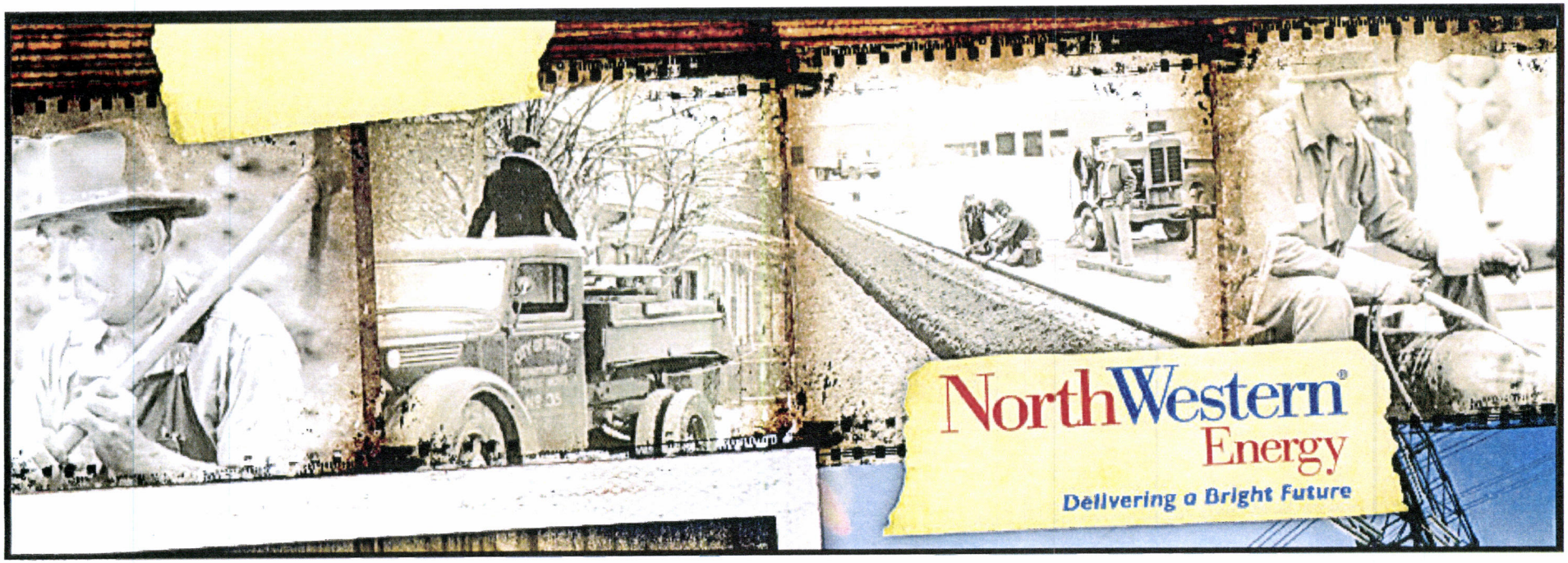


Select slides for MPSC slide deck

CELEBRATING
OUR FIRST CENTURY
1912 - 2012
BUILDING
FOR OUR SECOND

Submitted by:
NorthWestern Energy
208 N. Montana Ave., Suite 205
Helena, MT 59601
(406) 443-8963

