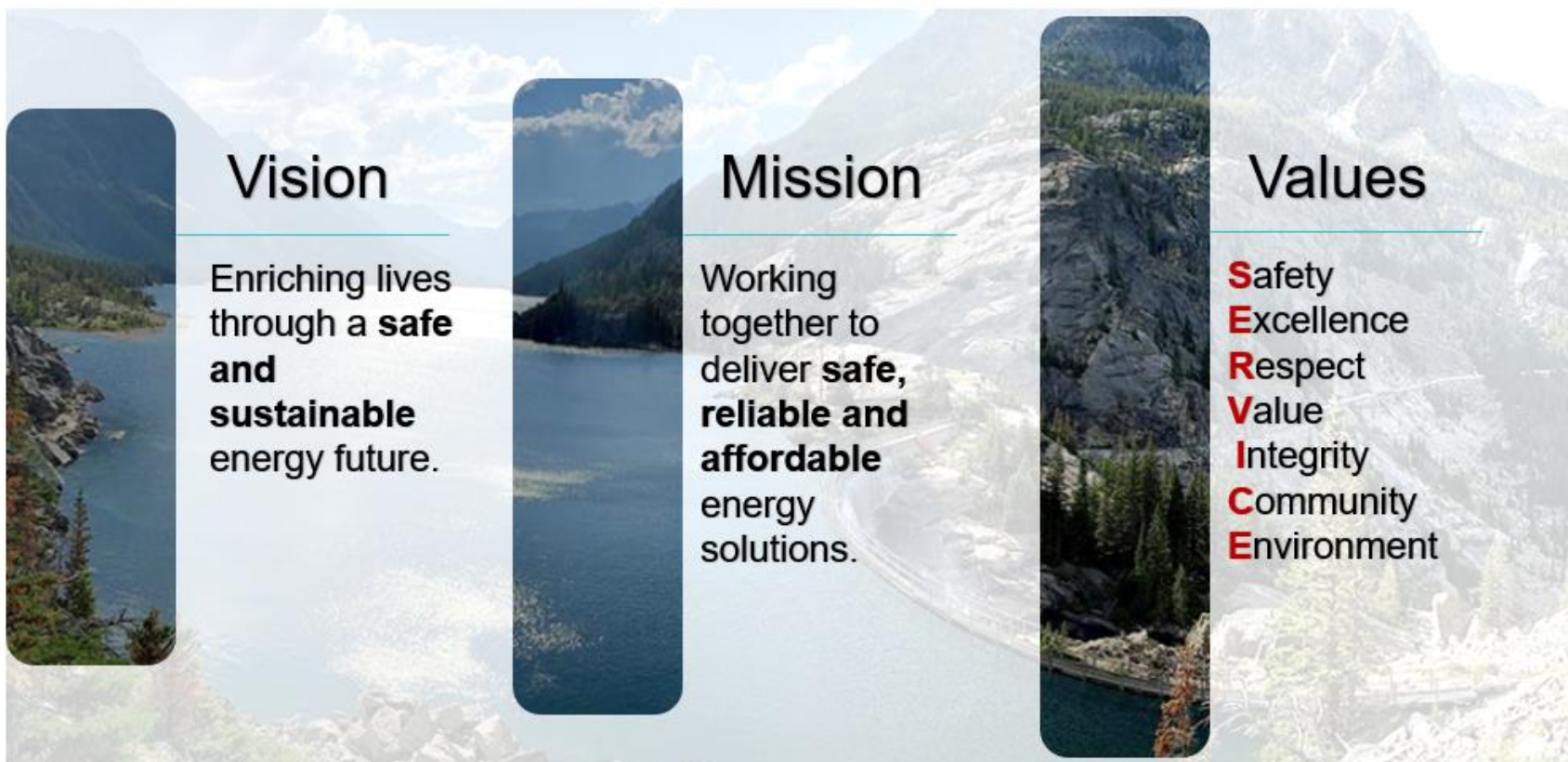




NorthWestern[®] Energy

**EEL Financial Conference
November 2024**

NorthWestern Energy



NorthWestern Energy Group, Inc.

dba: NorthWestern Energy

Ticker: NWE (Nasdaq)

www.northwesternenergy.com

Corporate Support Office

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Travis Meyer

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Forward Looking Statements

During the course of this presentation, there will be forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.”

The information in this presentation is based upon our current expectations as of the date of this document unless otherwise noted. Our actual future business and financial performance may differ materially and adversely from our expectations expressed in any forward-looking statements. We undertake no obligation to revise or publicly update our forward-looking statements or this presentation for any reason. Although our expectations and beliefs are based on reasonable assumptions, actual results may differ materially. The factors that may affect our results are listed in certain of our press releases and disclosed in the Company’s 10-K and 10-Q along with other public filings with the SEC.



Overview

NWE – An Investment for the Long Term

Pure Electric & Gas Utility

- 100% pure electric & natural gas utility with over 100 years of operating history
- Solid economic indicators in service territory
- Diverse electric supply portfolio ~55% hydro, wind & solar

Solid Utility Foundation

- Residential electric & gas rates below national average
- Solid system reliability
- Low leaks per 100 miles of pipe
- Solid JD Power Overall Customer Satisfaction scores

Earnings & Cash Flow

- Approved Montana electric & natural gas and South Dakota electric rate reviews aid earnings, cash flow, and balance sheet strength
- NOLs and tax credits expected to mitigate future cash tax obligations
- History of consistent annual dividend growth

Attractive Future Growth Prospects

- Disciplined maintenance capital investment program focus on reliability, capacity, asset life and compliance
- Further opportunity for energy supply investment to meet significant capacity shortfalls

Financial Goals & Metrics

- Target 4%-6% EPS growth plus dividend yield to provide competitive total return
- Target dividend long-term payout ratio of 60%-70%
- Target debt to capitalization ratio of 50%-55% with liquidity of \$100 million or greater

