

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA**

IN THE MATTER OF NorthWestern Energy's	)	
Application for Authority to Increase Retail	)	REGULATORY DIVISION
Electric and Natural Gas Utility Service Rates	)	
and for Approval of Electric and Natural Gas	)	DOCKET NO. 2024.05.053
Service Schedules and Rules and Allocated Cost	)	
of Service and Rate Design	)	

**PARTIAL ELECTRIC STIPULATION AND SETTLEMENT AGREEMENT  
OF NORTHWESTERN ENERGY, THE MONTANA CONSUMER COUNSEL,  
THE MONTANA LARGE CUSTOMER GROUP, THE FEDERAL  
EXECUTIVE AGENCIES, AND WALMART INC.**

NorthWestern Corporation d/b/a NorthWestern Energy ("NorthWestern"), the Montana Consumer Counsel ("MCC"), the Montana Large Customer Group ("LCG"), the Federal Executive Agencies, and Walmart Inc. (collectively, the "Settling Parties"), by and through their undersigned representatives, hereby submit to the Montana Public Service Commission ("Commission") this Partial Electric Stipulation and Settlement Agreement ("Partial Electric Stipulation"). For settlement purposes, the Settling Parties have reached a fair and equitable resolution of all issues that were raised or could have been raised by the Settling Parties in this docket related to electric transmission, distribution, and generation (collectively, the "Settled Electric Issues") except for (a) cost recovery issues related to Yellowstone County Generating Station ("YCGS") and (b) the appropriate base Power Costs and Credits Adjustment Mechanism ("PCCAM") (collectively, the "Contested Electric Issues"). To establish just and reasonable rates for NorthWestern's customers and resolve the Settled Electric Issues, the Settling Parties stipulate and agree to the following:

**Section A: Electric Base Rate Revenue Requirement**

1. NorthWestern shall be authorized to collect an overall base revenue requirement increase of \$66,449,279 for electric transmission, distribution, and generation, excluding YCGS ("Base Revenue Requirement"). Electric property tax base revenues on electric assets other than YCGS shall decrease by (\$5,219,856). The Base Revenue Requirement increase less the base property tax decrease equals a total increase of \$61,229,423. A detailed calculation of the specified Settled Electric Issues and resulting total revenue requirement is included in Exhibit A to this Partial Electric Stipulation. That calculation reflects the rebuttal revenue requirement for NorthWestern and the adjustments agreed upon to address all revenue requirement issues, except YCGS issues, raised by one or more Settling Parties but not specifically

identified as resolved in this Partial Electric Stipulation. As further shown on Exhibit A, if NorthWestern's position on the Contested Electric Issues is accepted, the resulting total revenue increase, inclusive of property taxes and YCGS, but excluding the PCCAM Base reduction equals a total of \$109,135,842. This figure is used to reflect the agreed upon revenue allocations and for comparison of the Settling Parties' positions on the Contested Issues. Inclusion of the Contested Electric Issues in this paragraph does not mean acceptance by any of the Settling Parties of NorthWestern's position.

2. One of the Contested Electric Issues is the LCG's recommended adjustment relating to accumulated depreciation for YCGS. As shown in Exhibit B to this Partial Electric Stipulation, if the Partial Electric Settlement is approved along with the LCG's recommended adjustment, the resulting total base revenue requirement increase less the total base property tax decrease and the LCG's position on YCGS would equal a total increase of \$108,268,092, excluding the PCCAM Base reduction. This figure is used to reflect the agreed upon revenue allocations and for comparison of the Settling Parties' positions on the Contested Issues if LCG's position is accepted. Inclusion of the Contested Electric Issues in this paragraph does not mean acceptance by any of the Settling Parties of LCG's position.
3. Another of the Contested Electric Issues is the MCC's recommended adjustment relating to YCGS costs. As shown in Exhibit C to this Partial Electric Stipulation, if the Partial Electric Settlement is approved along with the MCC's recommended adjustment, the resulting total base revenue requirement increase less the total base property tax decrease and the MCC's position on YCGS would equal a total revenue increase of \$96,929,392, excluding the PCCAM Base reduction. This figure is used to reflect the agreed upon revenue allocations and for comparison of the Settling Parties' positions on the Contested Issues if MCC's position is accepted. Inclusion of the Contested Electric Issues in this paragraph does not mean acceptance by any of the Settling Parties of MCC's position.
4. The last of the Contested Electric Issues relates to the MCC's recommended adjustment to the PCCAM Base removing the capacity scarcity premium. If the NorthWestern position on that issue is adopted the resulting change to the PCCAM Base would be a reduction of \$94,522,047, as shown in Exhibit A. If the MCC's position on that issue is adopted, the resulting change to the PCCAM Base would be a reduction of \$132,922,047, as shown in Exhibit C. Inclusion of the Contested Electric Issues in this paragraph does not mean acceptance by any of the Settling Parties of MCC's position.
5. The Settling Parties agree to support a separate motion by NorthWestern for

