

NORTHWESTERN ENERGY
 Capital Structure and Rate of Return

December 31, 2008

(Thousands of Dollars)

MONTANA ELECTRIC UTILITY

	Amount	Percent of Capitalization	Rate	Rate of Return
Total Utility Long-Term Debt	\$481,228	50.55%	5.76%	2.91%
Derived Regulated Equity *	<u>470,748</u>	<u>49.45%</u>	10.90% **	<u>5.39%</u>
Electric and Natural Gas Rate Base	\$951,976	100.00%		8.30%

MONTANA GAS UTILITY

	Amount	Percent of Capitalization	Rate	Rate of Return
Total Utility Long-Term Debt	\$481,228	50.55%	5.76%	2.91%
Derived Regulated Equity *	<u>470,748</u>	<u>49.45%</u>	10.90% **	<u>5.39%</u>
Electric and Natural Gas Rate Base	\$951,976	100.00%		8.30%

* Regulated Equity is equal to Electric and Natural Gas Rate Base Asset as Capitalization (Exhibit_BBB-1) less Total Utility Long-Term Debt

** The rates of return on equity are based on analysis provided by Dr. William Avera.

NORTHWESTERN ENERGY
 MONTANA UTILITY LONG-TERM DEBT

December 31, 2008

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Jurisdiction	Type	Issue Title	Maturity Date	Interest Rate	Principal Amount	Gross Proceeds	Net Proceeds	Currently Outstanding
MT	EMB	6.04% Series, Due 2016	9/13/2006	6.040%	150,000,000	149,926,500	148,426,500	149,943,650
MT	SN	5.875% Sr Notes (\$225M), Due 2014	11/01/2004	5.875%	161,000,000	161,000,000	157,695,148	161,000,000
MT	PCB's	4.650% Series, Due 2023	04/28/2006	4.650%	170,205,000	170,205,000	164,459,673	170,205,000
MT	C.Lease	MTU Capital Leases			78,944			78,944
					\$461,283,944			\$461,227,594
						\$26,436,300	\$1,277,349	\$27,713,649
								5.76%

* Of the \$225 million of senior notes outstanding, \$161 million is secured under the Montana mortgage indenture and \$64 million is secured under the South Dakota mortgage indenture.
 * MT Utility Long Term Debt comprised of all debt with MT Jurisdiction, excluding the Basin Creek power purchase agreement which is classified as a capital lease per FAS 13.

NORTHWESTERN ENERGY
 WEIGHTED AVERAGE COST OF PREFERRED STOCK CAPITAL

December 31, 2008

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>Title</u>	<u>Date of Issuance</u>	<u>Dividend Rate</u>	<u>Principal Amount</u>	<u>Issuance Expense</u>	<u>Net Proceeds to Company</u>	<u>Cost of Money</u>	<u>Amount Outstanding Per Balance Sheet</u>

None

NORTHWESTERN ENERGY
COMMON STOCK CAPITAL WORKING PAPER

December 31, 2008

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.

NORTHWESTERN ENERGY
 STOCK DIVIDENDS, STOCK SPLITS OR CHANGES IN PAR OR STATED VALUE

December 31, 2008

Since November 1, 2004.

Year	Stock Dividend	Stock Splits	Changes in Par Value	Stated Value *
2004	None	None	None	20.17
2005	None	None	None	20.10
2006	None	None	None	20.14
2007	None	None	None	20.34
2008				
January	None	None	None	20.35
February	None	None	None	20.36
March	None	None	None	20.37
April	None	None	None	20.38
May	None	None	None	20.39
June	None	None	None	20.40
July	None	None	None	20.32
August	None	None	None	20.28
September	None	None	None	19.95
October	None	None	None	19.96
November	None	None	None	19.95
2008	None	None	None	19.95

* The "Stated Value" as shown here is determined by dividing the Common Stock capital (net of treasury stock and unearned restricted stock) by the number of common shares outstanding.

NORTHWESTERN ENERGY
 COMMON STOCK INFORMATION

December 31, 2008

Since November 1, 2004.

<u>Year</u>	(a) <u>Average Shares Outstanding (000)</u>	(b) <u>Earnings Per Share</u>	(c) <u>Latest Reported Annual Earnings</u>	(d) <u>Annual Dividend Per Share</u>	(e) <u>Dividends As % of Earnings</u>	(f) <u>Average Market Price *</u>
Nov 1, to Dec 31, 2004	35,614	(\$0.19)		\$0.00	0.0%	\$ 26.065
2005 Average	35,630	\$1.67		\$1.00	59.9%	\$ 29.202
2006 Average	35,554	\$1.07		\$1.24	115.9%	\$ 33.952
2007 Average	36,623	\$1.45		\$1.28	88.3%	\$ 31.273
2008						
January	38,972					\$ 28.395
February	38,973					\$ 27.555
March	38,973					\$ 24.935
April	38,973					\$ 25.370
May	38,973					\$ 25.145
June	38,973					\$ 25.990
July	38,796					\$ 24.665
August	38,251					\$ 25.020
September	37,094					\$ 25.415
October	35,910					\$ 21.365
November	35,926					\$ 19.345
December	35,928					\$ 21.660
2008 Average	37,976		\$1.78	\$1.32	74.2%	\$ 24.572

* Average market price based on the monthly high and low per 38.5.151

