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April 1, 2005

BY MESSENGER

Jonathan G. Katz
Secretary
Securities & Exchange Commission
Room 6500
450 5th Street, N.W.
Washington, D.C. 20549

Re: *Allegheny Energy Inc., File Nos. 70-10251, et al.*

Dear Mr. Katz:

Enclosed please find Harbert Distressed Investment Master Fund Ltd.'s Reply Comments and Regarding Amendment No. 3 to Form U-1 and Declaration of Allegheny Energy in the referenced proceedings.

Please stamp and return the extra copies to our messenger.

Should you have any questions, please call the undersigned at (202) 662-2755.

Very truly yours,

Mark Sundback

Mark Sundback
An Attorney For Harbert Distressed
Investment Master Fund Ltd.

Enclosures

As filed with the Securities and Exchange Commission on April 1, 2005

FILE NOS. 70-10251 and 70-10100

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

REPLY COMMENTS OF

HARBERT DISTRESSED INVESTMENT

MASTER FUND, LTD.

REGARDING AMENDMENT NO. 3 TO FORM U-1

AND DECLARATION OF ALLEGHENY ENERGY

UNDER

THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

Harbert Distressed Investment Master Fund, Ltd.
c/o 555 Madison Avenue
16th Floor
New York, NY 10022

The Commission is requested to send copies of all notices, orders and communications in connection with this matter to:

Mark F. Sundback
Kenneth L. Wiseman
Gloria J. Halstead
Jennifer L. Spina
Andrews Kurth LLP
1701 Pennsylvania Avenue, N.W., Suite 300
Washington, D.C. 20006

REPLY COMMENTS OF
HARBERT DISTRESSED INVESTMENT MASTER FUND, LTD.

I.

On March 18, 2005, Allegheny Energy, Inc. ("AYE" or "Allegheny") and Allegheny Energy Supply Company LLC ("Supply") (collectively, the "Applicants") filed Amendment No. 3 to their Declaration/Application ("March 18 Filing") seeking a variety of authorizations from the Commission under the Public Utility Holding Company Act of 1935 (the "Act" or "PUHCA"). Harbert Distressed Investment Master Fund, Ltd. ("Harbert") hereby briefly replies to the March 18 Filing.

The Applicants seek authority to undertake a variety of financial transactions involving themselves and the operating utility subsidiaries of AYE, namely West Penn Power, Monongahela Power and Potomac Edison (the "Operating Utilities"). However, the March 18 Filing fails to even address, much less come to grips with, critical issues confronting Supply, which will further prejudice the Operating Utilities. For instance, the March 18 Filing fails to address the problem of installing $1.3 billion in new emission control equipment, never challenges Harbert's financial calculations demonstrating the complete implausibility of AYE attaining a 30% equity capitalization by year end, and completely defaults on the issue of how the Intercreditor Agreement ("ICA") could possibly comply with Section 12 of the Act. Moreover, the Applicants' contentions that reforms advocated by Harbert would be too expensive are completely devoid of factual support, and their contention that such steps are superfluous because of existing protections is demolished by the ICA itself.

II.

What is not contested in Allegheny's March 18 Filing is at least as important as the points that are contested in that pleading. To start with, the March 18 Filing never substantively

addresses the biggest challenge facing Allegheny, namely the approximately $1.3 billion (according to the Company's own estimates) that it will cost for emissions control equipment on Supply's generation plants. The March 18 Filing does not contest such costs, nor does it explain, or even mention, how it will finance such equipment. The March 18 Filing, however, does cross-reference other Allegheny materials demonstrating that Supply's exposure to emissions allowance markets will more than double from this year to next year,[1] which all other things being equal, means greater O&M expense. At the same time, the drumbeat of additional companies agreeing to undertake significant emissions control capital improvements to settle environmental claims continues: recently Dynegy (agreeing to install $545 million in equipment[2]), PPL ($600 million in additional emissions equipment),[3] Illinois Power ($500 million in new equipment)[4], and FirstEnergy ($1.1 billion in equipment plus additional costs)[5] agreed to settle. Additionally, Allegheny is now subject to an additional lawsuit related to emissions from Supply's Hatfield's Ferry Plant.[6] It is difficult to understand how Allegheny expects to be uniquely unaffected by these circumstances, especially when Allegheny offers no substantive rebuttal of this point.

Similarly unchallenged by Allegheny are the issues identified by Harbert regarding the bankruptcy code consequences of Allegheny's actions, for instance the effects of the ICA. While Allegheny's March 18 Filing, consistent with its filings throughout the period when its equity capitalization ratio was collapsing, downplays the risk of bankruptcy, it does not dispute in any

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1 *See* Attachment 1 hereto, containing excerpts of March 7-8, 2005 presentations of Allegheny.

2 *See* Attachment 2 hereto.

3 *See* Attachment 3 hereto.

4 *See* Attachment 4 hereto.

5 *See* Attachment 5 hereto.

6 February 17, 2005 Pittsburgh Post-Gazette: "Allegheny Energy Faces Suit Over Power Plant Emissions." *See* Attachment 6 hereof.

way the consequences of the ICA explained by Harbert, including giving Supply's creditors an argument that they are entitled to revenue originating at the Operating Utilities. Had such revenues not been (in Allegheny's own words) subject to "round-tripping"[7] because of the ICA, which in turn was required solely because of Supply's dire circumstances, this threat to the Operating Utilities' welfare would not exist. Allegheny has yet to come to grips with these issues and therefore, it is impossible to reach the conclusion urged by Allegheny, that "the requested authorization will not have a substantial adverse impact upon the financial integrity of Allegheny, the Operating Companies, and Mountaineer." March 18 Filing at 35.

Another area not adequately addressed in the March 18 Filing involves Harbert's showing, including citation to publicly-available third party data, that it is extremely implausible that Allegheny can achieve a 30% equity ratio by year end 2005. The face of the March 18 Filing offers not one shred of independent evidence that contradicts Harbert's showing that even a 24% equity level at year end would be a stretch for Allegheny. That conclusion is not changed by Allegheny's program to seek tenders of up to $300 million in debt, in exchange for equity. The impact of the exchange upon the equity capitalization ratio, even if fully successful, would produce a change of only a few percentage points, without taking into account the impacts of air quality issues. This result illustrates the magnitude of Allegheny's debt burden. Moreover, this conversion program involves the expenditure of $160 for each $1000 of debt, or $48 million of additional cash if the entire $300 million debt offering were to be retired. As explained in Harbert's February 18 Comments, AYE must meet $300 million in debt maturing in the summer of 2005.[8] The cash Allegheny is using to buy back debt due in *2008* is needed more

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7 *See* March 18 Filing, Exh. H-5 at 13.

8 Harbert's February 18, 2005 filing at p. 22.

immediately to ensure payment of the $300 million debt due in *August 2005*. Nothing in Allegheny's March 18, 2005 filing dispels the conclusion that Allegheny faces a serious challenge in paying the debt due summer 2005 from available cash.

Allegheny's pleading argues that misgivings regarding credit extensions are misguided,[9] and completely ignores the critical issue that its requested authorization poses under Section 12 of the Act. Section 12 of the Act makes it "unlawful for any registered holding company . . . directly or indirectly, to borrow, or to receive any extension of credit or indemnity from any public-utility company in the same holding-company system or from any subsidiary company of such holding company." Section 12(a), 15 U.S.C. § 791 (2004). But that is just what Allegheny describes as the effect of the ICA. The discussion in Exh. H-5, at 12-13, demonstrates that not only does Allegheny loan money or otherwise extend credit to Supply under the ICA, but further that some form of indemnification exists, because according to Allegheny, the recipient "immediately returns the funds to Allegheny . . . . [T]he last step would be for Allegheny to return the funds immediately to the originating subsidiary." Id. AYE represents that it must observe the "requirement that any dividends received from any of the Operating Companies in connection with obligations under the Intercreditor Agreement will be returned immediately to the company from which they originated." *Id.* Thus, the ICA is wholly incompatible with Section 12(a), because under the ICA, AYE borrows, and receives an extension of credit, from one of its subsidiaries (because the proceeds must flow through AYE, on their way to Supply to

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[9] March 18 Filing, Exh. H-5 at p. 11.

satisfy the ICA), and then are, according to Allegheny, returned to their source, pursuant to various pledges. [10]

Moreover, the Commission under Section 12(b) of the Act also can find the ICA unlawful because it causes the lending of funds raised at the AYE level to Supply. Allegheny's March 18 Filing requests authority for AYE "to enter into guarantees, obtain letters of credit, . . . or otherwise provide credit support . . . with respect to the obligations of their direct and indirect subsidiaries . . . ." March 18 Filing at p. 5. *See* Section 12(b), 15 U.S.C. § 79 l(b) (2004). By the same token, the Commission can under Section 12(c) find the ICA unlawful because it involves AYE causing its Operating Utilities to declare dividends, which in the event of a Supply bankruptcy could destroy the "financial integrity" and capture "the working capital of public-utility companies" within the system. The Applicants have completely failed to address this issue. Consequently there are multiple bases (all ignored by the March 18 Filing) for determining the ICA unlawful and for instituting ring-fencing protections.

III.

On several topics that *are* more fully addressed in Allegheny's March 18 Filing, Allegheny does not challenge the critical showings laid out in Harbert's February 18, 2005 comments. For instance, Allegheny discusses the ICA, but does not demonstrate that Harbert's identification of negative consequences arising from the ICA were incorrect, nor does it explain why earlier filings before the Commission failed to fully and fairly describe the impact of the ICA.

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[10] *See also* March 18 Filing at p.5: Allegheny seeks authorization, *inter alia*, for "Applicants and the Utility Applicants to enter into guarantees, . . . extend credit . . . or otherwise provide credit support . . . with respect to the obligations of their direct or indirect subsidiaries . . . ."

Other points offered in the March 18 Filing are curious or incorrect. Allegheny's contention that a prime goal under the Act is to maximize integration of holding company subsidiaries[11] is at odds with its own acknowledgement that the law was " 'designed to protect public utility companies against the tribute heretofore exacted from them . . . by their holding companies and by servicing . . . companies controlled by their holding companies'." March 18 Filing at 26-27. Indeed, a claim that enforcement of other provisions of the Act is trumped if they would disrupt integration of a single public utility system "finds no support in the Act." *Niagara Hudson Power Corporation, et al.*, 16 S.E.C. 139, 165, 1944 SEC LEXIS 1063.

The March 18 Filing claims to seek only re-affirmation of authority previously sought from the Commission in order to eliminate "a layer of technical complexity to this authority . . . ." (March 18 Filing, Exh. H-5 at 5). Nonetheless Allegheny's latest filing seeks (i) an increased ceiling on the dividends that may be paid out of capital and unearned surplus, from $2 billion to $2.57 billion, and (ii) seeks to expand the authority to pay such dividends from the "Utility Applicants." *See* March 18 Filing at p. 5 (item designated "(6)"). The March 18 Filing further contends that payment of dividends by the Operating Utilities, used to support debt issuances by Supply, in no way "has adversely affected any of the Operating Companies" (Exhibit H-5 at 4) and that any harm to the Operating Utilities is just the result of "matters of business judgment, not . . . harm the Act was intended to prevent." Exh. H-5 at 11. However, even a cursory review of Allegheny's March 18 Filing demolishes those contentions. The letter from Lazard to Allegheny ("one of Lazard's most important corporate relationships") (Attachment 2 to Exh. H-5) expressly admits (at 2) that the Operating Utilities' credit ratings deterioration was linked to the holding company's problems. Similarly, the Standard & Poor's

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[11] Exh. H-5 at 16.

Research note attached as part of the March 18 Filing expressly links the rating of Supply and AYE to the fact that the "[r]egulated subsidiaries generate stable case flow" and link future capability to pay down debt, incurred on behalf of Supply, to "positive outcomes from rate filings." Exh. H-5, Attachment 1 at 1, 2. Thus, the Operating Utilities have been harmed by activities of Supply and AYE, and Supply and AYE for additional relief look to rate matters initiated by the Operating Utilities – as Harbert had indicated in its February 18 Comments.

Moreover, as Harbert's February 18 Comments suggested, the prime beneficiaries of the actions trumpeted in Allegheny's filing are not the Operating Utilities, but Supply. Supply, not the Operating Utilities, has had its credit rating raised. *See* March 18 Filing at 8. The goal of the Act is not to ensure that non-jurisdictional affiliates do better than the utilities that they are leaning on, or to encourage subsidization of the non-utility subsidiaries by the Operating Utilities, although that is the consequence of Allegheny's conduct which it seeks to continue by virtue of the March 18 Filing.

