NWMT	LFP	
11	Morgan Stanley	BPA	NWMT	SFP	
12	Morgan Stanley	BPA	MATL	NF	
13	Morgan Stanley	BPA	MATL	NF	
14	Morgan Stanley	BPA	Glacier Wind	NF	
15	Morgan Stanley	PPLM	AVISTA	NF	
16	Morgan Stanley	MATL	AVISTA	NF	
17	Morgan Stanley	MATL	AVISTA	SFP	
18	Morgan Stanley	NWMT	BPA	NF	
19	Morgan Stanley	MATL	BPA	NF	
20	Morgan Stanley	MATL	BPA	SFP	
21	Morgan Stanley	MATL	PacifiCorp	NF	
22	Morgan Stanley	MATL	PacifiCorp	SFP	
23	Morgan Stanley	MATL	PacifiCorp	NF	
24	Morgan Stanley	Colstrip Partners	PacifiCorp	NF	
25	Morgan Stanley	NWMT	PacifiCorp	NF	
26	Morgan Stanley	Colstrip Partners	MATL	NF	
27	Morgan Stanley	MATL	NWMT	NF	
28	Morgan Stanley	NWMT	MATL	NF	
29	Morgan Stanley	NWMT	NWMT	NF	
30	Morgan Stanley	NWMT	MATL	NF	
31	Morgan Stanley	NWMT	Glacier Wind	NF	
32	Morgan Stanley	MATL	Glacier Wind	NF	
33	Morgan Stanley	MATL	WAPA	NF	
34	Morgan Stanley	Glacier Wind	AVISTA	NF	
TOTAL					

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')			
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>			

