

THIS FILING IS

Item 1: ☒ An Initial (Original)  
Submission

OR ☐ Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No.1902-0021  
(Expires 11/30/2016)

Form 1-F Approved  
OMB No.1902-0029  
(Expires 11/30/2016)

Form 3-Q Approved  
OMB No.1902-0205  
(Expires 11/30/2016)



# **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** 2016/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 <u>2016/Q3</u>
03 Previous Name and Date of Change (if name changed during year) <div align="center">/ /</div>		
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 Assistant Controller
07 Address of Contact Person (Street, City, State, Zip Code) 11 East Park 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) 09/30/2016
QUARTERLY CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>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.</p>		
01 Name Crystal D. Lail	03 Signature  Crystal D. Lail	04 Date Signed (Mo, Da, Yr) 11/03/2016
02 Title VP and Controller		
<p>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.</p>		

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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			
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	324a-324b			
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			
22	Monthly Peak Loads and Energy Output	399			
23	Monthly Transmission System Peak Load	400			
24	Monthly ISO/RTO Transmission System Peak Load	400a			

Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 09/30/2016	Year/Period of Report End of 2016/Q3
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) 09/30/2016	Year/Period of Report 2016/Q3
NorthWestern Corporation			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. None
4. None
5. None
6. See Note 10, "Financing Activities", FERC Docket Number ES16-18-000 and Montana Public Service Commission Docket Number D2015.12.97.
7. None
8. None
9. See Note 13, "Commitments and Contingencies".
10. None
11. (Reserved)
12. None
13. None
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)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	5,612,894,984	5,527,020,959
3	Construction Work in Progress (107)	200-201	153,847,834	63,741,643
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		5,766,742,818	5,590,762,602
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,034,149,986	1,946,186,928
6	Net Utility Plant (Enter Total of line 4 less 5)		3,732,592,832	3,644,575,674
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)		3,732,592,832	3,644,575,674
15	Utility Plant Adjustments (116)		357,585,527	357,585,527
16	Gas Stored Underground - Noncurrent (117)		32,120,790	32,117,397
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		5,668,642	6,749,606
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,744,594	1,492,272
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	22,386,769	22,182,358
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)		43,590,595	42,541,769
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	855,040
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)		70,151,412	70,836,501
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		4,794,964	4,054,807
36	Special Deposits (132-134)		4,518,565	3,508,309
37	Working Fund (135)		22,934	22,934
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		60,195,669	73,702,625
41	Other Accounts Receivable (143)		11,790,770	12,243,185
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,555,577	3,998,768
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		16,898	485,808
45	Fuel Stock (151)	227	7,997,322	8,240,873
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	31,257,625	30,372,677
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

[illegible]

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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	519,569	517,894
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	1,381,929,384	1,376,291,019
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	369,221,746	323,095,088
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	3,099,610	2,814,270
13	(Less) Required Capital Stock (217)	250-251	95,852,041	93,948,186
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-10,111,575	-8,596,115
16	Total Proprietary Capital (lines 2 through 15)		1,648,806,693	1,600,173,970
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	1,779,660,000	1,755,205,000
19	(Less) Required 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)		41,875	54,438
24	Total Long-Term Debt (lines 18 through 23)		1,806,595,025	1,782,127,462
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		24,859,463	26,325,495
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		9,996,653	8,642,245
29	Accumulated Provision for Pensions and Benefits (228.3)		16,443,173	19,558,642
30	Accumulated Miscellaneous Operating Provisions (228.4)		166,299,301	169,001,631
31	Accumulated Provision for Rate Refunds (229)		3,830,920	55,190,626
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)		37,125,293	35,532,209
35	Total Other Noncurrent Liabilities (lines 26 through 34)		258,554,803	314,250,848
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		222,310,954	229,874,444
38	Accounts Payable (232)		69,515,211	81,679,866
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		5,861,426	5,107,452
41	Customer Deposits (235)		6,420,295	6,608,591
42	Taxes Accrued (236)	262-263	110,386,029	64,679,146
43	Interest Accrued (237)		27,404,171	21,400,048
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (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)			
46	Matured Interest (240)		0	0			
47	Tax Collections Payable (241)		1,065,136	1,353,247			
48	Miscellaneous Current and Accrued Liabilities (242)		49,689,704	52,760,609			
49	Obligations Under Capital Leases-Current (243)		1,942,395	1,836,946			
50	Derivative Instrument Liabilities (244)		0	0			
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0			
52	Derivative Instrument Liabilities - Hedges (245)		0	0			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0			
54	Total Current and Accrued Liabilities (lines 37 through 53)		494,595,321	465,300,349			
55	DEFERRED CREDITS						
56	Customer Advances for Construction (252)		39,556,210	36,045,534			
57	Accumulated Deferred Investment Tax Credits (255)	266-267	201,222	356,380			
58	Deferred Gains from Disposition of Utility Plant (256)		0	0			
59	Other Deferred Credits (253)	269	183,661,566	169,368,166			
60	Other Regulatory Liabilities (254)	278	25,749,244	29,521,568			
61	Unamortized Gain on Reacquired Debt (257)		0	0			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0			
63	Accum. Deferred Income Taxes-Other Property (282)		448,871,842	392,116,429			
64	Accum. Deferred Income Taxes-Other (283)		310,476,867	324,833,284			
65	Total Deferred Credits (lines 56 through 64)		1,008,516,951	952,241,361			
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		5,217,068,793	5,114,093,990			



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**STATEMENT OF INCOME**

**Quarterly**

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.
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.
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.
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.
5. If additional columns are needed, place them in a footnote.

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
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.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

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	876,880,279	920,363,705	275,203,830	276,019,432
3	Operating Expenses					
4	Operation Expenses (401)	320-323	431,051,904	499,204,198	132,121,529	142,021,105
5	Maintenance Expenses (402)	320-323	42,468,265	46,110,792	14,907,593	15,595,762
6	Depreciation Expense (403)	336-337	105,051,266	93,358,232	35,019,663	31,082,095
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	9,033,185	9,330,276	2,921,290	3,093,592
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	5,269,706	4,360,594	1,756,569	1,453,612
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		-3,306,206	-105,429	-1,143,136	-637,551
13	(Less) Regulatory Credits (407.4)		14,910,013	13,286,140	7,792,258	4,288,708
14	Taxes Other Than Income Taxes (408.1)	262-263	118,239,035	107,840,435	42,627,995	37,688,522
15	Income Taxes - Federal (409.1)	262-263	-12,340,239	1,829,094	-6,190,410	3,506,598
16	- Other (409.1)	262-263	-933,399	423,533	-670,676	117,490
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	182,619,782	170,876,373	44,390,091	80,604,012
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	174,717,502	155,066,886	47,884,930	77,910,904
19	Investment Tax Credit Adj. - Net (411.4)	266	-155,158	-158,959	-62,631	-73,069
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)		7	12		
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)		687,370,619	764,716,101	210,000,689	232,252,556
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		189,509,660	155,647,604	65,203,141	43,766,876



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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
712,306,551	732,934,970	164,185,252	186,818,513	388,476	610,222	2
						3
332,922,844	378,487,846	97,826,282	120,190,121	302,778	526,231	4
36,133,678	39,105,934	6,293,925	6,975,441	40,662	29,417	5
88,100,181	77,125,097	16,920,410	16,202,461	30,675	30,674	6
						7
3,602,231	3,408,778	5,430,954	5,921,498			8
5,911,121	4,989,388	-641,415	-628,794			9
						10
						11
-3,467,924	-1,870,204	161,718	1,764,775			12
12,087,491	9,173,242	2,822,522	4,112,898			13
91,924,989	83,828,378	26,265,809	23,968,248	48,237	43,809	14
-11,032,036	1,292,912	-1,308,203	536,182			15
-398,720	814,239	-534,679	-390,706			16
136,507,940	135,280,245	46,124,075	35,602,123	-12,233	-5,995	17
128,470,392	118,057,566	46,247,110	37,009,320			18
-136,541	-140,991	-18,617	-17,968			19
						20
						21
7	12					22
						23
						24
539,509,873	595,090,802	147,450,627	169,001,163	410,119	624,136	25
172,796,678	137,844,168	16,734,625	17,817,350	-21,643	-13,914	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) 09/30/2016		Year/Period of Report End of 2016/Q3	
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)		189,509,660	155,647,604	65,203,141	43,766,876	
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)		877,324	886,025	316,914	321,462	
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		104,440	120,944	36,861	47,783	
33	Revenues From Nonutility Operations (417)		7,268	7,492	1,862	2,375	
34	(Less) Expenses of Nonutility Operations (417.1)		789,605	834,485	301,695	273,149	
35	Nonoperating Rental Income (418)						
36	Equity in Earnings of Subsidiary Companies (418.1)	119	285,340	467,819	320,034	-80,886	
37	Interest and Dividend Income (419)		40,235	21,919	6,781	10,081	
38	Allowance for Other Funds Used During Construction (419.1)		3,046,758	6,566,113	1,441,324	2,595,723	
39	Miscellaneous Nonoperating Income (421)		1,107,443	-1,248,411	-1,500,393	1,192,609	
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		4,470,323	5,745,528	247,966	3,720,432	
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)		95,296	-15,967	95,296	54,990	
44	Miscellaneous Amortization (425)						
45	Donations (426.1)		805,182	902,106	256,536	307,114	
46	Life Insurance (426.2)						
47	Penalties (426.3)		676	27	587	27	
48	Exp. for Certain Civic, Political & Related Activities (426.4)		30,321	42,533	10,849	8,287	
49	Other Deductions (426.5)		1,509,123	-20,522,071	-1,338,557	1,145,326	
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,440,596	-19,593,372	-975,289	1,515,744	
51	Taxes Applic. to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	45,984	11,140	14,666	4,020	
53	Income Taxes-Federal (409.2)	262-263	12,200,621	-3,809,280	6,417,694	-4,397,159	
54	Income Taxes-Other (409.2)	262-263	1,236,301	-782,483	890,894	58,845	
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	35,601,891	21,099,997	1,495,167	5,567,809	
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	48,233,712	9,830,483	8,253,281	1,103,782	
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)		851,085	6,688,891	565,140	129,733	
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,178,640	18,650,009	658,115	2,074,955	
61	Interest Charges						
62	Interest on Long-Term Debt (427)		58,770,905	59,642,096	17,220,586	19,114,879	
63	Amort. of Debt Disc. and Expense (428)		1,535,325	1,256,108	699,228	406,752	
64	Amortization of Loss on Reacquired Debt (428.1)		1,693,890	1,232,822	668,856	491,981	
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)		12,115,453	9,663,399	3,444,939	3,466,970	
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,655,127	3,692,371	777,016	1,436,639	
70	Net Interest Charges (Total of lines 62 thru 69)		72,460,446	68,102,054	21,256,593	22,043,943	
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		118,227,854	106,195,559	44,604,663	23,797,888	
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)		118,227,854	106,195,559	44,604,663	23,797,888	

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**STATEMENT OF RETAINED EARNINGS**

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- 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)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- 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.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- 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.
- 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		323,095,088	262,471,090
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		117,942,514	105,727,740
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		-71,815,856	( 67,144,685)
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-71,815,856	( 67,144,685)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		369,221,746	301,054,145
	APPROPRIATED RETAINED EARNINGS (Account 215)			





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STATEMENT OF CASH FLOWS				
<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>				
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)	118,227,854	106,195,559	
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion	105,051,266	93,358,232	
5	Amortization	14,302,891	13,690,870	
6	Other Noncash Charges to Income, Net	5,839,268	4,523,252	
7				
8	Deferred Income Taxes (Net)	-4,729,541	27,079,001	
9	Investment Tax Credit Adjustment (Net)	-155,158	-158,959	
10	Net (Increase) Decrease in Receivables	12,985,090	24,634,298	
11	Net (Increase) Decrease in Inventory	-947,040	-3,867,277	
12	Net (Increase) Decrease in Allowances Inventory			
13	Net Increase (Decrease) in Payables and Accrued Expenses	39,440,469	-1,052,574	
14	Net (Increase) Decrease in Other Regulatory Assets	-10,455,756	-6,530,455	
15	Net Increase (Decrease) in Other Regulatory Liabilities	-3,772,324	-263,110	
16	(Less) Allowance for Other Funds Used During Construction	3,046,758	6,566,113	
17	(Less) Undistributed Earnings from Subsidiary Companies	285,340	467,819	
18	Other Assets and Liabilities, Net	-7,173,769	52,085,063	
19				
20				
21				
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	265,281,152	302,659,968	
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (including land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	-199,416,502	-348,369,657	
27	Gross Additions to Nuclear Fuel			
28	Gross Additions to Common Utility Plant	-7,263,283	-4,482,371	
29	Gross Additions to Nonutility Plant			
30	(Less) Allowance for Other Funds Used During Construction	-3,046,758	-6,566,113	
31	Other (provide details in footnote):			
32				
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-203,633,027	-346,285,915	
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)	1,351,837	30,209,495	
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					
<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>					
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 Investing Activities		11,757,655		
54					
55					
56	Net Cash Provided by (Used in) Investing Activities				
57	Total of lines 34 thru 55)	-202,281,190	-304,318,765		
58					
59	Cash Flows from Financing Activities:				
60	Proceeds from Issuance of:				
61	Long-Term Debt (b)	249,660,000	270,000,000		
62	Preferred Stock				
63	Common Stock				
64	Other (provide details in footnote):				
65					
66	Net Increase in Short-Term Debt (c)				
67	Other (provide details in footnote):				
68					
69					
70	Cash Provided by Outside Sources (Total 61 thru 69)	249,660,000	270,000,000		
71					
72	Payments for Retirement of:				
73	Long-term Debt (b)	-225,205,000	-150,000,000		
74	Preferred Stock				
75	Common Stock				
76	Other Financing Activities	-6,608,398	-12,147,852		
77					
78	Net Decrease in Short-Term Debt (c)	-7,563,491	-49,897,571		
79	Treasury Stock Activity	-727,060	-829,241		
80	Dividends on Preferred Stock				
81	Dividends on Common Stock	-71,815,856	-67,144,685		
82	Net Cash Provided by (Used in) Financing Activities				
83	(Total of lines 70 thru 81)	-62,259,805	-10,019,349		
84					
85	Net Increase (Decrease) in Cash and Cash Equivalents				
86	(Total of lines 22,57 and 83)	740,157	-11,678,146		
87					
88	Cash and Cash Equivalents at Beginning of Period	4,077,741	12,831,895		
89					
90	Cash and Cash Equivalents at End of period	4,817,898	1,153,749		



Name of Respondent NorthWestern Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 09/30/2016	Year/Period of Report End of 2016/Q3
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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 701,000 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 September 30, 2016, 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 for the year ended December 31, 2015.