new interim rates reflecting the stipulated maximum base and property tax revenue increase of \$109,135,842 and stipulated PCCAM Base reduction of \$94,522,047, resulting in a PCCAM Base of \$119,007,402. This base revenue amount (including NorthWestern's YCGS rebuttal position adjusted for Return on Equity ("ROE")), property tax revenue decrease, and PCCAM Base decrease results in a residential typical monthly bill increase of \$4.63, or 4.21%. Such motion will propose that the new interim rates be effective for service on and after May 1, 2025. The Settling Parties acknowledge that if the Commission has not approved the Partial Electric Stipulation or the motion for new interim rates to be placed into effect by May 1, 2025, NorthWestern may implement its original as-filed rates pursuant to M.C.A. § 69-3-302.

6. The stipulated revenue requirement is based on an ROE of 9.65% and shall be applicable to all electric assets, including YCGS but excluding Colstrip. The Settling Parties accept the capital structure as proposed by NorthWestern in rebuttal testimony to be used to calculate the Rate of Return for all electric assets, including YCGS, but excluding Colstrip.
7. The Settling Parties accept the depreciation rates, the updated removal cost estimates, and the depreciation reserve allocations, as presented in the 2023 Depreciation Study and the direct and rebuttal testimonies of John J. Spanos and Jeffrey B. Berzina, subject to the limitations in the Direct Testimony of David J. Garrett that reduce electric plant depreciation accrual by \$7,651,468 excluding YCGS. While the Settling Parties have accepted the proposed depreciation rates for YCGS, the actual depreciation expense will depend upon the YCGS utility plant in service rate based following the Commission's resolution of the Contested Electric Issues. The depreciation rates shall be effective January 1, 2026.
8. In resolution of the FERC Revenue Credit, the Settling Parties agree to reduce the Base Revenue Requirement by \$3 million -- \$2,800,000 for the transmission and distribution revenue requirement and \$200,000 for the generation revenue requirement.
9. In resolution of all other Settled Electric Issues, the Settling Parties agree to reduce the Base Revenue Requirement for the transmission and distribution revenue requirement by an additional \$800,000.
10. The Settling Parties accept the tax portion of the electric revenue requirements as proposed in Aaron J. Bjorkman's direct and rebuttal testimonies.
11. NorthWestern agrees to revise the proposed amortization of wildfire deferred

expenses from 2 years to 4 years and recover the amortization through a Wildfire Mitigation Balancing Account (“WMBA”) rather than base rates. As reflected in Section D below, the Settling Parties agree to establish a WMBA to defer and recover expenses, including the amortization of previously deferred expenses. This reduces the overall base revenue requirement by \$7.8 million and includes \$3.9 million of amortization per year for 4 years in the WMBA.

## **Section B: Electric Revenue Allocation**

12. If the Commission approves the Partial Electric Stipulation and further accepts NorthWestern’s position on the Contested Electric Issues, the Settling Parties agree to allocate the resulting \$109,135,842 revenue increase as set forth in Exhibit D.
13. If the Commission approves the Partial Electric Stipulation and further accepts in whole or in part the LCG’s position on the Contested Electric Issues, the Settling Parties agree that the associated reduction to NorthWestern’s position flows to all classes based on their pro rata share of the current base revenues as set forth in Exhibit E, which exhibit reflects a revenue requirement increase of \$108,268,092.
14. If the Commission approves the Partial Electric Stipulation and further accepts in whole or in part the MCC’s position on the Contested Electric Issues, the Settling Parties agree that the associated reduction to NorthWestern’s position flows entirely to the residential class as set forth in Exhibit F, which exhibit reflects a revenue requirement increase of \$96,929,392.
15. If the Commission approves the Partial Electric Stipulation and further accepts in whole or in part both the LCG’s and MCC’s recommended adjustments to YCGS, the Settling Parties agree to allocate the resulting revenues by first flowing the MCC’s granted reduction to NorthWestern’s position as described in Paragraph 14 and then flowing the LCG’s position as described in Paragraph 13.