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Vol #5	JEFF	NWMT.SYSTEM		108	108	1
Vol #5	BRDY	MATL.NWMT		2,058	2,058	2
Vol #5	BPAT.NWMT	YTP		821	821	3
Vol #5	BPAT.NWMT	BRDY		640	640	4
Vol #5	BPAT.NWMT	BRDY	1	1,128	1,128	5
Vol #5	BPAT.NWMT	JEFF		269	269	6
Vol #5	BPAT.NWMT	JEFF		600	600	7
Vol #5	BPAT.NWMT	CROSSOVER		300	300	8
Vol #5	BPAT.NWMT	GREATFALLS		5	5	9
Vol #5	BPAT.NWMT	NWMT.SYSTEM		1,014	1,014	10
Vol #5	BPAT.NWMT	MATL.NWMT	100	218,400	218,400	11
Vol #5	BPAT.NWMT	MATL.NWMT	16	33,444	33,444	12
Vol #5	BPAT.NWMT	MATL.NWMT		63,731	63,731	13
Vol #5	BPAT.NWMT	GLWND1		889	889	14
Vol #5	KERR	AVAT.NWMT		74	74	15
Vol #5	MATL.NWMT	AVAT.NWMT		4,706	4,706	16
Vol #5	MATL.NWMT	AVAT.NWMT	4	8,040	8,040	17
Vol #5	KERR	BPAT.NWMT		104	104	18
Vol #5	MATL.NWMT	BPAT.NWMT		21,540	21,540	19
Vol #5	MATL.NWMT	BPAT.NWMT	2	4,128	4,128	20
Vol #5	MATL.NWMT	BRDY		2,676	2,676	21
Vol #5	MATL.NWMT	BRDY		120	120	22
Vol #5	MATL.NWMT	JEFF		1,464	1,464	23
Vol #5	MATL.NWMT	YTP		2,883	2,883	24
Vol #5	KERR	YTP		50	50	25
Vol #5	COLSTRIP	NWMT.SYSTEM		100	100	26
Vol #5	MATL.NWMT	NWMT.SYSTEM		287	287	27
Vol #5	COLSTRIP	MATL.SYSTEM		20	20	28
Vol #5	JUDITHGAP	NWMT.SYSTEM		3	3	29
Vol #5	KERR	MATL.NWMT		151	151	30
Vol #5	JUDITHGAP	GLWND1		16	16	31
Vol #5	MATL.NWMT	GLWND1		1,400	1,400	32
Vol #5	MATL.NWMT	CROSSOVER		1,440	1,440	33
Vol #5	GLWND1	AVAT.NWMT		4,053	4,053	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	468		468	1
	8,911		8,911	2
	3,555		3,555	3
	2,771		2,771	4
4,883			4,883	5
	1,165		1,165	6
2,598			2,598	7
	1,299		1,299	8
	22		22	9
	4,391		4,391	10
948,000			948,000	11
145,148			145,148	12
	275,955		275,955	13
	3,849		3,849	14
	320		320	15
	20,377		20,377	16
34,806			34,806	17
	450		450	18
	93,268		93,268	19
17,871			17,871	20
	11,587		11,587	21
520			520	22
	6,339		6,339	23
	12,483		12,483	24
	217		217	25
	433		433	26
	1,243		1,243	27
	87		87	28
	13		13	29
	654		654	30
	69		69	31
	6,062		6,062	32
	6,235		6,235	33
	17,549		17,549	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Morgan Stanley	Glacier Wind	AVISTA	NF	
2	Morgan Stanley	Glacier Wind	AVISTA	SFP	
3	Morgan Stanley	Glacier Wind	BPA	NF	
4	Morgan Stanley	Glacier Wind	BPA	SFP	
5	Morgan Stanley	Glacier Wind	BPA	NF	
6	Morgan Stanley	Glacier Wind	BPA	NF	
7	Morgan Stanley	Glacier Wind	NWMT	SFP	
8	Morgan Stanley	Glacier Wind	NWMT	NF	
9	Morgan Stanley	Glacier Wind	NWMT	NF	
10	Morgan Stanley	Glacier Wind	NWMT	SFP	
11	Morgan Stanley	Glacier Wind	MATL	NF	
12	Morgan Stanley	Glacier Wind	MATL	NF	
13	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
14	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
15	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
16	Morgan Stanley	Glacier Wind	PacifiCorp	SFP	
17	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
18	Morgan Stanley	Glacier Wind	PacifiCorp	SFP	
19	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
20	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
21	Morgan Stanley	Glacier Wind	WAPA	NF	
22	Morgan Stanley	Glacier Wind	WAPA	NF	
23	Morgan Stanley	AVISTA	Glacier Wind	NF	
24	Morgan Stanley	AVISTA	NWMT	NF	
25	Morgan Stanley	AVISTA	MATL	NF	
26	Morgan Stanley	AVISTA	PacifiCorp	NF	
27	Morgan Stanley	WAPA	AVISTA	NF	
28	Morgan Stanley	WAPA	BPA	NF	
29	Morgan Stanley	WAPA	NWMT	NF	
30	Morgan Stanley	WAPA	MATL	NF	
31	Morgan Stanley	WAPA	MATL	NF	
32	Morgan Stanley	WAPA	PacifiCorp	NF	
33	Morgan Stanley	WAPA	PacifiCorp	NF	
34	Morgan Stanley	WAPA	PacifiCorp	NF	
TOTAL					