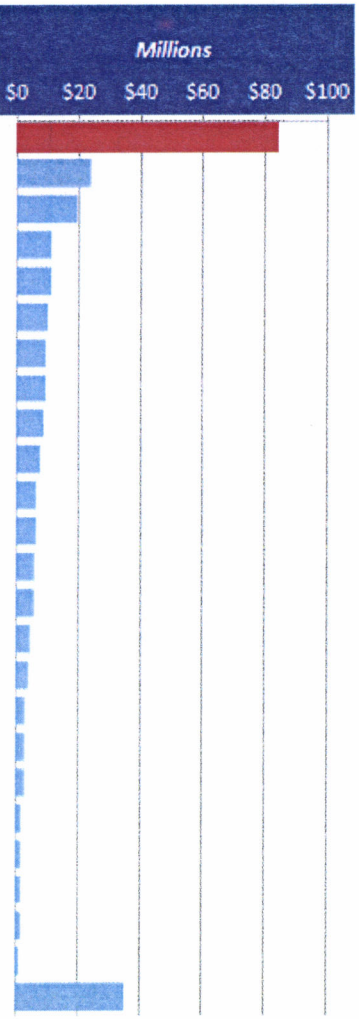
SENATE TAXATION
EXHIBIT NO. 10
DATE 2-13-2013
BILL NO. 307

Senate Tax

Bill No. SB 307
Date: 2 / 20 /2013

Dept. of Revenue estimated taxes for 2012

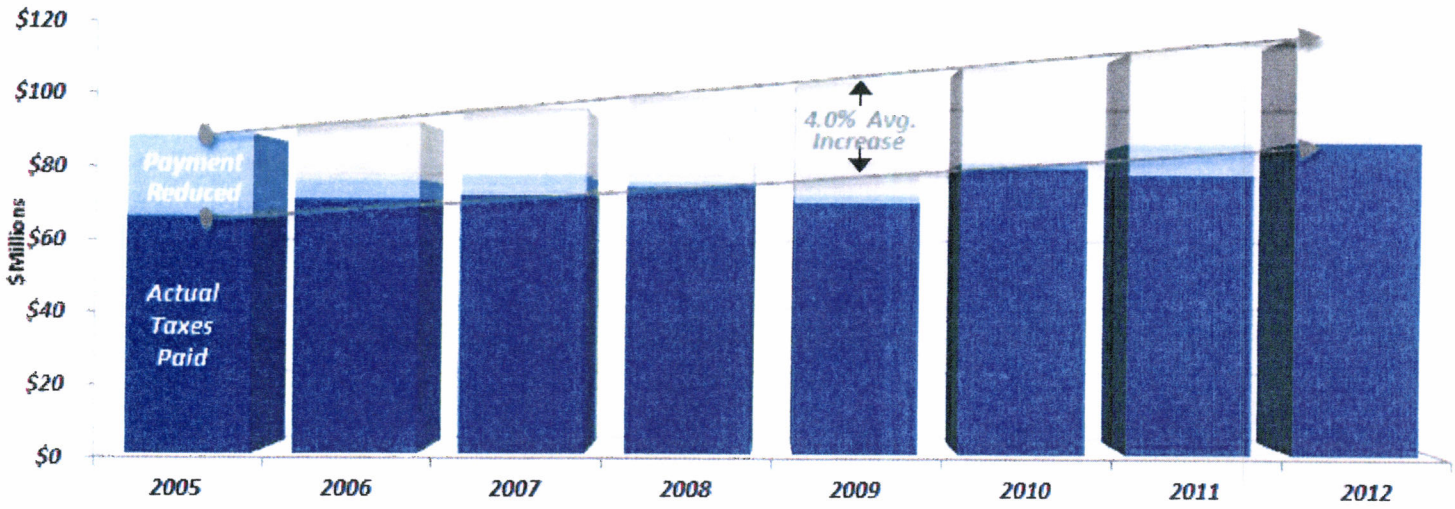
Rank	Company Name	2012 Estimated Taxes	% of Total
1	**NORTHWESTERN ENERGY**	**84,253,545**	**29%**
2	BNSF RAILWAY COMPANY	24,271,170	8%
3	PPL MONTANA LLC	19,620,380	7%
4	QWEST CORPORATION	11,926,865	4%
5	BRESNAN COMMUNICATIONS LLC	11,654,579	4%
6	VERIZON WIRELESS	10,471,532	4%
7	PUGET SOUND ENERGY INC	10,205,440	3%
8	NORTHERN BORDER PIPELINE COMPANY	10,114,062	3%
9	EXPRESS PIPELINE LLC	9,607,573	3%
10	WILLISTON BASIN INTERST PIPELINE CO	7,923,730	3%
11	AVISTA CORPORATION	7,023,829	2%
12	MONTANA RAIL LINK	6,843,355	2%
13	MONTANA DAKOTA UTILITIES	6,708,979	2%
14	BISON PIPELINE LLC	6,601,674	2%
15	PORTLAND GENERAL ELECTRIC COMPANY	5,145,600	2%
16	FLATHEAD ELECTRIC COOP INC	4,652,740	2%
17	PACIFICORP	3,434,079	1%
18	FRONT RANGE PIPELINE LLC	3,394,368	1%
19	CONOCO-PHILLIPS PIPE LINE COMPANY	3,277,826	1%
20	AT&T MOBILITY LLC	2,505,571	1%
21	BRIDGER PIPELINE LLC	2,391,052	1%
22	NATURENER GLACIER WIND ENERGY LLC	2,146,226	1%
23	CENEX PIPELINE LLC	2,132,978	1%
24	CENTURYTEL OF MONTANA INC	1,989,351	1%
25-129	ALL OTHER CENTRALLY ASSESSED TAX PAYERS (less than $1.8M individually)	35,304,095	12%
	Total Centrally Assessed Montana Company 2012 Property Taxes	**293,600,599**	**100%**



