

NorthWestern[™] Energy

October 20, 2008

VIA EMAIL

Ms. Michelle Manary – PFE-6
The Bonneville Power Administration
P.O. Box 3621
Portland OR 97208-3621

Re: NorthWestern Energy's (NWE) Appendix 1 Filing based on 2007 Data

Dear Ms. Manary:

As addressed in last week's Average System Cost (ASC) Workshop, attached is the supporting documentation related to the Appendix 1 Filing NWE submitted on October 15th based on 2007 FERC Form 1 data and applicable for Bonneville Power Administration Fiscal Years 2009 and 2010. This documentation supports the Appendix 1 Filing, including additional detail demonstrating the functionalization of Direct Analysis accounts, the separation of transmission and distribution lines, and the distribution loss factor.

Documents filed electronically include the utility-specific ASC Forecast Model, supporting workpapers, the Attestation, an index and load forecast data. Hard copies of the October 15th transmittal letter, this transmittal letter, the Attestation, a copy of Schedule 4 of Appendix 1 and the ASC worksheet from the ASC Forecast Model will be sent by regular mail.

Sincerely,



Cheryl Hansen
Senior Regulatory Analyst