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Vol #5	GLWND2	AVAT.NWMT		3,234	3,234	1
Vol #5	GLWND2	AVAT.NWMT	1	1,080	1,080	2
Vol #5	GLWND1	BPAT.NWMT		10,758	10,758	3
Vol #5	GLWND1	BPAT.NWMT	1	2,544	2,544	4
Vol #5	GLWND2	BPAT.NWMT		7,918	7,918	5
Vol #5	GLWND2	BPAT.NWMT	1	1,320	1,320	6
Vol #5	GLWND1	NWMT.SYSTEM		542	542	7
Vol #5	GLWND2	NWMT.SYSTEM		575	575	8
Vol #5	GLWND2	NWMT.SYSTEM		323	323	9
Vol #5	GLWND1	MATL.NWMT		6,989	6,989	10
Vol #5	GLWND2	MATL.NWMT		2,077	2,077	11
Vol #5	GLWND1	BRDY		1,466	1,466	12
Vol #5	GLWND2	BRDY		1,813	1,813	13
Vol #5	GLWND1	JEFF		351	351	14
Vol #5	GLWND1	JEFF	1	2,160	2,160	15
Vol #5	GLWND2	JEFF		327	327	16
Vol #5	GLWND2	JEFF		120	120	17
Vol #5	GLWND1	YTP		1,048	1,048	18
Vol #5	GLWND2	YTP		462	462	19
Vol #5	GLWND1	CROSSOVER		10	10	20
Vol #5	GLWND2	CROSSOVER		175	175	21
Vol #5	GLWND2	GLWND1		150	150	22
Vol #5	AVAT.NWMT	GLWND1		118	118	23
Vol #5	AVAT.NWMT	NWMT.SYSTEM		66	66	24
Vol #5	AVAT.NWMT	MATL.NWMT		5,600	5,600	25
Vol #5	AVAT.NWMT	BRDY		5	5	26
Vol #5	GREATFALLS	AVAT.NWMT		1,641	1,641	27
Vol #5	GREATFALLS	BPAT.NWMT		3,962	3,962	28
Vol #5	GREATFALLS	NWMT.SYSTEM		424	424	29
Vol #5	GREATFALLS	MATL.NWMT		4,879	4,879	30
Vol #5	CROSSOVER	MATL.NWMT		115	115	31
Vol #5	GREATFALLS	YTP		169	169	32
Vol #5	GREATFALLS	JEFF		135	135	33
Vol #5	GREATFALLS	BRDY		240	240	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	14,003		14,003	1
4,676			4,676	2
	46,582		46,582	3
11,013			11,013	4
	34,285		34,285	5
5,715			5,715	6
	2,347		2,347	7
	2,490		2,490	8
	1,399		1,399	9
	30,262		30,262	10
	8,993		8,993	11
	6,348		6,348	12
	7,850		7,850	13
	1,520		1,520	14
9,351			9,351	15
	1,416		1,416	16
520			520	17
	4,538		4,538	18
	2,000		2,000	19
	43		43	20
	758		758	21
	650		650	22
	511		511	23
	286		286	24
	24,248		24,248	25
	22		22	26
	7,106		7,106	27
	17,155		17,155	28
	1,836		1,836	29
	21,126		21,126	30
	498		498	31
	732		732	32
	585		585	33
	1,039		1,039	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1					
2	Naturener Power Watch, LLC	AVISTA	Glacier Wind	SFP	
3	Naturener Power Watch, LLC	AVISTA	WAPA	NF	
4	Naturener Power Watch, LLC	Glacier Wind	NWMT	NF	
5	Naturener Power Watch, LLC	Glacier Wind	Glacier Wind	SFP	
6	Naturener Power Watch, LLC	Glacier Wind	Glacier Wind	SFP	
7	Naturener Power Watch, LLC	Glacier Wind	Glacier Wind	NF	
8					
9	MAG Energy Solutions	NWMT	MATL	NF	
10	MAG Energy Solutions	WAPA	NWMT	NF	
11	MAG Energy Solutions	MATL	NWMT	NF	
12	MAG Energy Solutions	WAPA	MATL	NF	
13					
14	Phillips 66	BPA	NWMT	NF	
15					
16	Rainbow Energy Marketing	BPA	Pacificorp	SFP	
17	Rainbow Energy Marketing	BPA	Pacificorp	SFP	
18	Rainbow Energy Marketing	BPA	Pacificorp	NF	
19	Rainbow Energy Marketing	Colstrip Partners	Pacificorp	NF	
20	Rainbow Energy Marketing	Colstrip Partners	Pacificorp	SFP	
21	Rainbow Energy Marketing	Colstrip Partners	NWMT	SFP	
22	Rainbow Energy Marketing	Colstrip Partners	NWMT	NF	
23	Rainbow Energy Marketing	WAPA	PacifiCorp	SFP	
24	Rainbow Energy Marketing	WAPA	PacifiCorp	NF	
25	Rainbow Energy Marketing	WAPA	PacifiCorp	SFP	
26	Rainbow Energy Marketing	NWMT	NWMT	SFP	
27	Rainbow Energy Marketing	NWMT	NWMT	NF	
28	Rainbow Energy Marketing	Colstrip Partners	PacifiCorp	SFP	
29	Rainbow Energy Marketing	Colstrip Partners	BPA	NF	
30	Rainbow Energy Marketing	Colstrip Partners	WAPA	NF	
31	Rainbow Energy Marketing	BPA	NWMT	SFP	
32	Rainbow Energy Marketing	BPA	NWMT	NF	
33					
34	Talen Montana LLC	NWMT	BPA	LFP	
	<b>TOTAL</b>				