## **Section C: Property Tax Revenues**

16. The base property tax revenue requirement reflected in Section A above reflects the actual level of property taxes in 2024. The electric base property tax rates will be the final rates approved by the Commission. The base property tax rates are effective as of January 1, 2025, and will be the base rates used in Property Tax Tracker filings until they are reset in the next general rate review.

## Section D: Balancing Accounts

17. The Settling Parties accept NorthWestern's proposed WMBA as modified by this Partial Electric Stipulation.
18. NorthWestern shall be permitted to defer and collect incremental, prudently-incurred wildfire mitigation and insurance expenses through the WMBA.
19. Recovery of current deferred wildfire mitigation costs - The Settling Parties agree that the \$15.7 million in costs incurred and deferred between the date the wildfire cost deferral mechanism approved in Docket No. 2022.07.078 mechanism was implemented and December 31, 2024, will be recovered through the WMBA over a four-year period. From January 1, 2025 until the earlier of the date the Commission approves new interim rates as discussed in Paragraph 5 above, the date NorthWestern implements new rates pursuant to M.C.A. § 69-3-302, or the date new rates are implemented following a Commission decision in this docket ("Rate Effective Date"), the "base" O&M wildfire mitigation costs and wildfire insurance expense shall continue to be the amounts of those expenses reflected in Docket No. 2022.07.078.
20. Base-level wildfire Operating and Maintenance ("O&M") costs - As of the Rate Effective Date, the WMBA will utilize an authorized "base" of O&M wildfire mitigation costs of \$26.2 million (\$27.5 million less the FERC allocation of \$1.3 million), equal to the amount of wildfire O&M included in the electric revenue requirement for this docket. Incremental annual wildfire O&M costs above or below this base amount will be submitted for refund or recovery and reviewed for prudence in the annual review and approval as part of the WMBA annual compliance filing.
21. Base-level insurance costs – As of the Rate Effective Date, the WMBA will utilize an authorized "base" level of wildfire insurance expense of \$15.0 million (\$15.9 million less the FERC allocation of \$0.9 million), equal to the amount included in the electric revenue requirement for this docket. The difference in electric insurance costs above or below the base will be submitted for refund or recovery and reviewed for prudence in the annual review and approval as part of the WMBA annual compliance filing.
22. As shown in Exhibit G, the WMBA tariff is amended to reflect that allocation of costs passed through the WMBA between each class will reflect their proportional share of the revenue requirement approved in this docket and further separated between choice and non-choice customers according to their revenue share of Transmission, Distribution, and non-fuel Generation revenues as shown in Exhibit H. For Residential, GS-1 Secondary, and

Irrigation customers, the WMBA charge will be collected on a per-kWh basis. For GS-1 Primary, GS-2 Substation, and GS-2 Transmission customers, the WMBA charge will be collected on a per-kW basis. For Lighting customers, the WMBA charge will be collected on a per-fixture basis. The WMBA rates will be updated annually in the compliance filing to reflect actual class sales, updated load forecasts, and the balance to be collected through the WMBA to each class based on the allocation shown in Exhibit G, Section 4.

23. NorthWestern withdraws its requests for a Business Technology Balancing Account and a Reliability Compliance Balancing Account.

### **Section E: Other Matters**

24. As required by Procedural Order 7968, the Settling Parties are filing supporting testimony with the Commission, simultaneously with the filing of this Partial Electric Stipulation. With this Partial Electric Stipulation, NorthWestern is filing a motion, supported by the Settling Parties, to address the procedural schedule in this docket, including discovery on the Partial Electric Stipulation and any testimony from non-settling parties.
25. The Partial Electric Stipulation resolves all issues raised by the Settling Parties regarding the Settled Electric Issues as part of a negotiated package, reflecting give-and-take on multiple issues.
26. Except as specifically noted below, no individual Settling Party's position in this docket is accepted by any other Settling Party by virtue of its entry into this Partial Electric Stipulation, nor does it indicate any Settling Party's acceptance, agreement, or concession to any rate making principle, cost of service determination, or legal principle embodied or arguably embodied in this Partial Electric Stipulation. While the Settling Parties have not agreed on a specific derivation of the stipulated revenue increases due to the unspecified adjustments shown in Exhibits A, B, and C, the Settling Parties agree that the Partial Electric Stipulation as a whole and subject to the resolution of the Contested Electric Issues provides NorthWestern a reasonable opportunity to recover its prudently incurred costs for electric transmission, distribution, and generation based on the evidence in this docket. Further, while the Settling Parties have not agreed to a specific methodology for electric class cost of service studies, the Settling Parties agree that the stipulated revenue allocations are just and reasonable based on the class cost of service studies and rate increase moderation proposals presented by the Settling Parties in this docket.
27. The Settling Parties agree, without objection, to the admission into the evidentiary record of their respective witnesses' pre-filed testimony and

exhibits regarding the Settled Electric Issues to support the reasonableness of the Partial Electric Stipulation and shall refrain from cross-examining the witnesses of the other Settling Parties on any of the Settled Electric Issues.