#### *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 \$383.2 million and \$368.5 million as of September 30, 2016 and December 31, 2015, 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 September 30, 2016 and December 31, 2015, 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 September 30, 2016 and December 31, 2015, 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;
- 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 nine months ended September 30, 2016:

	Total	Electric	Natural Gas	Other
	(in millions)			
GAAP Revenues	\$926.7	\$756.4	\$170.3	\$-
Revenue from equity investments	(2.8)	-	(2.8)	-
Grossing revenues / power purchases	(47.7)	(47.7)	-	-
Regulatory amortizations	1.8	4.1	(2.3)	-
Other	(1.1)	(0.5)	(1.0)	0.4
FERC Revenues	\$876.9	\$712.3	\$164.2	\$0.4

## (2) New Accounting Standards

### Accounting Standards Issued

In May 2014, the Financial Accounting Standards Board (FASB) issued accounting guidance on the recognition of revenue from

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NOTES TO FINANCIAL STATEMENTS (Continued)			

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. The FASB delayed the effective date of this guidance to the first quarter of 2018, with early adoption permitted as of the original effective date of the first quarter of 2017. We are currently evaluating the impact of adoption of this new guidance on our Financial Statements and disclosures.

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 capital and operating 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, and based on our initial analysis do not expect it to have a significant impact on our Financial Statements and disclosures.

In March 2016, the FASB issued guidance revising certain elements of the accounting for share-based payments. The new standard is intended to simplify several aspects of the accounting for share-based payment award transactions including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The new guidance will be effective for us in our first quarter of 2017, with early adoption permitted. We are currently evaluating the impact of adoption of this guidance on our Financial Statements and disclosures.

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.

### **(3) Regulatory Matters**

#### **Montana Natural Gas Delivery and Production Rate Filing**

In September 2016, we filed a natural gas rate case with the Montana Public Service Commission (MPSC) requesting an annual increase to natural gas rates of approximately \$10.9 million, which includes approximately \$7.4 million for delivery service and approximately \$3.5 million for natural gas production. Our request was based on a return on equity of 10.35%, rate base of \$432.1 million, and a capital structure of 53% debt and 47% equity. This filing includes a request for cost-recovery of two natural gas production fields acquired in August 2012 and December 2013 in northern Montana's Bear Paw Basin, which are recovered in customer rates on an interim basis, and a request that these fields be placed in permanent rates based on the actual cost of production.

Finally, we requested that approximately \$5.6 million of the rate increase for delivery service be approved on an interim basis to allow recovery of costs prior to the conclusion of the full rate case. We expect to receive a decision on our interim request by the end of the first quarter of 2017. The MPSC has nine months in which to issue a final decision on our filing.

#### **Montana Electric and Natural Gas Tracker Filings**



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Each year we submit an electric and natural gas 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. The MPSC reviews such filings and makes its cost recovery determination based on whether or not our supply procurement activities were prudent.

During the second quarter of 2016, we filed our 2016 annual electric and natural gas tracker filings for the 2015/2016 tracker period. The MPSC issued orders in July 2016 approving the filings on an interim basis.

***Electric Trackers - 2012/2013 - 2013/2014 (Consolidated Docket) and 2014/2015 (2015 Tracker)*** - The MPSC held a work session in March 2016 and directed staff to draft a final order in our Consolidated Docket that reflects a disallowance of both replacement power costs from a 2013 outage at Colstrip Unit 4 and portfolio modeling costs in each of the periods. On the same day, in a separate work session, the MPSC directed staff to draft a final order in the 2015 Tracker that approved a stipulation between us and the Montana Consumer Counsel, but disallowed portfolio modeling costs. Based on the March 2016 work sessions, we recorded a disallowance during the first quarter of 2016 totaling approximately \$10.3 million, which included \$8.2 million of replacement power costs and \$2.1 million of modeling costs.

In April 2016, we received the final written order in the 2015 Tracker, which was consistent with the work session. In May 2016, we received the final written order in the Consolidated Docket. The written order upheld the March 2016 decision regarding replacement power costs and clarified the disallowance of modeling costs, resulting in a reduction of the disallowance of \$0.8 million, which was reflected as a reduction in operation expenses in the second quarter of 2016. Based on the final orders, the impact of the disallowance totals \$12.4 million, which includes interest of \$2.9 million and is recorded in the Statement of Income for the nine months ended September 30, 2016.

In June 2016, we filed an appeal of the 2015 Tracker decision regarding the disallowance of portfolio modeling costs in Montana District Court (Lewis & Clark County). Also, in September 2016, we appealed the MPSC's decisions in the Consolidated Docket regarding the disallowance of Colstrip Unit 4 replacement power costs 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). While the courts are not obligated to rule on these appeals within a certain period of time, based on our experience, we believe we are likely to receive orders from the courts in these matters within 9-20 months of filing.

***Electric and Natural Gas Lost Revenue Adjustment Mechanism*** - In 2005, the MPSC approved an energy efficiency program, by which we recovered on an after-the-fact basis a portion of our fixed costs that would otherwise have been collected in kilowatt hour sales lost due to the implementation of energy saving measures. In an order issued in October 2013 related to our 2011/2012 electric supply tracker, the MPSC required us to lower the calculated lost revenue recovery and imposed a new burden of proof on us for future recovery. We appealed the October 2013 order to Montana District Court, which led to a docket being initiated in June 2014 by the MPSC to review lost revenue policy issues. In October 2015, the MPSC issued an order to eliminate the lost revenue adjustment mechanism prospectively effective December 1, 2015.

Based on the October 2013 MPSC order, for the period July 1, 2012 through November 30, 2015, we recognized \$7.1 million of lost revenues for each annual electric supply tracker period and deferred the remaining \$14.2 million of efficiency efforts collected through the trackers pending final approval of the open tracker filings. As discussed above, during the second quarter of 2016, we received final written orders resolving our prior period open tracker dockets. These orders allowed the recovery of lost revenues included in each tracker period. As a result, we recognized cumulative deferred revenue during the July 2012 - November 2015 periods of \$14.2 million in the Statement of Income in the second quarter of 2016.



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### **Hydro Compliance Filing**

In December 2015, we submitted the required hydro compliance filing to remove the Kerr Project from cost of service, adjust for actual revenue credits and increase property taxes to actual amounts. In January 2016, the MPSC approved an interim adjustment to our hydro rates based on the compliance filing, and opened a separate contested docket requesting additional detail on the adjustment to rates due to the conveyance of the Kerr Project. The MPSC identified additional issues and requested information. A hearing was held in September 2016. The only contested issue at the hearing was the level of administrative and general expenses that should be deducted from the approved revenue requirement due to the transfer of the Kerr Project. We expect the MPSC to issue a final order during the fourth quarter of 2016. The adjustment to rates is being refunded to customers over 12 months, and as of September 30, 2016, we have cumulative deferred revenue remaining of approximately \$2.6 million that we expect to refund to customers by the end of 2016.

### **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. A briefing schedule has been established, with final briefs due by the end of the first quarter of 2017. We do not expect a decision in this matter until the second half of 2017, at the earliest.

The FERC order was assessed as a triggering event as to whether an impairment charge should be recorded with respect to DGGS. As of September 30, 2016, the DGGS net utility plant is approximately \$160 million. DGGS previously provided only regulation service, which is the basis for the cost allocation in our previous MPSC and FERC filings. With the addition of owned hydro generation in November 2014, we are able to shift the utilization of DGGS to additional alternative uses, optimizing our generation portfolio. In support of our biennial electricity supply resource procurement plan that we filed with the MPSC in March 2016, we conducted a portfolio optimization analysis to evaluate options to use DGGS in combination with other generation resources. This analysis indicates DGGS provides cost-effective products necessary to operate our Montana electricity portfolio, including regulation, load following, peaking services and other ancillary products such as contingency reserves, which should guide future cost recovery. The cost recovery of any alternative use of DGGS would be subject to regulatory approval and we cannot provide assurance of such approval. We do not believe an impairment loss is probable at this time; however, we will continue to evaluate recovery of this asset in the future as facts and circumstances change.



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#### (4) Income Taxes

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 September 30,			
	2016		2015	
Income Before Income Taxes	\$	35,203	\$	30,067
Income tax calculated at 35% federal statutory rate		12,321	35.0 %	10,524
				35.0%
Permanent or flow through adjustments:				
State income, net of federal provisions		(721)	(2.0)	(857)
				(2.9)
Flow-through repairs deductions		(19,082)	(54.2)	(2,779)
				(9.2)
Production tax credits		(2,250)	(6.4)	(733)
				(2.4)
Plant and depreciation of flow through items		(493)	(1.4)	(374)
				(1.2)
Prior year permanent return to accrual adjustments		—	—	1,025
				3.4
Other, net		357	1.0	(436)
				(1.5)
		(22,189)	(63.0)	(4,154)
				(13.8)
	\$	(9,868)	(28.0)%	\$
				6,370
				21.2%

	Nine Months Ended September 30,			
	2016		2015	
Income Before Income Taxes	\$	114,182	\$	131,128
Income tax calculated at 35% federal statutory rate		39,964	35.0 %	45,895
				35.0%
Permanent or flow through adjustments:				
State income, net of federal provisions		(2,670)	(2.3)	(329)
				(0.3)
Flow-through repairs deductions		(32,717)	(28.7)	(17,240)
				(13.2)
Production tax credits		(7,345)	(6.4)	(2,645)
				(2.0)
Plant and depreciation of flow through items		(1,677)	(1.5)	(1,000)
				(0.8)
Prior year permanent return to accrual adjustments		(128)	(0.1)	1,025
				0.8
Other, net		(148)	(0.1)	(1,125)
				(0.8)
		(44,685)	(39.1)	(21,314)
				(16.3)
	\$	(4,721)	(4.1)%	\$
				24,581
				18.7%

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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.

In 2009, we received approval from the Internal Revenue Service (IRS) to change our tax accounting method related to the repair and maintenance of transmission and distribution utility assets and have recorded a current tax deduction in our Financial Statements for each period since. In 2013, the IRS issued guidance related to the repair and maintenance of utility generation assets. During the third quarter of 2016, we filed a tax accounting method change with the IRS consistent with the guidance for generation property. This enabled us to take a current tax deduction for a significant amount of repair costs that were previously capitalized for tax purposes. As discussed above, we flow this current tax deduction through to our customers in rate cases. Consistent with this regulatory treatment, we recorded an income tax benefit of approximately \$15.5 million during the three months ended September 30, 2016, of which approximately \$12.5 million related to 2015 and prior tax years and is reflected in the flow-through repairs deductions line above.

### **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 \$90.0 million as of September 30, 2016, including approximately \$66.6 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 and penalties related to uncertain tax positions in income tax expense. During the nine months ended September 30, 2016 we recognized \$0.5 million of expense for interest and penalties in the Statements of Income. As of September 30, 2016, we had \$0.5 million of interest accrued in the Balance Sheets. During the nine months ended September 30, 2015, we did not recognize any expense for interest or penalties, and did not have any amounts accrued as of December 31, 2015, for the payment of interest and penalties.

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, 2016, 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 nine months ended September 30, 2016.