Much of Allegheny's story depends upon improved operating efficiencies to which it aspires. *See* Exh. H-5 at 9. But the facts undercut these aspirations. The March 7-8, 2005 New York Investor Meetings materials referenced in the March 18 Filing demonstrate that, notwithstanding the claims of significant progress following the departure of prior management, Allegheny's actual supercritical coal plant availability *fell*, rather than rose, from 81% in 2002, to 77% in 2003, to 76% in 2004. *See* Attachment 1 hereto (p. 8 on original). Similarly, claimed reductions in O&M expenses compare apples and oranges, namely a 2003 figure that included operations that have been sold or discontinued, to a 2007 projection reflecting a smaller universe of operations post-divestiture and discontinuation. As noted above, Allegheny's presentation also shows increasing unhedged needs to acquire emissions allowances (see Attachment 1 hereto

(p. 15 of original presentation)). Consequently, facts, rather than suppositions, show that Allegheny has very substantial issues which it is anxious to obfuscate.

Allegheny also argues that any ring-fencing reform steps are unnecessary, but its arguments against reforming itself are unpersuasive. First, Allegheny complains about having to amend its charter documents (Exh. H-5 at 18), without showing that instituting many of the reforms would require amendment of its charter documents and without addressing whether regulators have full authority to direct such steps without regard to limitations the Company may have agreed to place on itself.

Second, Allegheny complains about the expense associated with reforming itself (Exh. H-5 at 17-18). Notably, Allegheny makes no effort to compare the cost of implementing any of the various reforms recommended by Harbert to the costs that otherwise could be avoided by such reforms. As just one example, the cost of a bankruptcy filing by one of the Operating Utilities would outweigh costs of implementing reforms Harbert has identified.[12] If more than one of the Operating Utilities must file for bankruptcy, because (for instance) of the ICA's "round-tripping" of revenues, the cost of the bankruptcy proceeding(s) will be multiplied (*e.g.*, $40 million in bankruptcy costs for each Operating Utility, such as West Penn, Monongahela and Potomac Edison). Allegheny offers no facts that quantify any of the alleged costs that would arise as a result of instituting the reforms requested by Harbert. In any event, concerns regarding cost did not constrain Allegheny from giving millions of dollars to a General Counsel terminated for cause after only a matter of months on the job, *see* February 18 Comments at 28.

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[12] According to fee application excerpts contained in Attachment 7 hereto, professionals' fees charged to the estate of bankrupt NorthWestern Corp., which owns far less generating capacity than Supply, have approximated $40 million to date, and additional claims be made.

Any reasoned decisionmaking on this point would have to compare the relative costs of instituting ring-fencing as opposed to bankruptcy, but Allegheny has not undertaken that effort.

Third, Allegheny points to a variety of statutes and rules which it infers provide more than enough protection without the addition of ring-fencing. *See* Exh. H-5 at 18-19. Yet, notwithstanding these "protections," Allegheny entered into the ICA in 2003 and did not adequately describe the impacts and potential consequences of that agreement on a timely basis.

Other points asserted in the March 18 Filing merit only the briefest response. Allegheny manifests substantial confusion regarding the issues in this matter, when it cites a case to argue that this Commission does not engage in wholesale power ratemaking (*see* March 18 Filing, Exh. H-5, at 19 n. 26). That proposition is wholly beside the point. The issue before the Commission is how to prevent abuse between affiliates in a holding company system. The FERC can set rates for wholesale sales,[13] but is not armed to deal with abuse in the form of financial subsidies on a comprehensive basis, in contrast to this Commission. The Act was enacted to address and remedy abusive affiliate transactions. *AES Corp.*, HCAR Nos. 35-27063, 70–9465, 1999 LEXIS SEC 1676 n.22.

Allegheny contends that no genuine issues of material fact exist, and therefore a hearing is unnecessary. Allegheny is in error. If the Commission does not implement ring-fencing protections requested by Harbert, a hearing is necessary. Material facts would include whether and how the Operating Utilities have been prejudiced by Allegheny's financing and operations, the extent of costs associated with the reforms advocated by Harbert and the costs of *not* instituting such reforms.

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[13] Recent case law states that FERC's wholesale ratemaking authority does *not* extend to the obligation to purchase power, *see Boston Edison Co., et al.*, 109 FERC ¶ 61,309 (2004), and thus half of the wholesale transaction may not be subject to FERC jurisdiction.

As to public disclosure issues, Allegheny has made no showing sufficient to justify concealment of any projections it has furnished to the Commission.[14] Nor has Allegheny shown why a protective order cannot be entered in this proceeding that would allow access to its projections. Obviously, Allegheny wants to place a heavy burden upon the Commission by submitting materials in a non-public fashion without providing the Commission with the benefit of public scrutiny. If Allegheny's aspirations do not materialize, responsibility for absence of greater scrutiny will be laid directly at the agency's doorstep.

Finally, should Allegheny's March 18 Filing be noticed for a comment period, Harbert reserves the right to supplement or modify the instant comments.

Respectfully submitted,

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Attorneys for Harbert Distressed Investment Master Fund, Ltd.

[14] Allegheny references its past behavior, in uncontested filings, of submitting confidential information, *see* March 18 Filing at n. 49, a practice hardly applicable where Allegheny's proposal is contested and its claims are directly contradicted by data furnished by commenters.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing materials has been served upon the Applicants' addresses shown on the Application by First Class, U.S. Mail, Postage Prepaid.

Mark F. Sundback

Mark F. Sundback

April 1, 2005

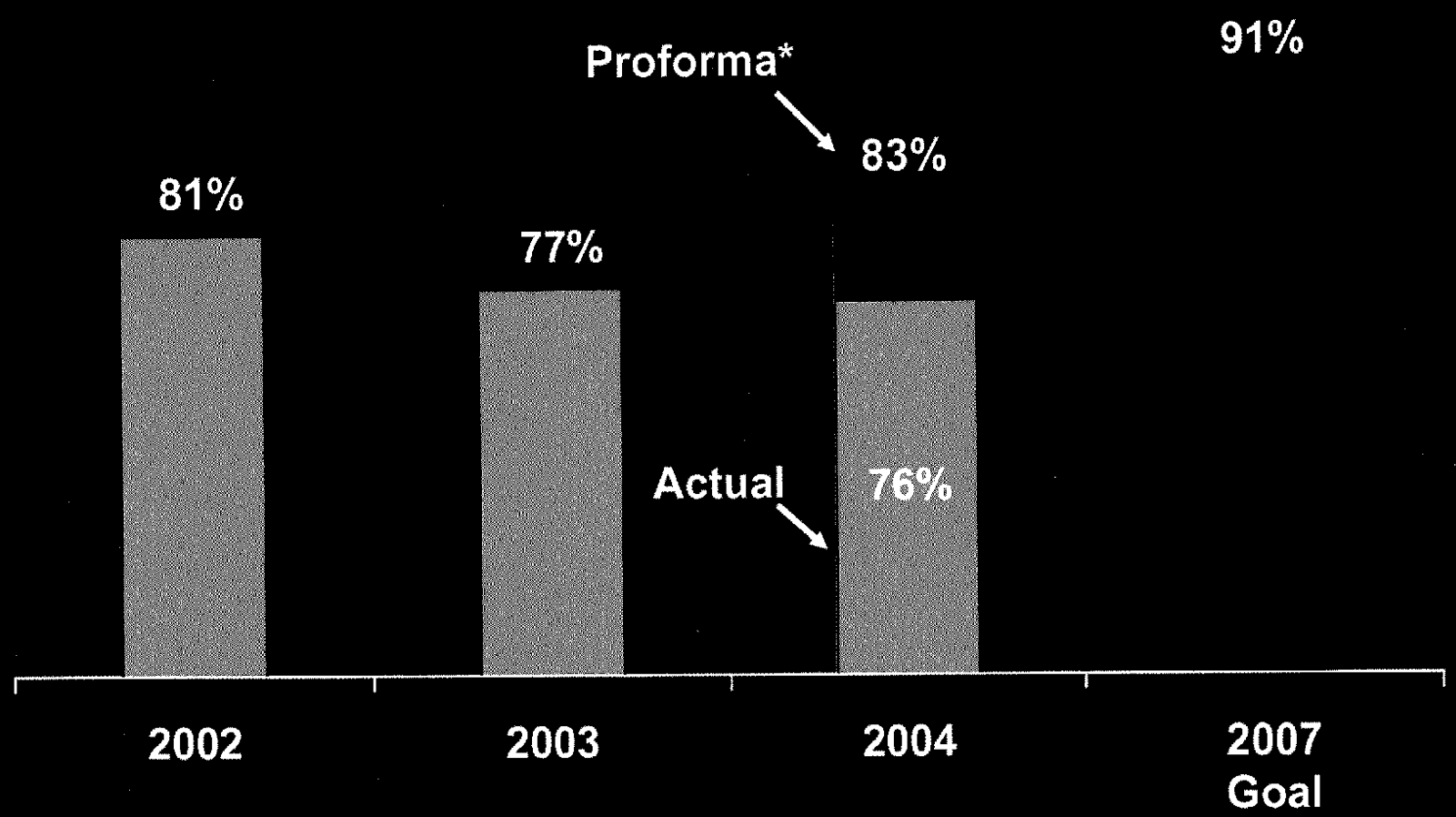
ATTACHMENT 1

Allegheny Energy

New York Investor Meetings

March 7-8, 2005

Coal Plant Availability
(supercritical units)



Improvement of over $100 million if 2007 goal achieved

* Adjusted for extended outages at Hatfield, Pleasants

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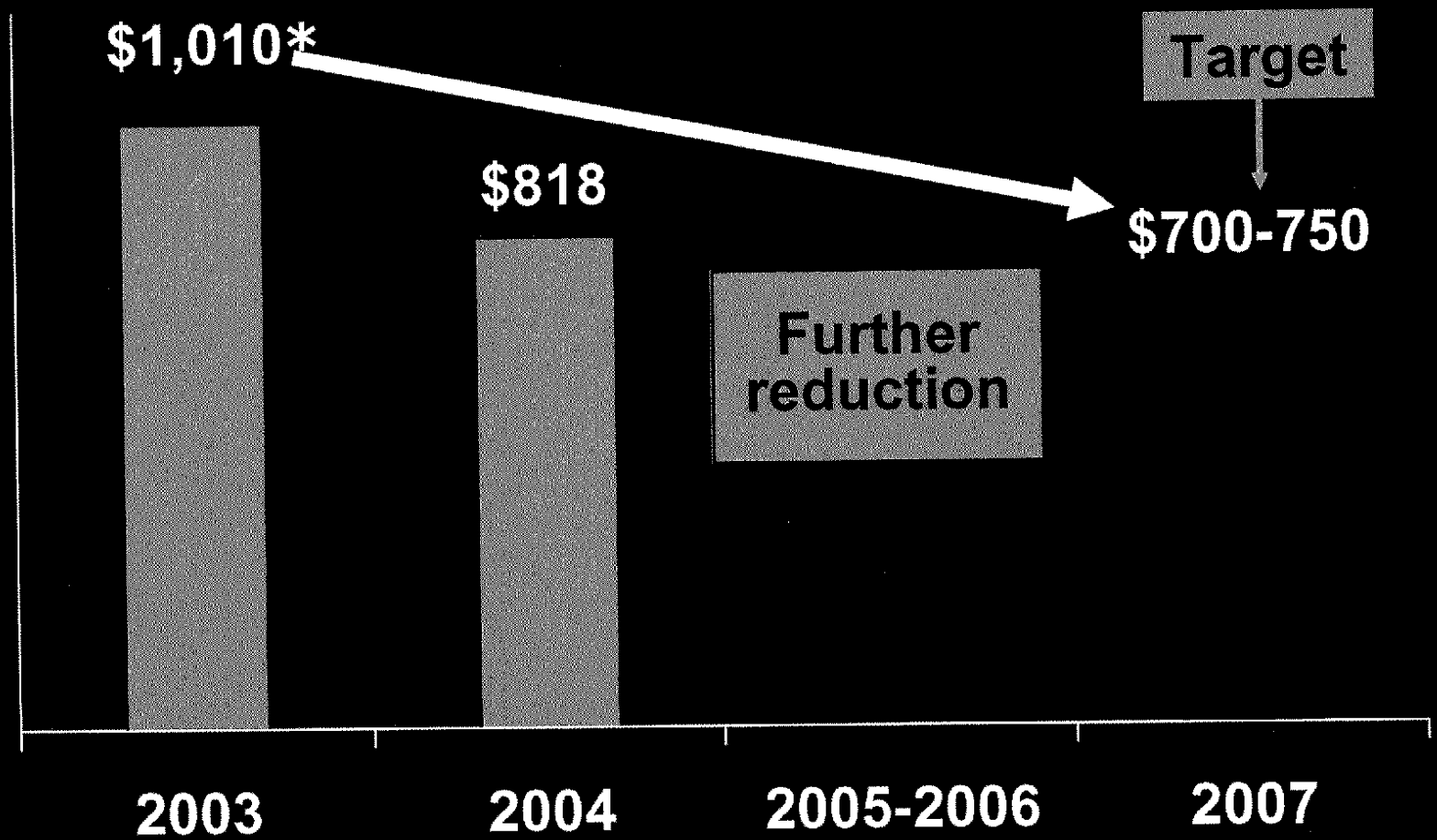
- Receive allowances for 220,000 tons/year
- Additional allowance inventory of 450,000 tons phases in over five years
- Exposure to allowance market:
  - ✓ < 50,000 tons in 2005
  - ✓ ~100,000 tons/year (average) in 2006-2008

Reducing O&M Expense
($ millions)



*As reported including discontinued operations

ATTACHMENT 2

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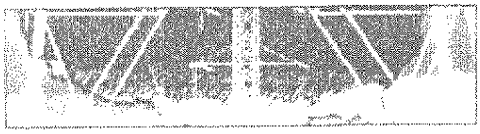

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Dynegy Settles with EPA Amidst Failed 'Clear Skies' Vote (UtiliPoint.com - Mar. 10, 2005)

Mar 10, 2005 - PowerMarketers Industry Publications

By Ken Silverstein Director, Energy Industry Analysis

A deal between the U.S. Environmental Protection Agency and Dynegy Corp. would require the company to install $545 million in equipment to cut pollution at its coal-fired plants throughout the Midwest. That's the eighth such agreement federal regulators have struck with coal generators since EPA started suing them in 1999 for alleged violations in clean air rules.