28. The various provisions of this Partial Electric Stipulation are inseparable from the whole of the agreement between the Settling Parties. The reasonableness of the proposed settlement set forth in this Stipulation is dependent upon its adoption, in its entirety, by the Commission. If the Commission decides not to adopt the proposed settlement set forth in this Partial Electric Stipulation in its entirety, then the entire Partial Electric Stipulation is void, no party to the Partial Electric Stipulation is bound by any provision of it, and it shall have no force or effect whatsoever.
29. The Stipulating Parties acknowledge that this Partial Electric Stipulation is the result of a voluntary, negotiated settlement between them pursuant to ARM 38.2.3001, and agree that this Partial Electric Stipulation, inclusive of the compromises and settlements contained herein, is in the public interest.
30. This Partial Electric Stipulation may be executed electronically and in one or more counterparts and each counterpart shall have the same force and effect as an original document, fully executed by the Settling Parties. Any signature page of this Partial Electric Stipulation may be detached from any counterpart of this Partial Electric Stipulation without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Partial Electric Stipulation identical in form hereto but having attached to it one or more signature page(s).

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the Settling Parties hereto have executed this Stipulation on the 14<sup>th</sup> day of April 2025.

BY:

/s/ Jason Brown  
Jason Brown  
Montana Consumer Counsel

/s/ Crystal D. Lail  
Crystal D. Lail  
NorthWestern Energy

/s/ Thorvald A. Nelson  
Thorvald A. Nelson  
Montana Large Customer Group

/s/ Michael A. Rivera  
Michael A. Rivera, Capt, USAF  
Federal Executive Agencies

/s/ Julie A. Clark  
Julie A. Clark  
Walmart Inc.

/s/ Amy Mowry  
Amy Mowry  
Walmart Inc.



NorthWestern Energy  
Docket No. 2024.05.053

	Electric Utility Partial Stipulation Revenue Requirement							
	Base Rates			Property Tax Tracker				Total Excluding PCCAM and YCGS
	T&D	Total Generation (Excl YCGS)	Total	T&D	Total Generation (Excl YCGS)	Total		
2023 Test Year Revenues, as filed:								
Rate Schedule Revenues	\$ 282,430,172	\$ 234,351,822	\$ 516,781,994	\$ 80,964,753	\$ 24,809,077	\$ 105,773,830	\$ 622,555,824	
Sales for Resale	\$ 51,803	\$ -	\$ 51,803	\$ -	\$ -	\$ -	\$ 51,803	
Transmission	\$ 64,336,977	\$ 3,303,730	\$ 67,640,707	\$ 15,889,792	\$ 551,615	\$ 16,441,408	\$ 84,082,115	
Miscellaneous Revenues	\$ 4,307,876	\$ -	\$ 4,307,876	\$ -	\$ -	\$ -	\$ 4,307,876	
Total Test Year Revenues	\$ 351,126,827	\$ 237,655,552	\$ 588,782,380	\$ 96,854,546	\$ 25,360,692	\$ 122,215,238	\$ 710,997,617	
NWE Rebuttal Increase	\$ 97,579,794	\$ 10,142,904	\$ 107,722,698	\$ (3,613,731)	\$ (1,606,125)	\$ (5,219,856)	\$ 102,502,842	
Settlement Revenue Adjustments:								
Depreciation Accrual (net of rate base)	\$ (5,871,918)	\$ (1,779,551)	\$ (7,651,468)			\$ -	\$ (7,651,468)	
Reduce ROE to 9.65% (excluding CU4)	\$ (14,263,832)	\$ (7,718,545)	\$ (21,982,377)			\$ -	\$ (21,982,377)	
FERC Revenue Credits	\$ (2,800,000)	\$ (200,000)	\$ (3,000,000)			\$ -	\$ (3,000,000)	
Unspecified Reduction	\$ (800,000)		\$ (800,000)			\$ -	\$ (800,000)	
Establish Wildfire Mitigation Balancing Account - Deferred Costs <sup>1</sup>	\$ (7,839,574)		\$ (7,839,574)			\$ -	\$ (7,839,574)	
Stipulated Revenue Increase w/NWE YCGS Adj	\$ 66,004,470	\$ 444,809	\$ 66,449,279	\$ (3,613,731)	\$ (1,606,125)	\$ (5,219,856)	\$ 61,229,423	

<sup>1</sup> Proposal establishes a wildfire balancing account, removing the amortization of the deferred wildfire costs from the base revenue requirement. Amortization of the deferred costs will be included in the wildfire management balancing account, revising the proposed amortization from 2 years to 4 years.