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#### (6) Equity Investments

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

	September 30, 2016	December 31, 2015
Havre Pipeline Company, LLC	\$ 15,265	\$ 15,054
Canadian Montana Pipeline Corporation	3,749	3,715
NorthWestern Services, LLC	1,911	1,899
Risk Partners Assurance, Ltd.	1,462	1,514
<b>Total Investments in Subsidiary Companies</b>	<b>\$ 22,387</b>	<b>\$ 22,182</b>

#### (7) Comprehensive Loss

The following tables display the components of Other Comprehensive Loss (in thousands):

##### Three Months Ended

	September 30, 2016			September 30, 2015		
	Before-Tax Amount	Tax Expense	Net-of-Tax Amount	Before-Tax Amount	Tax Benefit	Net-of-Tax Amount
Foreign currency translation adjustment	\$ 26	\$ —	\$ 26	\$ 233	\$ —	\$ 233
Reclassification of net gains on derivative instruments	(2,448)	942	(1,506)	(901)	346	(555)
Other comprehensive loss	\$ (2,422)	\$ 942	\$ (1,480)	\$ (668)	\$ 346	\$ (322)

##### Nine Months Ended

	September 30, 2016			September 30, 2015		
	Before-Tax Amount	Tax Expense	Net-of-Tax Amount	Before-Tax Amount	Tax Benefit	Net-of-Tax Amount
Foreign currency translation adjustment	\$ (84)	\$ —	\$ (84)	\$ 445	\$ —	\$ 445
Reclassification of net gains on derivative instruments	(2,324)	892	(1,432)	(1,187)	452	(735)
Other comprehensive loss	\$ (2,408)	\$ 892	\$ (1,516)	\$ (742)	\$ 452	\$ (290)

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

	September 30, 2016	December 31, 2015
Foreign currency translation	\$ 1,271	\$ 1,355
Derivative instruments designated as cash flow hedges	(10,446)	(9,014)
Pension and postretirement medical plans	(937)	(937)
Accumulated other comprehensive income	\$ (10,112)	\$ (8,596)

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

**Three Months Ended  
September 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		\$ (8,940)	\$ (937)	\$ 1,245	(8,632)
Other comprehensive income before reclassifications		—	—	26	26
Amounts reclassified from AOCI	Interest on long-term debt	(1,506)	—	—	(1,506)
Net current-period other comprehensive (loss) income		(1,506)	—	26	(1,480)
Ending balance		\$ (10,446)	\$ (937)	\$ 1,271	\$ (10,112)

**Three Months Ended  
September 30, 2015**

	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		\$ (8,496)	\$ (1,247)	\$ 1,009	(8,734)
Other comprehensive loss before reclassifications		—	—	233	233
Amounts reclassified from AOCI	Interest on long-term debt	(555)	—	—	(555)
Net current-period other comprehensive (loss) income		(555)	—	233	(322)
Ending balance		\$ (9,051)	\$ (1,247)	\$ 1,242	\$ (9,056)



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**Nine Months Ended  
September 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		—	—	(84)	(84)
Amounts reclassified from AOCI	Interest on long-term debt	(1,432)	—	—	(1,432)
Net current-period other comprehensive loss		(1,432)	—	(84)	(1,516)
Ending balance		\$ (10,446)	\$ (937)	\$ 1,271	\$ (10,112)

**Nine Months Ended  
September 30, 2015**

	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		\$ (8,316)	\$ (1,247)	\$ 797	(8,766)
Other comprehensive income before reclassifications		—	—	445	445
Amounts reclassified from AOCI	Interest on long-term debt	(735)	—	—	(735)
Net current-period other comprehensive (loss) income		(735)	—	445	(290)
Ending balance		\$ (9,051)	\$ (1,247)	\$ 1,242	\$ (9,056)

**(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

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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. These commodity costs are included in our cost tracking mechanisms and are recoverable from customers subject to prudence reviews by the applicable state regulatory commissions. 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**

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 September 30, 2016 and December 31, 2015. 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



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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 interest on long-term debt 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 Nine Months Ended September 30, 2016
Interest rate contracts	Interest on long-term debt	\$ 2,324

A pre-tax loss of approximately \$17.2 million is remaining in AOCI as of September 30, 2016, 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:

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- 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.

	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>September 30, 2016</b>					
Other special deposits	\$ 4,519	\$ —	\$ —	\$ —	\$ 4,519
Rabbi trust investments	25,057	—	—	—	25,057
<b>Total</b>	<b>\$ 29,576</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 29,576</b>
<b>December 31, 2015</b>					
Other special deposits	\$ 3,508	\$ —	\$ —	\$ —	\$ 3,508
Rabbi trust investments	24,245	—	—	—	24,245
<b>Total</b>	<b>\$ 27,753</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 27,753</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.



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## Financial Instruments

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

	September 30, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Liabilities:</b>				
Long-term debt	\$ 1,806,595	\$ 1,950,837	\$ 1,782,127	\$ 1,844,974

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 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) Financing Activities

In June 2016, we issued \$60 million aggregate principal amount of South Dakota First Mortgage Bonds at a fixed interest rate of 2.80% maturing in 2026. Proceeds were used to redeem our 6.05%, \$55 million South Dakota First Mortgage Bonds due 2018. In addition, in September 2016, we issued \$45.0 million aggregate principal amount of South Dakota First Mortgage Bonds at a fixed interest rate of 2.66% maturing in 2026. Proceeds from this issuance were used for general corporate purposes. Both series of these bonds are secured by our electric and natural gas assets in South Dakota, Nebraska, North Dakota, and Iowa and were issued in transactions exempt from the registration requirements of the Securities Act of 1933, as amended.

In August 2016, the City of Forsyth, Rosebud County, Montana issued \$144.7 million aggregate principal amount of Pollution Control Revenue Refunding Bonds on our behalf. The bonds were issued at a fixed interest rate of 2.00% maturing in 2023. The proceeds of the issuance were loaned to us pursuant to a Loan Agreement and have been used to partially fund the redemption of the 4.65%, \$170.2 million City of Forsyth Pollution Control Revenue Refunding Bonds due 2023 (Prior Bonds) issued on our behalf. We paid the remaining portion of the Prior Bonds with available funds. Our obligation under the Loan Agreement is secured by the issuance of \$144.7 million of Montana First Mortgage Bonds. These bonds are secured by our electric and natural gas assets in Montana and Wyoming. The City of Forsyth bonds were issued in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended.

## (11) 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):

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	September 30, 2016	December 31, 2015
Accounts Receivable from Associated Companies:		
Risk Partners Assurance, Ltd.	\$ 17	\$ 18
Havre Pipeline Company, LLC	—	468
	<u>\$ 17</u>	<u>\$ 486</u>
Accounts Payable to Associated Companies:		
Canadian Montana Pipeline Corporation	\$ 3,598	\$ 3,581
NorthWestern Services, LLC	1,570	1,526
Havre Pipeline Company, LLC	693	—
	<u>\$ 5,861</u>	<u>\$ 5,107</u>

## (12) 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 September 30,		Three Months Ended September 30,	
	2016	2015	2016	2015
Components of Net Periodic Benefit Cost (Income)				
Service cost	\$ 2,939	\$ 3,091	\$ 123	\$ 132
Interest cost	6,553	6,544	198	197
Expected return on plan assets	(7,062)	(7,890)	(261)	(242)
Amortization of prior service cost	62	62	(471)	(471)
Recognized actuarial loss	2,472	2,659	78	96
Net Periodic Benefit Cost (Income)	<u>\$ 4,964</u>	<u>\$ 4,466</u>	<u>\$ (333)</u>	<u>\$ (288)</u>

	Pension Benefits		Other Postretirement Benefits	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Components of Net Periodic Benefit Cost (Income)				
Service cost	\$ 8,819	\$ 9,272	\$ 369	\$ 395
Interest cost	19,658	19,631	596	590
Expected return on plan assets	(21,186)	(23,671)	(782)	(727)
Amortization of prior service cost	185	185	(1,412)	(1,412)
Recognized actuarial loss	7,416	7,976	236	289
Net Periodic Benefit Cost (Income)	<u>\$ 14,892</u>	<u>\$ 13,393</u>	<u>\$ (993)</u>	<u>\$ (865)</u>



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### (13) 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 million to \$32 million. As of September 30, 2016, we have a reserve of approximately \$30.3 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 \$23.7 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 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 September 30, 2016, the reserve for remediation costs at this site is approximately \$11.1 million, and we estimate that approximately \$6.5 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



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semiannually at both sites. In August 2016, the MDEQ sent us a letter of Notice of Potential Liability and Request for Remedial Action regarding the Helena site. An initial scoping meeting with MDEQ regarding this letter has not yet been scheduled. 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 and Helena sites.

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. The additional investigation work began in December 2015 and has continued in 2016. The result of the additional investigation work may lead to the development of site-specific risk-based remedial alternatives report followed by implementation of a remedy. 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 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.

On August 3, 2015, the EPA released for publication in the Federal Register, the final standards of performance to 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.

In a separate action that also affects power plants, on August 3, 2015, the EPA released its final rule establishing GHG performance standards for existing power plants under Clean Air Act Section 111(d) (the Clean Power Plan, or CPP). The CPP establishes CO<sub>2</sub> emission performance standards for existing electric utility steam generating units and NGCC units. States may develop implementation plans for affected units to meet the individual state targets established in the CPP or may adopt a federal plan. The EPA has given states the option to develop compliance plans for annual rate-based reductions (pounds per megawatt hour (MWH)) or mass-based tonnage limits for CO<sub>2</sub>. The 2030 rate-based requirement for all existing affected generating units in South Dakota and Montana is 1,167 and 1,305 pounds per MWH, respectively. The rate-based approach requires a 38.4 percent reduction in South Dakota and a 47.4 percent reduction in Montana from 2012 levels by 2030. The mass-based approach for existing units in South Dakota requires a 30.9 percent decrease by 2030, while in Montana the mass-based approach requires a 41 percent decrease by 2030. States were required to submit initial plans for achieving GHG emission standards to EPA by September 2016, and could seek additional time to finalize State plans by September 2018. Due to the stay of the rule, discussed below, South Dakota and Montana have not submitted implementation plans. The initial performance period for compliance under the CPP would commence in 2022, with full implementation by 2030. The EPA also indicated that states may establish emission trading programs to facilitate compliance

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with the CPP and provides three options: an emission rate trading program that would allow the trading of emission reduction credits equal to one MWH of emission free generation; a mass-based program that would allow trading of allowances with an allowance equal to one short ton of CO<sub>2</sub>; and a state measures program that would allow intra-state trading to achieve the state-wide average emission rate.

On August 3, 2015, the EPA also proposed a federal plan that would be imposed if a state fails to submit a satisfactory plan under the CPP. The federal plan proposal includes a "model trading rule" that describes how the EPA would establish an emission trading program as part of the federal plan to allow affected units to comply with the emission rate requirements. EPA proposed both an emission rate trading plan and a mass-based trading plan and indicated that the final federal rule will elect one of the two options.

The CPP reduction of 47.4 percent in carbon dioxide emissions in Montana by 2030 is the greatest reduction target among the lower 48 states, according to a nationwide analysis. Our Montana generation portfolio emits less carbon on average than the EPA's 2030 target due to investments we made prior to 2013 in carbon-free generation resources. However, under the CPP, investments made in renewable energy prior to 2012 are not counted for compliance with the CPP's requirements. We asked the University of Montana's Bureau of Business and Economic Research (BBER) to study the potential impacts of the CPP across Montana. The BBER study looked at the implications of closing all four of the generating units that comprise the Colstrip facility in southeast Montana as a scenario for complying with the federal rule. The study's conclusions describe the likely loss of jobs and population, the decline in the local and state tax base, the impact on businesses statewide, and the closure's impact on electric reliability and affordability. The electricity produced at Colstrip Unit 4 represents approximately 25 percent of our customer needs. Closing all four Colstrip units would lead to higher utility rates in order to replace the base-load generation that currently is provided by Colstrip. Closing all four Colstrip units would also create significant issues with the transmission grid that serves Montana, and we would lose transmission revenues that are credited to and lower electric customer bills.

On October 23, 2015, the same date the CPP was published in the Federal Register, we along with other utilities, trade groups, coal producers, and labor and business organizations, filed Petitions for Review of the CPP with the United States Court of Appeals for the District of Columbia Circuit. Accompanying these Petitions for Review were Motions to Stay the implementation of the CPP. On January 21, 2016, the U.S. Court of Appeals for the District of Columbia denied the requests for stay but ordered expedited briefing on the merits. On January 26, 2016, 29 states and state agencies asked the U.S. Supreme Court to issue an immediate stay of the CPP. On January 27, 2016, 60 utilities and allied petitioners also requested the U.S. Supreme Court to immediately stay the CPP, and we were among the utilities seeking a stay. On February 9, 2016, the U.S. Supreme Court entered an order staying the CPP. The stay of the CPP will remain in place until the U.S. Supreme Court either denies a petition for certiorari following the U.S. Court of Appeals' decision on the substantive challenges to the CPP, if one is submitted, or until the U.S. Supreme Court enters judgment following grant of a petition for certiorari. On May 16, 2016, the U.S. Court of Appeals for the District of Columbia entered an order declaring the challenge to the CPP would be reviewed en banc, and on September 27, 2016, the Court held oral argument in the matter. An initial ruling on the challenge is not expected until early 2017, and the U.S. Supreme Court decision on challenges to the CPP is not anticipated until mid-2017, if not early 2018.

On December 22, 2015 we also filed an administrative Petition for Reconsideration with the EPA, requesting that it reconsider the CPP, on the grounds that the CO<sub>2</sub> reductions in the CPP were substantially greater in Montana than in the proposed rule. We also requested EPA stay the CPP while it considered our Petition for Reconsideration. At this time, the EPA has taken no action on the Petition for Reconsideration or stay request.

On June 23, 2014, the U.S. Supreme Court struck down the EPA's Tailoring Rule, which limited the sources subject to GHG permitting requirements to the largest fossil-fueled power plants, indicating that EPA had exceeded its authority under the Clean Air



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Act by "rewriting unambiguous statutory terms." However, the decision affirmed EPA's ability to regulate GHG emissions from sources already subject to regulation under the prevention of significant deterioration program, which includes most electric generating units.