Best Practices Corporate Governance

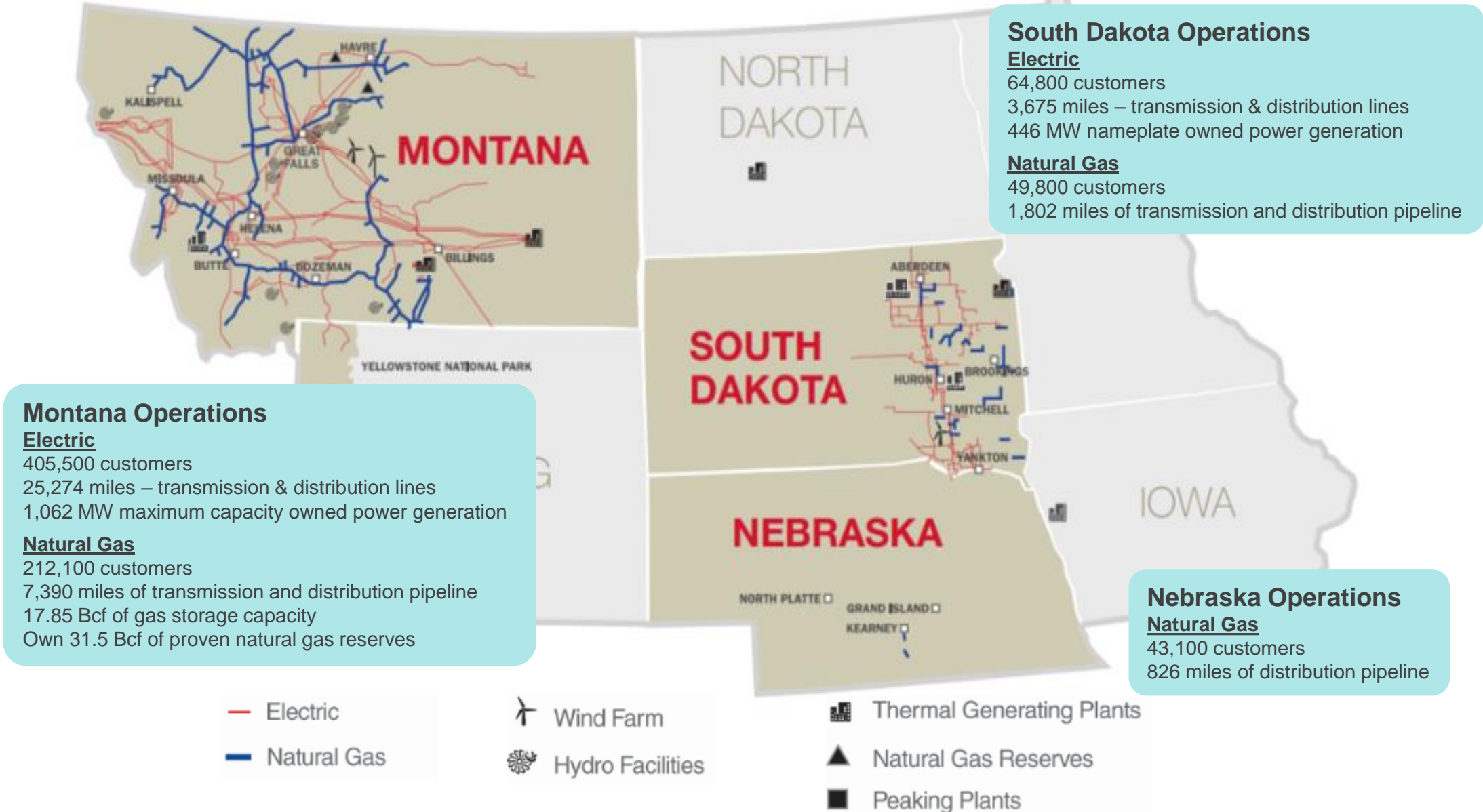


5th Best Governance Score



Recognized as one of
America's Greatest Workplaces

About NorthWestern



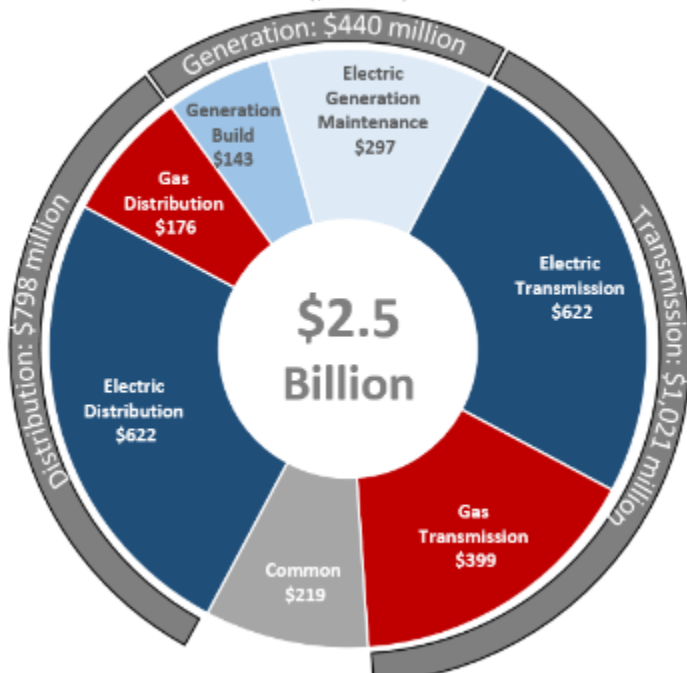
The NorthWestern Value Proposition

~5% Dividend Yield

+

Base Capital Plan:
4%-6% EPS Growth

2024-2028 Capital Investment
(\$ Millions)



=

9%-11% Total Growth

+

Incremental Opportunities:
6% + EPS Growth

- ✓ **FERC Transmission**
- ✓ **Incremental generating capacity**
(subject to successful resource procurement bids)
- ✓ **Qualifying Facility and / or Power Purchase Agreement buyouts**
- ✓ **Electrification supporting economic development**

=

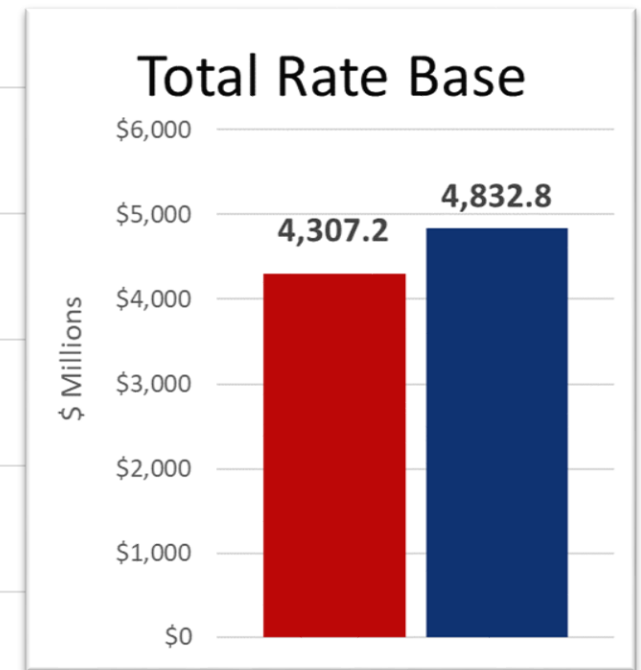
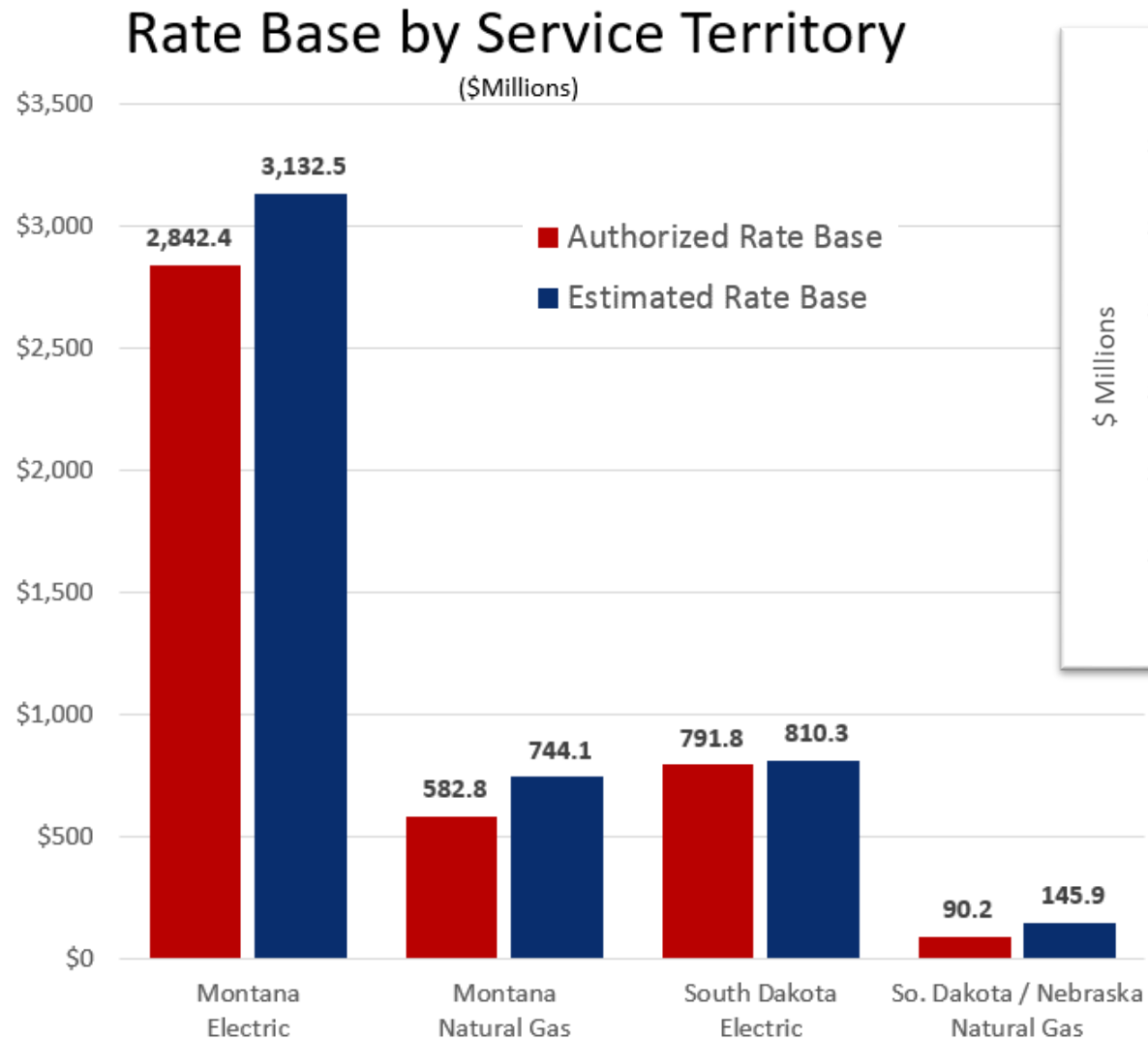
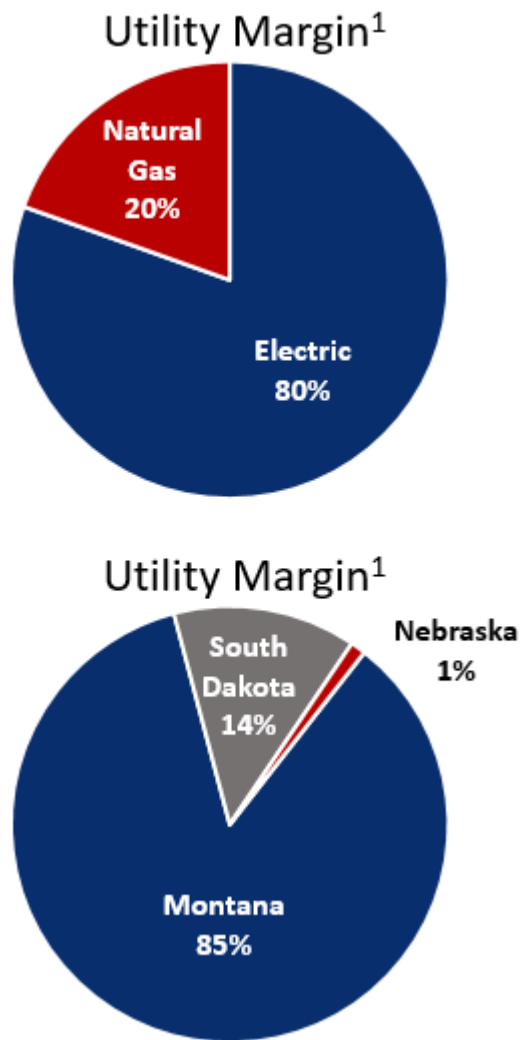
11%+ Total Growth

Nearly \$2.5 billion of highly executable and low-risk capital investment forecasted over the next five years.

This investment is expected to drive annualized earnings and rate base growth of approximately 4% - 6%.

See slide titled "Strong Growth Outlook" for additional information.