NorthWestern Rebuttal Case on Contested Issues						Stipulation + NWE Rebuttal	
NWE YCGS Adjustments			PCCAM Base			Total Increase Excluding PCCAM	Total Increase Including PCCAM and YCGS
Base Rates	Property Tax Tracker	Total YCGS	Total PCCAM (Excl DSM)	Total PCCAM and YCGS			
\$ -	\$ -	\$ -	\$ 213,529,448	\$ 213,529,448			
\$ -	\$ -	\$ -	\$ 190,254,049	\$ 190,254,049			
\$ -	\$ -	\$ -	\$ -	\$ -			
\$ -	\$ -	\$ -	\$ -	\$ -			
\$ -	\$ -	\$ -	\$ 403,783,497	\$ 403,783,497			
\$ 46,088,679	\$ 3,976,951	\$ 50,065,630	\$ (94,522,047)	\$ (44,456,417)	\$ 152,568,472	\$ 58,046,425	
\$ -		\$ -		\$ -			
\$ (2,159,211)		\$ (2,159,211)		\$ (2,159,211)			
\$ -		\$ -		\$ -			
		\$ -		\$ -			
\$ 43,929,468	\$ 3,976,951	\$ 47,906,419	\$ (94,522,047)	\$ (46,615,628)	\$ 109,135,842	\$ 14,613,795	

NorthWestern Energy  
Docket No. 2024.05.053

	Electric Utility Partial Stipulation Revenue Requirement								NWE Rebuttal with LCG Case on Contested Issues						Stipulation + LCG Case				
	Base Rates			Property Tax Tracker					YCGS Adjustments <sup>3</sup>			PCCAM Base							
	Total Generation (Excl YCGS)			Total Generation (Excl YCGS)			Total Excluding PCCAM and YCGS					Total PCCAM (Excl DSM)		Total PCCAM and YCGS		Total Increase Excluding PCCAM		Total Increase Including PCCAM and YCGS	
	T&D			T&D					Base Rates	Property Tax Tracker	Total YCGS								
2023 Test Year Revenues, as filed:																			
Rate Schedule Revenues	\$ 282,430,172	\$ 234,351,822	\$ 516,781,994	\$ 80,964,753	\$ 24,809,077	\$ 105,773,830	\$ 622,555,824	\$ -	\$ -	\$ -	\$ -	\$ 213,529,448	\$ 213,529,448						
Sales for Resale	\$ 51,803	\$ -	\$ 51,803	\$ -	\$ -	\$ -	\$ 51,803	\$ -	\$ -	\$ -	\$ -	\$ 190,254,049	\$ 190,254,049						
Transmission	\$ 64,336,977	\$ 3,303,730	\$ 67,640,707	\$ 15,889,792	\$ 551,615	\$ 16,441,408	\$ 84,082,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Miscellaneous Revenues	\$ 4,307,876	\$ -	\$ 4,307,876	\$ -	\$ -	\$ -	\$ 4,307,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Total Test Year Revenues	\$ 351,126,827	\$ 237,655,552	\$ 588,782,380	\$ 96,854,546	\$ 25,360,692	\$ 122,215,238	\$ 710,997,617	\$ -	\$ -	\$ -	\$ -	\$ 403,783,497	\$ 403,783,497						
NWE Rebuttal Increase	\$ 97,579,794	\$ 10,142,904	\$ 107,722,698	\$ (3,613,731)	\$ (1,606,125)	\$ (5,219,856)	\$ 102,502,842	\$ 46,088,679	\$ 3,976,951	\$ 50,065,630	\$ (94,522,047)	\$ (44,456,417)	\$ 152,568,472	\$ 58,046,425					
Settlement Revenue Adjustments:																			
Depreciation Accrual (net of rate base)	\$ (5,871,918)	\$ (1,779,551)	\$ (7,651,468)			\$ -	\$ (7,651,468)	\$ -		\$ -		\$ -							
Reduce ROE to 9.65% (excluding CU4)	\$ (14,263,832)	\$ (7,718,545)	\$ (21,982,377)			\$ -	\$ (21,982,377)	\$ (2,159,211)		\$ (2,159,211)		\$ (2,159,211)							
FERC Revenue Credits	\$ (2,800,000)	\$ (200,000)	\$ (3,000,000)			\$ -	\$ (3,000,000)	\$ -		\$ -		\$ -							
Unspecified Reduction	\$ (800,000)		\$ (800,000)			\$ -	\$ (800,000)												
Establish Wildfire Mitigation Balancing Account - Deferred Costs <sup>1</sup>	\$ (7,839,574)		\$ (7,839,574)			\$ -	\$ (7,839,574)			\$ -		\$ -							
LCG YCGS Adjustment <sup>2</sup>								\$ (867,750)		\$ (867,750)									
Stipulated Revenue Increase w/LCG YCGS Adj	\$ 66,004,470	\$ 444,809	\$ 66,449,279	\$ (3,613,731)	\$ (1,606,125)	\$ (5,219,856)	\$ 61,229,423	\$ 43,061,718	\$ 3,976,951	\$ 47,038,669	\$ (94,522,047)	\$ (47,483,378)	\$ 108,268,092	\$ 13,746,045					