The proposed settlement is welcome, particularly since the Clinton administration filed suits against 51 power plants, but it's uncertain whether the current agreement will affect other outstanding suits. In the case of Dynegy, it was sued in connection with its operating unit Illinois Power. But, it sold that to Ameren Corp. last year and settled with the EPA in part to avoid any complications. Five other plants that Dynegy still owns are subject to the agreement if a U.S. District Court accepts it.

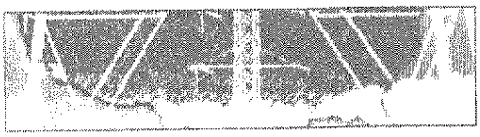
Other utilities have been holding out to see if the Bush administration's Clear Skies proposal passes—now a long-shot given that a key Senate Committee is evenly split over whether to send it to the floor for a vote. That bill would change the New Source Review provisions of the Clean Air Act to allow companies to more easily service and modify their plants. Some companies argue that the overzealous and "incorrect" interpretation of existing environmental laws is causing them to forgo major plant improvements. Other critics, however, say the proposed changes would only allow companies to keep their antiquated coal-burning plants in service longer and therefore create more pollution.

In any event, the debate over the New Source Review has not stopped the Bush administration from carrying out the suits initiated by Clinton's team. Already, Tampa Electric, Dominion Resources, PSEG, Southern Indiana Gas and Electric and Wisconsin Electric have agreed with the EPA to make changes rather than go to trial. Certainly, the Illinois Power settlement adds to the momentum. But, others say that any inferences drawn from that case are unwise, given that the dynamics surrounding it do not necessarily apply to all others being sued.

"Our settlement will help ensure that Dynegy's Midwest power generation facilities are among the cleanest coal-fired fleets in

ATTACHMENT 3

POWERMARKETERS.COM



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A responsible move ; PPL's decision to add scrubbers at 2 power plants provides proof that credible ...

Feb 28, 2005 - The Harrisburg Patriot

The Enrons, Rite Aids, World Coms and other corporate messes of the past few years have obscured the many companies operating credibly and with responsibility.

This was demonstrated in our own backyard with Allentown-based PPL Corp.'s announcement that it will spend $630 million on scrubbers at two of its power plants, including Brunner Island in York County, to remove nearly all emissions of sulfur dioxide, a pollutant the American Lung Association has blamed for 15,000 premature deaths a year.

This is modern technology that environmentalists and public health advocates have been pushing, but which has been resisted by electric utilities because of costs and regulatory issues. Millions have been spent by utilities for lobbying and litigation to avoid scrubbers.

PPL Chairman and CEO William E. Hecht see things differently. In making the announcement, he said it makes more sense for the company to spend money on equipment rather than lawyers.

"Litigation is a waste of time and money," Hecht said. "We will conform ... because it makes good business sense."

Perhaps more importantly, Hecht noted it's also "the right thing to do."

PPL is showing great leadership in making a U-turn from the industry's past pattern of resisting, stalling and trying to influence friends in Congress.

Hopefully, other utilities have taken note and will re-evaluate their approach toward scrubbers, as well as their responsibility to the quality of the air we all breathe.

ATTACHMENT 4

Belleville.com

Posted on Mon, Mar. 07, 2005

Illinois Power to cut pollution at five plants

JOHN HEILPRIN
Associated Press

WASHINGTON - Illinois Power Co. will install $500 million in pollution controls at five coal-fired power plants and pay a $9 million fine to settle a federal lawsuit alleging Clean Air Act violations, the Bush administration announced Monday.

The settlement requires Illinois Power, operating as AmerenIP, to reduce by more than half its emissions of two air pollutants that contribute to respiratory ailments and childhood asthma. The company has agreed to cut yearly pollution from acid rain-causing sulfur dioxide by 39,000 tons and from smog-forming nitrogen oxides by 14,800 tons.

Also Monday, congressional investigators echoed criticism of the Environmental Protection Agency from its inspector general last month, saying the agency hadn't weighed all the costs and benefits that it should before issuing a rule next week to cut toxic mercury pollution from power plants.

Twenty-nine senators, mostly Democrats, said that taken together, the two reports showed the Bush administration had ignored "sound science." EPA officials said it was premature to criticize a rule still in the works.

Filed in federal district court in East St. Louis, Ill., on Monday, the settlement results from violations of the Clean Air Act's 1977 "new source review" program at Baldwin Generating Station in Baldwin, Ill., Assistant Attorney General Thomas Sansonetti said.

That program requires companies to seek a permit when expanding or modifying, and to install more pollution controls when pollution is significantly increased. Sansonetti said negotiations began a few months ago after the case had gone to trial, but "this is much better than what we could have won at trial." Four environmental groups also had intervened.

"Even if we had won, we still would have to litigate the remedy," he said. "There would have been another trial to determine what kind of controls we were entitled to."

The agreement involving the company, the Justice Department, the Environmental Protection Agency and Illinois is the eighth in a series with coal-fired power plant operators. Sansonetti said the $9 million civil penalty was the highest yet, and he was confident the settlement would provide cleaner air regionally.

Thomas Skinner, acting head of EPA enforcement and former director of Illinois' EPA office, said the result would be "significantly cleaner air for residents of Illinois and downwind states." Dynegy Midwest Generation - Indiana Power's successor - also will transfer ownership of about 1,135 acres along the Middle Fork of the Vermilion River in Vermilion County, Ill.

David McIntosh, an attorney with Natural Resources Defense Council, an environmental group, said the agreement shows that the Bush administration can save lives by enforcing the Clean Air Act, and that it should stop trying to change the law to suit industry. However, Scott Segal, director of the Electric Reliability Coordinating Council, which represents several major utilities, said the law more "often delays maintenance and replacement of equipment."

The Illinois plants covered in the agreement are the one in Baldwin, Havana Generating Station in Havana, Hennepin Generating Station in Hennepin, Vermilion Generating Station in Oakwood, and Wood River Generating Station in Alton.

Dynegy, which sold Illinois Power to St. Louis-based Ameren Corp. last year, also has agreed to spend $15 million in other projects to reduce mercury pollution, protect land around St. Louis and along the Illinois River, conserve energy in city buildings and reduce diesel emissions at truck stops.

ON THE NET

Justice Department: http://www.usdoj.gov

Environmental Protection Agency: http://www.epa.gov

Ameren Corp.: http://www.ameren.com

ATTACHMENT 5

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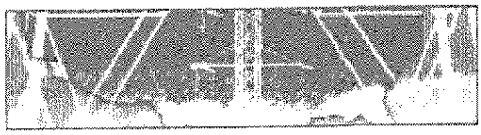

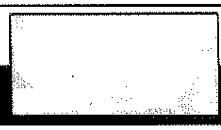

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Utility to reduce air pollution

Mar 22, 2005 - The Harrisburg Patriot
Author(s): David Dekok

An Ohio-based electric utility will install upgraded pollution-control equipment at a large coal-burning power plant that should result in a major reduction in air pollution that drifts into western and central Pennsylvania.

The settlement of a long-standing lawsuit regarding air pollution from FirstEnergy Corp.'s W.H. Sammis plant in Stratton, Ohio, was announced over the weekend.

Other parties to the settlement are the Environmental Protection Agency, U.S. Department of Justice and the states of New York, New Jersey and Connecticut. The agreement must still be approved by the federal judge who heard the underlying lawsuit.

John Hanger, director of the Penn Future environmental public policy group in Harrisburg, hailed the settlement.

"Overall, it's good news for Pennsylvania," he said. "It's going to remove one of the major sources of out-of-state pollution, especially in western and central Pennsylvania. There will be a significant public health gain for those reductions."

Pennsylvania had declined to join the lawsuit, which was filed during the Ridge/Schweiker administration, even though the air pollution passed over Pennsylvania on its way to those other states. The Rendell administration has joined other lawsuits on interstate air-pollution issues.

State Department of Environmental Protection Secretary Kathleen McGinty called the settlement "long awaited and much needed."

FirstEnergy spokesman Ralph DiNicola said the company is pleased to reach a settlement that would allow it to continue to use the 2,230-megawatt Sammis plant to produce electricity.

"We have been trying to reach an agreement for a number of years," he said. "We've been prepared to reduce emissions to the environment from that plant for quite a while, but we couldn't do it unilaterally."

The agreement calls for an overall reduction of 212,000 tons of sulfur dioxide and nitrogen oxide from all of FirstEnergy's coal-

burning power plants. Most of that will come from Sammis, which will see its overall sulfur dioxide emissions reduced by 82 percent and its overall nitrogen oxides by 71 percent. The work must be completed by 2012 and is expected to cost $1.1 billion.

FirstEnergy also will pay an $8.5 million civil penalty to the Department of Justice and contribute up to $25 million over five years to support environmentally beneficial projects.

Settlement talks began among the parties in 2003 after a federal judge in Ohio ruled against FirstEnergy in the lawsuit brought by the EPA and the states. The penalty phase of the trial had been delayed while settlement talks went on, according to a report yesterday in The Wall Street Journal.

At issue in the trial was whether the federal government's New Source Review regulations applied to the Sammis plant.

New Source Review requires a utility to upgrade a power plant to the most modern and effective pollution-control equipment if it spends more than a certain amount of money to extend the life of the plant.

Electricity companies like FirstEnergy argued they were only doing "routine maintenance" and should not have to install scrubbers, which are considered the most effective technology for removing coal-emission pollutants. They favored the Bush administration's "Clear Skies" initiative, which would have scrapped New Source Review and replaced it with a cheaper, longer-term pollution-control program.

But the Clear Skies program ran into trouble in the Senate. A key Senate committee on March 9 deadlocked 8-8 on the legislation, preventing the bill from moving to the Senate floor. While the Senate leadership could bring the bill to the floor by other means, opponents would have a much easier time of killing it through filibuster or other legislative maneuver.

Hanger believes there is a "clear link" between the March 9 action by the Senate and the settlement announcements by FirstEnergy and some other utilities around the country. He said utilities such as FirstEnergy were waiting to see if Congress would "bail them out" and let them escape the New Source Review regulations.

DiNicola said: "The link is we wanted certainty in that what we did in the settlement wouldn't be futile in meeting whatever additional requirements came down the road. That what we are doing here would contribute to meeting the next round."

He said two units at the Sammis plant will be equipped with scrubbers, which remove nearly all sulfur dioxide and nitrogen oxide emissions. Those units, which are the plant's largest, will see reductions of 95 percent in sulfur dioxide and 90 percent in nitrogen oxide.

Because the Sammis plant is between a 500-foot bluff and a four- lane highway that borders the Ohio River, space doesn't exist to build scrubbers on Units 3, 4, 5, 6 and 7 at Sammis, DiNicola said. Those units will be equipped with other

pollution-control equipment that reduces emissions by 50 percent for sulfur dioxide and 70 percent for nitrogen oxide.

In return for that concession, FirstEnergy agreed to install additional pollution-control equipment or use lower-sulfur coal at other plants, including the Bruce Mansfield plant in Shippingport. In effect, FirstEnergy will be removing the additional Sammis pollution from the emissions of those other plants.

As for who will pay the $1.1 billion price tag, DiNicola said caps on the retail price of residential electricity in both Ohio and Pennsylvania prevent FirstEnergy from raising rates to recover the cost of the pollution-control equipment. He said the cost would be rolled into the price of wholesale electricity the company sells on the open market.

Hanger cautioned that the air-pollution job is not done, and some coal-burning power plants in western Pennsylvania are significant polluters. Penn Future is suing Allegheny Energy of Hagerstown, Md., over alleged pollution from its Hatfield Ferry plant in Greene County.