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
Vol #5	AVAT.NWMT	GLWND1	5	10,920	10,920	2
Vol #5	AVAT.NWMT	GREATFALLS		40	40	3
Vol #5	GLWND1	NWMT.SYSTEM		105	105	4
Vol #5	GLWND1	GLWND2	2	3,360	3,360	5
Vol #5	GLWND1	GLWND2	3	7,310	7,310	6
Vol #5	GLWND1	GLWND2		120	120	7
						8
Vol #5	MATL.NWMT	BPAT.NWMT		208	208	9
Vol #5	CROSSOVER	NWMT.SYSTEM				10
Vol #5	MATL.NWMT	NWMT.SYSTEM		12	12	11
Vol #5	MATL.NWMT	CROSSOVER		63	63	12
						13
Vol #5	BPAT.NWMT	GTFALLS.NWMT		28	28	14
						15
Vol #5	BPAT.NWMT	BRDY	1	2,850	2,850	16
Vol #5	BPAT.NWMT	YTP	1	1,200	1,200	17
Vol #5	BPAT.NWMT	YTP		1,864	1,864	18
Vol #5	COLSTRIP	YTP		4,336	4,336	19
Vol #5	COLSTRIP	YTP	1	1,363	1,363	20
Vol #5	CANYONFERRY	NWMT.SYSTEM		312	312	21
Vol #5	CANYONFERRY	NWMT.SYSTEM		287	287	22
Vol #5	CANYONFERRY	BRDY		960	960	23
Vol #5	CANYONFERRY	YTP		1,046	1,046	24
Vol #5	CANYONFERRY	YTP	4	9,069	9,069	25
Vol #5	COLSTRIP	NWMT.SYSTEM		24	24	26
Vol #5	COLSTRIP	NWMT.SYSTEM		139	139	27
Vol #5	COLSTRIP	BRDY		720	720	28
Vol #5	WAPA	BPAT.NWMT		1,091	1,091	29
Vol #5	COLSTRIP	CROSSOVER		60	60	30
Vol #5	BPAT.NWMT	NWMT.SYSTEM		48	48	31
Vol #5	BPAT.NWMT	NWMT.SYSTEM		220	220	32
						33
Vol #5	Colstrip	BPAT	100	218,400	218,400	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
47,400			47,400	2
	173		173	3
	455		455	4
14,584			14,584	5
31,600			31,600	6
	520		520	7
				8
	901		901	9
				10
	52		52	11
	273		273	12
				13
	121		121	14
				15
12,468			12,468	16
5,195			5,195	17
	8,071		8,071	18
	18,775		18,775	19
6,026			6,026	20
1,351			1,351	21
	1,243		1,243	22
4,156			4,156	23
	4,529		4,529	24
39,482			39,482	25
104			104	26
	602		602	27
3,117			3,117	28
	4,724		4,724	29
	260		260	30
208			208	31
	953		953	32
				33
948,000			948,000	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1	Talen Montana LLC	NWMT	PacifiCorp	LFP	
2	Talen Montana LLC	NWMT	PacifiCorp	LFP	
3	Talen Montana LLC	NWMT	PacifiCorp	LFP	
4					
5	Talen Energy Marketing, LLC	WAPA	PacifiCorp	LFP	
6	Talen Energy Marketing, LLC	PPLM	NWMT	NF	
7	Talen Energy Marketing, LLC	PPLM	MATL	NF	
8	Talen Energy Marketing, LLC	PPLM	BPAT	NF	
9	Talen Energy Marketing, LLC	NWMT	BPAT	LFP	
10	Talen Energy Marketing, LLC	NWMT	PacifiCorp	LFP	
11	Talen Energy Marketing, LLC	NWMT	PacifiCorp	LFP	
12	Talen Energy Marketing, LLC	PPLM	PacifiCorp	NF	
13	Talen Energy Marketing, LLC	PPLM	PacifiCorp	NF	
14	Talen Energy Marketing, LLC	PPLM	PacifiCorp	NF	
15	Talen Energy Marketing, LLC	PPLM	PacifiCorp	LFP	
16	Talen Energy Marketing, LLC	PPLM	WAPA	NF	
17					
18	Powerex Corporation	BPA	NWMT	NF	
19	Powerex Corporation	BPA	NWMT	NF	
20	Powerex Corporation	BPA	PacifiCorp	NF	
21	Powerex Corporation	PacifiCorp	BPA	NF	
22	Powerex Corporation	MATL	BPA	NF	
23	Powerex Corporation	BPA	PacifiCorp	NF	
24	Powerex Corporation	BPA	WAPA	NF	
25	Powerex Corporation	MATL	PacifiCorp	LFP	
26	Powerex Corporation	BPA	PacifiCorp	NF	
27	Powerex Corporation	PacifiCorp	NWMT	NF	
28	Powerex Corporation	PacifiCorp	WAPA	NF	
29	Powerex Corporation	AVISTA	NWMT	NF	
30	Powerex Corporation	AVISTA	PacifiCorp	NF	
31					
32	Puget Sound Energy Marketing	Colstrip Partners	BPA	NF	
33	Puget Sound Energy Marketing	NWMT	NWMT	NF	
34	Puget Sound Energy Marketing	BPA	NWMT	NF	
	<b>TOTAL</b>				