<sup>1</sup> Proposal establishes a wildfire balancing account, removing the amortization of the deferred wildfire costs from the base revenue requirement. Amortization of the deferred costs will be included in the wildfire management balancing account, revising the proposed amortization from 2 years to 4 years.

<sup>2</sup> LCG adjusts YCGS accumulated depreciation to match the depreciation expense in NWE's rebuttal and the ADIT adjustment to match the DIT related to accelerated depreciation in NWE's rebuttal at stipulated ROR.

<sup>3</sup> The MCC and LCG adjustments regarding YCGS are different but the value of those adjustments is not simply additive if the Commission elects to adopt both. If the Commission adopts the lower YCGS rate base recommended by the MCC that would reduce the impact of the LCG adjustment somewhat.

NorthWestern Energy  
Docket No. 2024.05.053

Electric Utility Partial Stipulation Revenue Requirement								
Base Rates			Property Tax Tracker			Total Excluding PCCAM and YCGS		
Total Generation (Excl YCGS)			Total Generation (Excl YCGS)			Total Excluding PCCAM and YCGS		
T&D		Total	T&D		Total			
2023 Test Year Revenues, as filed:								
Rate Schedule Revenues	\$ 282,430,172	\$ 234,351,822	\$ 516,781,994	\$ 80,964,753	\$ 24,809,077	\$ 105,773,830	\$ 622,555,824	
Sales for Resale	\$ 51,803	\$ -	\$ 51,803	\$ -	\$ -	\$ -	\$ 51,803	
Transmission	\$ 64,336,977	\$ 3,303,730	\$ 67,640,707	\$ 15,889,792	\$ 551,615	\$ 16,441,408	\$ 84,082,115	
Miscellaneous Revenues	\$ 4,307,876	\$ -	\$ 4,307,876	\$ -	\$ -	\$ -	\$ 4,307,876	
Total Test Year Revenues	\$ 351,126,827	\$ 237,655,552	\$ 588,782,380	\$ 96,854,546	\$ 25,360,692	\$ 122,215,238	\$ 710,997,617	
NWE Rebuttal Increase	\$ 97,579,794	\$ 10,142,904	\$ 107,722,698	\$ (3,613,731)	\$ (1,606,125)	\$ (5,219,856)	\$ 102,502,842	
Settlement Revenue Adjustments:								
Depreciation Accrual (net of rate base)	\$ (5,871,918)	\$ (1,779,551)	\$ (7,651,468)			\$ -	\$ (7,651,468)	
Reduce ROE to 9.65% (excluding CU4)	\$ (14,263,832)	\$ (7,718,545)	\$ (21,982,377)			\$ -	\$ (21,982,377)	
FERC Revenue Credits	\$ (2,800,000)	\$ (200,000)	\$ (3,000,000)			\$ -	\$ (3,000,000)	
Unspecified Reduction	\$ (800,000)	\$ -	\$ (800,000)			\$ -	\$ (800,000)	
Establish Wildfire Mitigation Balancing Account -								
Deferred Costs <sup>1</sup>	\$ (7,839,574)	\$ -	\$ (7,839,574)			\$ -	\$ (7,839,574)	
MCC YCGS & PCCAM Adjustments <sup>2</sup>								
Stipulated Revenue Increase w/MCC Adj	\$ 66,004,470	\$ 444,809	\$ 66,449,279	\$ (3,613,731)	\$ (1,606,125)	\$ (5,219,856)	\$ 61,229,423	

<sup>1</sup> Proposal establishes a wildfire balancing account, removing the amortization of the deferred wildfire costs from the base revenue requirement. Amortization of the deferred costs will be included in the wildfire management balancing account, revising the proposed amortization from 2 years to 4 years.