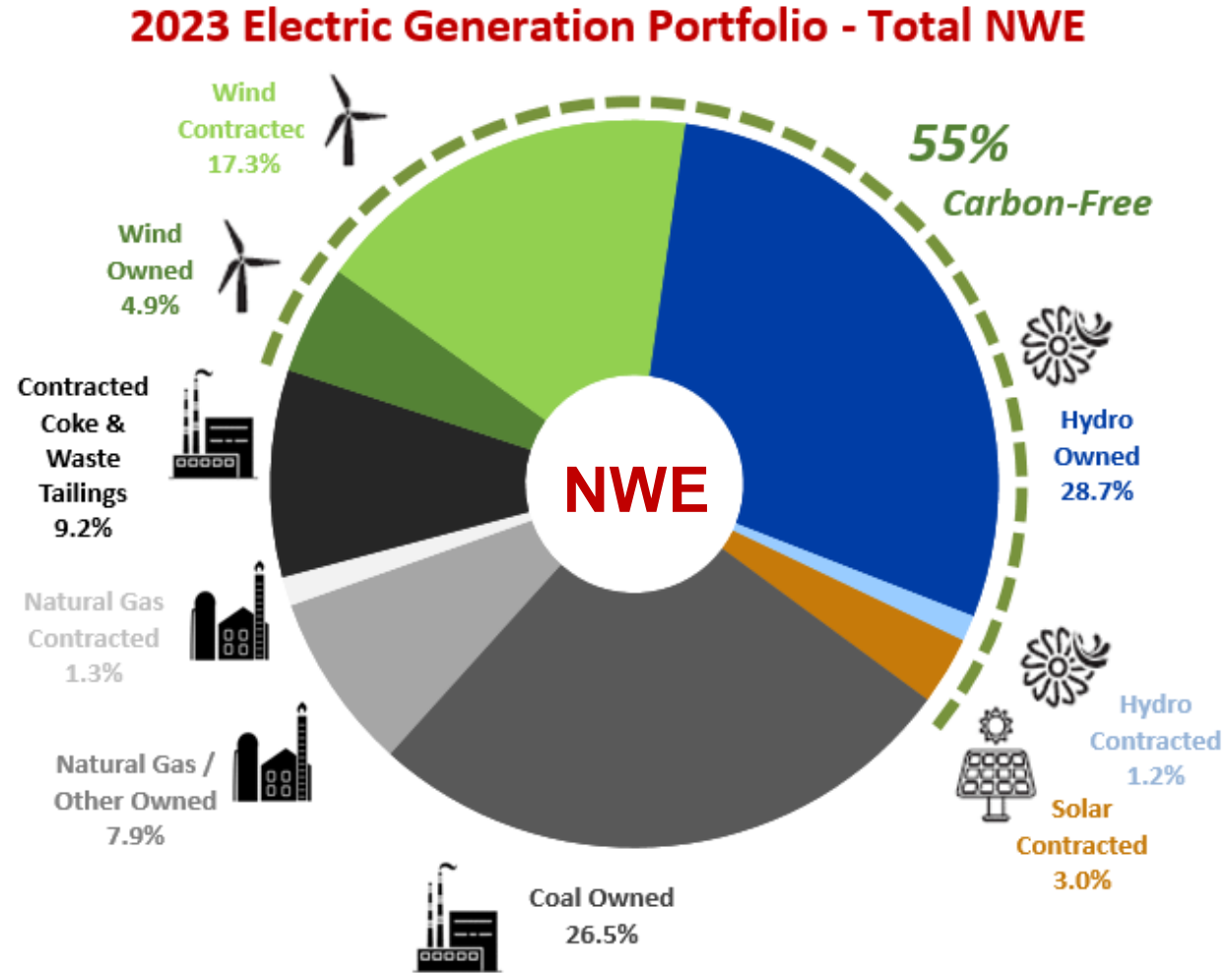
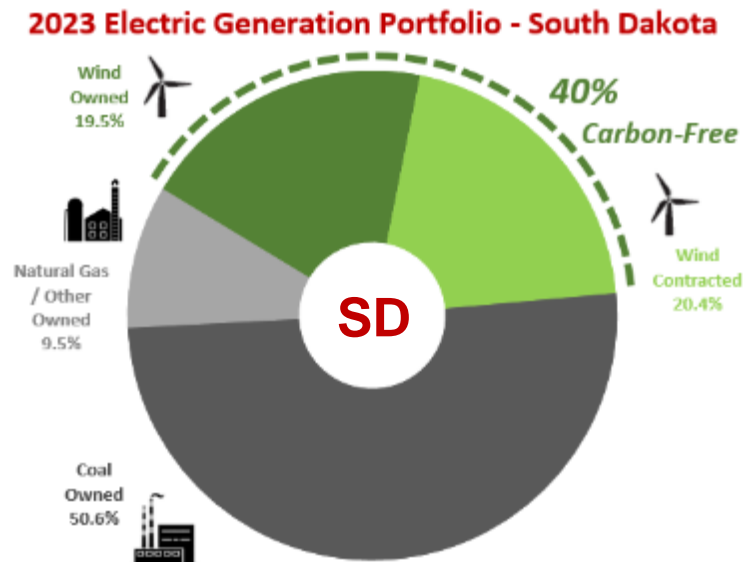
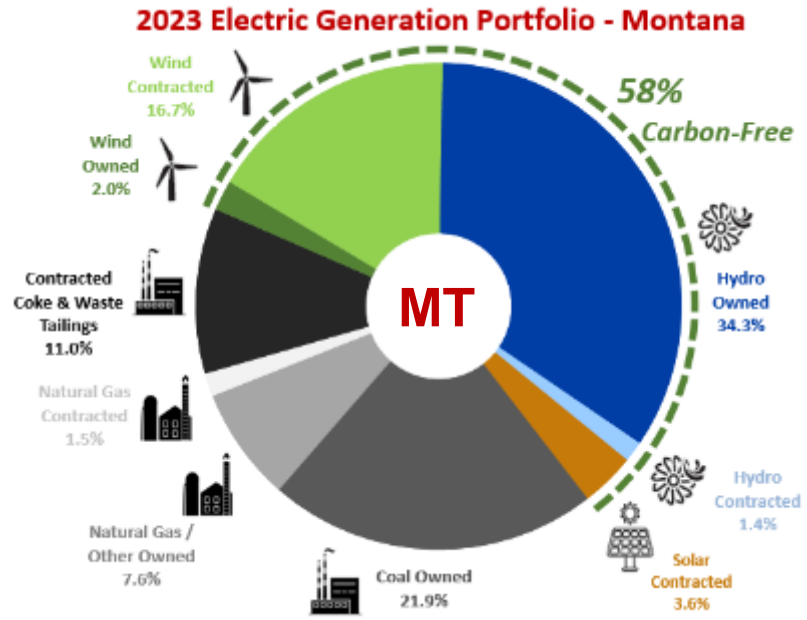
A Diversified Electric and Gas Utility



** Reflects settled filings in Montana and South Dakota.*

NorthWestern's '80/20' rules:
Approximately 80% Electric and 80% Montana.
Over \$4.8 billion of rate base investment to serve our customers

Highly Carbon-Free Supply Portfolio



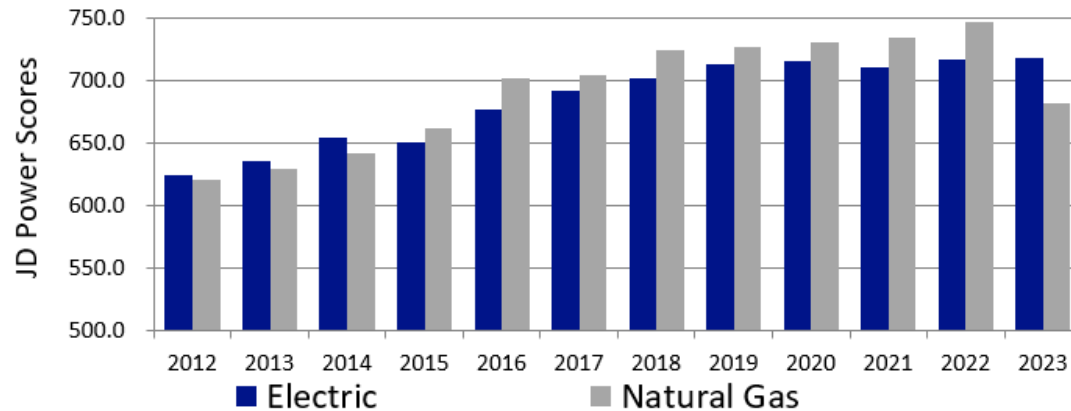
Contracted coke and waste tailings as well as a majority of the contracted wind, hydro and solar are federally mandated Qualifying Facilities, as defined under the Public Utility Regulatory Policies Act of 1978 (PURPA).

NorthWestern does not own all the renewable energy certificates (RECs) generated by contracted wind, and periodically sells its own RECs with proceeds benefiting retail customers. Accordingly, we cannot represent that 100% of carbon-free energy in the portfolio was delivered to our customers.