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. Although there continues to be proposed legislation and regulations that affect GHG emissions from power plants, technology to efficiently capture, remove and/or sequester such emissions may not be available within a timeframe consistent with the implementation of such requirements. In addition, physical impacts of climate change may present potential risks for severe weather, such as droughts, floods and tornadoes, in the locations where we operate or have interests.

We are evaluating the implications of these rules and technology available to achieve the CO<sub>2</sub> emission performance standards. We will continue working with federal and state regulatory authorities, other utilities, and stakeholders to seek relief from the final rules that, in our view, disproportionately impact customers in our region, and to seek relief from the final compliance requirements. 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 they are finalized; however, complying with the carbon emission standards, 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.

**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 Second Circuit Court of Appeals.

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 Fifth Circuit Court of Appeals, indicating 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 Court in April 2014. The



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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 U.S. Court of Appeals for the District of Columbia 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, 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.

In July 2011, the EPA finalized the Cross-State Air Pollution Rule (CSAPR) to reduce emissions from electric generating units that interfere with the ability of downwind states to achieve ambient air quality standards. Under CSAPR, significant reductions in emissions of nitrogen oxide (NOx) and sulfur dioxide (SO<sub>2</sub>) were to be required in certain states beginning in 2012. In April 2014 the Supreme Court reversed and remanded the 2012 decision of the U.S. Court of Appeals for the D.C. Circuit that had vacated the CSAPR. In December, 2015 EPA published a proposed update to the CSAPR rule. Litigation of the remaining CSAPR lawsuits is pending.

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. As finalized, Colstrip Units 3 and 4 do not have to improve removal efficiency for pollutants that contribute to regional haze. By 2018, 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. In November 2012, PPL Montana (now Talen Montana), 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 U.S. Court of Appeals for the 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 U.S. Court of Appeals for 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.

**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. Each state is required by the CPP to submit a satisfactory plan to EPA by September 2018. The state plans will determine whether we will have to meet rate-based or mass-based requirements and, if the state adopts a mass-based plan, the number of vintages of allowances that will be allocated to our facilities. Until the plans are submitted, or a federal plan is imposed, we cannot predict the impact of the CPP on us. In addition, 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.



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**North Dakota.** The North Dakota Regional Haze SIP requires the Coyote generating facility, in which we have 10% ownership, to reduce its 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.

See 'Legal Proceedings - Colstrip Litigation' below for discussion of Sierra Club litigation.

**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

### Colstrip Litigation

On March 6, 2013, the Sierra Club and the MEIC (Plaintiffs) filed suit in the United States District Court for the District of Montana (Court) against the six individual owners of the Colstrip Generating Station (Colstrip), including us, as well as Talen Montana (Talen), the operator or managing agent of the station. Colstrip consists of four coal fired generating units. Colstrip Units 1 and 2 are older than Units 3 and 4. We do not have an ownership interest in Units 1 and 2. We have a 30 percent joint interest in Unit 4 and a reciprocal sharing agreement with Talen regarding the operation of Colstrip Units 3 and 4, in which each party receives 15% of the respective combined output of the units and is responsible for 15 percent of the respective operating and construction costs, regardless of whether a particular cost is specified to Colstrip Unit 3 or Unit 4.

On September 27, 2013, Plaintiffs filed an Amended Complaint for Injunctive and Declaratory Relief that dropped claims associated with projects completed before 2001, Title V claims and the opacity claims. The Amended Complaint alleged a total of 23 claims covering 64 projects.

In the Amended Complaint, Plaintiffs identified physical changes made at Colstrip between 2001 and 2012, that Plaintiffs allege (a) have increased emissions of SO<sub>2</sub>, NOx and particulate matter and (b) were "major modifications" subject to permitting requirements under the Clean Air Act. They also alleged violations of the requirements related to Part 70 Operating Permits.



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In 2013, the Colstrip owners and operator filed partial motions to dismiss. On September 12, 2013, Plaintiffs filed a motion for partial summary judgment as to the applicable method for calculating emissions increases from modifications.

The parties filed a joint notice (Notice) on April 21, 2014, that advised the Court of Plaintiffs' intent to file a Second Amended Complaint which dropped claims relating to 52 projects, and added one additional project. On May 6, 2014, the Court held oral argument on Defendants' motion to dismiss and on Plaintiffs' motion for summary judgment on the applicable legal standard. On May 22, 2014, the United States Magistrate Judge (Magistrate) issued findings and recommendations, which denied Plaintiffs' motion for summary judgment and denied most of the Colstrip owners' motions to dismiss, but dismissed seven of Plaintiffs' "best available control technology" claims and dismissed two of Plaintiffs' claims for injunctive relief. The Plaintiffs filed an objection to the Magistrate's findings and recommendations with the Court, and on August 13, 2014, the Court adopted the Magistrate's findings and conclusions.

On August 27, 2014, the Plaintiffs filed their Second Amended Complaint, which alleged a total of 13 claims covering eight projects and seeks injunctive and declaratory relief, civil penalties (including \$100,000 of civil penalties to be used for beneficial environmental projects), and recovery of their attorney fees. Defendants filed their Answer to the Second Amended Complaint on September 26, 2014. After filing the Second Amended Complaint, Plaintiffs indicated that they were no longer pursuing a number of claims and projects thereby reducing their total to eight claims relating to four projects. The parties filed motions for summary judgment and briefs in support with regard to issues affecting the remaining claims.

On December 1, 2015, the Court held oral argument on all pending motions for summary judgment, and on December 31, 2015, the Magistrate issued findings and recommendations which (a) denied Plaintiffs' motion for partial summary judgment regarding routine maintenance, repair and replacement; (b) denied Plaintiffs' motion for partial summary judgment that the redesign projects for the Unit 1 and 4 turbines and the Unit 1 economizer were not "like kind replacements"; (c) granted Defendants' motion for partial summary judgment regarding Plaintiffs' use of the "actual-to-potential" emissions test; (d) granted in part and denied in part Plaintiffs' motion for partial summary judgment regarding the allowable period from which to select a baseline for the Unit 3 reheater project; (e) granted in part and denied in part Defendants' motion for partial summary judgment on baseline selection; and (f) granted Defendants' motion for partial summary judgment on emissions calculations for alleged aggregated turbine and safety valve project.

With the matter scheduled to go to a bench trial, on April 26, 2016, the parties filed a joint motion to vacate the May 31, 2016, trial date and to stay all deadlines, to allow the parties to settle the litigation. On July 12, 2016, the parties lodged a proposed consent decree with the Court. The Court entered the consent decree on September 6, 2016, dismissing all of the claims against all units, including Colstrip Unit 4, the only unit in which we have an ownership interest. While the consent decree does not provide a shut-down date for Units 3 and 4, it does provide that Units 1 and 2 must be shut down by July 1, 2022. Units 1 and 2 are owned solely by Talen and Puget Sound Energy. We had no role in the decisions regarding Units 1 and 2 as we have no ownership interest in those units. With the anticipated shutdown of Units 1 and 2, we anticipate incurring incremental operating costs with respect to our interest in Unit 4. We do not anticipate that this increase will have a significant impact on our results of operations or cash flows. However, the ultimate shutdown of Talen's share of Colstrip Units 1 and 2 will have a negative impact on our transmission revenue due to less energy available to transmit across our transmission lines.

The consent decree gave the Plaintiffs and Defendants each the right to seek recovery of attorneys' fees and costs from the other party by filing a motion with the Court by October 6, 2016. Each party filed such a motion on a timely basis. While we cannot predict an outcome on the opposing motions seeking attorneys' fees and costs, we do not anticipate that the outcome will have a significant impact on our results of operations or cash flows.

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### **Billings, Montana Refinery Outage Claim**

In August 2014, we received a letter from the ExxonMobil refinery in Billings 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 \$65.6 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. 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.

### **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 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), and 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



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NorthWestern Corporation			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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. The parties have fully briefed the issue and we have requested oral argument. Talen's and our motions to dismiss, the State's motions for remand and our request for oral argument, remain pending before the Federal District Court.

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, on remand, the Federal District Court (or the State District Court if the case is remanded back 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.





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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)	4,881,718,982	3,782,638,451		
4	Property Under Capital Leases	40,209,537			
5	Plant Purchased or Sold				
6	Completed Construction not Classified				
7	Experimental Plant Unclassified	660,806	660,806		
8	Total (3 thru 7)	4,922,589,325	3,783,299,257		
9	Leased to Others				
10	Held for Future Use	4,888,932	4,859,066		
11	Construction Work in Progress	153,847,834	127,694,941		
12	Acquisition Adjustments	685,416,727	855,736,319		
13	Total Utility Plant (8 thru 12)	5,766,742,818	4,771,589,583		
14	Accum Prov for Depr, Amort, & Depl	2,034,149,986	1,559,277,209		
15	Net Utility Plant (13 less 14)	3,732,592,832	3,212,312,374		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	1,938,839,609	1,525,045,955		
19	Amort & Depl of Producing Nat Gas Land/Land Right	22,069,158			
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	55,092,777	16,082,812		
22	Total In Service (18 thru 21)	2,016,001,544	1,541,128,767		
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	18,148,442	18,148,442		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,034,149,986	1,559,277,209		



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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
924,141,777	1,521,084			173,417,670	3
			40,209,537		4
					5
					6
					7
924,141,777	1,521,084		40,209,537	173,417,670	8
					9
29,866					10
15,127,135				11,025,758	11
		-170,319,592			12
939,298,778	1,521,084	-170,319,592	40,209,537	184,443,428	13
387,268,263	841,556	18,177,741	20,607,362	47,977,855	14
552,030,515	679,528	-188,497,333	19,602,175	136,465,573	15
					16
					17
337,493,970	841,556	18,177,741	20,607,362	36,673,025	18
22,069,158					19
					20
27,705,135				11,304,830	21
387,268,263	841,556	18,177,741	20,607,362	47,977,855	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
387,268,263	841,556	18,177,741	20,607,362	47,977,855	33

[illegible]

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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					
3	FAC Studies	18,445	253	16,925	253
4	SIS Studies	8,873	253	35,000	253
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22					
23	FAC Studies	59,484	253	335,272	253
24	FEA Studies	28,997	253	50,315	253
25	SIS Studies	106,912	253	37,799	253
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
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39					
40					



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) 09/30/2016	Year/Period of Report End of 2016/Q3
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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	312,290,898	24,135,391			336,426,289
4						
5	Basin Creek Capital Lease	7,173,432	26,251			7,199,683
6						
7	Distribution System Infrastructure Project	4,703,636		588 & 580	783,939	3,919,697
8	Docket D2011.1.7					
9	Amortization 2013 - 2017					
10						
11	BPA Residential Exchange Program	772,832	1,766,307	254	1,520,008	1,019,131
12	Docket D2016.8.61					
13						
14	Property Tax Tracker	5,876,480	6,286,558	(2)407	919,479	11,243,559
15	Docket D2016.1.9					
16	Annual Amortization					
17						
18	FAS 106	4,114,750		(2)926	318,294	3,796,456
19	Docket 93.6.24					
20						
21	FAS 112	5,967,024				5,967,024
22	Docket 93.6.24					
23						
24	Compensated Absences	11,120,919		242	756,221	10,364,698
25	Docket 97.11.219					
26						
27	Excess Refunds Interim General Rate Case	32,105				32,105
28						
29	Pension Plan	122,839,622	2,554,221	(2)407	60,861	125,332,982
30						
31	Montana Consumer Counsel Tax	1,295,890	20,716	Various	793	1,315,813
32	Docket D2015.9.68					
33						
34	Montana Public Service Commission Tax	1,752,974	16,307	Various	8,470	1,760,811
35	Docket D2015.9.67					
36						
37	CTC QF Undercollection	185,623	196,634	407	283,884	98,373
38	Docket D97.7.90					
39	Annual Amortization					
40						
41	Asset Retirement Obligation	7,784,731	599,553			8,384,284
42						
43						

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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						
3	South Dakota:					
4						
5	FAS 109	40,300,164	9,050,366			49,350,530
6						
7	Pension Plan	16,804,680		(2)407	199,791	16,604,889
8						
9	Manufactured Gas Plants	14,078,067	89,549	2407	302,892	13,864,724
10	Docket NG 11-003					
11						
12	Rate Case Costs	266,779		407	19,521	247,258
13	Docket EL 14-106					
14						
15	Field Inventory	756,736		407	22,479	734,257
16	Docket EL 14-106					
17						
18	Miscellaneous Regulatory Asset	167,990				167,990
19	Docket EL 14-106					
20						
21	Asset Retirement Obligation	2,545,298	153,897			2,699,195
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	<b>TOTAL :</b>	560,830,630	44,895,750		5,196,632	600,529,748

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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	9,779,300	2407	105,129		9,674,171
4	Docket D2001.1.1					
5	Amortization 2001 - 2039					
6						
7	Montana Public Service Commission &	943,027	Various	771,200	274,978	446,805
8	Montana Consumer Counsel Taxes					
9	Dockets D2015.9.68 & D2015.9.67					
10						
11	Environmental Insurance Proceeds	3,727,330				3,727,330
12						
13	South Dakota Operations:					
14						
15	Current Ad Valorem True-Up	345,430	(2)407	43,015	287,260	589,675
16	Docket GE98-001					
17						
18	Aberdeen Manufactured Gas Plant	4,501,386	2407	116,606	178,769	4,563,549
19	Docket NG 11-003					
20						
21	Manufactured Gas Plants	20,895	2407	14,416	221	6,690
22	Dockets NG 07-013					
23	Amortization 2011 - 2016					
24						
25	Unbilled Revenues	6,958,251	173	217,227		6,741,024
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	26,275,609		1,267,593	741,228	25,749,244



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**ELECTRIC OPERATING REVENUES (Account 400)**

1. 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.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. 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.
4. 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.
5. 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	247,817,322	
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	312,766,515	
5	Large (or Ind.) (See Instr. 4)	45,209,646	
6	(444) Public Street and Highway Lighting	13,145,059	
7	(445) Other Sales to Public Authorities	594,389	
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	828,116	
10	TOTAL Sales to Ultimate Consumers	620,361,047	
11	(447) Sales for Resale	22,570,091	
12	TOTAL Sales of Electricity	642,931,138	
13	(Less) (449.1) Provision for Rate Refunds	-9,727,485	
14	TOTAL Revenues Net of Prov. for Refunds	652,658,623	
15	Other Operating Revenues		
16	(450) Forfeited Discounts	357,540	
17	(451) Miscellaneous Service Revenues	213,631	
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	3,091,589	
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	19,127,679	
22	(456.1) Revenues from Transmission of Electricity of Others	36,857,489	
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	59,647,928	
27	TOTAL Electric Operating Revenues	712,306,551	

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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
2,180,360				2
				3
2,892,164				4
462,027				5
50,116				6
5,593				7
				8
7,525				9
5,597,785				10
2,429,221				11
8,027,006				12
				13
8,027,006				14

Line 12, column (b) includes \$ 0 of unbilled revenues.