<sup>2</sup> MCC adjusts YCGS costs to reflect partial disallowance due to cost overruns recalculated at the Stipulation ROR. MCC also adjusts PCCAM base to remove capacity scarcity premium.

<sup>3</sup> The MCC and LCG adjustments regarding YCGS are different but the value of those adjustments is not simply additive if the Commission elects to adopt both. If the Commission adopts the lower YCGS rate base recommended by the MCC that would reduce the impact of the LCG adjustment somewhat.

NWE Rebuttal with MCC Case on Contested Issues						Stipulation + MCC Case	
YCGS Adjustments <sup>3</sup>			PCCAM Base				Total Increase
Base Rates	Property Tax Tracker	Total YCGS	Total PCCAM (Excl DSM)	Total PCCAM and YCGS		Total Increase Excluding PCCAM	Including PCCAM and YCGS
\$ -	\$ -	\$ -	\$ 213,529,448	\$ 213,529,448			
\$ -	\$ -	\$ -	\$ 190,254,049	\$ 190,254,049			
\$ -	\$ -	\$ -	\$ -	\$ -			
\$ -	\$ -	\$ -	\$ -	\$ -			
\$ -	\$ -	\$ -	\$ 403,783,497	\$ 403,783,497			
\$ 46,088,679	\$ 3,976,951	\$ 50,065,630	\$ (94,522,047)	\$ (44,456,417)	\$ 152,568,472	\$ 58,046,425	
\$ -		\$ -		\$ -			
\$ (2,159,211)		\$ (2,159,211)		\$ (2,159,211)			
\$ -		\$ -		\$ -			
		\$ -		\$ -			
\$ (11,643,074)	\$ (563,376)	\$ (12,206,450)	\$ (38,400,000)	\$ (50,606,450)			
\$ 32,286,394	\$ 3,413,575	\$ 35,699,969	\$ (132,922,047)	\$ (97,222,078)	\$ 96,929,392	\$ (35,992,655)	

## Stipulation Revenue Allocation with NorthWestern Rebuttal on Contested Issues

Schedules	Total Base Revenues at Current Rates \$	Total Base Revenues at Proposed Rates \$	Base Revenue Increase \$	Total PCCAM Revenues at Current Rates \$	PCCAM Revenue Decrease \$	Revenue Increase \$	Revenue Increase %
Residential	293,366,699	352,479,937	59,113,238	95,354,435	(42,165,557)	16,947,681	4.4%
GS-1 Secondary	259,637,430	296,895,401	37,257,971	92,757,211	(41,014,512)	(3,756,541)	-1.1%
GS-1 Primary	21,765,838	26,771,981	5,006,143	10,355,943	(4,615,589)	390,554	1.2%
GS-2 Substation	17,890,986	21,165,037	3,274,051	6,939,802	(3,107,465)	166,586	0.7%
GS-2 Transmission	6,099,830	6,507,909	408,079	4,011,803	(1,801,489)	(1,393,410)	-13.8%
Irrigation	9,540,464	11,849,256	2,308,792	3,139,541	(1,388,213)	920,579	7.3%
Lighting	14,254,578	16,022,146	1,767,568	970,713	(429,221)	1,338,347	8.8%
<b>Total</b>	<b>622,555,824</b>	<b>731,691,666</b>	<b>109,135,842</b>	<b>213,529,448</b>	<b>(94,522,046)</b>	<b>14,613,796</b>	<b>1.7%</b>

## Stipulation Revenue Allocation with LCG Adjustment to NWE Rebuttal on Contested Issues

Schedules	Total Base Revenues at Current Rates \$	Total Base Revenues at Proposed Rates \$	Base Revenue Increase \$	Total PCCAM Revenues at Current Rates \$	PCCAM Revenue Decrease \$	Revenue Increase \$	Revenue Increase %
Residential	293,366,699	352,071,027	58,704,329	95,354,435	(42,165,557)	16,538,772	4.3%
GS-1 Secondary	259,637,430	296,533,505	36,896,075	92,757,211	(41,014,512)	(4,118,437)	-1.2%
GS-1 Primary	21,765,838	26,741,642	4,975,805	10,355,943	(4,615,589)	360,216	1.1%
GS-2 Substation	17,890,986	21,140,100	3,249,114	6,939,802	(3,107,465)	141,649	0.6%
GS-2 Transmission	6,099,830	6,499,407	399,577	4,011,803	(1,801,489)	(1,401,912)	-13.9%
Irrigation	9,540,464	11,835,958	2,295,494	3,139,541	(1,388,213)	907,281	7.2%
Lighting	14,254,578	16,002,277	1,747,699	970,713	(429,221)	1,318,478	8.7%
<b>Total</b>	<b>622,555,824</b>	<b>730,823,916</b>	<b>108,268,092</b>	<b>213,529,448</b>	<b>(94,522,046)</b>	<b>13,746,046</b>	<b>1.6%</b>