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Vol #5	Corette	BRDY	7	15,288	15,288	1
Vol #5	Colstrip	JEFF	7	15,288	15,288	2
Vol #5	Colstrip	JEFF	66	144,144	144,144	3
						4
Vol #5	CROSSOVER	BRDY	15	32,760	32,760	5
Vol #5	COLSTRIP	NWMT.SYSTEM		159	159	6
Vol #5	COLSTRIP	MATL.NWMT		14	14	7
Vol #5	COLSTRIP	BPAT.NWMT		3,058	3,058	8
Vol #5	GTFALLSNWMT	BPAT.NWMT	25	54,600	54,600	9
Vol #5	BLACKEAGLE	BRDY	4	8,736	8,736	10
Vol #5	CROOKEDFALLS	JEFF	7	15,288	15,288	11
Vol #5	COLSTRIP	YTP		154	154	12
Vol #5	COLSTRIP	BRDY		128	128	13
Vol #5	COLSTRIP	JEFF		173	173	14
Vol #5	COLSTRIP	JEFF	7	15,288	15,288	15
Vol #5	COLSTRIP	CROSSOVER		52	52	16
						17
Vol #5	BPAT.NWMT	NWMT.SYSTEM		410	410	18
Vol #5	BPAT.NWMT	MATL.NWMT		150	150	19
Vol #5	BPAT.NWMT	JEFF		351	351	20
Vol #5	YTP	BPAT.NWMT		3	3	21
Vol #5	MATL.NWMT	BPAT.NWMT		2,171	2,171	22
Vol #5	BPAT.NWMT	YTP		134	134	23
Vol #5	BPAT.NWMT	CROSSOVER		1,716	1,716	24
Vol #5	MATL.NWMT	BRDY	69	150,696	150,696	25
Vol #5	BPAT.NWMT	BRDY		72	72	26
Vol #5	BRDY	NWMT.SYSTEM		9	9	27
Vol #5	YTP	CROSSOVER		198	198	28
Vol #5	AVAT.NWMT	NWMT.SYSTEM		48	48	29
Vol #5	AVAT.NWMT	JEFF		538	538	30
						31
Vol #5	COLSTRIP	BPAT.NWMT		1,615	1,615	32
Vol #5	COLSTRIP	NWMT.SYSTEM		91	91	33
Vol #5	BPAT.NWMT	COLSTRIP		96	96	34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
66,360			66,360	1
66,360			66,360	2
625,680			625,680	3
				4
142,200			142,200	5
	688		688	6
	61		61	7
	13,241		13,241	8
237,000			237,000	9
37,920			37,920	10
66,360			66,360	11
	667		667	12
	554		554	13
	749		749	14
66,360			66,360	15
	225		225	16
				17
	1,775		1,775	18
	650		650	19
	1,520		1,520	20
	13		13	21
	9,400		9,400	22
	580		580	23
	7,430		7,430	24
654,120			654,120	25
	312		312	26
	39		39	27
	857		857	28
	208		208	29
	2,330		2,330	30
				31
	6,993		6,993	32
	394		394	33
	416		416	34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')					
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>					
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)	
1					
2	TransAlta Energy Marketing, Inc.	BPA	NWMT	SFP	
3	TransAlta Energy Marketing, Inc.	BPA	PacifiCorp	NF	
4					
5	Cargill Alliant	NWMT	PacifiCorp	NF	
6	Cargill Alliant	BPA	PacifiCorp	NF	
7	Cargill Alliant	PacifiCorp	PacifiCorp	NF	
8	Cargill Alliant	BPA	PacifiCorp	NF	
9	Cargill Alliant	BPA	PacifiCorp	SFP	
10					
11	Canadian Wood Products	MATL	NWMT	NF	
12	Canadian Wood Products	NWMT	MATL	NF	
13					
14	The Energy Authority, Inc.	PacifiCorp	BPAT	NF	
15	The Energy Authority, Inc.	Colstrip Partners	BPA	NF	
16	The Energy Authority, Inc.	BPA	NWMT	NF	
17	The Energy Authority, Inc.	BPA	PacifiCorp	NF	
18	The Energy Authority, Inc.	BPA	PacifiCorp	NF	
19					
20	United Materials of Great Falls, Inc.	UMGF	PacifiCorp	NF	
21	United Materials of Great Falls, Inc.	UMGF	PacifiCorp	NF	
22	United Materials of Great Falls, Inc.	UMGF	NWMT	NF	
23					
24	SOUTH DAKOTA				
25	Bryant, City of	WAPA	Bryant	LFP	
26	Langford, City of	WAPA	Langford	LFP	
27					
28					
29					
30					
31					
32					
33					
34					
<b>TOTAL</b>					