Last month, PPL Corp. agreed to spend $630 million on scrubbers at two power plants, including one at the Brunner Island plant near York Haven in York County. William F. Hecht, PPL chairman and CEO, had said it made more sense to spend money on scrubbers than litigation. DAVID DEKOK : 255-8173 or ddekok@patriot-news.com

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ATTACHMENT 6

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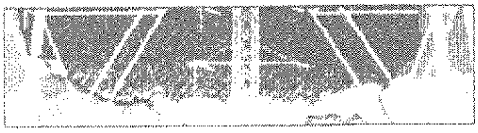

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Allegheny Energy faces suit over power plant emissions

Feb 17, 2005 - Pittsburgh Post-Gazette
Author(s): Don Hopey

Feb. 17--Charlotte O'Rourke, a resident of Masontown, Greene County, says it's an ordinary town with ordinary people who must take extraordinary measures to stay healthy because of the soot- belching Hatfield's Ferry power plant nearby.

The latest of those measures is a lawsuit filed in U.S. District Court in Pittsburgh yesterday by O'Rourke and Citizens for Pennsylvania's Future that details long-standing pollution complaints and years of emissions violations at the plant, the second-largest of Allegheny Energy's 23 electric generating operations.

O'Rourke said she and PennFuture are suing because state and federal agencies have either failed to take action or have been ineffective in making the company end the pollution.

She said the pollution contributes to the county's higher-than-average rates of cancers, increased incidences of asthma and premature deaths.

"We've asked the power plant to clean up, but it won't do it. It says it can't because it costs too much money, but what is the price of a life?" said O'Rourke, who lives a mile east of the power plant and whose husband died of a rare cancer at age 57.

According to the 13-page lawsuit, Allegheny Energy's 35-year-old Hatfield's Ferry coal-burning power plant failed recent soot tests and on average exceeds federal and state emissions limits on smoke on six days out of seven.

Charles McPhedran, senior attorney for PennFuture, said the statewide environmental organization used the plant's own records to document thousands of violations on 1,635 days from the beginning of 1999 through 2003.

The maximum penalty for each of those days when violations occurred is $27,500.

The state Department of Environmental Protection fined the plant a total of $20,000 from 2000 through October 2004. It levied another fine of $10,800 for smoke violations at the plant

in November, a month after PennFuture filed its notice of intent to sue.

"It's obvious that the DEP penalties haven't done the job," McPhedran said. "Allegheny Energy treats them like parking tickets and pays them off without doing work to control the problem."

Kurt Knaus, a DEP spokesman, said the department will conduct a smokestack test for airborne particulates and smoke density, or opacity, in mid-March. He said an ongoing investigation of the power plant's repairs, maintenance and expansion work could also address soot problems.

Fred Solomon, a spokesman for Allegheny Energy, hadn't seen the court filing and couldn't comment on it, but said the plant is in compliance with all state and federal regulations.

"There may have been some minor technical violations, but they were all immediately reported and resolved," Solomon said.

He said that Hatfield's Ferry does not use smokestack scrubbers, common on power plants since the 1970s, but does employ electrostatic precipitators, which trap 99.3 percent of the fly ash particles in the emissions.

David Sternberg, a spokesman for the U.S. Environmental Protection Agency, said the agency and the DEP "are in discussions with Allegheny Energy regarding the compliance status of the plant."

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ATTACHMENT 7

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	
NORTHWESTERN CORPORATION,	)	Chapter 11
	)	
	)	Case No. 03-12872 (JLP)
Reorganized Debtor.	)	
	)	
	)	

DEBTOR'S RESPONSE TO THE FEE AUDITOR'S FINAL REPORT REGARDING THE FINAL FEE APPLICATIONS OF PAUL, HASTINGS, JANOFSKY & WALKER, LLP FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM SEPTEMBER 14, 2003 THROUGH NOVEMBER 1, 2004

Paul, Hastings, Janofsky & Walker, LLP (**"Paul Hastings"**) hereby submits the Debtor's Response to the Fee Auditor's Final Report Regarding the Final Fee Applications of Paul, Hastings, Janofsky & Walker, LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from September 14, 2003 Through November 1, 2004 (the "**Response**"). Paul Hastings respectfully states as follows:

INTRODUCTION AND JURISDICTION

1. On September 14, 2003 (the **"Petition Date"**), NorthWestern Corporation (the **"Debtor"** or **"NorthWestern"**) filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the **"Bankruptcy Code"**). On October 19, 2004, the Court entered an Order (the "**Confirmation Order**") confirming the Debtor's Second Amended and Restated Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the "**Plan**"). On November 1, 2004, the Effective Date under the Plan occurred and the Debtor emerged from Chapter 11.

2. No request has been made for the appointment of a trustee or examiner in this case. An official committee of unsecured creditors was appointed by the Office of the United States Trustee on September 30, 2003.

3. The Debtor is a publicly traded Delaware corporation which was incorporated in 1923. The Debtor and its direct and indirect debtor and nondebtor subsidiaries comprise one of the largest providers of electricity and natural gas in the upper Midwest and Northwest regions of the United States, serving approximately 608,000 customers throughout Montana, South Dakota and Nebraska.

4. This Court has jurisdiction to entertain this Objection pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

RETENTION OF PAUL HASTINGS AND FEE PROCEDURES

5. On October 10, 2003, the Court entered an Order Authorizing the Employment and Retention of Paul Hastings as attorneys for the Debtor [Docket No. 198] (the "**Retention Order**").

6. On October 10, 2003, the Administrative Order Establishing Procedures for Payment of Interim Compensation and Reimbursement of Expenses to Professionals was entered and on January 14, 2004, by consent, the Fee Procedure Order was amended (collectively, the "**Fee Procedure Order**") [Docket Nos. 202 and 699]. Pursuant to the Fee Procedure Order, estate professionals, including Paul Hastings, were required to submit monthly statements to the Court and certain other interested parties and if no objections were received within twenty (20) days, the Debtor was authorized to remit payment of 80% of the uncontested fees and 100% of the uncontested expenses. The remaining 20% of the professional fees was held back pending approval of the final fee application filed in the case. Thereafter, every one

hundred and twenty (120) days, each professional files an interim fee application and pursuant to the confirmed Plan, all final fee applications were due by December 1, 2004.

7. On March 10, 2004, with the consent of the parties, a fee auditor, Warren H. Smith & Associates, P.C. (the "**Fee Auditor**") was appointed by the Court to review the fee applications and make recommendations to the Court on the allowance of the professional fees. [Docket No. 925].

FEE APPLICATIONS AND FEE AUDITOR'S REPORT

8. Pursuant to the Fee Procedure Order, during the case Paul Hastings filed monthly and quarterly fee applications. On December 1, 2004, Paul Hastings filed its Fifth Quarterly and Final Fee Application Request of Paul, Hastings, Janofsky & Walker, LLP for Services Rendered and Reimbursement of Expenses as Bankruptcy and Reorganization Counsel to the Debtor and Debtor-in-Possession for the Period of September 14, 2003 Through November 1, 2004 (the "**Final Application**").

9. On or about January 25, 2005, the Fee Auditor filed its Final Report Regarding the Final Fee Application of Paul, Hastings, Janofsky & Walker, LLP for Allowance of Compensation and Reimbursement of Expenses for the Period from September 14, 2003 Through November 1, 2004 (the "**Final Report**").

RESPONSE TO FINAL REPORT

10. Paul Hastings has reviewed the Final Report of the Fee Auditor regarding Paul Hastings' Final Application. With the exception of the specific objections set forth below, Paul Hastings accepts the Fee Auditor's final analysis and recommended reductions with no further comment.

11. In paragraph 4 of the Final Report, the Fee Auditor expressed concern that a number of professionals billed fewer than 10 hours over the life of the Debtor's case based on

an assumption that a great deal of billed time was spent educating such professional about the case without providing the Debtor with any additional benefit. This in and of itself does not make much sense because of the very limited number of hours this group of professionals billed.

12. Applying this threshold to the timekeepers identified on Response Exhibit 6 to the Final Report, the Fee Auditor has objected to services provided to the Debtor by 19 partners, 7 of-counsel, 25 associates, 11 paralegals and 19 file clerks and other nonprofessional timekeepers solely because these individuals billed fewer than 10 hours.

13. Not only is the assignment of a 10-hour threshold arbitrary, the presumption that Debtor derived no benefit from these services is without merit.

14. Attached hereto as Exhibit A is a chart of the attorneys who were below the 10-hour threshold arbitrarily established by the Fee Auditor with a description of such attorney's practice area. For each attorney, limited services were specifically requested in that attorney's practice area to assist with one-off or specific matters such as (i) tax advice, (ii) assistance with closings on any number of lending transactions that occurred in the case, (iii) corporate and securities research and advice, (iv) assistance with legal research and discovery in specific litigation matters, (v) assistance with matters relating to the Debtor's union contracts and (vi) limited research on specific issues by corporate, bankruptcy and corporate governance associates. In each circumstance these professionals were closely supervised by professionals primarily responsible for this engagement who were spending significant amounts of time representing the Debtor and fully educated about the case.

15. The Debtor's case was complex and progressed through the bankruptcy process from filing to confirmation in thirteen (13) months. Certain stages of any bankruptcy proceeding (such as the initial filing and addressing first day motions, the filing of schedules and

statement of financial affairs, filing of the plan and disclosure statement and confirmation) and exit from Chapter 11 require a large number of professionals to ensure deadlines are met. The same can be said of the stages of Debtor's various civil and SEC-related legal proceedings. At various times in the life cycle of those proceedings, more attorney staffing was necessary to respond to motions, document production requests, depositions, and the like. As in this circumstance, these activities do not always require educating the professionals about the case other than to provide the limited background necessary to complete the specific legal assignment at hand – an assignment supervised by one of the lawyers primarily responsible for the case.

16. As to paralegals and case clerks, assignments and tasks included document production and preparation, preparation of indices and/or other document management necessary for closings, related business transactions and litigation case management. While these tasks require attention to detail and document management skills, such tasks do not require extensive education about the case.

17. The Debtor utilized attorneys, paralegals and case clerks not permanently assigned to the case as and when necessary to ensure deadlines were timely met and quality services provided. The Debtor directly benefited from these professional services as the Court approved closings of a number of corporate transactions and issued rulings favorable to the Debtor on a majority of the motions presented.

18. The presumption that a small amount of time billed equates to unnecessary "training" time ignores the very limited amount of time billed and the Debtor's utilization of lawyers, paralegals and case clerks for either very limited projects or for their specific expertise. By way of example, a tax lawyer, does not necessarily need to understand Debtor's entire bankruptcy history or understand the regulatory aspects of its business to provide one-time

advice on the tax consequences of selling a division at auction. As another example, a project finance lawyer does not necessarily need to understand Debtor's operations in order to provide advice on the use of sale-leaseback transaction in energy companies.

19. The 10-hour threshold imposed by the fee auditor is not supported by the facts or the results obtained.

[conclusion on next page]

CONCLUSION

Based on the foregoing, the Debtor respectfully requests that the Court (i) decline to accept the Fee Auditor's Final Report in connection with the $75,694.00; and (ii) approve the fees and expenses as set forth below:

Application Period	Fees Requested	Reductions	Requested Fees for Final Approval
First Interim Application[1]	$2,868,362.25	$10,061.30	$2,858,300.95
Second Interim Application[2]	$2,212,332.00	$990.00	$2,211,342.00
Third Interim Application[3]	$2,487,427.00	$1,629.00	$2,485,798.00
Fourth Interim Application[4]	$2,789,719.50	$4,241.50	$2,785,478.00
Fifth Interim Period[5]	$3,262,821.00	$22,369.00	$3,240,452.00
Paul Hastings Agreed Reduction Related to Magten[6]		$6,499.50	
Total Fees	**$13,620,661.75**	**$45,790.30**	**$13,574,871.45**
	Expenses Requested	**Reductions**	**Requested Expenses for Final Approval**
First Interim Application	$124,097.31	$4,382.84	$119,714.47
Second Interim Application	$133,958.57	$4,599.73	$129,358.84
Third Interim Application	$188,359.14	$7,381.25	$180,977.89
Fourth Interim Application	$158,620.23	$6,637.03	$151,983.20
Fifth Interim Period	$311,496.43	$4,679.50	$306,816.93
Total Expenses	**$916,531.68**	**$27,680.35**	**$888,851.33**
TOTAL FEES AND EXPENSES	**$14,537,193.43**	**$73,470.65**	**$14,463,722.78**

[1] On or about September 15, 2004, the Court entered its Order Approving Reduction Proposed by Fee Examiner in Connection with First Quarterly Interim Fee Applications of Professionals [Docket No. 2084].

[2] On or about December 7, 2004, the Court entered its Omnibus Order Approving Second Quarterly Interim Fee Applications of Professionals [Docket No. 2462].

[3] Paul Hastings has agreed to the reductions recommended by the Fee Auditor for the third interim period.