## Stipulation Revenue Allocation with MCC Adjustment to NWE Rebuttal on Contested Issues

Schedules	Total Base Revenues at Current Rates \$	Total Base Revenues at Proposed Rates \$	Base Revenue Increase \$	Total PCCAM Revenues at Current Rates \$	PCCAM Revenue Decrease \$	Revenue Increase \$	Revenue Increase %
Residential	293,366,699	340,273,487	46,906,788	95,354,435	(59,324,672)	(12,417,884)	-3.2%
GS-1 Secondary	259,637,430	296,895,401	37,257,971	92,757,211	(57,712,904)	(20,454,933)	-5.8%
GS-1 Primary	21,765,838	26,771,981	5,006,143	10,355,943	(6,468,180)	(1,462,037)	-4.6%
GS-2 Substation	17,890,986	21,165,037	3,274,051	6,939,802	(4,344,185)	(1,070,134)	-4.3%
GS-2 Transmission	6,099,830	6,507,909	408,079	4,011,803	(2,514,734)	(2,106,655)	-20.8%
Irrigation	9,540,464	11,849,256	2,308,792	3,139,541	(1,953,401)	355,391	2.8%
Lighting	14,254,578	16,022,146	1,767,568	970,713	(603,971)	1,163,597	7.6%
<b>Total</b>	<b>622,555,824</b>	<b>719,485,216</b>	<b>96,929,392</b>	<b>213,529,448</b>	<b>(132,922,047)</b>	<b>(35,992,655)</b>	<b>-4.3%</b>

## ELECTRIC TARIFF



Original  
Canceling

Revised  
Revised

Sheet No. 87.1  
Sheet No. 87.1

Schedule No. WMBA-1

WILDFIRE MITIGATION BALANCING ACCOUNT1. Applicability:

Applicable to bills for electric service provided under Utility's rate schedules. This Wildfire Mitigation Balancing Account ("WMBA") specifies the procedure utilized to recover the costs associated with Utility's Wildfire Mitigation activities which include the execution of its Wildfire Mitigation Plan and costs related to wildfire insurance.

2. Wildfire Mitigation Balancing Account:

- A. The WMBA rates will be calculated using the actual expenses incurred in the prior year, along with the forecasted kWh and kW sales, to determine a incremental cost to be recovered and the associated rates for that recovery through this tariff. The base amount of wildfire mitigation expenses and wildfire insurance shall be set in a rate review.
- B. Utility shall adjust the incremental costs on an annual basis to reflect Utility's costs incurred and the balance of collection for each class for the prior year to be recovered under this tariff. The annual filing shall include the following regarding the Wildfire Mitigation Balancing Account: (1) updated incremental annual expenses incurred during the prior year, (2) the proposed revised WMBA rates; and (3) resulting customer bill impacts from the proposed rate changes.

3. Time and Manner of Filing:

Utility shall file annual updates as provided for in this tariff no later than April 1 for interim rates effective May 1 each year. No later than 15 days prior to the effective date, Utility will submit a tariff letter for WMBA rates to be effective.

Schedule No. WMBA-1

WILDFIRE MITIGATION BALANCING ACCOUNT

4. Wildfire Mitigation Balancing Account Rates Share:

The following percentage shares will be used to calculate the WMBA rates for the customer class.

	Share of WMBA
Residential	48.173%
GS-1 Secondary	40.577%
GS-1 Primary	3.504%
GS-1 Primary Choice	0.155%
GS-2 Substation	2.004%
GS-2 Substation Choice	0.889%
GS-2 Transmission	0.874%
GS-2 Transmission Choice	0.015%
Irrigation	1.619%
Lighting	2.190%

5. Rates by class:

	Rate
Residential	XXX/kWh
GS-1 Secondary	XXX/kWh
GS-1 Primary	XXX/kW
GS-1 Primary Choice	XXX/kW
GS-2 Substation	XXX/kW
GS-2 Substation Choice	XXX/kW
GS-2 Transmission	XXX/kW
GS-2 Transmission Choice	XXX/kW
Irrigation	XXX/kWh
	Fixed charge / fixture
Lighting	XXX