

- THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 1 Approved
OMB No. 1902-0021
(Expires 2/29/2009)
Form 1-F Approved
OMB No. 1902-0029
(Expires 2/28/2009)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 2/28/2009)



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 2008/Q3

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

IDENTIFICATION

01 Exact Legal Name of Respondent NorthWestern Corporation		02 Year/Period of Report End of 2008/Q3	
03 Previous Name and Date of Change (if name changed during year) / /			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 3010 West 69th Street, Sioux Falls, SD 57108			
05 Name of Contact Person Elaine A. Vesco		06 Title of Contact Person Director, Financial Reporting	
07 Address of Contact Person (Street, City, State, Zip Code) 40 East Broadway Street, Butte, MT 59701			
08 Telephone of Contact Person, Including Area Code (406) 497-2759	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) 09/30/2008

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.

(This area is intentionally left blank for the officer's signature and date.)

01 Name Kendall G. Kliever	03 Signature Kendall G. Kliever	04 Date Signed (Mo, Da, Yr) 11/20/2008
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.

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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	Important Changes During the Quarter	108-109	
2	Comparative Balance Sheet	110-113	
3	Statement of Income for the Quarter	114-117	
4	Statement of Retained Earnings for the Quarter	118-119	
5	Statement of Cash Flows	120-121	
6	Notes to Financial Statements	122-123	
7	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122 (a)(b)	
8	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
9	Electric Plant In Service and Accum Provision For Depr by Function	208	
10	Transmission Service and Generation Interconnection Study Costs	231	Not Applicable
11	Other Regulatory Assets	232	
12	Other Regulatory Liabilities	278	
13	Elec Operating Revenues (Individual Schedule Lines 300-301)	300-301	
14	Regional Transmission Service Revenues (Account 457.1)	302	Not Applicable
15	Electric Prod, Other Power Supply Exp, Trans and Distrib Exp	324	
16	Electric Customer Accts, Service, Sales, Admin and General Expenses	325	
17	Transmission of Electricity for Others	328-330	
18	Transmission of Electricity by ISO/RTOs	331	Not Applicable
19	Transmission of Electricity by Others	332	
20	Deprec, Depl and Amort of Elec Plant (403,403.1,404, and 405) (except A	338	
21	Amounts Included in ISO/RTO Settlement Statements	397	Not Applicable
22	Monthly Peak Loads and Energy Output	399	
23	Monthly Transmission System Peak Load	400	
24	Monthly ISO/RTO Transmission System Peak Load	400a	Not Applicable

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IMPORTANT CHANGES DURING THE QUARTER/YEAR

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.

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.
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.
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.
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.
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.
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.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
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.
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 106, 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.
11. (Reserved.)
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.
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.
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.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. See Note 11, "Proposed Colstrip Unit 4 Transaction".
4. None
5. None
6. See Note 12, "Financing Activities", FERC Docket No. ES08-33-000.
7. None
8. None
9. See Note 13, "Commitments and Contingencies".
10. None
11. (Reserved)
12. None
13. On August 13, 2008, Robert Rowe was appointed as President and Chief Executive Officer as successor to Michael Hanson. Mr. Rowe was also appointed to the Board of Directors. Additionally, Brian Bird, Vice President and Chief Financial Officer, was appointed to the Board of Directors.
14. Our proprietary capital ratio exceeds 30%.

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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	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	2,655,496,566	2,597,279,359
3	Construction Work in Progress (107)	200-201	42,057,724	23,014,098
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,697,554,290	2,620,293,457
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,339,128,378	1,285,104,693
6	Net Utility Plant (Enter Total of line 4 less 5)		1,358,425,912	1,335,188,764
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)		1,358,425,912	1,335,188,764
15	Utility Plant Adjustments (116)	122	355,128,500	355,128,500
16	Gas Stored Underground - Noncurrent (117)		32,128,142	32,114,042
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		7,742,405	7,570,168
19	(Less) Accum. Prov. for Depr. and Amort. (122)		165,483	132,378
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	144,328,994	137,584,513
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)		986,441	989,732
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
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)		152,892,357	146,012,035
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		8,458,245	12,625,780
36	Special Deposits (132-134)		6,798,985	3,309,573
37	Working Fund (135)		42,485	42,285
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	9,613
40	Customer Accounts Receivable (142)		53,907,934	62,246,102
41	Other Accounts Receivable (143)		12,796,711	11,808,886
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,554,799	3,166,261
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		26,908,784	30,101,180
45	Fuel Stock (151)	227	4,949,876	4,725,662
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	18,565,862	17,951,184
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)		67,347,943	40,851,403
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		10,318,118	10,114,245
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		150,543	33,816
61	Accrued Utility Revenues (173)		46,712,521	75,953,898
62	Miscellaneous Current and Accrued Assets (174)		20,266	988,359
63	Derivative Instrument Assets (175)		3,763,044	5,719,757
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)		258,186,518	273,315,482
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		13,142,083	14,858,756
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	125,839,127	108,179,282
73	Prelim. Survey and Investigation Charges (Electric) (183)		4,315,261	1,752,718
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)		16,489	9,306
77	Temporary Facilities (185)		78	78
78	Miscellaneous Deferred Debits (186)	233	893,346	689,285
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 Reaquired Debt (189)		5,162,454	4,318,150
82	Accumulated Deferred Income Taxes (190)	234	71,074,547	84,729,364
83	Unrecovered Purchased Gas Costs (191)		-31,545,668	-12,436,320
84	Total Deferred Debits (lines 69 through 83)		188,897,717	202,100,619
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,345,659,146	2,343,859,442