[4] Paul Hastings has agreed to the reductions recommended by the Fee Auditor for the fourth interim period.

[5] Paul Hastings has agreed to reductions for the fifth interim period in the amount of $22,369.00 for fees and $4,679.50 for expenses. As set forth in this Response, Paul Hastings disputes the Fee Auditor's reductions related to professionals who billed less than 10 hours over the life of the Debtor's case in the amount of $75,694.00.

[6] On or about January 19, 2005, Paul Hastings filed its Reply to Magten Asset Management Corporation's Objection to Final Fee Application [Docket No. 2619]. As set forth in the reply, Paul Hastings agreed to reduce its fees in the amount of $6,499.50.

Dated: January 31, 2005

Jesse H. Austin, III, Esquire
Karol K. Denniston, Esquire
PAUL, HASTINGS, JANOFSKY
& WALKER LLP
600 Peachtree Street, N.E., 24th Floor
Atlanta, GA 30308
(404) 815-2400 (telephone)

Counsel for North Western Corporation

Exhibit A

See attached.

Timekeep	Name	Titles	Department	Office	Bill Hours	Bill Amount
AMS2	Andrew M. Short	PARTNER	Corporate - Tax	Atlanta	2	1,253.00
CDM	Chris D. Molen	PARTNER	Corporate - Lending	Atlanta	0.5	245.00
CHC	Christopher H. Craig	PARTNER	Corporate - Lending	Stamford	0.3	162.00
CHM	Christopher H. McGrath	PARTNER	Litigation - Securities and General Commercial	San Diego	0.6	324.00
EHN	Elizabeth H. Noe	PARTNER	Corporate - Securities Regulation and General Corporate Governance	Atlanta	1.2	516.00
EL	Ethan Lipsig	PARTNER	Corporate -	Los Angeles	0.3	169.50
JDH3	John D. Hawkins	PARTNER	Corporate - Project Finance	Stamford	3.5	2,082.50
JJG	John J. Gallagher,	PARTNER	Labor and Employment	DC	1	520.00
JNT	John N. Turitzin	PARTNER	Corporate - Securities Regulation and General Corporate Governance	Stamford - Former Employee as of 2/20/04	0.5	285.00
LPR	Leigh P. Ryan,	PARTNER	Corporate - Securities Regulation and General Corporate Governance	San Diego	5.6	3,136.00
LRS4	Lawrence R. Sidman	PARTNER	Corporate - Project Finance	DC	0.8	440.00
PJM2	Philip J. Marzetti	PARTNER	Corporate - Tax	Atlanta	3.9	2,145.00
RAM	Robert A. Miller,,,,	PARTNER	Corporate - Securities Regulation and General Corporate Governance	Los Angeles	0.3	172.50
RMO	Ronald M. Oster	PARTNER	Litigation - General Commercial	Los Angeles	7.7	4,298.00
RPK	Robert P. Kristoff	PARTNER	Labor and Employment	San Francisco	11	5,263.00
SLB	Stephen L. Berry	PARTNER	Labor and Employment	Orange County	3.8	1,729.00
SMZ2	Scott M. Zemser	PARTNER	Corporate - Lending	New York	6	3,450.00
TPB	Thomas P. Brennan	PARTNER	Corporate - Bankruptcy	Los Angeles	1	540.00
WDD	William D. DeGrandis	PARTNER	Corporate - Project Finance/Energy	DC	1.5	765.00

Timekeep	Name	Titles	Department	Office	Bill Hours	Bill Amount
WFS	William F. Schwitter	PARTNER	Corporate - Securities Regulation and General Corporate Governance	New York	2.3	1,483.50
HAS	Harvey A. Strickon	OF COUNSEL	Corporate - Bankruptcy	New York	0.2	124.00
JCW2	Jenny C. Wu	OF COUNSEL	Corporate Project Finance/Energy	DC - Former Employee as of 8/13/04	3.4	1,445.00
JEA2	James E. Anklam	OF COUNSEL	Litigation - Securities and General Commercial	DC	2.7	1,188.00
KAT2	Katherine A. Traxler	OF COUNSEL	Corporate - Bankruptcy	Los Angeles	3.3	1,633.50
KOC	Kathleen O. Currey	OF COUNSEL	Corporate - Lending	Altanta	0.3	115.50
MWC	Michelle W. Cohen,	OF COUNSEL	Corporate - Regulatory	DC	4.8	2,112.00
WS2	Wayne Shortridge	OF COUNSEL	Corporate - General Corporate Governance	Atlanta	0.5	250.00
AB5	Alexandra Bowen	OTHER ATTO	Corporate - General Corporate Governance	Atlanta	4.5	270.00
ALR3	Amy L. Rosenberg	ASSOCIATE	Corporate - General Corporate Governance	New York	1.8	459.00
DAP5	Douglas A. Park	ASSOCIATE	Corporate - Lending	Atlanta	6.2	1,333.00
DN2	Debbie Nwaobi	ASSOCIATE	Corporate - General Corporate Governance	New York	8	2,040.00
ERK	Eric R. Keller	ASSOCIATE	Corporate - ERISA and Executive Compensation	DC	7.6	2,983.00
GAK	George A. Kurlyandchik	ASSOCIATE	Corporate - Lending	Atlanta	8.5	1,530.00
GED	G. Eric Davis	ASSOCIATE	Corporate - General Corporate Governance	San Francisco - Former Employee as of 3/13/04	3.1	1,193.50
JBH6	Jennifer B. Hildebrandt	ASSOCIATE	Corporate - Bankruptcy	Los Angeles	3	915.00
JBV3	Joshua B. Vinograd	ASSOCIATE	Corporate - General Corporate Governance		1.6	464.00
JCG3	Jay C. Gandhi	ASSOCIATE	Litigation - Securities and General Commercial	Orange County	6.7	2,646.50

Timekeep	Name	Titles	Department	Office	Bill Hours	Bill Amount
JLR4	Jennifer L. Rappaport	ASSOCIATE	Labor and Employment	DC	0.6	195.00
JM10	Joseph Morrissey	ASSOCIATE	Corporate - Securities Regulation	New York	5.7	1,938.00
JMF5	Jason M. Frank	ASSOCIATE	Litigation - General Commercial	Los Angeles	0.3	114.00
KLB5	Kristin B. Maxson,	OTHER ATTO	Corporate - Licensing and Franchise	Atlanta	5.8	1,450.00
KMC1	Kevin M. Churchill	ASSOCIATE	Corporate - General Corporate Governance	San Diego - Former Employee as of 4/6/04	4.9	1,543.50
KMK3	Kevin M. Krufky	ASSOCIATE	Corporate - General Corporate Governance	DC	0.8	180.00
KSE2	Kevin S. Evans	ASSOCIATE	Corporate - Securities Regulation and General Corporate Governance	London	1	535.00
LMS6	Leonard M. Simon,	ASSOCIATE	Corporate - General Corporate Governance	New York	4.5	1,147.50
MGW3	Melissa G. Warren	ASSOCIATE	Litigation - General Commercial	DC	3.3	841.50
PJT2	Patrick J. Togni	ASSOCIATE	Corporate - General Corporate Governance	DC	0.3	46.50
SMR3	Sabrina M. Rose Smith	ASSOCIATE	Litigation - General Commercial	DC	9.5	2,137.50
TAK2	Theodore Kittila	ASSOCIATE	Litigation - Securities and General Commercial	New York	4.9	1,739.50
UOE	Uche O. Eronini	ASSOCIATE	Corporate - Lending	Atlanta	9.2	2,576.00
WPS	William P. Scharfenberg	ASSOCIATE	Corporate - Project Finance/Energy	DC	6.8	2,550.00
YK2	Yariv Katz	ASSOCIATE	Corporate - General Corporate Governance	Los Angeles	1.7	629.00
TOTAL					**179.3**	**$ 67,304.00**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In Re:	:	Chapter 11
NORTHWESTERN CORPORATION	:	Case No. 03-12872 (JLP)
Debtors.	:	

FEE AUDITOR'S FINAL REPORT
REGARDING THIRD, FOURTH, FIFTH AND FINAL
FEE APPLICATIONS OF HOULIHAN LOKEY HOWARD &ZUKIN
FOR THE ALLOWANCE AND PAYMENT OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM
SEPTEMBER 30, 2003 THROUGH OCTOBER 31, 2004

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Houlihan Lokey Howard & Zukin, for the Period from September 30, 2003 through October 31, 2004[1] (the "Final Application").

BACKGROUND

1. Houlihan Lokey Howard & Zukin ("Houlihan"), was retained as financial advisors to the official committee of unsecured creditors. Houlihan was retained on a flat fee basis and seeks approval of fees totaling $525,000.00 and costs totaling $17,485.66 for its services from March 1, 2004, through May 31, 2004 (the "Third Application Period"); fees totaling $525,000.00 and costs totaling $27,686.98 for its services from June 1, 2004, through August 31, 2004 (the "Fourth

[1]This report specifically covers the Third, Fourth, and Fifth Interim Fee Application as well as the Final Fee Application, collectively covering the period from March 1, 2004, through October 31, 2004.

Application Period"); fees totaling $350,000.00 and costs totaling $12,886.86 for its services from September 1, 2004 through October 31, 2004 (the "Fifth Application Period" and/or the "Fifth Application")[2]. In toto, Houlihan seeks approval of final fees of $2,275,000.00 and final costs of $108,541.52 for the period September 30, 2003, through October 31, 2004 (the "Final Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Applications in their entirety, including each of the expense entries included in the exhibits to the Applications, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Houlihan an initial report based on our review, and received a response from Houlihan, portions of which response are quoted herein.

DISCUSSION

General Issues

3. In our initial reports, we noted that Houlihan was retained at a rate of $175,000.00

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[2]While Houlihan's Fifth Application filed on November 24, 2004, docket number 2398, is specifically entitled "Twelfth and Final Application . . .", it does not specify, nor does it seek, a final award of compensation and/or fees. Thus the fee auditor utilized the prior applications in calculating the final amount of both fees and costs for approval by the Court. See paragraph five (5) for further discussion.

per month on a flat-fee basis. The Order Authorizing the Employment and Retention of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. as Financial Advisor for the Official Committee of Unsecured Creditors (the "Retention Order"), states on page four (4), "....Houlihan Lokey may submit time records in a summary format which shall set forth a description of the services rendered by each restructuring professional and the amount of time spent on each date by each such individual in rendering services on behalf of the Committee. Therefore, the information requirements of Rule 2016 of the Bankruptcy Rules and Rule 2016-2 of the Local Rules are hereby modified and waived, to the extent necessary, with respect to Houlihan Lokey." We noted that Houlihan professionals record their time on a daily basis and thus are in compliance with this directive.

4. We note that for the Third, Fourth and Fifth Application Periods, Houlihan billed a total of 2,437.60 hours[3] for an effective hourly rate of $571.01. Further, we note that Houlihan's effective hourly rate over the life of the case is $500.29.

5. We note that the fee application filed by Houlihan on or about November 24, 2004, (Docket # 2398), is entitled "Twelfth and Final Application of Houlihan Lokey Howard & Zukin Financial Advisors for Allowance of Compensation and Reimbursement of Expenses for the Period Covering October 1, 2004 Through October 31, 2004." We further note that this fee application does not specify, nor does it seek, either compensation or expense reimbursement for Houlihan's services to the estate over the life of the case. We have calculated the total amounts based on Houlihan's previous fee applications and note that according to those calculations, Houlihan seeks approval of

[3]In its application, Houlihan states "Since Houlihan Lokey does not have the systems in place to allow its professional staff to regularly log hours worked, Houlihan Lokey firmly believes the hours provided are materially understated."

final compensation in the amount of $2,275,000.00 and final costs in the amount of $108,541.52 for the period September 30, 2003 through October 31, 2004. We asked Houlihan to confirm these amounts and to advise us as to whether a comprehensive final fee application will be filed. Houlihan responded as follows:

> $2,275,000 referenced represents Houlihan Lokey's total monthly fees. In addition, Houlihan Lokey had also received $2,018,750 in a Transaction Fee. $108,541.52 references as expenses is correct. Houlihan Lokey had been advised by the Bayard Group that the joint Twelfth and Final Application was sufficient for the final application so there will be no more applications filed.

Upon review of Houlihan's response, above, we became aware that Houlihan "had also received $2,018,750.00 in a Transaction Fee." The Retention Order generally approved the Engagement Agreement's provision that upon the consummation of a "Transaction" (as defined in the Engagement Letter), Houlihan shall be entitled to a "Transaction Fee" in the amount of $2.5 million, less 25% of any monthly fees earned for the seventh, eighth, and ninth months of the engagement, and less 50% of any monthly fees earned for the tenth month and any subsequent months months of the engagement. Because Houlihan's employment spanned 13 months (from October 1, 2003, through October 31, 2004), the correct amount of monthly fees to be credited against the Transaction Fee is $481,250. Thus, we confirm that the amount of the Transaction Fee is correctly calculated.