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
Vol #5	BPAT.NWMT	NWMT.SYSTEM		2	2	2
Vol #5	BPAT.NWMT	YTP		50	50	3
						4
Vol #5	NWMTIMBALANCE	JEFF		74	74	5
Vol #5	BPAT.NWMT	BRDY		125	125	6
Vol #5	YTP	JEFF		2,275	2,275	7
Vol #5	BPAT.NWMT	YTP		1,350	1,350	8
Vol #5	BPAT.NWMT	YTP		600	600	9
						10
Vol #5	MATL.NWMT	NWMT.SYSTEM		10	10	11
Vol #5	MATL.NWMT	CROSSOVER		104	104	12
						13
Vol #5	BRDY	BPAT.NWMT		25	25	14
Vol #5	KERR	BPAT.NWMT		75	75	15
Vol #5	BPAT.NWMT	NWMT.SYSTEM		2	2	16
Vol #5	BPAT.NWMT	YTP		225	225	17
Vol #5	BPAT.NWMT	BRDY		134	134	18
						19
Vol #5	HORSESHOE	JEFF		2,252	2,252	20
Vol #5	HORSESHOE	BRDY		469	469	21
Vol #5	HORSESHOE	NWMT.SYSTEM		268	268	22
						23
						24
Vol. 2	Huron 115 kV Bus	Bryant 25 kV		2,122	2,122	25
Vol. 2	Huron 115 kV Bus	Langford 12.5 kV		1,804	1,804	26
						27
						28
						29
						30
						31
						32
						33
						34
			1,527	2,697,285	2,697,285	



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')			
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>			

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
	9		9	2
	217		217	3
				4
	320		320	5
	541		541	6
	9,851		9,851	7
	5,846		5,846	8
2,598			2,598	9
				10
	43		43	11
	450		450	12
				13
	108		108	14
	325		325	15
	9		9	16
	974		974	17
	580		580	18
				19
	9,751		9,751	20
	2,031		2,031	21
	1,160		1,160	22
				23
				24
8,172			8,172	25
5,664			5,664	26
				27
				28
				29
				30
				31
				32
				33
				34
11,092,347	1,423,942	0	12,516,289	