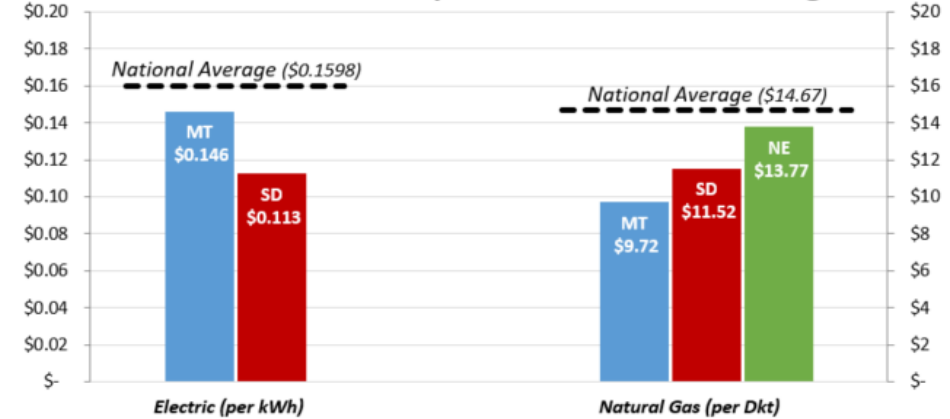
Based upon 2023 MWH's of owned and long-term contracted resources. Approximately 55% of our total company owned and contracted supply is carbon-free – better than the national average of ~40% in 2022. (eia.gov table 7.2b)

Strong Utility Foundation

NWE's Overall Customer Satisfaction Scores
via JD Power Electric & Gas Residential Studies



Residential Rate Comparison vs National Average

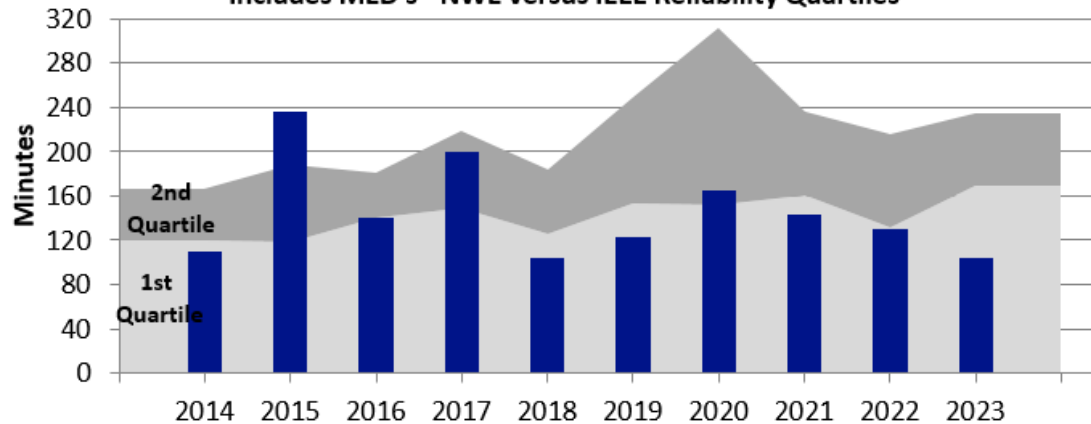


1) NWE rates are average for 2023: total residential revenues divided by total residential loads delivered

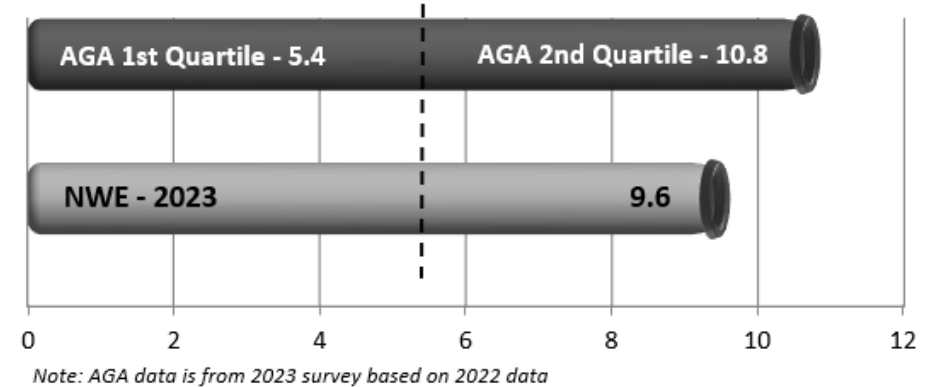
Electric source: U.S. EIA - Average Retail Price of Electricity, Monthly for 2023

Natural Gas source: U.S. EIA - U.S. Price of Natural Gas Delivered to Residential Customers for 2023

System Average Interruption Duration Index (SAIDI)
Includes MED's - NWE versus IEEE Reliability Quartiles



Leaks per 100 Miles of Pipe
Excluding Excavation Damages - 2023

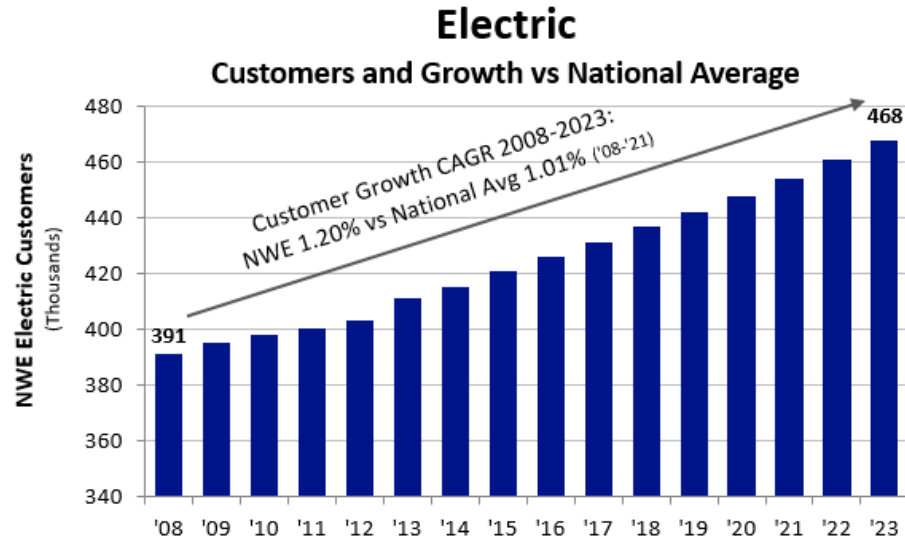


Note: AGA data is from 2023 survey based on 2022 data

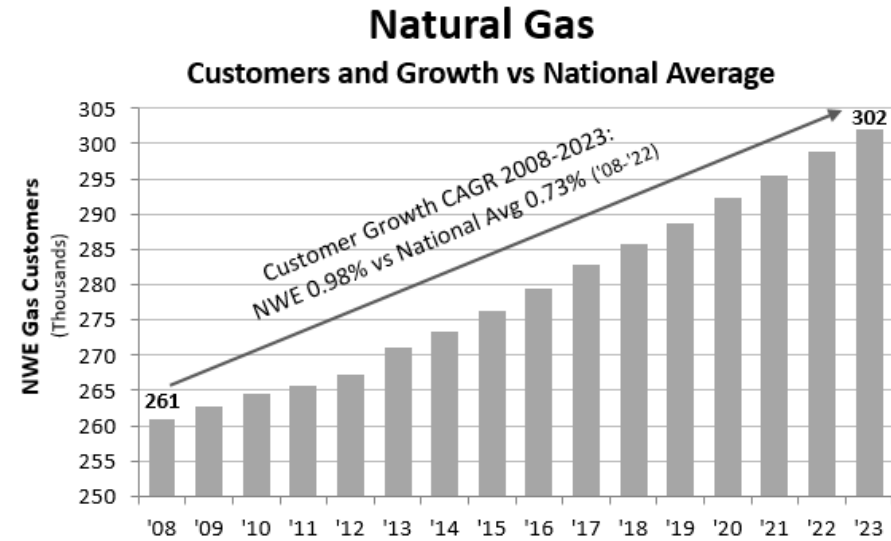
- Solid and generally improving JD Power Overall Customer Satisfaction Scores
- Solid electric system reliability

- Residential rates below national average¹
- Better than average natural gas leaks per mile

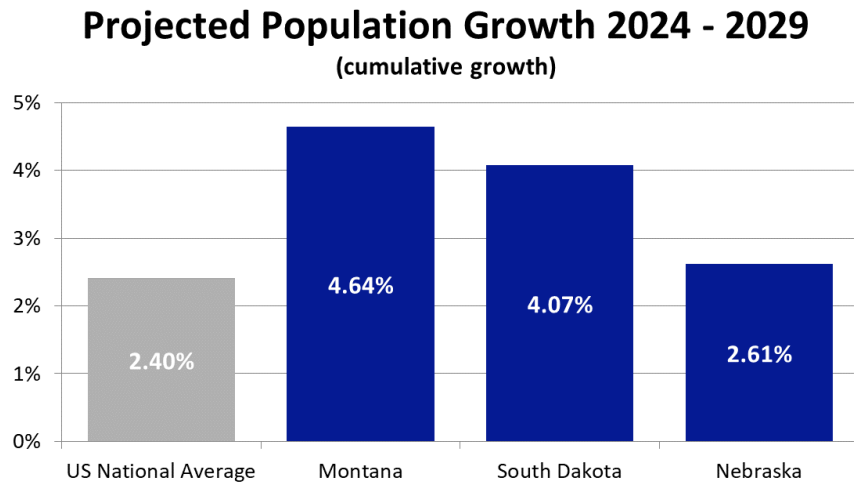
Solid Economic Indicators



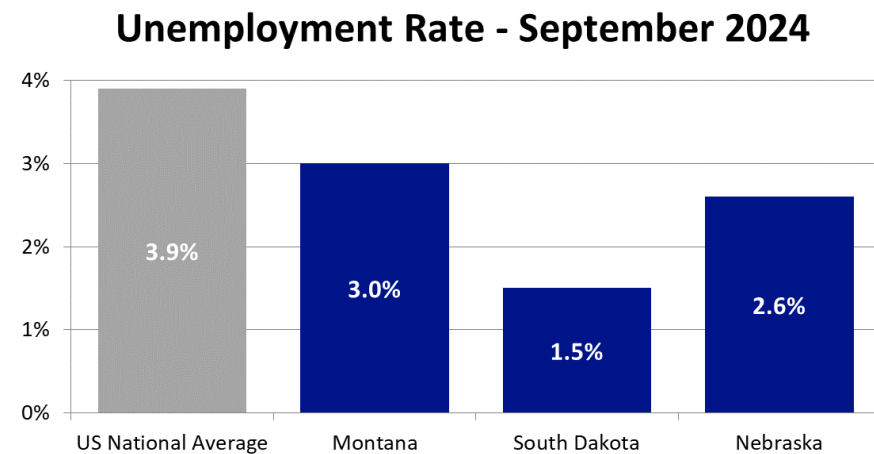
Source: Company 10K's, 2021/2022 EEI Statistical Yearbook – Table 7.2, and EIA.gov