6. The Retention Order authorized the terms of Houlihan's employment pursuant to section 328(a) of the Bankruptcy Code. Retention Order at 2. While the order did not "expressly and unambiguously state specific terms and conditions (e.g. specific hourly rates or contingency fee arrangements) that are being approved pursuant to the first sentence of section 328(a)" [*see Zolfo, Cooper & Co. v. Sunbeam-Oster Co., Inc.*, 50 F.3d 253, 261 (3rd Cir. 1995)], the Retention Order

expressly provided that "notwithstanding anything to the contrary herein or in the Engagement Letter, all of Houlihan Lokey's fees and expenses in this case, including, without limitation, the Transaction Fee, (as defined in the Engagement Letter), shall be subject to approval by this Court under the standard set forth in Section 328(a) of the Bankruptcy Code...." Retention Order at 5. Thus the generally applicable standard of review is that stated in section 328(a). While the Retention Order does provide that a section 330(a) standard of review may be applied if the U.S. Trustee objects on the grounds that the Transaction Fee is not reasonable, our discussions with the Office of the United States Trustee indicate that the U.S. Trustee does not presently intend to object.

7. Section 328(a) provides that a compensation structure approved under section 328 may be modified at a later date if it proves to have been "improvident in light of developments not capable of being anticipated at the time of fixing of such terms and conditions." 11 U.S.C. § 328(a). Our own observations, made during the course of this case, lead us to the conclusion that the previously approved compensation terms have not been rendered "improvident in light of developments not capable of being anticipated at the time of fixing of such terms and conditions." The Transaction Fee thus satisfies the requirements of section 328(a), and, as is discussed above, it has been properly calculated in accordance with the terms of the Engagement Agreement. Houlihan has not, however, applied for approval of the Transaction Fee, as is required under the Retention Order. Among other things, the Retention Order provides that

> notwithstanding anything to the contrary herein or in the Engagement Agreement, all of Houlihan Lokey's fees and expenses in this case, including, without limitation, *the Transaction Fee*, (as defined in the Engagement Letter), *shall be subject to approval by this Court* under the standard set forth in Section 328(a) of the Bankruptcy Code *upon proper application by Houlihan Lokey in accordance with the applicable*

provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any other applicable orders of this Court....

Retention Order at 5. (Emphasis added.)[4]

8. Accordingly, had Houlihan requested approval of the Transaction Fee in its Application we would recommend its approval in the requested amount. However, since the Transaction Fee was not included in the total amount of fees requested by Houlihan, as calculated from their monthly invoices, we cannot recommend such approval at this time.

CURRENT INTERIM PERIODS

Third Interim Period

9. In our initial report, we noted that the March/April invoice contains phone charges totaling $194.11. The Guidelines Paragraph, II. E 7. states in part "[f]actors relevant to a determination that the expense is proper include the following: . . Whether the expenses appear to be in the nature of nonreimbursable overhead . . . Overhead includes . . . rent, utilities, office equipment and furnishings, insurance, taxes, local telephone and monthly car phone charges, lighting, heating and cooling, and library and publications charges." In addition, Section 330(a)(1)(B) of the U.S. Bankruptcy Code allows for "reimbursement for actual, necessary expenses." The information provided for these charges lacks sufficient detail to determine whether any of these charges were cell phone charges. We asked Houlihan to review the telephone expenses for March and April and indicate whether any of these charges were for cellular phone usage. If any of these charges relate to cellular phone usage, we asked the firm to explain whether such charges

[4]The Retention Order also specifically orders that "Houlihan Lokey shall file interim and final fee applications". Retention Order at 4.

were allocations or itemized charges directly attributable to the Northwestern bankruptcy case. Houlihan responded as follows:

> The charges in the March/April invoice did contain cellular phone charges that were incurred during times of travel. Due to the account plans, which are considered ""one-rate"" plans (i.e., no roaming or long-distance charges) is the standard plan, Houlihan Lokey is not able to track individual calls. The cell phone is the primary source of communications with the other members of the professionals working on the case while traveling. Houlihan will reduce the phone charge by $194.11, noted in π5 and $52.37, as noted in π6, giving the total reduction of $246.48 for cellular phone charges.

We appreciate the response and thus recommend a reduction of $194.11 for this expense.

10. In addition, we noted that the May invoice contains a cellular phone expense. The entry is provided below.

05/29/04	Telephone	$52.37	bcg/mam	cell phone use during travel

As requested in Paragraph Six (6), we asked Houlihan to explain whether these charges were allocations or were directly attributable to the bankruptcy case. Houlihan's response is included in its response to the preceding paragraph and we thus recommend a reduction of $52.37 in expenses.

11. We noted several travel related meal charges which appear excessive. The specific expense entries are as follows:

04/26/04	Travel Meal	$85.39	MAM	hotel meal
04/27/04	Travel Meal	$57.88	BCG	Breakfast
05/10/04	Travel meal	$68.27	bcg	hotel meal - Dinner
05/10/04	Travel meal	$69.00	lrb	Dinner

The Guidelines, paragraph II E. states "[f]actors relevant to a determination that the expense is proper include the following: 1. Whether the expense is reasonable and economical." We recommend reasonable ceilings of $15, $25 and $50 for breakfast, lunch and dinner respectively. We asked Houlihan to explain why these expenses should not be viewed as excessive. Houlihan

responded as follows:

> Houlihan notes the overcharge for several meals and will reduce by $100.54 to meet the guidelines. The line item for $85.39 consisted of a dinner and breakfast, Houlihan has included a reduction for this item as well. Total reduction for meals is $100.54.

We appreciate the response and recommend a reduction of $100.54 in expenses.

12. We noted ground transportation and car service charges which appear excessive without further information. These charges are provided below.

02/24/04	Car Service	$100.00 PES		
05/10/04	Ground Transportation	$140.63	mam	PR to EP, MSP to PR
05/18/04	Ground Transportation	$91.25	mam	MSP to PR

We asked the firm to explain why the above fares were so costly. Houlihan responded as follows:

> In many instances the professional will utilize car service versus taxi cars when they are on a very tight schedule from meeting to meeting or to airport. Most cases there is a small difference in cost. Except for that type of situation, Houlihan professionals use economical transportation such as taxis. With respect to the car service charges in the initial report by the fee auditors, Houlihan will reduce Ground Transportation by $161.88.

We appreciate the response and recommend a reduction of $161.88 in expenses.

13. We noted several lodging expenses which appear excessive without additional information. These expense entries are as follows:

04/26/04	Lodging	$543.72	Hotel stay 1 night in NY
05/05/04	Lodging	$482.20	hotel stay 1 night in NY
05/10/04	Lodging	$507.63	Hotel stay 1 night in NY

We also note that for each of the dates referenced above, there are additional lodging charges reflecting substantially lower rates in New York City. For New York City, we recommend a reasonable ceiling of $350 per night for hotel accommodations. We asked Houlihan to review the

above expense items and to provide additional detail regarding any other charges that may have contributed to these expenses. Houlihan responded as follows:

> Houlihan notes that the per night rate for lodging on 4/26/04 was $475, 5/5/04 was $419 and 5/10/04 was $445. Houlihan will reduce lodging by $289.00 to comply with the guidelines.

We appreciate the response and recommend a reduction of $289.00 in expenses.

14. For the Third Application Period, we recommend approval of fees totaling $525,000.00 and costs totaling $16,687.76 ($17,485.66 minus $797.90) for Houlihan's services from March 1, 2004, through May 31, 2004.

Fourth Interim Period

15. In our initial report, we noted that Houlihan seeks reimbursement for the following cellular phone charges totaling $109.38.

06/29/04	Telephone	$45.95	bcg	cell phone during travel
07/22/04	Telephone	$26.43	mam	cell phone use during travel
08/29/04	Telephone	$37.00	bcg	cell phone

We asked Houlihan to explain whether the cell phone charges were allocations or itemized charges directly attributable to the Northwestern bankruptcy case. The firm responded as follows:

> Due to the cellular account plans, which are considered "one-rate" plans (i.e., no roaming or long-distance charges) is the standard plan, Houlihan Lokey is not able to track individual calls. The cell phone is the primary source of communication with the other members of the professionals working on the case while traveling. Houlihan will reduce the phone charges by $109.38.

We appreciate the response and recommend a reduction of $109.38 in expenses.

16. We noted the following lodging expense which appears excessive without additional information.

06/22/04/04 Lodging $491.45 mam NY 1 night $429.00 per night rate in NY

We asked Houlihan to review the above expense item and to provide additional detail regarding any other charges that may have contributed to this expense. Houlihan responded as follows:

Houlihan will reduce the lodging charge by $79 to meet the guidelines.

We appreciate the response and recommend a reduction of $79.00 in expenses.

17. For the Fourth Application Period, we recommend approval of fees totaling $525,000.00 and costs totaling $27,398.60 ($27,686.98 minus $288.38) for Houlihan's services from June 1, 2004, through August 31, 2004.

Fifth Interim Period

18. In our initial report, we noted the following lodging expense which appears excessive without additional information.

09/22/04 Lodging $1,103.89 bcg Republican Convention

We asked Houlihan to review the above expense item and provide the name of the hotel, the nightly rate and any miscellaneous charges that may have contributed to this expense. In addition, we asked the firm to explain why it was necessary to schedule a meeting in New York at this particular time, instead of in another city or on a different date. Houlihan responded as follows:

> Regarding lodging, the expense in question on 9/22/04 for $1,103.89 consisted of 2 nights lodging at the St. Regis Club New York, 9/22/04 $519 per night along with $72.71 in taxes, 9/23/04 $449 per night along with $63.18 in taxes. The meeting had previously been scheduled by the Company's advisors, at the time the professional was informed he needed to attend, most hotels were sold out.

We appreciate the response. For New York hotels, we recommend a reasonable ceiling of $350.00 per night. Thus we recommend a reduction of $403.89 for this expense.

19. We noted a ground transportation expense that seems excessive without additional

information.

10/08/04	Ground Transportation	$80.00	srr	Hotel to dinner intro meeting for Board Members

We asked the firm to review the above expense item and to provide additional detail regarding this expense. Houlihan responded as follows:

> The ground transport charge on 10/08/04 in question was for car service used in NY directly from the hotel. Houlihan will reduce the fare by $50, equivalent to a taxi fare.

We appreciate the response and thus recommend a reduction of $50.00 in expenses.

20. Finally, we noted a miscellaneous expense that seems excessive without additional information.

10/14/03	Miscellaneous	$731.75	mam	Duplicating project while in NY

We asked Houlihan to review the above expense item and to provide additional detail regarding this expense. We also requested that the firm state whether this expense had been submitted for reimbursement during a prior interim period. Houlihan responded as follows:

> The miscellaneous charge in question had been incurred in Houlihan Lokey's NY office while the professionals were traveling. This charge had not been previously charged to the Debtor. The total number of copies for this charge is 2,927.

We appreciate the response; however, we believe the copying charges indicated are excessive. Rule 2016-2(e)(iii) states,"[t]he motion shall state the requested rate for copying charges (which shall not exceed $.15 per page), ..." By our calculations, Houlihan charged $.25 per page for these copies and thus we recommend a reduction of $292.70 in these expenses.

21. For the Fifth Application Period, we recommend approval of fees totaling $350,000.00 and costs totaling $12,140.27 ($12,886.86 minus $746.59) for Houlihan's services from September 1, 2004 through October 31, 2004.

PRIOR INTERIM APPLICATIONS

22. We previously filed the following final reports for Houlihan's prior interim applications beginning on September 30, 2003, which we incorporate by reference herein:.

First Interim Period

23. In the Fee Auditor's Final Report Regarding Fee Application of Houlihan Lokey Howard & Zukin for the First Interim Period (Docket # 1472), filed on June 14, 2004, we recommended approval of fees totaling $350,000.00 and expenses totaling $15,418.61 ($26,865.88 minus $11,447.27), for Houlihan's services from October 1, 2003, through November 30, 2003. These recommendations were adopted by the Court in the Order Approving Reductions Proposed by Fee Examiner in Connection with First Quarterly Interim Fee Applications of Professionals, dated September 15, 2004 (Docket #2084).

Second Interim Period

24. In the Fee Auditor's Final Report Regarding Fee Application of Houlihan Lokey Howard & Zukin for the Second Interim Period (Docket # 2221), filed on October 15, 2004, we recommended approval of fees totaling $525,000.00 and expenses totaling $21,545.16 ($23,616.14 minus $2,070.98), for Houlihan's services from December 1, 2003 through February 29, 2004. These recommendations were adopted by the Court in the Omnibus Order Approving Second Quarterly Interim Fee Applications of Professionals, dated December 6, 2004 (Docket #2462).

We have reviewed each of these previous final reports, and we do not believe there is any reason to change any of the recommendations in any of the reports.

CONCLUSION

25. Thus we recommend approval of final fees of $2,275,000.00 and final costs of

$93,190.40 ($108,541.52 minus $15,351.12) for Houlihan's services from September 30, 2003, through October 31, 2004.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: _____
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 11th day of January, 2005.