Line 12, column (d) includes 0 MWH relating to unbilled revenues

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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)	41,637,524			
3	Steam Power Generation - Maintenance (510-515)	9,224,655			
4	Total Power Production Expenses - Steam Power	50,862,179			
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)	9,633,832			
9	Hydraulic Power Generation - Maintenance (541-545.1)	3,060,588			
10	Total Power Production Expenses - Hydraulic Power	12,694,420			
11	Other Power Generation - Operation (546-550.1)	11,488,540			
12	Other Power Generation - Maintenance (551-554.1)	2,094,416			
13	Total Power Production Expenses - Other Power	13,582,956			
14	Other Power Supply Expenses				
15	Purchased Power (555)	150,197,037			
16	System Control and Load Dispatching (556)	185,062			
17	Other Expenses (557)	16,733,157			
18	Total Other Power Supply Expenses (line 15-17)	167,115,256			
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	244,254,811			
20	2. TRANSMISSION EXPENSES				
21	Transmission Operation Expenses				
22	(560) Operation Supervision and Engineering	3,164,094			
23					
24	(561.1) Load Dispatch-Reliability	762,858			
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	634,833			
26	(561.3) Load Dispatch-Transmission Service and Scheduling	966,430			
27	(561.4) Scheduling, System Control and Dispatch Services				
28	(561.5) Reliability, Planning and Standards Development	39,948			
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	1,363,859			
33	(563) Overhead Line Expenses	962,013			
34	(564) Underground Line Expenses				
35	(565) Transmission of Electricity by Others	11,522,232			
36	(566) Miscellaneous Transmission Expenses	-3,159,910			
37	(567) Rents	526,834			
38	(567.1) Operation Supplies and Expenses (Non-Major)				



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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)	16,783,191			
40	Transmission Maintenance Expenses				
41	(568) Maintenance Supervision and Engineering	812,399			
42	(569) Maintenance of Structures	20,114			
43	(569.1) Maintenance of Computer Hardware	849,671			
44	(569.2) Maintenance of Computer Software	309,387			
45	(569.3) Maintenance of Communication Equipment	73,283			
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant				
47	(570) Maintenance of Station Equipment	873,871			
48	(571) Maintenance Overhead Lines	2,628,775			
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)	5,567,500			
53	Total Transmission Expenses (Lines 39 and 52)	22,350,691			
54	3. REGIONAL MARKET EXPENSES				
55	Regional Market Operation Expenses				
56	(575.1) Operation Supervision	6,050			
57	(575.2) Day-Ahead and Real-Time Market Facilitation	237,824			
58	(575.3) Transmission Rights Market Facilitation	3,025			
59	(575.4) Capacity Market Facilitation				
60	(575.5) Ancillary Services Market Facilitation	66,221			
61	(575.6) Market Monitoring and Compliance	33,111			
62	(575.7) Market Facilitation, Monitoring and Compliance Services				
63	Regional Market Operation Expenses (Lines 55 - 62)	346,231			
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)	346,231			
72	4. DISTRIBUTION EXPENSES				
73	Distribution Operation Expenses (580-589)	17,505,602			
74	Distribution Maintenance Expenses (590-598)	14,075,283			
75	Total Distribution Expenses (Lines 73 and 74)	31,580,885			

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	8,083,375			
2	(907-910) Customer Service and Information Expenses	5,079,804			
3	(911-917) Sales Expenses	403,204			
4	8. ADMINISTRATIVE AND GENERAL EXPENSES				
5	Operations				
6	920 Administrative and General Salaries	24,281,322			
7	921 Office Supplies and Expenses	7,318,468			
8	(Less) 922 Administrative Expenses Transferred-Credit	4,590,949			
9	923 Outside Services Employed	3,694,065			
10	924 Property Insurance	2,123,774			
11	925 Injuries and Damages	6,077,552			
12	926 Employee Pensions and Benefits	2,659,589			
13	927 Franchise Requirements				
14	928 Regulatory Commission Expenses	1,905,960			
15	(Less) 929 Duplicate Charges-Credit				
16	930.1 General Advertising Expenses	22,976			
17	930.2 Miscellaneous General Expenses	9,924,304			
18	931 Rents	1,429,224			
19	TOTAL Operation (Total of lines 6 thru 18)	54,846,285			
20	Maintenance				
21	935 Maintenance of General Plant	2,111,236			
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	56,957,521			

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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 NETWORK TRANSMISSION				
2	Ash Grove Cement		Ash Grove Cement	FNO	
3	Aspen Air Corporation		Aspen Air Corporation	FNO	
4	Barretts Minerals, Inc.		Barretts Minerals, Inc.	FNO	
5	Beartooth Electric Cooperative, Inc.		Beartooth Electric Cooperative, .	FNO	
6	Benefis Health System		Benefis Health System	FNO	
7	Big Horn County Electric Coop, I		Big Horn County Electric Coop, I	FNO	
8	Bonneville Power Administration Coops		Bonneville Power Administration	FNO	
9	Basin Electric Power Cooperative		Basin Electric Power Cooperative	FNO	
10	Basin Electric Power Cooperative		Basin Electric Power Cooperative	FNO	
11	CHS, Inc.		CHS, Inc.	FNO	
12	City of Great Falls		City of Great Falls	FNO	
13	Colstrip Steam Electric Station		Colstrip Steam Electric Station	FNO	
14	Phillips 66 Company		Phillips 66 Company	FNO	
15	ExxonMobil Corporation		ExxonMobil Corpration	FNO	
16	General Mills Operations, LLC		General Mills Operations, LLC	FNO	
17	Great Falls Public Schools		Great Falls Public Schools	FNO	
18	Oldcastle Materials Cement Holdings, Inc.		Oldcastle Materials Cement Holdi	FNO	
19	Imersys Talc America Inc.		Imersys Talc America Inc.	FNO	
20	Suiza Dairy Group, LLC		Suiza Dairy Group, LLC	FNO	
21	Montana Refining Company, Inc.		Montana Refining Company, Inc.	FNO	
22	Montana Resources		Montana Resources	FNO	
23	REC Silicon Company		REC Silicon Company	FNO	
24	Roseburg Forest Products Company		Roseburg Forest Products Company	FNO	
25	Southern Montana Elec Coop		Southern Montana Elec Coop	FNO	
26	Stillwater Mining Company		Stillwater Mining Company	FNO	
27	Town of Philipsburg		Town of Philipsburg	FNO	
28	Western Area Power Administration		Western Area Power Administratio	FNO	
29	Project Spokane, LLC		Project Spokane, LLC	FNO	
30					
31	MONTANA				
32	Western Area Power Admin	WAPA	NWMT	NF	
33	Western Area Power Admin	WAPA	WAPA	NF	
34	Western Area Power Admin	WAPA	WAPA	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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	Ash Grove	6	10,062	10,062	2
Vol #5	Colstrip	Aspen Air	11	11,169	11,169	3
Vol #5	Colstrip	Barretts Minerals	4	9,192	9,192	4
Vol #5	Various & Great Falls	Beartooth Electric e	18	19,050	19,050	5
Vol #5	Colstrip	Benefis Hospitals	4	9,193	9,193	6
Vol #5	BPAT.NWMT&Great Falls	Bighorn REA	18	17,965	17,965	7
Vol #5	BPAT.NWMT	Various in Montana	212	210,276	210,276	8
Vol #5	Crossover	Central Montana Elec	122	119,919	119,919	9
Vol #5	Crossover	Central Montana Elec	15	16,521	16,521	10
Vol #5	Colstrip	Cenex Refinery	44	84,214	84,214	11
Vol #5	Colstrip	Various Load Pointss	6	6,713	6,713	12
Vol #5	AVAT.NWMT	Colstrip Project-Nip	10	13,966	13,966	13
Vol #5	Kerr	Phillips 66 Company)	70	111,496	111,496	14
Vol #5	Colstrip	EXXON	35	59,815	59,815	15
Vol #5	Colstrip	General Mills	4	5,240	5,240	16
Vol #5	Colstrip	Great Falls Schools	1	1,830	1,830	17
Vol #5	Kerr	Oldcastle Materials	6	11,372	11,372	18
Vol #5	Kerr	Imersys Talc Americ	6	6,456	6,456	19
Vol #5	Colstrip	Meadow Gold	2	1,745	1,745	20
Vol #5	Colstrip	Montana Refining	25	28,185	28,185	21
Vol #5	Colstrip	Montana Resources	46	89,922	89,922	22
Vol #5	Colstrip	ASIMI/REC	135	151,974	151,974	23
Vol #5	Colstrip	Rosenburg Forrest	8	12,920	12,920	24
Vol #5	Various & Great Falls	Southern Montana Elp	69	76,146	76,146	25
Vol #5	Colstrip	Stillwater Mining Co	31	59,961	59,961	26
Vol #5	NWE System	Town of Philipsburg		112	112	27
Vol #5	Great Falls (WAPA)	Various in Montana	4			28
Vol #5	Colstrip	Project Spokane, LLC	8	5,714	5,714	29
						30
						31
Vol #5	Canyon Ferry	NWMT.System		2,899	2,899	32
Vol #5	Canyon Ferry	Crossover		60,037	60,037	33
Vol #5	Canyon Ferry	Great Falls		10,003	10,003	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3	
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
36,091			36,091	2
50,218			50,218	3
39,472			39,472	4
102,154			102,154	5
44,866			44,866	6
103,043			103,043	7
1,122,390			1,122,390	8
569,987			569,987	9
88,154			88,154	10
350,040			350,040	11
28,178			28,178	12
50,440			50,440	13
498,413			498,413	14
266,116			266,116	15
25,239			25,239	16
12,507			12,507	17
49,089			49,089	18
37,119			37,119	19
8,255			8,255	20
82,314			82,314	21
407,313			407,313	22
843,204			843,204	23
58,339			58,339	24
416,668			416,668	25
272,141			272,141	26
924			924	27
5,095			5,095	28
20,573			20,573	29
				30
				31
	12,553		12,553	32
	259,960		259,960	33
	43,313		43,313	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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 Admin	WAPA	NWMT	NF	
2	Western Area Power Admin	WAPA	NWMT	SFP	
3	Western Area Power Admin	WAPA	WAPA	NF	
4	Western Area Power Admin	WAPA	WAPA	NF	
5	Western Area Power Admin	WAPA	NWMT	NF	
6					
7	PacifiCorp - Transmission	NWMT	NWMT	SFP	
8	PacifiCorp - Transmission	NWMT	NWMT	NF	
9	PacifiCorp - Transmission	Colstrip Partners	PacifiCorp	NF	
10	PacifiCorp - Transmission	Colstrip Partners	PacifiCorp	SFP	
11	PacifiCorp - Transmission	BPAT	NWMT	NF	
12					
13	PacifiCorp Power Marketing	BPA	PacifiCorp	NF	
14					
15	Avista Corporation	Avista	NWMT	NF	
16	Avista Corporation	Colstrip Partners	BPA	NF	
17	Avista Corporation	Colstrip Partners	BPA	SFP	
18	Avista Corporation	Colstrip Partners	Avista	NF	
19	Avista Corporation	Colstrip Partners	Avista	SFP	
20	Avista Corporation	NWMT	NWMT	NF	
21	Avista Corporation	NWMT	Avista	SFP	
22	Avista Corporation	NWMT	Avista	NF	
23					
24	Bonneville Power Administration	BPAT	NWMT	NF	
25	Bonneville Power Administration	BPA	PacifiCorp	NF	
26	Bonneville Power Administration	BPA	PacifiCorp	NF	
27					
28	Basin EL Corp	PacifiCorp	WAPA	NF	
29	Basin EL Corp	WAPA	WAPA	LFP	
30					
31	Coral Energy	WAPA	BPAT	NF	
32	Coral Energy	WAPA	BPAT	NF	
33	Coral Energy	WAPA	NWMT	NF	
34	Coral Energy	WAPA	NWMT	NF	
	<b>TOTAL</b>				