Source: Company 10K's and EIA.gov



Source: Claritas via S&P Global Market Intelligence 5/8/2024



Source: U.S. Department of Labor via S&P Global Market Intelligence 11/1/2024

- Customer growth rates historically exceed National Averages.
- Projected population growth in our service territories better than the National Average.
- Unemployment rates better than National Average

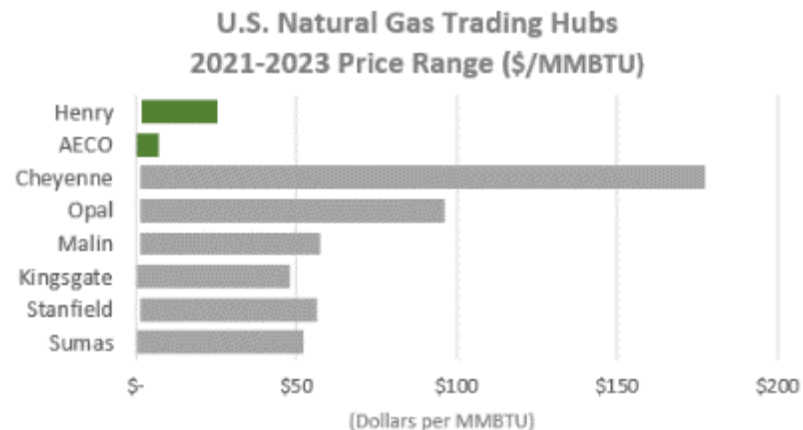
NorthWestern's Combo-Advantage

- ✓ **Combination electric & natural gas provider in Montana & South Dakota**
 - *Targeting best-in-class Customer Experience*
 - *Opportunity to invest in critical Capacity expansion (supply & transmission)*
 - *Continued Grid Evolution to improve resiliency and enhance wildfire mitigation efforts*
 - *Transforming our Digital Platform to enhance cyber-security & technology solutions*
- ✓ **Natural hedge between natural gas to electric conversions**
- ✓ **Primarily residential with commercial & industrial customers across many industries**



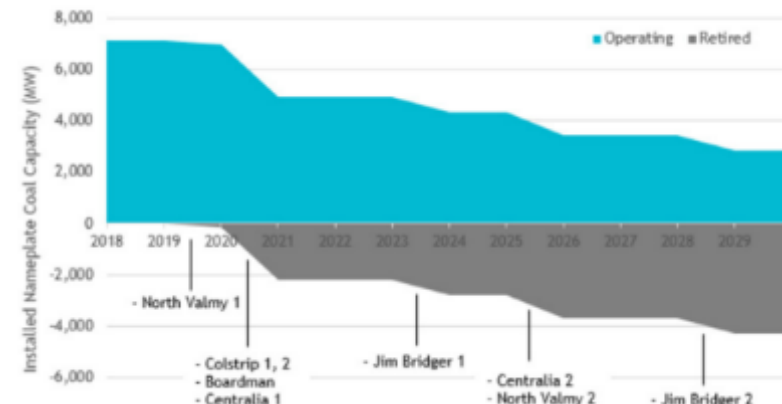
Natural Gas

- Investment in production*, transmission, & distribution
- Extreme winters necessitate economical gas heating
- Energy Choice (*Ban the Ban*) laws in MT, SD, & NE
- Access to low & less volatile natural gas pricing
 - AECO & Henry Hub (Ventura)



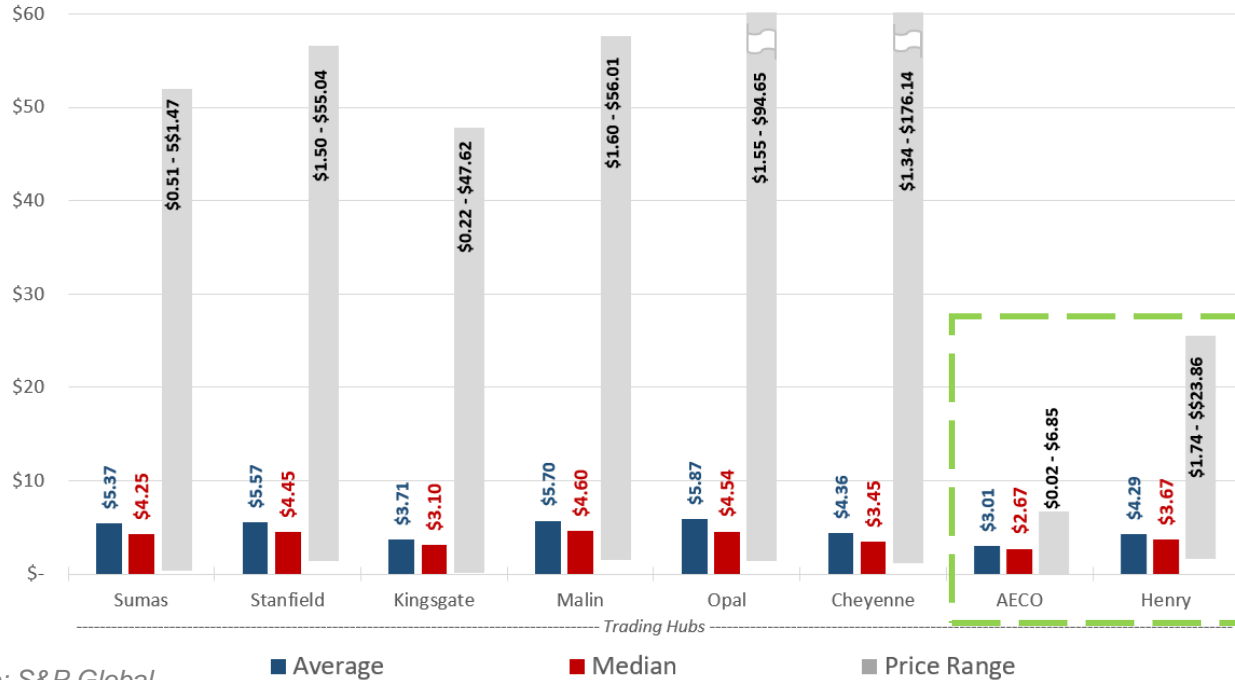
Electric

- Investment in generation, transmission, & distribution
- Highly diverse & carbon-free electric supply portfolio
- Broad footprint spanning multiple reliability & transmission regions / organizations
- Growing regional capacity deficit requiring investment



Natural Gas LDC – AECO Advantage to Customers

NWE Natural Gas Supply Advantage - 2021-2023 Prices - \$/MMBTU



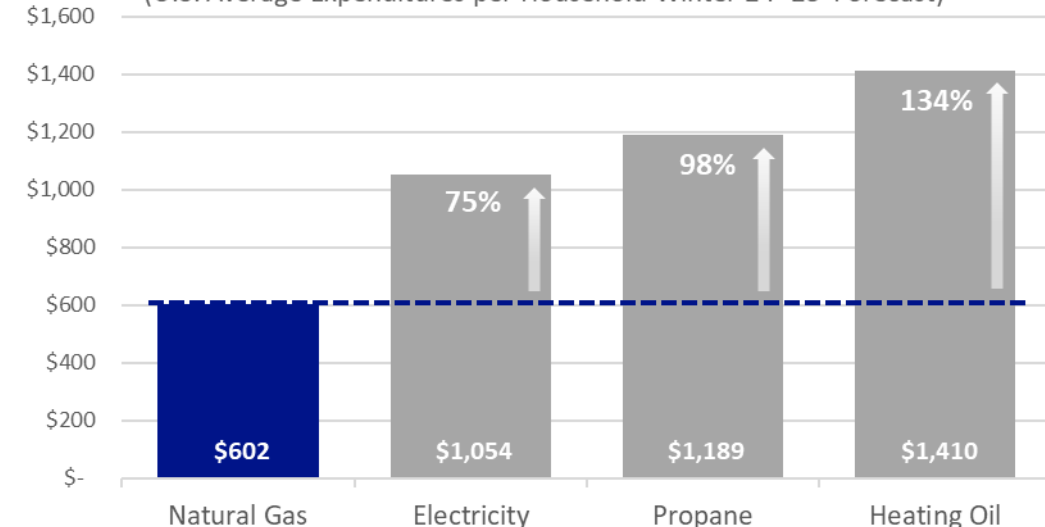
Source: S&P Global

In South Dakota, we expect to facilitate the injection of enough renewable natural gas onto our system to meet the equivalent of approximately one-half of our residential natural gas requirements by the end of 2024 and two-thirds by the end of 2025.