_____
Warren H. Smith

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
NORTHWESTERN CORPORATION,	:	Case No. 03-12872 (CGC)
Debtor.	:	(Jointly Administered)
	:	**Objection deadline: 12/31/04** **Hearing date: 1/26/05 @ 9:30 a.m. MST (11:30 a.m. EST)**

FINAL APPLICATION OF LAZARD FRERES & CO LLC FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTOR FOR THE PERIOD SEPTEMBER 14, 2003 THROUGH NOVEMBER 1, 2004

Name of Applicant:	**LAZARD FRÈRES & CO. LLC**
Authorized to Provide Professional Services to:	Debtor
Date of Retention:	October 10, 2003 / Effective a/o September 14, 2003
Period for which Compensation and Reimbursement is Sought:	September 14, 2003 through November 1, 2004
Amount of Compensation Requested:	**$8,100,000.00**
Amount of Expense Reimbursement requested:	**$158,994.39**

This is a(n): _____ monthly _____ interim __X__ final application

Total time expended for the preparation of this application is approximately 12 hours.

Prior Monthly Applications filed:

Application Period	Application Dkt No.	Date Filed	Fees Requested	Fees Paid to Date	Expenses Requested	Expenses Paid to Date
09/14/03 – 10/31/03	688	01/14/04	$200,000.00	$200,000.00	$11,683.32[a]	$11,683.32[a]

[a] This amount reflects a reduction to expenses of $696.21 ($204.65 for October 2003 and $491.56 for November 2003) pursuant to the Order Approving Reductions Proposed by Fee Examiner in Connection with First Quarterly Interim Fee Applications of Professionals dated September 15, 2004 (the "Order Approving Reductions"). Overpayment of these expenses has been applied to the holdback fees requested in the second quarterly interim period (see December 2003 fees paid).

Application Period	Application Dkt No.	Date Filed	Fees Requested	Fees Paid to Date	Expenses Requested	Expenses Paid to Date
11/01/03 – 11/30/03	689	01/14/04	200,000.00	200,000.00	8,968.44[a]	8,968.44[a]
12/01/03 – 12/31/03	795	02/06/04	200,000.00	160,696.21[b]	8,211.01[c]	8,211.01[c]
01/01/04 – 01/31/04	938	03/15/04	200,000.00	161,169.66[d]	14,685.39[c]	14,685.39[c]
02/01/04 – 02/29/04	1104	04/13/04	200,000.00	160,000.00	9,254.61[c]	9,254.61[c]
03/01/04 – 03/31/04	1330	05/21/04	200,000.00	160,000.00	11,015.35	11,015.35
04/01/04 – 04/30/04	1452	06/10/04	200,000.00	160,000.00	9,577.98	9,577.98
05/01/04 – 05/31/04	1594	07/01/04	200,000.00	160,000.00	9,871.27	9,871.27
06/01/04 – 06/30/04	1868	08/09/04	200,000.00	160,000.00	5,729.31	5,729.31
07/01/04 – 07/31/04	2050	09/07/04	200,000.00	160,000.00	19,294.16	19,294.16
08/01/04 – 08/31/04	2136	09/29/04	200,000.00	160,000.00	1,106.18	1,106.18
09/01/04 – 09/30/04	2342	11/09/04	200,000.00	0.00	45,230.49	0.00
10/01/04 – 11/01/04	2407	11/30/04	5,700,000.00	5,500,000.00	4,366.88	0.00
09/14/03 – 11/01/04			**$8,100,000.00**	**$7,341,865.87**	**$158,994.39**	**$109,397.02**

Prior Quarterly Interim Applications filed:

Application Period	Application Dkt No.	Date Filed	Fees Requested	Fees Paid to Date	Expenses Requested	Expenses Paid to Date
09/14/03 – 11/30/03	716	01/20/04	400,000.00	400,000.00	20,651.76[a]	20,651.76[a]
12/01/03 – 02/29/04	1113	04/14/04	600,000.00	481,865.87[e]	32,151.01[c]	32,151.01[c]
03/01/04 – 05/31/04	1687	07/15/04	600,000.00	480,000.00	30,464.60	30,464.60
06/01/04 – 08/31/04	2171	10/06/04	600,000.00	480,000.00	26,129.65	26,129.65

[b] Pursuant to the Order Approving Reductions, overpayment of expenses in the amount of $696.21 for the first quarterly interim period has been applied to the holdback fees requested during the second interim period.

[c] This amount reflects a reduction to expenses of $1,169.66 ($242.02 for December 2003, $758.43 for January 2004 and $169.21 for February 2004) pursuant to the Fee Auditor's Final Report Regarding Fee Application of Lazard Frères & Co. LLC for the Second Interim Period dated February 29, 2004 (the "Second Interim Final Report"). Overpayment of these expenses has been applied to the holdback fees requested (see January 2004 fees paid).

[d] Pursuant to the Second Interim Final Report, overpayment of expenses recommended for reduction in the amount of $1,169.66 for the second quarterly interim period has been applied to the holdback fees requested for January 2004.

[e] Pursuant to the Order Approving Reductions and the Second Interim Final Report, overpayment of expenses recommended for reduction in the amount of $696.21 for the first quarterly interim period and $1,169.66 for the second quarterly interim period has been applied to the holdback fees requested during the second interim period.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:	)	Chapter 11
	)	
NORTHWESTERN CORPORATION,	)	Case No. 03-12872 (CGC)
	)	
Debtor.	)	
	)	

FINAL APPLICATION OF BROWNING, KALECZYC, BERRY & HOVEN, P.C. FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

Name of Applicant:	Browning, Kaleczyc, Berry & Hoven, P.C.
Authorized to Provide Professional Services to:	NorthWestern Corporation, Debtor
Date of Retention:	September 14, 2003
Period for which Compensation and Reimbursement is Sought:	September 01, 2003 through October 31, 2004
This is a(n)	___ Monthly ___ Interim _X_ Final

Billing Period	Total Fees Billed	Total Fees Outstanding	Total Expenses Billed	Total Expenses Outstanding	Total Billed	Total Outstanding
9/14/03 - 11/31/03	64,888.75		8,213.60		73,102.35	
12/1/03-2/29/04	42,853.50	42,853.50	3,023.79	3,023.79	45,877.29	45,877.29
3/1/04 - 3/31/04	23,442.00	4,688.40	1,497.22		24,939.22	4,688.40
4/1/04 - 4/30/04	21,701.25	4,340.25	1,388.31		23,089.56	4,340.25
5/1/04 - 5/31/04	23,912.25	4,782.45	1,394.48		25,306.73	4,782.45
6/1/04 - 6/30/04	41,582.75	8,316.55	1,616.85		43,199.60	8,316.55
7/1/04 - 7/31/04	42,564.50	8,512.90	4,984.70		47,549.20	8,512.90
8/1/04 - 8/31/04	39,037.75	7,807.55	41,739.26		80,777.01	7,807.55
9/1/04 - 9/30/04	26,127.50	26,127.50	30,834.52	30,834.52	56,962.02	56,962.02
10/1/04 - 10/31/04	32,186.75	32,186.75	17,949.73	17,949.73	50,136.48	50,136.48
	$358,297.00	**$139,615.85**	**$112,642.46**	**$48,784.25**	**$470,939.46**	**$191,423.89**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	§	Chapter 11
	§	
NORTHWESTERN CORPORATION,	§	
	§	Case No. 03-12872 (CGC)
Debtor.	§	

NOTICE OF FOURTH QUARTERLY AND FINAL FEE APPLICATION OF WARREN H. SMITH & ASSOCIATES, P.C. AS FEE AUDITOR FOR ALLOWANCE OF COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES

Name of Applicant:	Warren H. Smith & Associates, P.C.
Authorized to Provide Services:	As Fee Auditor to the Estates
Date of Retention:	March 10, 2004 *nunc pro tunc* February 27, 2004
Period for Which Compensation and Reimbursement is Sought:	December 1, 2004 through March 1, 2005
Amount of Compensation Requested:	$114,426.00
Amount of Expense Reimbursement Requested:	$ 4,577.09
Amount of Compensation Requested Less Holdback:	$ 91,540.80
Amount of Compensation Paid For Applicable Period:	$ 0.00
Amount of Expenses Reimbursed for Applicable Period:	$ 0.00
Total Amount of Holdback Fees In Aggregate:	$156,569.32
Period for which final compensation and reimbursement sought:	February 27, 2004 through March 1, 2005
Amount of final fees to be approved as actual, reasonable and necessary:	$235,223.00
Amount of final expenses sought as actual, reasonable and necessary:	$ 5,380.25

CUMULATIVE SUMMARY OF INTERIM APPLICATIONS OF WARREN H. SMITH & ASSOCIATES, P.C.

FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD DECEMBER 1, 2004 THROUGH MARCH 1, 2005

Fee Application Filing Date; Docket No.	Total Fees Requested	Total Expenses Requested	Certification of No Objection Filing Date; Docket No.	Amount of Fees Paid (80%)	Amount of Expenses paid (100%)	Amount of 20% Hold back Fees Sought
Dec-04 01/12/05 2576	$54,678.50	$190.00	02/09/05 2752	$0.00	$0.00	$10,935.70
Jan-05 02/09/05 2751	$44,764.50	$773.76	To be filed	$0.00	$0.00	$8,952.90
Feb1, 2005- March 1,2005 03/07/05	$14,983.00	$3,613.33	To be filed	$0.00	$0.00	$2,996.60
Total	**$114,426.00**	**$4,577.09**		**$0.00**	**$0.00**	**$22,885.20**

CUMULATIVE COMPENSATION SUMMARY BY PROJECT CATEGORY:

Project Category	Total Hours For The Period 12/01/04 through 3/01/05	Total Hours from the Petition Date	Total Fees For The Period 12/01/04 through 3/01/05	Total Fees From The Petition Date
Accounting/Auditing	696.50	1550.80	$114,002.00	$233,799.00
Fee Application	5.30	17.80	$424.00	$1,424.00
Total	**701.8**	**1568.6**	**$114,426.00**	**$235,223.00**

CUMULATIVE EXPENSE SUMMARY:

Expense Category	Total Expenses for the Period December 1, 2004 through March 1, 2005	Total Expense From The Petition Date
Travel Expenses	$1,451.40	$1,451.40
Long Distance	$17.60	$20.19
PACER charges	$497.63	$648.83
Delivery charges	$1,225.01	$1,225.01
Westlaw	$436.48	$500.08
Third Party Copies & Document mailing	$948.97	$1,534.74
TOTAL	**$4,577.09**	**$5,380.25**

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: § **Chapter 11**
§

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
NORTHWESTERN CORPORATION,	Case No. 03-12872 (CGC)
Debtor.	**Hearing date: Only if objections filed.** **Objection Deadline: 12/31/04**

FIFTH QUARTERLY AND FINAL FEE APPLICATION OF GRAVES LAW OFFICE, P.C. FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

Name of Applicant:	Graves Law Offices, P.C.
Authorized to Provide Professional Services To:	NorthWestern Corporation, Debtor
Date of Retention:	Retention Order entered January 14, 2003 *Nunc pro tunc* September 14, 2003
Period for Which Compensation and Reimbursement is Sought:	September 14, 2003 through and including November 1, 2004
Amount of Compensation Requested as Actual, Reasonable, and Necessary:	$191,908.75
Amount of Expense Reimbursement Requested as Actual, Reasonable, and Necessary:	$950,121.33
Less Auditors Reductions:	($ 6,473.75)

This is a(n) ☐ Monthly ☐ Interim ☒ Final Application

Total Amount of Compensation and Reimbursement Sought:	$1,135,556.33

Fee Application Filing Date; Docket No.	Total Fees Requested	Total Expenses Requested	Certification Of No Objection Filing Date; Docket No.	Amount of Fee Paid (80%)	Amount of Expenses Paid (100%)	Amount of Holdback Fees Sought
1/26/2004 752	$30,025.00	$60,228.08	2/17/2004 838	$24,020.00	$60,228.08	$6,005.00
1/26/2004 754	$29,812.50	$93,612.58	2/19/2004 852	$23,850.00	$93,612.58	$5,962.50
2/24/2004 881	$43,706.25	$109,677.95	3/17/2004 944	$34,965.00	$109,677.95	$8,741.25
3/22/2004 978	$28,050.00	$73,863.51	4/18/2004 1107	$22,440.00	$73,863.51	$5,610.00
4/22/2004 1150	$18,900.00	$52,948.80	5/26/2004 1361	$15,120.00	$52,948.80	$3,780.00
5/26/2004 1371	$24,037.50	$66,938.91	6/17/2004 1491	$10,500.00	$66,938.91	$4,807.50
6/25/2004 1548	$9,675.00	$85,508.55	7/26/2004 1761	$7,740.00	$85,508.55	$1,935.00
07/22/2004 1739	$3,843.75	$113,067.13	08/17/2004 1911	$3,075.00	$113,067.13	$768.75
08/24/2004 1984	$ 562.50	$62,354.71	09/15/2004 2078	$ 450.00	$62,354.71	$112.50
9/23/2004 2112	$ 168.75	$68,317.95	10/13/2004 2199	$ 135.00	$68,317.95	$ 33.75
10/21/2004 2252	$1,650.00	$79,796.42	11/17/2004 2370	$ 1,320.00	$ 79,796.42	$ 330.00
11/22/2004 2385	$ 1,477.50	$83,806.74				$ 295.50
Less Auditors Reduction of First Interim Application						($5,150.00)
Less Auditors Reduction of Second Interim Application						($1,323.75)
Total:	**$191,908.75**	**$950,121.33**		**$143,615.00**	**$866,314.59**	**$ 31,908.00**

In accordance with the Administrative Order Establishing Procedures for Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals, entered by this Court on October 10, 2003, which was amended by Order of the Court, dated January 14, 2004, which was further amended by Order of the Court dated March 10, 2004 (the "Interim

Procedures Order"), Graves Law Offices seeks interim approval of the full amount of the fees and expenses requested in the above referenced fee applications and authorization for the above captioned debtor and debtor in possession to pay the full amounts requested in such fee application.