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	Great Falls	NWMT.System		794	794	1
Vol #5	Great Falls	NWMT.System	2	4,410	4,410	2
Vol #5	Crossover	Great Falls		1,832	1,832	3
Vol #5	Great Falls	Crossover		17,744	17,744	4
Vol #5	Crossover	NWMT.System		64	64	5
						6
Vol #5	Colstrip	NWMT System	1	1,152	1,152	7
Vol #5	Colstrip	NWMT System		8	8	8
Vol #5	Colstrip	YTP		182	182	9
Vol #5	Colstrip	YTP	11	24,048	24,048	10
Vol #5	BPAT.NWMT	NWMT System		105	105	11
						12
Vol #5	BPAT.NWMT	BRDY		10	10	13
						14
Vol #5	AVAT.NWMT	NWMT System		319	319	15
Vol #5	Colstrip	BPAT.NWMT		23,183	23,183	16
Vol #5	Colstrip	BPAT.NWMT	1	1,320	1,320	17
Vol #5	Colstrip	AVAT.NWMT		1,030	1,030	18
Vol #5	Colstrip	AVAT.NWMT	3	7,056	7,056	19
Vol #5	Colstrip	NWMT.System		1,741	1,741	20
Vol #5	NWMT.System	AVAT.NWMT	3	5,482	5,482	21
Vol #5	NWMT.System	AVAT.NWMT		5,950	5,950	22
						23
Vol #5	BPAT.NWMT	NWMT.System		3,200	3,200	24
Vol #5	BPAT.NWMT	YTP		339	339	25
Vol #5	BPAT.NWMT	BRDY		147	147	26
						27
Vol #5	YTP	Crossover		364	364	28
Vol #5	Crossover	Great Falls	31	68,448	68,448	29
						30
Vol #5	Great Falls	BPAT.NWMT		175	175	31
Vol #5	Crossover	BPAT.NWMT		46	46	32
Vol #5	Crossover	NWMT.System		2	2	33
Vol #5	Great Falls	NWMT.System		7	7	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3	
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.
	3,438		3,438	1
18,960			18,960	2
	7,933		7,933	3
	76,831		76,831	4
	277		277	5
				6
4,987			4,987	7
	35		35	8
	788		788	9
104,108			104,108	10
	455		455	11
				12
	43		43	13
				14
	1,381		1,381	15
	100,382		100,382	16
5,714			5,714	17
	4,460		4,460	18
30,547			30,547	19
	7,539		7,539	20
23,793			23,793	21
	25,764		25,764	22
				23
	13,856		13,856	24
	1,468		1,468	25
	637		637	26
				27
	1,576		1,576	28
293,880			293,880	29
				30
	758		758	31
	199		199	32
	9		9	33
	30		30	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	Coral Energy	NWMT	MATL	NF	
2	Coral Energy	NWMT	MATL	NF	
3	Coral Energy	PacifiCorp	BPAT	NF	
4	Coral Energy	PacifiCorp	NWMT	NF	
5	Coral Energy	BPA	PacifiCorp	NF	
6					
7	Energy Keepers	NWMT	BPAT	NF	
8	Energy Keepers	NWMT	BPAT	LFP	
9	Energy Keepers	NWMT	NWMT	NF	
10	Energy Keepers	NWMT	PacifiCorp	NF	
11	Energy Keepers	NWMT	PacifiCorp	SFP	
12	Energy Keepers	NWMT	PacifiCorp	LFP	
13	Energy Keepers	NWMT	PacifiCorp	NF	
14					
15	Exelon Energy	NWMT	NWMT	NF	
16	Exelon Energy	Colstrip Partners	PacifiCorp	NF	
17					
18	Portland General Electric	NWMT	NWMT	NF	
19	Portland General Electric	NWMT	NWMT	SFP	
20	Portland General Electric	Colstrip Partners	BPAT	SFP	
21	Portland General Electric	Colstrip Partners	BPAT	NF	
22	Portland General Electric	BPAT	NWMT	NF	
23	Portland General Electric	BPAT	NWMT	NF	
24	Portland General Electric	Colstrip Partners	PacifiCorp	NF	
25	Portland General Electric	PGE	PacifiCorp	NF	
26					
27	Morgan Stanley	PacifiCorp	PacifiCorp	NF	
28	Morgan Stanley	PacifiCorp	BPA	NF	
29	Morgan Stanley	PacifiCorp	BPA	NF	
30	Morgan Stanley	PacifiCorp	WAPA	NF	
31	Morgan Stanley	PacifiCorp	WAPA	SFP	
32	Morgan Stanley	BPA	PacifiCorp	NF	
33	Morgan Stanley	BPA	PacifiCorp	NF	
34	Morgan Stanley	BPA	AVISTA	NF	
	TOTAL				



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	MATL.NWMT	NWMT.System		28	28	1
Vol #5	MATL.NWMT	BPAT.NWMT		672	672	2
Vol #5	YTP	BPAT.NWMT		430	430	3
Vol #5	YTP	NWMT.System		13	13	4
Vol #5	BPAT.NWMT	YTP		77	77	5
						6
Vol #5	Kerr	BPAT.NWMT		736	736	7
Vol #5	Kerr	BPAT.NWMT	37	81,684	81,684	8
Vol #5	Kerr	NWMT.System		811	811	9
Vol #5	MT1	BRDY		40	40	10
Vol #5	Kerr	BRDY	3	7,430	7,430	11
Vol #5	Kerr	BRDY	25	55,175	55,175	12
Vol #5	Kerr	YTP		176	176	13
						14
Vol #5	Colstrip	NWMT.System		48	48	15
Vol #5	Colstrip	YTP		1,248	1,248	16
						17
Vol #5	Colstrip	NWMT System		1,167	1,167	18
Vol #5	Colstrip	NWMT System		360	360	19
Vol #5	Colstrip	BPAT.NWMT	4	8,640	8,640	20
Vol #5	Colstrip	BPAT.NWMT		26,356	26,356	21
Vol #5	BPAT.NWMT	NWMT.System		271	271	22
Vol #5	BPAT.NWMT	Colstrip		30	30	23
Vol #5	Colstrip	BRDY		3,301	3,301	24
Vol #5	Colstrip	MLCK		25	25	25
						26
Vol #5	YTP	BRDY		576	576	27
Vol #5	YTP	NWMT.System		1,010	1,010	28
Vol #5	BRDY	BPAT.NWMT		43	43	29
Vol #5	YTP	Crossover		120	120	30
Vol #5	YTP	Crossover	2	4,056	4,056	31
Vol #5	BPAT.NWMT	YTP		640	640	32
Vol #5	BPAT.NWMT	BRDY		223	223	33
Vol #5	BPAT.NWMT	AVAT.NWMT		1,226	1,226	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

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.

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.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	121		121	1
	2,910		2,910	2
	1,862		1,862	3
	56		56	4
	333		333	5
				6
	3,187		3,187	7
258,343			258,343	8
	3,512		3,512	9
	173		173	10
31,600			31,600	11
237,000			237,000	12
	762		762	13
				14
	208		208	15
	5,404		5,404	16
				17
	5,053		5,053	18
1,558			1,558	19
37,404			37,404	20
	114,121		114,121	21
	1,173		1,173	22
	130		130	23
	14,293		14,293	24
	108		108	25
				26
	2,494		2,494	27
	4,373		4,373	28
	186		186	29
	520		520	30
17,559			17,559	31
	2,771		2,771	32
	966		966	33
	5,309		5,309	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	BPA	WAPA	NF	
2	Morgan Stanley	BPA	NWMT	NF	
3	Morgan Stanley	BPA	NWMT	LFP	
4	Morgan Stanley	BPA	MATL	NF	
5	Morgan Stanley	BPA	Glacier Wind	NF	
6	Morgan Stanley	NWMT	Avista	SFP	
7	Morgan Stanley	CNTP	Avista	NF	
8	Morgan Stanley	MATL	Avista	NF	
9	Morgan Stanley	MATL	Avista	SFP	
10	Morgan Stanley	Colstrip Partners	BPA	NF	
11	Morgan Stanley	CNTP	BPA	NF	
12	Morgan Stanley	CNTP	BPA	SFP	
13	Morgan Stanley	NWMT	BPA	NF	
14	Morgan Stanley	MATL	BPA	NF	
15	Morgan Stanley	MATL	BPA	SFP	
16	Morgan Stanley	CNTP	PacifiCorp	NF	
17	Morgan Stanley	NWMT	PacifiCorp	NF	
18	Morgan Stanley	MATL	PacifiCorp	NF	
19	Morgan Stanley	MATL	PacifiCorp	SFP	
20	Morgan Stanley	MATL	PacifiCorp	NF	
21	Morgan Stanley	Colstrip Partners	PacifiCorp	NF	
22	Morgan Stanley	NWMT	PacifiCorp	SFP	
23	Morgan Stanley	MATL	NWMT	SFP	
24	Morgan Stanley	MATL	NWMT	SFP	
25	Morgan Stanley	CNTP	MATL	NF	
26	Morgan Stanley	CNTP	MATL	SFP	
27	Morgan Stanley	CNTP	MATL	SFP	
28	Morgan Stanley	CNTP	NWMT	NF	
29	Morgan Stanley	CNTP	NWMT	SFP	
30	Morgan Stanley	CNTP	NWMT	SFP	
31	Morgan Stanley	NWMT	NWMT	NF	
32	Morgan Stanley	MATL	NWMT	NF	
33	Morgan Stanley	NWMT	MATL	NF	
34	Morgan Stanley	Colstrip Partners	Glacier Wind	NF	
TOTAL					