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2			
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	MONTANA							
2	Vigilante Elec Coop	OLF	8,515	8,515	13,601			13,601
3	Bonneville Power Adminn	OLF					159,915	159,915
4	Bonneville Power Adminn	OLF					747,831	747,831
5	Southwest Power Pool	FNS	24,892	24,892	389,874			389,874
6								
7	Supply:							
8	Talen Montana, LLC	SFP	84,662	84,662		196,881		196,881
9	Seattle City Light	NF	850	850		5,087		5,087
10								
11	SOUTH DAKOTA							
12	East River	FNS			-41			-41
13	Southwest Power Pool	FNS			2,895,456			2,895,456
14								
15								
16								
	TOTAL		118,919	118,919	3,298,890	201,968	907,746	4,408,604





Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2
------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------	----------------------------------------------	-----------------------------------------

**AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS**

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)		20,210,067		
3	Net Sales (Account 447)		18,634,679		
4	Transmission Rights		1,417		
5	Ancillary Services		45,597		
6	Other Items (list separately)				
7	Operation Supervision		2,834		
8	Day Ahead and Real Time Administration		162,425		
9	Market Monitoring and Compliance		22,799		
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL		39,079,818		

Name of Respondent NorthWestern Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report End of 2017/Q2	
<b>MONTHLY PEAKS AND OUTPUT</b>						
<p>(1) (1) Report the monthly peak load and energy output. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non- integrated system. In quarter 1 report January, February, and March only. In quarter 2 report April, May, and June only. In quarter 3 report July, August, and September only.</p> <p>(2) Report on column (b) by month the system's output in Megawatt hours for each month.</p> <p>(3) Report on column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.</p> <p>(4) Report on column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.</p> <p>(5) Report on columns (e) and (f) the specified information for each monthly peak load reported on column (d).</p> <p>(6) Report Monthly Peak Hours in military time; 0100 for 1:00 AM, 1200 for 12 AM, and 1830 for 6:30 PM, etc.</p>						
NAME OF SYSTEM: See footnote						
Line No.	Month (a)	Total Monthly Energy (MWH) (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
1	January				0	0
2	February				0	0
3	March				0	0
4	Total					
5	April				0	0
6	May				0	0
7	June				0	0
8	Total					
9	July				0	0
10	August				0	0
11	September				0	0
12	Total					

Name of Respondent NorthWestern Corporation				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017		Year/Period of Report End of 2017/Q2		
MONTHLY TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.</p>										
NAME OF SYSTEM: Montana Operations										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April	1,472	4	800	789	595	488		1,521	
6	May	1,513	31	1700	875	549	488		951	
7	June	1,764	26	1800	1,100	618	488		1,579	
8	Total for Quarter 2				2,764	1,762	1,464		4,051	
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year				2,764	1,762	1,464		4,051	



Name of Respondent NorthWestern Corporation				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 06/30/2017		Year/Period of Report End of 2017/Q2		
<b>MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD</b>										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>										
NAME OF SYSTEM: South Dakota Operations										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Imports into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April	217	10	1100				229	12	241
6	May	225	16	1700				234	9	243
7	June	283	19	1700				297	14	311
8	Total for Quarter 2							760	35	795
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year							760	35	795

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 6 Column: b**

	6/30/2017	6/30/2016
<b>Other Noncash Charges to Income, Net:</b>		
Amortization of debt issue costs, discount, and deferred hedge gain	2,392,625	1,986,494
(Gain) loss on disposition of assets	(362,544)	1,060,440
Other noncash losses	1,026,203	237,194
Stock based compensation costs	3,825,893	3,361,276
	<u>6,882,177</u>	<u>6,645,404</u>
<b>Other Assets and Liabilities, Net:</b>		
Net change - other current assets	(4,252,256)	(7,346,666)
Net change - accrued utility revenues	23,871,570	20,723,763
Net change - deferred debits	5,770,550	14,613,562
Net change - deferred credits	4,888,050	4,456,093
Net change - other special deposits and special funds	(1,229,676)	(269,183)
Net change - noncurrent liabilities	(9,413,509)	(51,747,355)
	<u>19,634,729</u>	<u>(19,569,786)</u>

**Schedule Page: 120 Line No.: 6 Column: c**

Refer to footnote at column (b) line 6 for details.