Natural gas is one of the most affordable energy sources, and NWE has access to some of the lowest and most stable natural gas prices in the nation through the Alberta Energy Company (AECO) and Henry trading hubs.

Household Heating Affordability

(U.S. Average Expenditures per Household Winter 24'-25' Forecast)



Percentages show amount above natural gas.

Source: U.S. EIA Short-Term Energy Outlook - October 2024

Corporate Sustainability

Environmental



Social



Governance



These eight publications provide valuable insight into NorthWestern Energy's Sustainability practices. The Sustainability Report includes Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD) aligned reporting.

Best Practices Governance

5th Best Score Among **50** Publicly Traded North American Utility and Power Companies by **Moody's Investment Services** for **Best Governance Practices**

Recent Governance Recognition



America's Most Responsible Companies

Recognized by **Newsweek** as one of the most responsible companies in 2023. One of only eleven EEI member utilities selected.



America's Greatest Workplaces

Recognized by **Newsweek** as one of America's greatest workplaces in 2023.



20 / 20 – Women on Boards

Recognized for gender diversity on its board of directors by 2022 Women on Boards. Currently four of the company's nine directors are female.

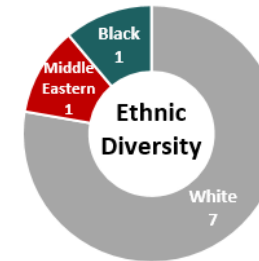
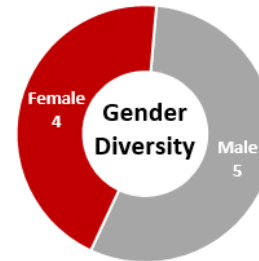
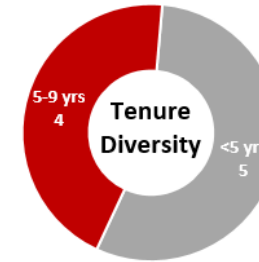
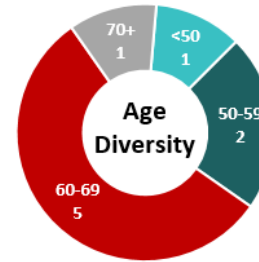


Edison Electric Institute Emergency Response Award recipient

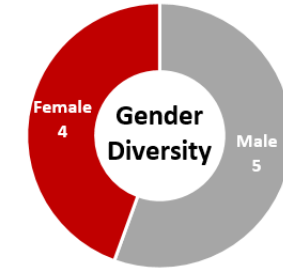
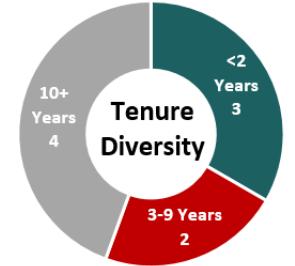
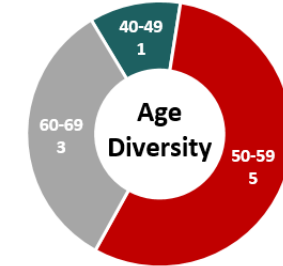
Recognized for our restoration response for both the May 2022 derecho in South Dakota and the historic flooding in Montana & Yellowstone National Park in June 2022.

Diverse Leadership

Board of Directors



Executive Team



2023 CEO Pay Ratio to Average Employee Salary

NWE
23:1

U.S. Utilities
Average in '23
74:1

12 Member Peer
Group Average in '23
47:1

CEO Pay to Peers¹

56%

¹) Peer data based on 2023 pay

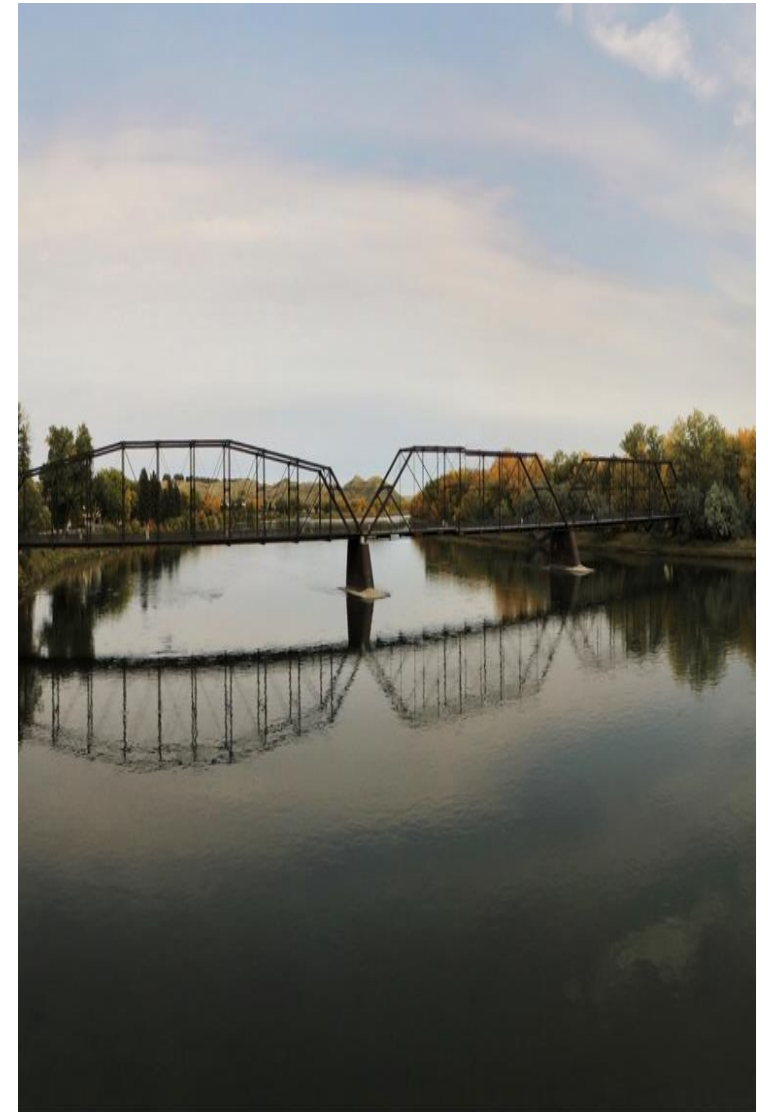


Financial & Regulatory Update

Strong Growth Outlook

- ✓ **Revised 2024 Non-GAAP EPS Guidance¹ of \$3.32 - \$3.47**
 - Assumes normal weather, Montana interim rates starting in December, an effective tax rate of 9% to 11%, and diluted shares outstanding of 61.4 million.
- ✓ **Affirming long-term (5 Year) expected growth rates**
 - **EPS growth of 4% to 6%** from 2022 base year of \$3.18 Non-GAAP
 - **Rate base growth of 4% to 6%** from 2022 base year \$4.54 billion
 - Continued focus on earned returns driven by financial and operational execution
- ✓ **No equity expected** to fund the current 5-year | \$2.5 billion capital plan
 - Capital plan is expected to be funded by cash from operations (aided by net operating losses¹) and secured debt
 - Any equity needs would be driven by incremental opportunities
- ✓ **Expect to maintain FFO / Debt > 14% through 2024** and beyond
- ✓ Earnings growth is expected to exceed dividend growth until we return to our targeted 60% to 70% payout ratio.

1.) See "2024 Earnings Bridge" in the Appendix for additional detail.

