

Statement G

20:10:13:72. Statement G -- Rate of return. Statement G shall show the percentage rate of return claimed, with a brief statement of its basis. The statement shall show the cost of debt capital, preferred stock capital, and the return on the stockholder's equity resulting from the overall rate of return claimed, based upon the utility's capitalization. In addition, items required in §§ 20:10:13:73 to 20:10:13:79, inclusive, shall be submitted as part of statement G. If 50 percent or more of the common stock of the public utility is not held by the public but is owned by another corporation, the information required by §§ 20:10:13:73 to 20:10:13:75, inclusive, shall also be submitted to the extent applicable for the debt, preferred stock, and common stock of the parent company.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

Line No.	Description	Beginning of Period Capital Amounts	End of Period Amounts			Annual Interest or Dividend	Weighted Cost of Capital	
			Capital Amounts	Ratios	Adjusted (1) Ratios			Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		\$	\$	%		%	\$	%
1	Long-Term Debt	1,055,128,749 *	1,163,923,122 *	51.83%	46.39%	5.18% **		2.40%
2								
3	Preferred Stock Equity & Securities	0	0	0.00%	0.00%	0.00%		0.00%
4								
3	Common Stock Equity	1,004,282,000	1,081,686,000	48.17%	53.61%	10.00%		5.36%
4								
5	TOTAL Capitalization	<u>2,059,410,749</u>	<u>2,245,609,122</u>	<u>100.00%</u>				<u>7.76%</u>
6								
7								
8	Long-Term Debt Detail							
9	First Mortgage Bonds							
10	6.05% Series		\$ 55,000,000			6.05%	\$ 3,327,500	
11								
12	First Mortgage Bonds							
13	5.01% Series		\$ 64,000,000			5.01%	\$ 3,206,400	
14								
15	First Mortgage Bonds							
16	4.15% Series		\$ 30,000,000			4.15%	\$ 1,245,000	
17								
18	First Mortgage Bonds							
19	4.30% Series		\$ 20,000,000			4.30%	\$ 860,000	
20								
21	First Mortgage Bonds							
22	4.85% Series		\$ 50,000,000			4.85%	\$ 2,425,000	
23								
24	First Mortgage Bonds							
25	New Series		\$ 30,000,000			4.50%	\$ 1,350,000	
24	Other Long-Term Debt							
26	Capital leases and other debt						\$ -	
27	Amort. of Debt Disc. and Expense						\$ 480,808	
28								
29	TOTAL Long-Term Debt		<u>\$ 249,000,000</u>			<u>5.18%</u>	<u>\$ 12,894,708</u>	

Note (1) - See Brian Bird testimony for detail.

* Excludes Basin PPA classified as capital lease per FAS 13

** The interest rates of the debt related to SD Electric is used with the total long-term debt of the consolidated company.

** Source is Statement G - Debt Capital of Required Schedules

Statement G

20:10:13:73. Statement G -- Debt capital. Statement G shall also show the weighted average cost of debt capital based upon the following data for each class and series of long term debt outstanding according to the most recently available balance sheet:

- (1) Title;
- (2) Date of issuance and date of maturity;
- (3) Interest rate;
- (4) Principal amount of the issue;
- (5) Net proceeds;
- (6) Net proceeds per unit;
- (7) Amount currently outstanding;
- (8) Cost of money and yield to maturity based on the interest rate and net proceeds per unit outstanding determined by reference to any generally accepted table of bond yields;
- (9) If the issue is owned by an affiliate, the name and relationship of owner and a copy of the latest prospectus issued by the public utility, any superimposed holding company, or subsidiary companies;
- (10) A copy of the bond indenture provisions related to minimum interest coverage requirements for existing and new issues.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

Statement G

20:10:13:74. Statement G -- Preferred stock capital. Statement G shall also show the weighted average cost of preferred stock capital based upon the following data for each class and series of preferred stock outstanding according to the most recently available balance sheet:

- (1) Title;
- (2) Date of issuance;
- (3) If callable, call price;
- (4) If convertible, terms of conversion;
- (5) Dividend rate;
- (6) Par value or stated amount of issue;
- (7) Price to public per share;
- (8) Underwriters' discount or commission:
 - (a) Amount;
 - (b) Percent of gross proceeds;
- (9) Issuance expenses:
 - (a) Amount;
 - (b) Percent of gross proceeds;
- (10) Net proceeds;
- (11) Net proceeds per unit;
- (12) Cost of money, that is, the dividend rate divided by net proceeds per unit or share;
- (13) Amount outstanding;
- (14) Whether issue was offered to stockholders through subscription rights or to the public;
- (15) If issue is owned by an affiliate, then provide the name and relationship of owner.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

Statement G

20:10:13:75. Statement G -- Common stock capital. Statement G shall also show for each sale of common stock during the five-year period preceding the most recently available balance sheet:

- (1) Number of shares sold;
- (2) Gross proceeds at offering price;
- (3) Underwriters' discount or commission;
- (4) Proceeds to the filing utility;
- (5) Amount of issuance expenses;
- (6) Net proceeds;
- (7) Offering price per share;
- (8) Net proceeds per share;
- (9) Book value per share at date immediately prior to date of issuance;
- (10) Closing market price at latest trading date prior to date of issuance;
- (11) Latest published earnings per share available at date of issuance;
- (12) Dividend rate at date of issuance;
- (13) Whether the issue was offered to stockholders through subscription rights or to the public and whether common stock was issued for property or for capital stock of others.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

NorthWestern Corporation emerged from bankruptcy on November 1, 2004. The initial issuance on this date was 35,500,000 shares at a price of \$20. The Company did not receive any proceeds from this initial issuance since the shares were distributed to unsecured creditors. Other shares issued since emergence from bankruptcy are restricted shares to employees and directors, for which the Company did not receive any proceeds, and shares issued for warrants. On April 30, 2012, the Company initiated an equity distribution shelf program which allows the Company to sell shares to the public in small amounts and on an as-needed basis. All stock issuances reported below were executed under this equity shelf program and presented on a monthly basis.