**Schedule Page: 120 Line No.: 18 Column: b**

Refer to footnote at column (b) line 6 for details.

**Schedule Page: 120 Line No.: 18 Column: c**

Refer to footnote at column (b) line 6 for details.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
FOOTNOTE DATA			

<b>Schedule Page: 122(a)(b)</b>	<b>Line No.: 2</b>	<b>Column: f</b>
Reclassification of net losses on derivative instruments.		
<b>Schedule Page: 122(a)(b)</b>	<b>Line No.: 3</b>	<b>Column: e</b>
Foreign currency translation adjustment.		
<b>Schedule Page: 122(a)(b)</b>	<b>Line No.: 7</b>	<b>Column: f</b>
Reclassification of net losses on derivative instruments.		
<b>Schedule Page: 122(a)(b)</b>	<b>Line No.: 8</b>	<b>Column: e</b>
Foreign currency translation adjustment.		



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
FOOTNOTE DATA			

**Schedule Page: 200 Line No.: 1 Column: e**

This column represents regulated propane.

**Schedule Page: 200 Line No.: 1 Column: f**

This column represents the write-down of plant values associated with the 2002 acquisition of Montana operations, and the reduction from fair value to a regulated basis associated with the transfer of Colstrip Unit 4 to the regulated utility in 2009.

**Schedule Page: 200 Line No.: 1 Column: g**

This column represents an electric default supply capacity and energy sales agreement classified as a capital lease.

**Schedule Page: 200 Line No.: 1 Column: e**

Footnote Linked. See note on 200, Row: 1, col/item:

**Schedule Page: 200 Line No.: 1 Column: f**

Footnote Linked. See note on 200, Row: 1, col/item:

**Schedule Page: 200 Line No.: 1 Column: g**

Footnote Linked. See note on 200, Row: 1, col/item:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
FOOTNOTE DATA			

**Schedule Page: 300 Line No.: 21 Column: b**

	YTD June 2017
<b>Other Electric Revenue (456)</b>	
Ancillary Services:	
Scheduling, System Control and Dispatch	\$ 1,295,297
Regulation and Frequency Response	763,037
Energy Imbalance	370,253
Other Transmission Revenue	(201,235)
Low Income Housing	1,541,634
Steam Sales	(3)
Sale of Materials	439,143
DSM Lost Revenues	37,571
Miscellaneous	13,049
	<b>\$ 4,258,746</b>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
FOOTNOTE DATA			

<b>Schedule Page: 332</b> Monthly system usage fee.	<b>Line No.: 3</b>	<b>Column: g</b>
<b>Schedule Page: 332</b> Monthly system usage fee.	<b>Line No.: 4</b>	<b>Column: g</b>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 06/30/2017	Year/Period of Report 2017/Q2
NorthWestern Corporation			
FOOTNOTE DATA			

**Schedule Page: 399 Line No.: 12 Column: b**

**MONTANA OPERATIONS**

Line No	MONTHLY PEAK LOADS AND ENERGY OUTPUT (a)	Apr-17 (b)	May-17 (c)	Jun-17 (d)	Total for Quarter (d)
1					
2	Total Monthly Energy (MWH)	667,892	604,235	598,662	1,870,789
3	Monthly Non-Requirements Sales for Resale	92,175	146,240	134,640	373,052
4	Monthly Peak MW	1,960	2,001	2,252	
5	Day of Month Peak	4	31	26	
6	Hour of Monthly Peak	800	1700	1800	

**SOUTH DAKOTA OPERATIONS**

Line No	MONTHLY PEAK LOADS AND ENERGY OUTPUT (a)	Apr-17 (b)	May-17 (c)	Jun-17 (d)	Total for Quarter (d)
1					
2	Total Monthly Energy (MWH)	132,099	105,381	132,099	369,579
3	Monthly Non-Requirements Sales for Resale				-
4	Monthly Peak MW	217	225	283	
5	Day of Month Peak	10	16	19	
6	Hour of Monthly Peak	1100	1700	1700	