WHEREFORE, Graves Law Offices, respectfully requests that the Court enter the attached order and grant Graves Law Offices such other and further relief as is just and proper

Dated: December 1, 2004

GRAVES LAW OFFICES, P.C.

By _____

Lee C. Graves
619 S. W. Water Street, Suite 3C
Peoria, IL 61602
(309) 673-8422

Special Counsel for the Debtor and Debtor-In-Possession

CUMULATIVE EXPENSE SUMMARY

Expense Category	Total Expenses For the Period	Total Expenses From Petition Date
Airfare		1,199.50
Courier Service		
Facsimile		
Lexis/Westlaw/Other Online Searches		
Lodging		578.29
Long Distance Telephone		
Meals		293.19
Outside Professional Services (See attached detail sheet)		947,628.16
Parking		
Photocopy Charges		
Postage/Express Mail		
Taxi/Ground Transportation		422.19
Miscellaneous		
Total:		$950,121.33

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2362
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF FRANK P. SABATINO

Frank P. Sabatino, LLC, consulting expert to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a First and Final Fee Application [Docket No. 2362] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of Frank P. Sabatino, LLC (the "Final Report") [Docket No. 2542]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Frank P. Sabatino, LLC is approved, and Frank P. Sabatino, LLC is allowed final compensation in the amount of $32,522.79, which represents $32,300.00 for professional services rendered and $222.79 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Frank P. Sabatino, LLC for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2402
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF RUSSELL REYNOLDS ASSOCIATES, INC.

Russell Reynolds Associates, Inc., Executive Search Consultant to the Official Committee of Unsecured Creditors (the "Committee"), for the above-captioned case, having filed a First and Final Fee Application [Docket No. 2402] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of Russell Reynolds Associates, Inc. (the "Final Report") [Docket No. 2571]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Russell Reynolds Associates, Inc. is approved, and Russell Reynolds Associates, Inc. is allowed final compensation in the amount of $415,971.26, which represents $397,000.00 for professional services rendered[1] and $18,171.26 for reimbursement for actual, necessary expenses incurred; and it is further

[1] The Court is allowing the monthly "communications fee" of $37,800 only because the applicant, without objection of the Debtor, contracted for this expense.

ORDERED that the Debtor is authorized and directed to make payment to Russell Reynolds Associates, Inc. for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2408
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF DELOITTE & TOUCHE LLP

Deloitte & Touche LLP, auditors, accountants and tax service providers to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a Final Fee Application [Docket No. 2408] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the Final Fee Application of Deloitte & Touche LLP (the "Final Report") [Docket No. 2746]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Deloitte & Touche LLP is approved, and Deloitte & Touche LLP is allowed final compensation in the amount of $5,322,866.10, which represents $4,734,685.10 for professional services rendered and $588,181.09 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Deloitte & Touche LLP for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2425
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF VINSON & ELKINS L.L.P.

Vinson & Elkins L.L.P., special counsel to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a Final Fee Application [Docket No. 2425] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of Vinson & Elkins L.L.P. (the "Final Report") [Docket No. 2543]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Vinson & Elkins L.L.P. is approved, and Vinson & Elkins L.L.P. is allowed final compensation in the amount of $166,455.00, which represents $164,080.00 for professional services rendered and $2,375.00 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Vinson & Elkins L.L.P. for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 11, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2429
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF DELOITTE TAX LLP

Deloitte Tax LLP, tax service providers to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a First and Final Fee Application [Docket No. 2429] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the Final Fee Application of Deloitte Tax LLP (the "Final Report") [Docket No. 2611]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Deloitte Tax LLP is approved, and Deloitte Tax LLP is allowed final compensation in the amount of $327,711.58, which represents $303,382.00 for professional services rendered and $24,329.58 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Deloitte Tax LLP for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2434
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF GAVIN ANDERSON & COMPANY

Gavin Anderson & Company, public relations consultants to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a Final Fee Application [Docket No. 2434] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the Final Fee Application of Gavin Anderson & Company (the "Final Report") [Docket No. 2544]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Gavin Anderson & Company is approved, and Gavin Anderson & Company is allowed final compensation in the amount of $350,459.68, which represents $334,708.50 for professional services rendered and $15,751.18 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Gavin Anderson & Company for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2438
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF GREENBERG TRAURIG, LLP

Greenberg Traurig, LLP, public relations consultants to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a Fifth Quarterly and Final Fee Application [Docket No. 2438] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the Final Fee Application of Greenberg Traurig, LLP (the "Final Report") [Docket No. 2572]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Greenberg Traurig, LLP is approved, and Greenberg Traurig, LLP is allowed final compensation in the amount of $1,561,919.79, which represents $1,222,877.75 for professional services rendered and $339,042.04 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Greenberg Traurig, LLP for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2413
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF MILLER, BALIS & O'NEIL, P.C.

Miller, Balis & O'Neil, P.C., special regulatory counsel to the Official Committee of Unsecured Creditors (the "Committee"), for the above-captioned case, having filed a Final Fee Application [Docket No. 2413] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the Final Fee Application of Miller, Balis & O'Neil, P.C. (the "Final Report") [Docket No. 2540]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Miller, Balis & O'Neil, P.C. is approved, and Miller, Balis & O'Neil, P.C. is allowed final compensation in the amount of $120,478.22, which represents $115,829.75 for professional services rendered and $4,648.47 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Miller, Balis & O'Neil, P.C. for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2416
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF JOHN NOYES

John Noyes, consulting expert to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a First and Final Fee Application [Docket No. 2416] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of John Noyes (the "Final Report") [Docket No. 2541]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of John Noyes is approved, and John Noyes is allowed final compensation in the amount of $4,336.17, which represents $4,331.25 for professional services rendered and $4.92 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to John Noyes for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2417
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF ALVAREZ & MARSAL, INC.

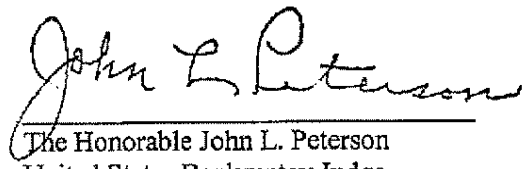
Alvarez & Marsal, Inc., advisors to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a Fifth Quarterly and Final Fee Application [Docket No. 2417] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the Third, Fourth, Fifth and Final Fee Application of Alvarez & Marsal, Inc. (the "Final Report") [Docket No. 2567]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Alvarez & Marsal, Inc. is approved, and Alvarez & Marsal, Inc. is allowed final compensation in the amount of $2,352,613.40, which represents $1,669,206.00 for professional services rendered, $500,000 for the success fee, and $179,695.64[1] for reimbursement for actual, necessary expenses incurred; and it is further

[1] This order amends the Order Approving Reductions Proposed by Fee Examiner in Connection to First Quarterly Interim Fee Applications of Professionals [Docket No. 2084] by disallowing the expense of $3,220.00 for the outside legal services of Cronin & Vris.

ORDERED that the Debtor is authorized and directed to make payment to Alvarez & Marsal, Inc. for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005



The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket Nos. 2422 and 2670
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

Paul, Weiss, Rifkind, Wharton & Garrison LLP, Counsel to the Official Committee of Unsecured Creditors (the "Committee"), for the above-captioned case, having filed a Fifth Quarterly and Final Fee Application [Docket Nos. 2422 and 2670] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of Paul, Weiss, Rifkind, Wharton & Garrison LLP (the "Final Report") [Docket No. 2641]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Paul, Weiss, Rifkind, Wharton & Garrison LLP is approved, and Paul, Weiss, Rifkind, Wharton & Garrison LLP is allowed final compensation in the amount of $2,209,870.20, which represents $2,046,544.70 for professional services rendered and $163,325.59 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Paul, Weiss, Rifkind, Wharton & Garrison LLP for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 10, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2423
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF LEONARD, STREET AND DIENARD P.A.

Leonard, Street and Dienard P.A., special counsel to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a Thirteenth Monthly and Final Fee Application [Docket No. 2423] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of Leonard, Street and Dienard P.A. (the "Final Report") [Docket No. 2612]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Leonard, Street and Dienard P.A. is approved, and Leonard, Street and Dienard P.A. is allowed final compensation in the amount of $3,753,403.80, which represents $3,206,435.00 for professional services rendered and $546,968.86 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Leonard, Street and Dienard P.A. for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: February 11, 2005

John L. Peterson

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Relates to Docket No. 2428
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF THE BAYARD FIRM

The Bayard Firm, Co-Counsel to the Official Committee of Unsecured Creditors (the "Committee"), for the above-captioned case, having filed a Final Fee Application [Docket No. 2428] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of The Bayard Firm (the "Final Report") [Docket No. 2578]; and after a hearing held on February 10, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of The Bayard Firm is approved, and The Bayard Firm is allowed final compensation in the amount of $376,397.59, which represents $342,973.50 for professional services rendered as Co-Counsel to the Official Committee, $3026.00[1] for services provided pre-retention, $30,398.09 for reimbursement of actual, necessary

[1] Paul, Weiss, Rifkind, Wharton & Garrison LLP, Counsel to the Informal Committee of Senior Noteholders, received approximately 25% of the fees requested for the pre-retention period. The Court now applies the same percentage to The Bayard Firm's fees during this period, as a measure of The Bayard Firm's substantial contribution to the estate under section 503(b)(4) of the Bankruptcy Code.

expenses incurred as Co-Counsel to the Official Committee, and ; $0 for expenses incurred pre-retention; it is further

ORDERED that the Debtor is authorized and directed to make payment to The Bayard Firm for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: March 8, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Re: Docket No. 2645
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF PEARL MEYER & PARTNERS

Pearl Meyer & Partners, Executive Compensation Consultants to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a First and Final Fee Application [Docket No. 2645] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of Pearl Meyer & Partners (the "Final Report") [Docket No. 2861]; and after a hearing held on March 8, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of Pearl Meyer & Partners is approved, and Pearl Meyer & Partners is allowed final compensation in the amount of $150,053.87, which represents $150,000.00 for professional services rendered and $3,053.87 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to Pearl Meyer & Partners for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: March 8, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Case Nos. 03-12872 (JLP)
NORTHWESTERN CORPORATION,	)	
	)	
Reorganized Debtor.	)	Re: Docket No. 2669
	)	

ORDER ALLOWING COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO FINAL FEE APPLICATION OF PRICEWATERHOUSE COOPERS LLP

PricewaterhouseCoopers LLP, Business Consultants to the Debtor and Debtor-in-Possession (the "Debtor"), for the above-captioned case, having filed a First and Final Fee Application [Docket No. 2669] for allowance of compensation and reimbursement of expenses (the "Final Fee Application"); and parties-in-interest having received proper notice of the objection deadline for the Final Fee Application; and no objection to the Final Fee Application having been filed or received, and the Court having considered the Final Fee Application and the Fee Auditor's Final Report regarding the First and Final Fee Application of PricewaterhouseCoopers LLP (the "Final Report") [Docket No. 2865]; and after a hearing held on March 8, 2005; and after due deliberation, and sufficient cause appearing therefor; it is hereby

ORDERED that the Final Fee Application of PricewaterhouseCoopers LLP is approved, and PricewaterhouseCoopers LLP is allowed final compensation in the amount of $697,477.33, which represents $608,498.24 for professional services rendered and $88,979.09 for reimbursement for actual, necessary expenses incurred; and it is further

ORDERED that the Debtor is authorized and directed to make payment to PricewaterhouseCoopers LLP for such allowed compensation and expenses, to the extent not already paid as of the date hereof.

Dated: March 8, 2005

The Honorable John L. Peterson
United States Bankruptcy Judge