For the five year period preceding the most recently available balance sheet (September 30, 2014)

Line No.	Year	Number of Shares (a)	Gross Proceeds (b)	Underwriters' Commission (c)	Proceeds after Commission (d)	Issuance Expense (e)	Net Proceeds (f)	Offering Price/Share (g)	Net Proceeds/Share (h)	Book Value Prior to Issuance (i)	Closing Price prior to Issuance (j)	Available EPS at Issuance (k)	Dividend Rate at Issuance (l)	Offering Type (m)
1	Program Start Up Costs					\$241,832	\$ (241,832)							
2	May	391,372	\$ 13,725,976	\$ 137,260	\$13,588,716	\$307	\$ 13,588,409	\$ 35.07	\$ 34.72	24.18	35.52	2.55	1.48	Public
3	June	295,913	\$ 10,606,533	\$ 106,065	\$10,500,468	\$238	\$ 10,500,230	\$ 35.84	\$ 35.48	24.18	35.51	2.55	1.48	Public
4	July	120,058	\$ 4,377,226	\$ 43,772	\$4,333,454	\$98	\$ 4,333,356	\$ 36.46	\$ 36.09	24.18	36.70	2.55	1.48	Public
5	August									24.30	36.93	2.55	1.48	Public
6	September	8,073	\$ 300,048	\$ 3,000	\$297,048	\$7	\$ 297,041	\$ 37.17	\$ 36.79	24.30	36.60	2.55	1.48	Public
7	October									24.30	36.23	2.55	1.48	Public
8	November									23.88	35.81	2.55	1.48	Public
9	December									23.88	34.69	2.55	1.48	Public
10														
11	2012 TOTAL	815,416	\$ 29,009,783	\$ 290,098	\$28,719,686	\$ 242,481	\$ 28,477,204	\$ 35.58	\$ 34.92					
12														
13	January									23.88	34.73	2.67	1.52	Public
14	February	88,458	\$ 3,401,301	\$ 34,013	\$3,367,288	\$76	\$ 3,367,212	\$ 38.45	\$ 38.07	25.09	36.99	2.67	1.52	Public
15	March	370,788	\$ 14,498,588	\$ 144,986	\$14,353,602	\$325	\$ 14,353,277	\$ 39.10	\$ 38.71	25.09	38.98	2.67	1.52	Public
16	April	75,375	\$ 2,988,941	\$ 29,889	\$2,959,052	\$67	\$ 2,958,985	\$ 39.65	\$ 39.26	25.09	39.86	2.67	1.52	Public
17	May	353,785	\$ 14,885,449	\$ 148,854	\$14,736,595	\$319	\$ 14,736,276	\$ 42.07	\$ 41.65	25.81	43.02	2.67	1.52	Public
18	June	205,774	\$ 8,489,385	\$ 84,894	\$8,404,491	\$148	\$ 8,404,343	\$ 41.26	\$ 40.84	25.81	41.16	2.67	1.52	Public
19	July	8,400	\$ 336,001	\$ 3,360	\$332,641	\$6	\$ 332,635	\$ 40.00	\$ 39.60	25.81	39.90	2.67	1.52	Public
20	August									26.07	42.20	2.67	1.52	Public
21	September									26.07	40.17	2.67	1.52	Public
22	October									26.07	44.92	2.67	1.52	Public
23	November	278,914	\$ 12,878,845	\$ 128,788	\$12,750,057	\$224	\$ 12,749,833	\$ 46.17	\$ 45.71	26.11	45.84	2.67	1.52	Public
24	December									26.11	43.98	2.67	1.52	Public
25														
26	2013 TOTAL	1,381,494	\$ 57,478,511	\$ 574,785	\$56,903,726	\$ 1,164	\$ 56,902,562	\$ 41.61	\$ 41.19					
27														
28	January									26.11	43.32	2.46	1.60	Public
29	February									26.60	45.21	2.46	1.60	Public
30	March	295,979	\$ 13,511,687	\$ 135,117	\$13,376,570	\$ 248	\$ 13,376,321	\$ 45.65	\$ 45.19	26.60	45.94	2.46	1.60	Public
31	April									26.60	47.43	2.46	1.60	Public
32	May									28.17	48.38	2.46	1.60	Public
33	June									28.17	48.00	2.46	1.60	Public
34	July									28.17	52.19	2.46	1.60	Public
35	August									27.27	46.22	2.46	1.60	Public
36	September									27.27	48.28	2.46	1.60	Public
37														
38	2014 TOTAL	295,979	\$ 13,511,687	\$ 135,117	\$13,376,570	\$ 248	\$ 13,376,321	\$ 45.65	\$ 45.19					

NOTES:

Note 1 - Book Value per Share = Total Shareholders' Equity / Shares Outstanding reported in the most recent 10-Q/10-K.
 Note 2 - Closing Price Prior to Issuance is the closing price for the most recent month-end.
 Note 3 - Earnings per Share is based on the basic earnings per average common shares (Basic EPS) reported in the most recent 10-K.