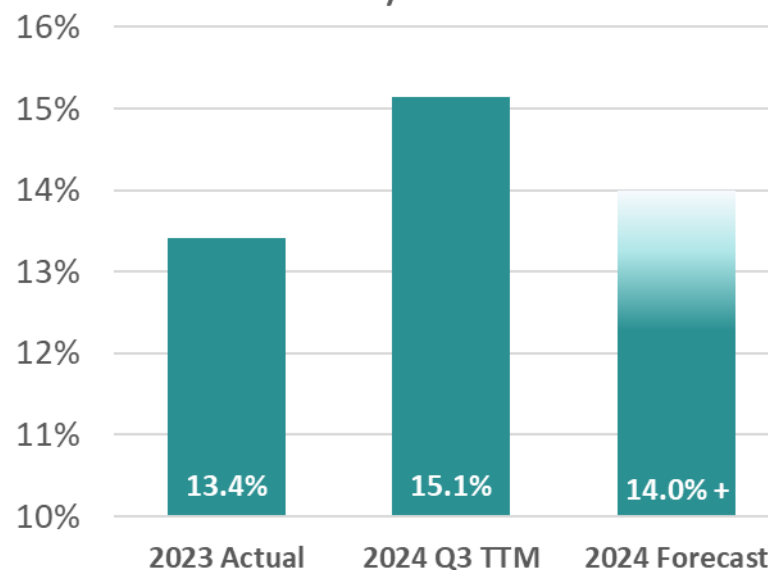


Credit, Cash Flow, and Financing Plans

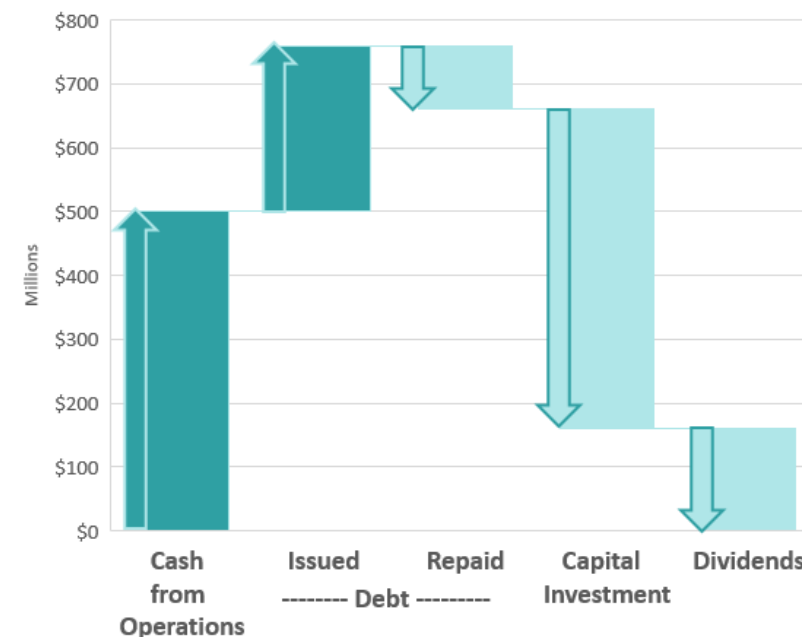
Credit Ratings

| | | <i>Moody's</i> | <i>S&P</i> | <i>Fitch</i> |
|--------------------------|-----------|----------------|----------------|--------------|
| NWEG (Hold-Co.) | Issuer | - | BBB | BBB |
| | Secured | - | - | - |
| | Unsecured | - | - | BBB |
| | Outlook | - | Stable | Stable |
| NW Corp. (MT Op.-Co.) | Issuer | Baa2 | BBB | BBB |
| | Secured | A3 | A- | A- |
| | Unsecured | Baa2 | - | BBB+ |
| | Outlook | Stable | Stable | Stable |
| NWEPS (SDNE Op.-Co.) | Issuer | Baa2 | BBB | BBB |
| | Secured | A3 | A- | A- |
| | Unsecured | - | - | BBB+ |
| | Outlook | Stable | Stable | Stable |

FFO / Debt



2024 Financing Plan



No equity expected to fund the current 5-year | \$2.5 billion capital plan

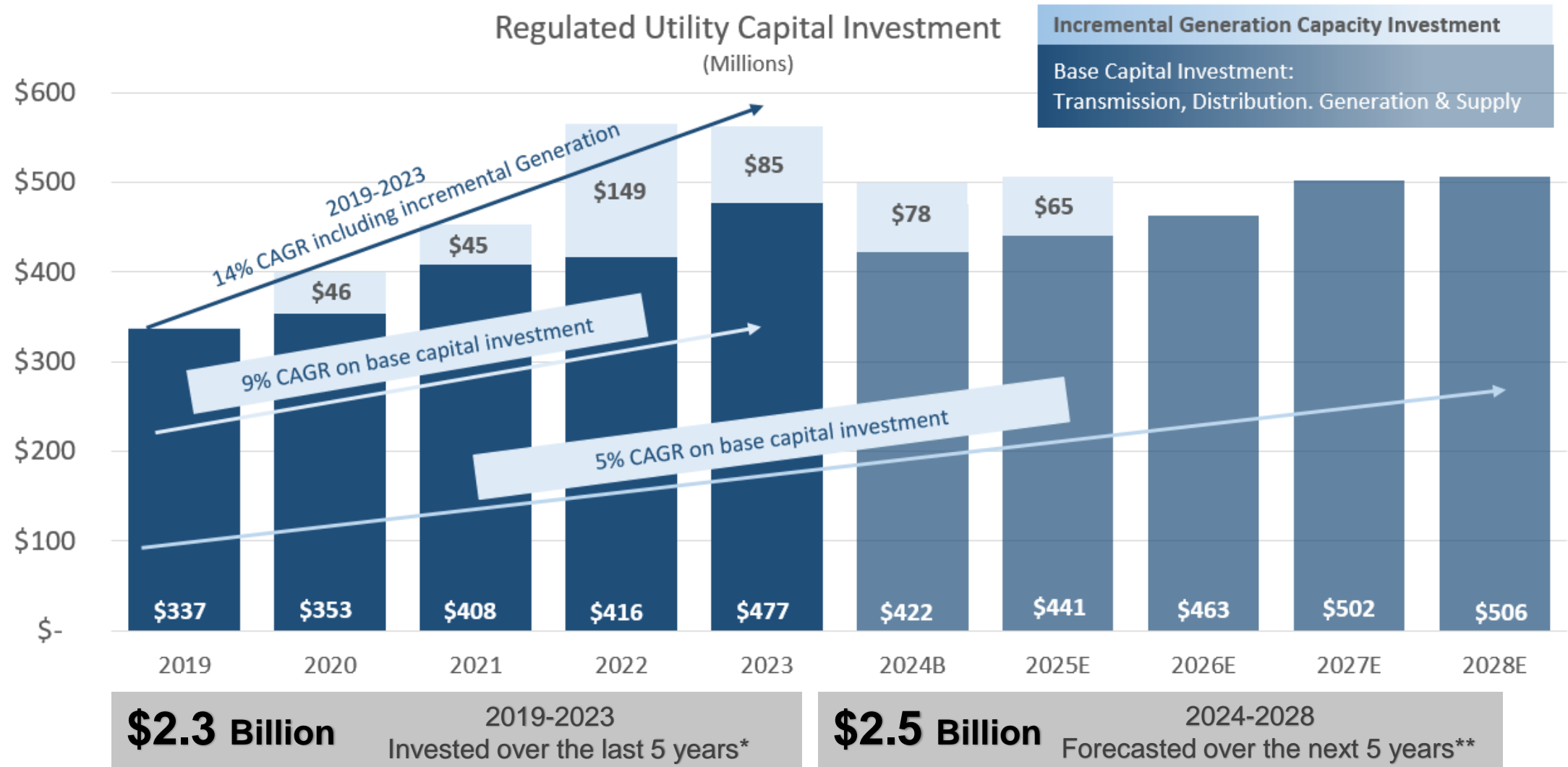
Financing plans (targeting a FFO to Debt ratio > 14%) are expected to maintain our current credit ratings.

We expect to pay minimal cash taxes into 2028 due to utilization of our NOL's and tax credits.

Financing plans are subject to change.