**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	BPAT.NWMT	Crossover		255	255	1
Vol #5	BPAT.NWMT	NWMT.System		1,320	1,320	2
Vol #5	BPAT.NWMT	MATL.NWMT	100	220,800	220,800	3
Vol #5	BPAT.NWMT	MATL.NWMT		607	607	4
Vol #5	BPAT.NWMT	GLWIND1		223	223	5
Vol #5	Colstrip	AVAT.NWMT	1	2,136	2,136	6
Vol #5	Hardin	AVAT.NWMT		675	675	7
Vol #5	MATL.NWMT	AVAT.NWMT		10,036	10,036	8
Vol #5	MATL.NWMT	AVAT.NWMT	4	9,648	9,648	9
Vol #5	Colstrip	BPAT.NWMT		20	20	10
Vol #5	Hardin	BPAT.NWMT		704	704	11
Vol #5	Hardin	BPAT.NWMT		336	336	12
Vol #5	Kerr	BPAT.NWMT		71	71	13
Vol #5	MATL.NWMT	BPAT.NWMT		56,100	56,100	14
Vol #5	MATL.NWMT	BPAT.NWMT	1	1,200	1,200	15
Vol #5	Hardin	BRDY		557	557	16
Vol #5	Kerr	Jeff		80	80	17
Vol #5	MATL.NWMT	BRDY		5,404	5,404	18
Vol #5	MATL.NWMT	BRDY	1	1,272	1,272	19
Vol #5	MATL.NWMT	Jeff		2	2	20
Vol #5	MATL.NWMT	YTP		1,483	1,483	21
Vol #5	Kerr	YTP		600	600	22
Vol #5	MATL.NWMT	Colstrip	2	4,464	4,464	23
Vol #5	MATL.NWMT	Great Falls.NWMT	3	7,080	7,080	24
Vol #5	Hardin	MATL.NWMT		195	195	25
Vol #5	Hardin	MATL.NWMT		622	622	26
Vol #5	Hardin	NWMT.System	1	1,486	1,486	27
Vol #5	Hardin	NWMT.System		149	149	28
Vol #5	Hardin	NWMT.System	1	1,365	1,365	29
Vol #5	Hardin	NWMT.System	1	2,229	2,229	30
Vol #5	Kerr	NWMT.System		1	1	31
Vol #5	MATL.NWMT	NWMT.System		277	277	32
Vol #5	Colstrip	MATL.NWMT		50	50	33
Vol #5	Colstrip	GLWIND1		90	90	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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.
	1,104		1,104	1
	5,716		5,716	2
948,000			948,000	3
	2,628		2,628	4
	966		966	5
9,247			9,247	6
	2,923		2,923	7
	43,456		43,456	8
41,768			41,768	9
	87		87	10
	3,044		3,044	11
1,455			1,455	12
	307		307	13
	242,913		242,913	14
5,195			5,195	15
	2,412		2,412	16
	346		346	17
	23,399		23,399	18
5,507			5,507	19
	9		9	20
	6,421		6,421	21
2,598			2,598	22
19,325			19,325	23
30,650			30,650	24
	844		844	25
2,701			2,701	26
6,320			6,320	27
	645		645	28
5,922			5,922	29
9,480			9,480	30
	4		4	31
	1,199		1,199	32
	216		216	33
	390		390	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	MATL	Glacier Wind	NF	
2	Morgan Stanley	MATL	WAPA	NF	
3	Morgan Stanley	Glacier Wind	AVISTA	SFP	
4	Morgan Stanley	Glacier Wind	AVISTA	NF	
5	Morgan Stanley	Glacier Wind	AVISTA	NF	
6	Morgan Stanley	Glacier Wind	AVISTA	SFP	
7	Morgan Stanley	Glacier Wind	BPA	NF	
8	Morgan Stanley	Glacier Wind	BPA	SFP	
9	Morgan Stanley	Glacier Wind	BPA	NF	
10	Morgan Stanley	Glacier Wind	BPA	SFP	
11	Morgan Stanley	Glacier Wind	NWMT	NF	
12	Morgan Stanley	Glacier Wind	NWMT	NF	
13	Morgan Stanley	Glacier Wind	MATL	NF	
14	Morgan Stanley	Glacier Wind	MATL	NF	
15	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
16	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
17	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
18	Morgan Stanley	Glacier Wind	PacifiCorp	SFP	
19	Morgan Stanley	Glacier Wind	PacifiCorp	SFP	
20	Morgan Stanley	Glacier Wind	PacifiCorp	NF	
21	Morgan Stanley	Glacier Wind	PacifiCorp	SFP	
22	Morgan Stanley	Glacier Wind	PacifiCorp	SFP	
23	Morgan Stanley	Glacier Wind	WAPA	NF	
24	Morgan Stanley	Glacier Wind	WAPA	NF	
25	Morgan Stanley	Glacier Wind	Glacier Wind	NF	
26	Morgan Stanley	AVISTA	MATL	NF	
27	Morgan Stanley	AVISTA	MATL	SFP	
28	Morgan Stanley	AVISTA	PacifiCorp	NF	
29	Morgan Stanley	WAPA	Avista	NF	
30	Morgan Stanley	WAPA	BPA	NF	
31	Morgan Stanley	WAPA	BPA	NF	
32	Morgan Stanley	WAPA	NWMT	NF	
33	Morgan Stanley	WAPA	MATL	NF	
34	Morgan Stanley	WAPA	PacifiCorp	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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	MATL.NWMT	GLWND1		1,292	1,292	1
Vol #5	MATL.NWMT	Crossover		237	237	2
Vol #5	GLWND1	AVAT.NWMT	2	3,552	3,552	3
Vol #5	GLWND1	AVAT.NWMT		6,253	6,253	4
Vol #5	GLWND2	AVAT.NWMT		3,782	3,782	5
Vol #5	GLWND2	AVAT.NWMT	3	6,408	6,408	6
Vol #5	GLWND1	BPAT.NWMT		19,654	19,654	7
Vol #5	GLWND1	BPAT.NWMT	1	1,776	1,776	8
Vol #5	GLWND2	BPAT.NWMT		14,114	14,114	9
Vol #5	GLWND2	BPAT.NWMT		575	575	10
Vol #5	GLWND1	NWMT.System		304	304	11
Vol #5	GLWND2	NWMT.System		311	311	12
Vol #5	GLWND1	MATL.NWMT		1,863	1,863	13
Vol #5	GLWND2	MATL.NWMT		727	727	14
Vol #5	GLWND1	BRDY		5,215	5,215	15
Vol #5	GLWND2	BRDY		1,536	1,536	16
Vol #5	GLWND1	YTP		753	753	17
Vol #5	GLWND1	YTP	2	4,920	4,920	18
Vol #5	GLWND1	YTP	1	1,608	1,608	19
Vol #5	GLWND2	YTP		717	717	20
Vol #5	GLWND2	YTP	1	1,488	1,488	21
Vol #5	GLWND2	YTP	1	3,000	3,000	22
Vol #5	GLWND1	Crossover		286	286	23
Vol #5	GLWND2	Crossover		90	90	24
Vol #5	GLWND1	GLWND2		20	20	25
Vol #5	AVAT.NWMT	MATL.NWMT		144	144	26
Vol #5	AVAT.NWMT	MATL.NWMT	1	2,088	2,088	27
Vol #5	AVAT.NWMT	YTP		6	6	28
Vol #5	Great Falls	AVAT.NWMT		985	985	29
Vol #5	Great Falls	BPAT.NWMT		5,157	5,157	30
Vol #5	Crossover	BPAT.NWMT		200	200	31
Vol #5	Great Falls	NWMT.System		131	131	32
Vol #5	Great Falls	MATL.NWMT		922	922	33
Vol #5	Crossover	YTP		54	54	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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.
	5,594		5,594	1
	1,026		1,026	2
15,377			15,377	3
	27,075		27,075	4
	16,376		16,376	5
27,741			27,741	6
	85,102		85,102	7
7,689			7,689	8
	61,114		61,114	9
2,494			2,494	10
	1,316		1,316	11
	1,347		1,347	12
	8,067		8,067	13
	3,148		3,148	14
	22,581		22,581	15
	6,651		6,651	16
	3,260		3,260	17
10,250			10,250	18
6,961			6,961	19
	3,105		3,105	20
6,442			6,442	21
6,250			6,250	22
	1,238		1,238	23
	390		390	24
	87		87	25
	624		624	26
9,039			9,039	27
	26		26	28
	4,265		4,265	29
	22,330		22,330	30
	866		866	31
	567		567	32
	3,992		3,992	33
	234		234	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	WAPA	PacifiCorp	NF	
2	Morgan Stanley	WAPA	PacifiCorp	NF	
3	Morgan Stanley	WAPA	WAPA	NF	
4					
5	Naturener USA	AVISTA	Glacier Wind	SFP	
6	Naturener USA	AVISTA	Glacier Wind	SFP	
7	Naturener USA	AVISTA	Glacier Wind	NF	
8	Naturener USA	AVISTA	WAPA	NF	
9	Naturener USA	NWMT	UMGF	NF	
10	Naturener USA	Glacier Wind	NWMT	NF	
11	Naturener USA	Glacier Wind	Glacier Wind	SFP	
12					
13	MAG Energy Solutions	NWMT	MATL	NF	
14	MAG Energy Solutions	MATL	NWMT	NF	
15	MAG Energy Solutions	WAPA	MATL	NF	
16					
17	North Point	NWMT	MATL	NF	
18	North Point	NWMT	MATL	NF	
19					
20	Rainbow Energy Marketing	Colstrip Partners	PacifiCorp	NF	
21	Rainbow Energy Marketing	NWMT	NWMT	NF	
22	Rainbow Energy Marketing	BPA	WAPA	NF	
23	Rainbow Energy Marketing	PacifiCorp	NWMT	NF	
24	Rainbow Energy Marketing	Colstrip Partners	WAPA	NF	
25	Rainbow Energy Marketing	MATL	WAPA	NF	
26	Rainbow Energy Marketing	PacifiCorp	WAPA	NF	
27	Rainbow Energy Marketing	BPA	NWMT	NF	
28					
29	Talen Energy/PP&L Montana, LLC	NWMT	BPA	LFP	
30	Talen Energy/PP&L Montana, LLC	NWMT	PacifiCorp	LFP	
31	Talen Energy/PP&L Montana, LLC	NWMT	PacifiCorp	LFP	
32					
33	Talen Energy Mktg/PP&L Energy Plus	WAPA	PacifiCorp	LFP	
34	Talen Energy Mktg/PP&L Energy Plus	PPLM	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) 09/30/2016	Year/Period of Report End of 2016/Q3
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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	Great Falls	YTP		186	186	1
Vol #5	Great Falls	BRDY		1,279	1,279	2
Vol #5	Great Falls	Crossover		1,444	1,444	3
						4
Vol #5	AVAT.NWMT	GLWND1	5	11,025	11,025	5
Vol #5	AVAT.NWMT	GLWND1		72	72	6
Vol #5	AVAT.NWMT	GLWND1		224	224	7
Vol #5	AVAT.NWMT	Great Falls		195	195	8
Vol #5	NWMT.System	NWMT.System		1	1	9
Vol #5	GLWND1	NWMT.System		89	89	10
Vol #5	GLWND1	GLWND2	5	11,025	11,025	11
						12
Vol #5	MATL.NWMT	BPAT.NWMT		2	2	13
Vol #5	MATL.NWMT	NWMT.System		16	16	14
Vol #5	MATL.NWMT	Crossover		387	387	15
						16
Vol #5	MATL.NWMT	NWMT.System		1	1	17
Vol #5	MATL.NWMT	Crossover		30	30	18
						19
Vol #5	Colstrip	YTP		400	400	20
Vol #5	Colstrip	NWMT.System		19	19	21
Vol #5	BPAT.NWMT	Crossover		21	21	22
Vol #5	YTP	NWMT.System		2	2	23
Vol #5	Colstrip	Crossover		2	2	24
Vol #5	MATL.NWMT	Crossover		1	1	25
Vol #5	YTP	Crossover		42	42	26
Vol #5	BPAT.NWMT	NWMT.System		1	1	27
						28
Vol #5	Colstrip	BPAT	100	220,800	220,800	29
Vol #5	Crooked Falls	BRDY	7	15,456	15,456	30
Vol #5	Colstrip	JEFF	73	161,184	161,184	31
						32
Vol #5	Crossover	BRDY	15	33,120	33,120	33
Vol #5	Colstrip	NWMT.System		223	223	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3	
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.
	805		805	1
	5,538		5,538	2
	6,248		6,248	3
				4
47,400			47,400	5
312			312	6
	970		970	7
	844		844	8
	4		4	9
	385		385	10
47,400			47,400	11
				12
	9		9	13
	69		69	14
	1,676		1,676	15
				16
	4		4	17
	130		130	18
				19
	1,732		1,732	20
	82		82	21
	91		91	22
	9		9	23
	9		9	24
	4		4	25
	182		182	26
	4		4	27
				28
948,000			948,000	29
66,360			66,360	30
692,040			692,040	31
				32
142,200			142,200	33
	966		966	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')			
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. 2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c). 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). 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.			