Department of Revenues early estimate was $84.3 million for NorthWestern as compared to actual property tax bills totaling $87.9 million.

NorthWestern Energy
Delivering a Bright Future

Dept. of Revenue estimated taxes for 2012



($Millions)	Appealed							
	2005	2006	2007	2008	2009	2010	2011	2012
Montana Dept. of Revenue Market Value for NorthWestern Energy								
Original Market Value	$1,526.3	$1,295.5	$1,317.9	$1,258.0	$1,203.0	$1,373.9	$1,477.1	$1,479.8
Final Market Value	$1,139.1	$1,202.2	$1,307.9	$1,235.0	$1,165.0	$1,352.7	$1,330.2	$1,479.8
Decrease in Taxable Market Value	($387.2)	($93.2)	($10.1)	($23.0)	($38.0)	($21.2)	($146.8)	$0.0
Effective Actual Property Tax Rate [1]	*5.9%*	*5.9%*	*5.6%*	*6.1%*	*6.1%*	*5.9%*	*5.9%*	*5.9%*
Property Tax Payments								
Estimated Taxes on Original Value [2]	$89.5	$77.0	$78.1	$76.5	$73.1	$81.7	$87.4	$87.9
Total Actual Property Taxes [3]	$66.8	$71.4	$72.8	$75.1	$70.7	$80.4	$78.7	$87.9
Estimated Decrease in Taxes	($22.7)	($5.5)	($5.3)	($1.4)	($2.3)	($1.3)	($8.7)	$0.0
Estimated Percentage reduction	*-25%*	*-7%*	*-7%*	*-2%*	*-3%*	*-2%*	*-10%*	*0%*

Note: During the Informal Review process, NorthWestern identifies issues that it feels require changes or further review by the Montana Department of Revenue. Subsequent to the Informal Review, the MT DOR independently calculates the Final Assessed Value.

[1] *Effective Actual Property Tax Rate = Total Actual Property Taxes divided by Final Market Value*

[2] *Estimated Taxes on Original Market Value = Original Market Value multiplied by the Effective Actual Property Tax Rate*

[3] *2007 Actual tax payment is reduced for a $4.7M property tax settlement payment received.*

Dark blue bar represents actual taxes paid.
($604 M over 8 Yrs)

Light blue bar represents reduced tax expense through appeal and the formal / informal review process.
($47 M over 8 Yrs)

The transparent grey section represents the estimated reduction in payments because the Original Market Value was negotiated down in 2005.
($174 M over 8 Yrs)

NorthWestern Energy
Delivering a Bright Future