



May 26, 2017

NOTICE TO RESPONDENTS

Re: Notification of Temporary Suspension of 2017 Resource RFP

Dear Respondent:

NorthWestern Energy issued its 2017 Resource RFP in February 2017, soliciting resource acquisitions from parties interested in providing up to 150 MW of fully dispatchable generation to serve load in Montana. NorthWestern and its independent evaluator Accion Group, LLC, have worked diligently to answer questions and evaluate bid responses in an effort to meet the target short list date of June 30. Subsequent events have impacted the progress of the effort, and the purpose of this correspondence is to notify respondents that NorthWestern is temporarily suspending the evaluation of proposals.

In mid-April, the Montana Legislature passed HB 193, a proposed law revising statutory mechanisms associated with the recovery of electricity supply cost and expense. On May 8 these statutory revisions were signed into law. The Montana Public Service Commission promptly acted on May 18 by issuing a "Notice of Commission Action" to NorthWestern. The notice imposed extensive compliance obligations upon the company and included an aggressive response schedule. The change in law and corresponding regulatory action place significant demand on NorthWestern's Energy Supply staff, as well as other departments within the company. Additionally, recent events have created additional uncertainty and raise serious concerns for the company, shareholders and customers associated with the management of NorthWestern's Energy Supply portfolio. NorthWestern must obtain clarification regarding regulatory processes and the treatment of recovery mechanisms for energy supply cost and expense before further evaluating proposals.

We expect this to be a one month delay in the process. NorthWestern will provide a status update to RFP respondents by mid-June and regrets any hardship this causes participants. Please direct any questions to the independent evaluator. Respondents to the RFP should not contact NorthWestern directly.

Sincerely,

Bleau LaFave

Director Long Term Resources

O 605-978-2897

C 605-321-6937