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 Energy Mrktg/PP&L Energy Plus	PPLM	BPAT	NF
2	Talen Energy Mrktg/PP&L Energy Plus	NWMT	BPAT	LFP
3	Talen Energy Mrktg/PP&L Energy Plus	NWMT	BPAT	NF
4	Talen Energy Mrktg/PP&L Energy Plus	NWMT	PacifiCorp	LFP
5	Talen Energy Mrktg/PP&L Energy Plus	NWMT	PacifiCorp	LFP
6	Talen Energy Mrktg/PP&L Energy Plus	PPLM	PacifiCorp	NF
7	Talen Energy Mrktg/PP&L Energy Plus	PPLM	PacifiCorp	LFP
8				
9	Powerex	BPA	NWMT	NF
10	Powerex	BPA	PacifiCorp	NF
11	Powerex	PacifiCorp	BPA	NF
12	Powerex	MATL	BPA	NF
13	Powerex	BPA	PacifiCorp	NF
14	Powerex	MATL	NWMT	NF
15	Powerex	MATL	PacifiCorp	NF
16	Powerex	MATL	PacifiCorp	LFP
17	Powerex	MATL	PacifiCorp	NF
18	Powerex	MATL	PacifiCorp	NF
19	Powerex	BPA	PacifiCorp	NF
20	Powerex	BPA	PacifiCorp	LFP
21				
22	Puget Sound Energy Marketing	AVISTA	AVISTA	NF
23	Puget Sound Energy Marketing	Colstrip Partners	BPA	NF
24	Puget Sound Energy Marketing	Colstrip Partners	BPA	SFP
25	Puget Sound Energy Marketing	Colstrip Partners	BPA	SFP
26	Puget Sound Energy Marketing	Colstrip Partners	AVISTA	SFP
27	Puget Sound Energy Marketing	NWMT	NWMT	NF
28	Puget Sound Energy Marketing	NWMT	NWMT	SFP
29				
30	Tenaska	PacifiCorp	BPAT	NF
31	Tenaska	PacifiCorp	BPAT	NF
32	Tenaska	PacifiCorp	NWMT	NF
33	Tenaska	PacifiCorp	NWMT	NF
34	Tenaska	NWMT	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) 09/30/2016	Year/Period of Report End of 2016/Q3			
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	BPAT.NWMT		1,152	1,152	1
Vol #5	GTFALLS.NWMT	BPAT.NWMT	25	55,200	55,200	2
Vol #5	IMBALANCENWMT	BPAT.NWMT		50	50	3
Vol #5	Black Eagle	BRDY	4	8,832	8,832	4
Vol #5	Crooked Falls	JEFF	7	15,456	15,456	5
Vol #5	Colstrip	BRDY		50	50	6
Vol #5	Colstrip	JEFF	7	15,456	15,456	7
						8
Vol #5	BPAT.NWMT	NWMT.System		279	279	9
Vol #5	BPAT.NWMT	JEFF		45	45	10
Vol #5	YTP	BPAT.NWMT		50	50	11
Vol #5	MATL.NWMT	BPAT.NWMT		2,661	2,661	12
Vol #5	BPAT.NWMT	YTP		212	212	13
Vol #5	MATL.NWMT	NWMT.System		10	10	14
Vol #5	MATL.NWMT	BRDY		116	116	15
Vol #5	MATL.NWMT	BRDY	69	152,352	152,352	16
Vol #5	MATL.NWMT	JEFF		35	35	17
Vol #5	MATL.NWMT	YTP		82	82	18
Vol #5	BPAT.NWMT	BRDY		109	109	19
Vol #5	BPAT.NWMT	BRDY	1	1,488	1,488	20
						21
Vol #5	Colstrip	AVAT.NWMT		210	210	22
Vol #5	Colstrip	BPAT.NWMT		2,617	2,617	23
Vol #5	Colstrip	BPAT.NWMT	2	4,608	4,608	24
Vol #5	Colstrip	BPAT.NWMT	19	33,544	33,544	25
Vol #5	Colstrip	AVAT.NWMT	25	44,925	44,925	26
Vol #5	Colstrip	NWMT		262	262	27
Vol #5	Colstrip	NWMT	2	3,594	3,594	28
						29
Vol #5	YTP	BPAT.NWMT		200	200	30
Vol #5	BRDY	BPAT.NWMT		50	50	31
Vol #5	BRDY	NWMT.System		1	1	32
Vol #5	YTP	NWMT.System		10	10	33
Vol #5	KERR	BRDY		35	35	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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.
	4,988		4,988	1
237,000			237,000	2
	217		217	3
37,920			37,920	4
66,360			66,360	5
	217		217	6
66,360			66,360	7
				8
	1,208		1,208	9
	195		195	10
	216		216	11
	11,522		11,522	12
	918		918	13
	43		43	14
	502		502	15
654,120			654,120	16
	152		152	17
	355		355	18
	472		472	19
6,320			6,320	20
				21
	909		909	22
	11,332		11,332	23
19,949			19,949	24
163,341			163,341	25
218,760			218,760	26
	1,134		1,134	27
17,501			17,501	28
				29
	866		866	30
	216		216	31
	4		4	32
	43		43	33
	151		151	34
11,333,115	1,491,308	0	12,824,423	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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	BPA	NWMT	NF	
3	TransAlta Energy Marketing	BPA	WAPA	NF	
4					
5	Cargill Alliant	BPA	NWMT	NF	
6	Cargill Alliant	BPA	WAPA	NF	
7	Cargill Alliant	PacifiCorp	NWMT	NF	
8	Cargill Alliant	PacifiCorp	BPA	NF	
9					
10	Canadian Wood Products	MATL	NWMT	NF	
11	Canadian Wood Products	MATL	BPAT	NF	
12	Canadian Wood Products	NWMT	MATL	NF	
13	Canadian Wood Products	BPAT	PacifiCorp	NF	
14	Canadian Wood Products	BPAT	NWMT	NF	
15	Canadian Wood Products	BPAT	WAPA	NF	
16					
17	Southern Montana Elec Coop	BPA	WAPA	NF	
18	Southern Montana Elec Coop	NWMT	WAPA	NF	
19	Southern Montana Elec Coop	NWMT	WAPA	SFP	
20	Southern Montana Elec Coop	NWMT	WAPA	SFP	
21	Southern Montana Elec Coop	NWMT	NWMT	NF	
22	Southern Montana Elec Coop	CNTP	NWMT	NF	
23	Southern Montana Elec Coop	MATL	NWMT	NF	
24	Southern Montana Elec Coop	NWMT	WAPA	NF	
25	Southern Montana Elec Coop	CNTP	WAPA	NF	
26	Southern Montana Elec Coop	CNTP	WAPA	SFP	
27	Southern Montana Elec Coop	NWMT	MATL	NF	
28					
29	The Energy Authority	Colstrip Partners	BPA	NF	
30	The Energy Authority	BPA	PacifiCorp	NF	
31					
32	United Materials of Great Falls	UMGF	Glacier Wind	NF	
33	United Materials of Great Falls	UMGF	PacifiCorp	NF	
34	United Materials of Great Falls	UMGF	BPA	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) 09/30/2016	Year/Period of Report End of 2016/Q3	
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	Crossover		50	50	3
						4
Vol #5	BPAT.NWMT	NWMT.System		2	2	5
Vol #5	BPAT.NWMT	Crossover		75	75	6
Vol #5	YTP	NWMT.System		9	9	7
Vol #5	YTP	BPAT.NWMT		210	210	8
						9
Vol #5	MATL.NWMT	NWMT.System		724	724	10
Vol #5	MATL.NWMT	BPAT.NWMT		623	623	11
Vol #5	MATL.NWMT	Crossover		8,262	8,262	12
Vol #5	BPAT.NWMT	YTP		141	141	13
Vol #5	BPAT.NWMT	MATL.NWMT		74	74	14
Vol #5	BPAT.NWMT	Crossover		1,684	1,684	15
						16
Vol #5	BPAT.NWMT	Crossover		224	224	17
Vol #5	Colstrip	Crossover		120	120	18
Vol #5	Colstrip	Crossover		715	715	19
Vol #5	Colstrip	Crossover	5	10,306	10,306	20
Vol #5	Colstrip	NWMT.System		288	288	21
Vol #5	Hardin	NWMT.System		72	72	22
Vol #5	MATL.NWMT	NWMT.System		24	24	23
Vol #5	Kerr	Crossover		1,160	1,160	24
Vol #5	Hardin	Crossover		3,066	3,066	25
Vol #5	Hardin	Crossover		715	715	26
Vol #5	MATL.NWMT	Crossover		230	230	27
						28
Vol #5	Kerr	BPAT.NWMT		75	75	29
Vol #5	BPAT.NWMT	BRDY		72	72	30
						31
Vol #5	Horseshoe	GLWND1		15	15	32
Vol #5	Horseshoe	Brady		1,788	1,788	33
Vol #5	Horseshoe	BPAT.NWMT		55	55	34
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)  
(Including transactions referred to as 'wheeling')

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.

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.

11. Footnote entries and provide explanations following all required data.

  
  

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
	216		216	3
				4
	9		9	5
	325		325	6
	39		39	7
	909		909	8
				9
	3,135		3,135	10
	2,698		2,698	11
	35,774		35,774	12
	611		611	13
	320		320	14
	7,292		7,292	15
				16
	970		970	17
	520		520	18
3,646			3,646	19
44,240			44,240	20
	1,247		1,247	21
	312		312	22
	104		104	23
	5,023		5,023	24
	13,276		13,276	25
3,646			3,646	26
	996		996	27
				28
	325		325	29
	312		312	30
				31
	65		65	32
	7,742		7,742	33
	239		239	34
11,333,115	1,491,308	0	12,824,423	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)  
(Including transactions referred to as 'wheeling')

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.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

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).

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.

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	United Materials of Great Falls	UMGF	NWMT	NF
2				
3	SOUTH DAKOTA			
4	Bryant, City of	WAPA	Bryant	LFP
5	Langford, City of	WAPA	Langford	LFP
6				
7				
8				
9				
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				
	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) 09/30/2016	Year/Period of Report End of 2016/Q3	
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	Horseshoe	NWMT.System		69	69	1
						2
						3
VOL. 2	Huron 115 kV Bus	Bryant 25 kV		1,122	1,122	4
VOL. 2	Huron 115 kV Bus	Langford 12.5 kV		830	830	5
						6
						7
						8
						9
						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
			1,541	2,845,282	2,845,282	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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.
	299		299	1
				2
				3
9,060			9,060	4
6,974			6,974	5
				6
				7
				8
				9
				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
11,333,115	1,491,308	0	12,824,423	

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)  
(Including transactions referred to as "wheeling")

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.
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.
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.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
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.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	MONTANA							
2	Vigilante Elec Coop	OLF	8,851	8,851	14,312			14,312
3	Bonneville Power Admin	OLF					159,915	159,915
4	Bonneville Power Admin	OLF					752,523	752,523
5	Southwest Power Pool	OLF	27,647	27,647	455,020			455,020
6								
7	SUPPLY							
8	Bonneville Power Admin	NF	116	116		816		816
9	Talen Montana, LLC	NF	15,456	15,456		70,479		70,479
10	Avista Utilities	NF	100	100		125		125
11	Seattle City Light	NF	120	120		144		144
12								
13	SOUTH DAKOTA							
14	East River	FNS			605			605
15	Southwest Power Pool	FNS			2,278,296			2,278,296
16								
	TOTAL		52,290	52,290	2,748,233	71,564	912,438	3,732,235





## 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)			70,067,576	
3	Net Sales (Account 447)			65,505,318	
4	Transmission Rights			3,270	
5	Ancillary Services			67,094	
6	Other Items (list separately)				
7	Operation Supervision			6,539	
8	Day Ahead and Real Time Administration			241,367	
9	Market Monitoring and Compliance			33,547	
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			135,924,711	

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) 09/30/2016	Year/Period of Report End of 2016/Q3	
MONTHLY PEAKS AND OUTPUT						
<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) 09/30/2016	Year/Period of Report End of 2016/Q3
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**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

(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.  
 (2) Report on Column (b) by month the transmission system's peak load.  
 (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  
 (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.

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									
6	May									
7	June									
8	Total for Quarter 2									
9	July	1,836	25	1700	1,144	613	489		742	
10	August	1,767	2	1900	1,103	625	489		400	
11	September	1,647	1	1700	1,000	573	488		3,025	
12	Total for Quarter 3				3,247	1,811	1,466		4,167	
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year				3,247	1,811	1,466		4,167	

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) 09/30/2016	Year/Period of Report End of 2016/Q3
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**MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD**

- (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.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (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).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM: South Dakota Operations

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July	332	20	1700				347	15	
10	August	323	10	1700				338	15	
11	September	260	1	1700				273	13	
12	Total for Quarter 3							958	43	
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year							958	43	

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) 09/30/2016	Year/Period of Report 2016/Q3
NorthWestern Corporation			
FOOTNOTE DATA			

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

	9/30/2016	9/30/2015
<b>Other Noncash Charges to Income, Net:</b>		
Amortization of debt issue costs, discount, and deferred hedge gain	906,391	1,301,250
Gain on disposition of assets	(5,756)	(24,358)
Other noncash losses (gains)	464,856	(28,651)
Stock based compensation costs	4,473,777	3,275,011
	<u>5,839,268</u>	<u>4,523,252</u>
<b>Other Assets and Liabilities, Net:</b>		
Net change - other current assets	(3,013,739)	4,085,226
Net change - accrued utility revenues	25,744,381	21,715,309
Net change - deferred debits	13,244,621	13,577,115
Net change - deferred credits	13,079,261	(1,459,806)
Net change - other special deposits and special funds	(405,216)	(808,063)
Net change - noncurrent liabilities	(55,823,077)	14,975,282
	<u>(7,173,769)</u>	<u>52,085,063</u>
<b>Other Investing Activities:</b>		
Net change - special deposits	-	11,757,655
<b>Other Financing Activities:</b>		
Capital lease obligations, net	-	(24,335)
Debt financing costs	(6,608,398)	(12,123,517)
	<u>(6,608,398)</u>	<u>(12,147,852)</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.

**Schedule Page: 120 Line No.: 53 Column: b**

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

**Schedule Page: 120 Line No.: 53 Column: c**

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

**Schedule Page: 120 Line No.: 76 Column: b**

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

**Schedule Page: 120 Line No.: 76 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) 09/30/2016	Year/Period of Report 2016/Q3
NorthWestern Corporation			
FOOTNOTE DATA			

<b>Schedule Page: 122(a)(b)</b>	<b>Line No.: 2</b>	<b>Column: f</b>
Reclassifications of net gains 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>
Reclassifications of net gains 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) 09/30/2016	Year/Period of Report 2016/Q3
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) 09/30/2016	Year/Period of Report 2016/Q3
NorthWestern Corporation			
FOOTNOTE DATA			

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

	YTD Q3 2016
<b>Other Electric Revenue (456)</b>	
Ancillary Services:	
Scheduling, System Control and Dispatch	\$ 1,976,317
Regulation and Frequency Response	1,156,384
Energy Imbalance	(69,118)
Other Transmission Revenue	(101,787)
Low Income Housing	1,775,819
Steam Sales	641,035
Sale of Materials	20,767
DSM Lost Revenues	13,607,054
Miscellaneous	121,208
	<b>\$ 19,127,679</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) 09/30/2016	Year/Period of Report 2016/Q3
NorthWestern Corporation			
FOOTNOTE DATA			

**Schedule Page: 332**    **Line No.: 3**    **Column: g**

Monthly system usage fee.

**Schedule Page: 332**    **Line No.: 4**    **Column: g**

Monthly system usage fee.

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) 09/30/2016	Year/Period of Report 2016/Q3
NorthWestern Corporation			
FOOTNOTE DATA			

**Schedule Page: 399 Line No.: 1 Column: b**  
**MONTANA OPERATIONS**

Line No	MONTHLY PEAK LOADS AND ENERGY OUTPUT (a)	Jul-16 (b)	Aug-16 (c )	Sep-16 (d)	Total for Quarter (d)
1					
2	Total Monthly Energy (MWH)	708,036	711,487	664,569	2,084,092
3	Monthly Non-Requirements Sales for Resale	120,202	145,029	148,538	413,769
4	Monthly Peak MW	2,325	2,276	2,135	
5	Day of Month Peak	25	2	1	
6	Hour of Monthly Peak	1700	1900	1700	

**SOUTH DAKOTA OPERATIONS**

Line No	MONTHLY PEAK LOADS AND ENERGY OUTPUT (a)	Jul-16 (b)	Aug-16 (c )	Sep-16 (d)	Total for Quarter (d)
1					
2	Total Monthly Energy (MWH)	264,178	296,753	277,067	837,998
3	Monthly Non-Requirements Sales for Resale	156,203	144,651	113,153	414,007
4	Monthly Peak MW	332	323	260	
5	Day of Month Peak	20	10	1	
6	Hour of Monthly Peak	1700	1700	1700	