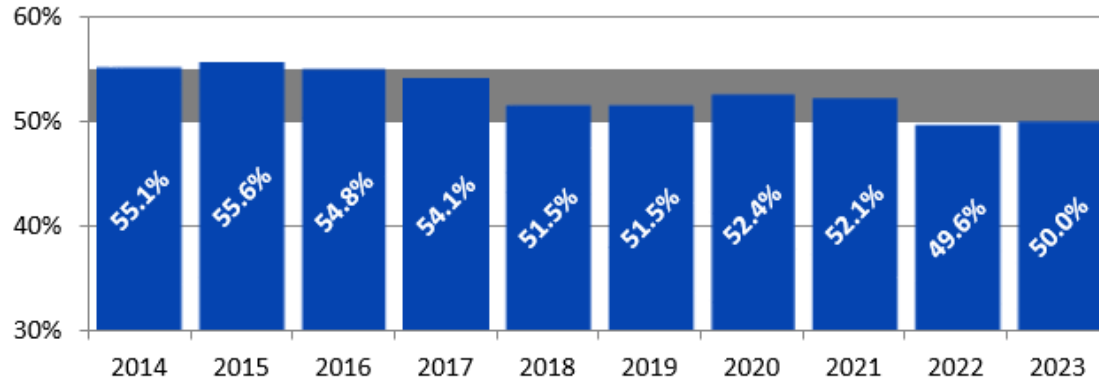


Track Record of Growing Capital Investment



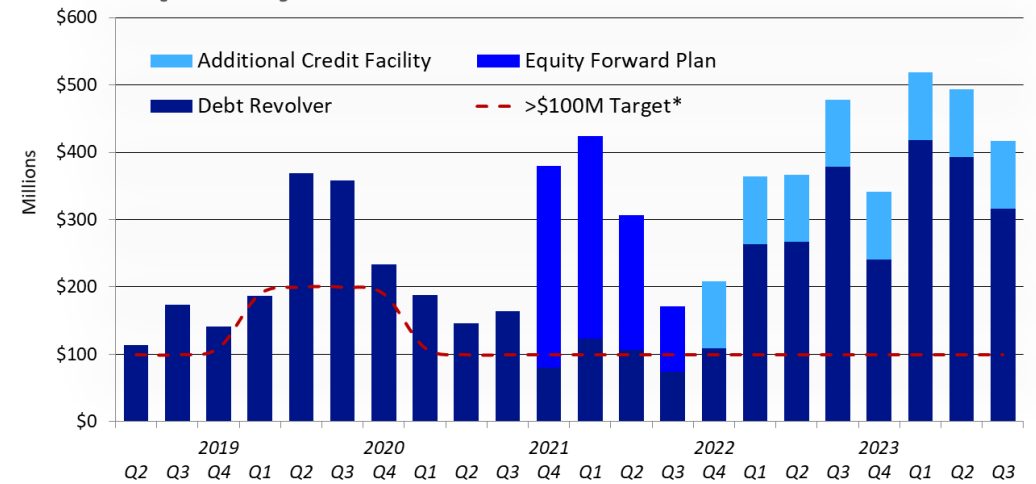
Solid Balance Sheet

Debt to Capital Ratio



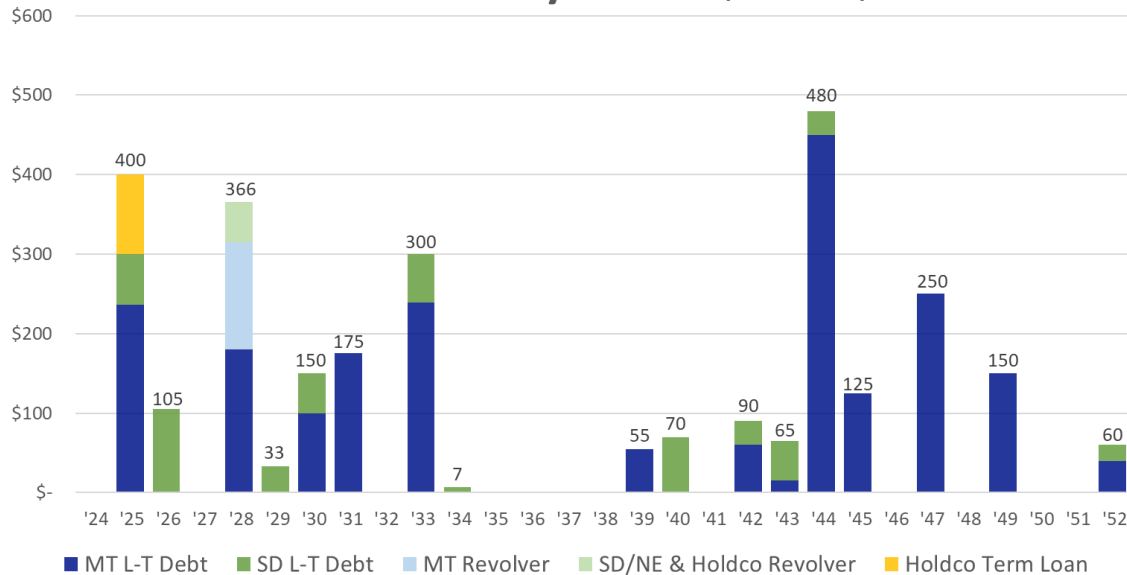
Target: 50% - 55% - Annual ratio based on average of each quarter's debt/cap ratio
Excludes Basin Creek capital lease and New Market Tax Credit Financing

Liquidity - Debt Revolver / Credit Facilities & Equity Forward Plan



* Liquidity target was raised to \$200 million during the height of the Covid pandemic

Debt Maturity Profile (\$ Millions)

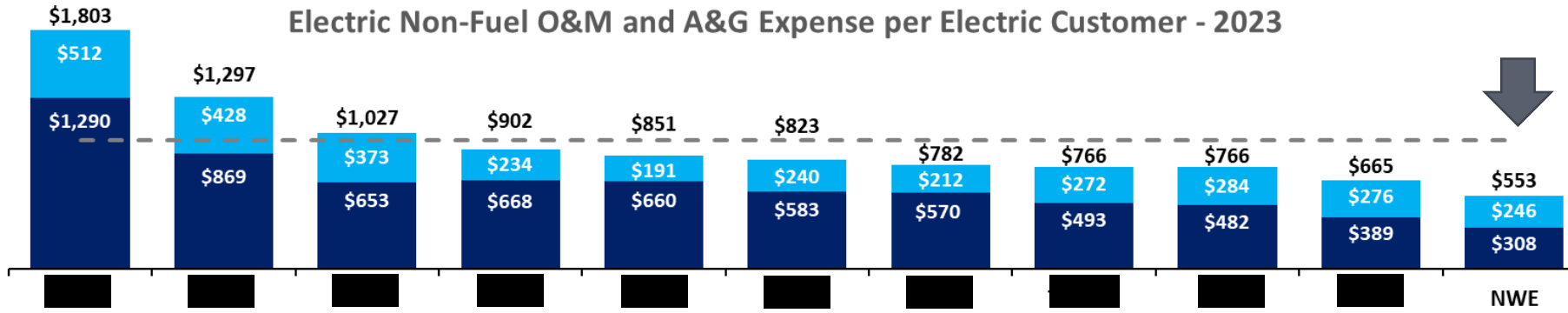


Investment grade credit ratings, liquidity significantly greater than our \$100 million target, debt to capitalization at the bottom of our targeted 50%-55% range, and a manageable schedule of debt maturities.

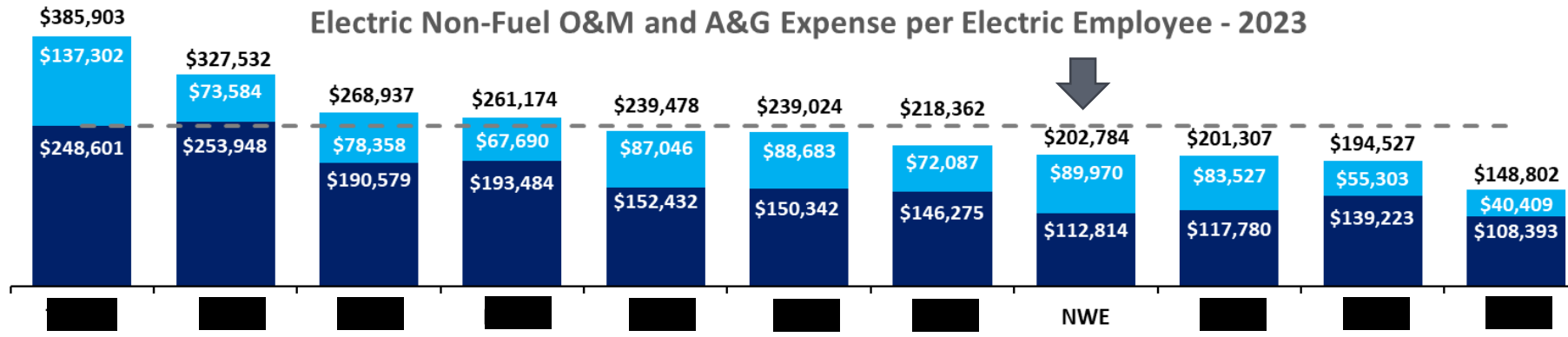


Disciplined Expense Program

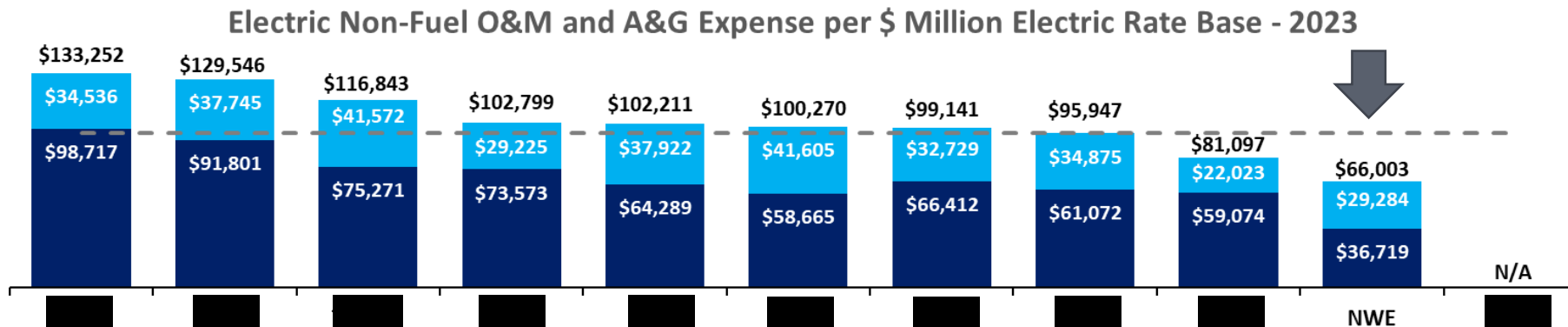
Electric Non-Fuel O&M and A&G Expense per Electric Customer - 2023



Electric Non-Fuel O&M and A&G Expense per Electric Employee - 2023



Electric Non-Fuel O&M and A&G Expense per \$ Million Electric Rate Base - 2023



Per Customer...
Per Employee...
Per Rate Base...

NorthWestern maintains
best-in-class
expense efficiency among
our regional peers.



Source: FERC Form 1 Reports - 2023 expenses and company filings through S&P Global IQ. Electric Non-Fuel O&M excludes fuel and steam costs for power generation, water costs for hydro operations, and purchased power cost unless identified in company disclosures. Electric employees are allocated by electric rate base weighting to total rate base.



Rate Reviews

Rate Review Summary

| | MT Electric | MT Natural Gas | SD Natural Gas | NE Natural Gas |
|---------------------------|---|---|---|---|
| Date Filed | July 10, 2024 | July 10, 2024 | June 21, 2024 | June 6, 2024 |
| Test Year End | 2023 with 2024 Known & Measurables | 2023 with 2024 Known & Measurables | 2023 with 2024 Known & Measurables | 2023 with 2024 Known & Measurables |
| Revenue Request | \$156.5 Million (\$69.4M net with Property Tax Tracker and PCCAM Adjustments) | \$28.6 Million | \$6.0 Million (\$4.4M Retail and \$1.6M Tx) | \$3.6 Million (\$3.3M Retail and \$0.3M Tx) |
| Equity Layer / ROE | Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.65%) | Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.55%) | Requested: 53.13% / 10.70% (Authorized: N/A / N/A) | Requested: 53.13% / 10.70% (Authorized: N/A / 10.40%) |
| Debt Layer / Cost of Debt | Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%) | Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%) | Requested: 46.87% / 4.42% (Authorized: N/A / N/A) | Requested: 46.87% / 4.42% (Authorized: N/A / 6.50%) |
| Authorized Rate Base | Requested: \$3.45 Billion (Authorized: \$2.84 Billion) | Requested: \$731.9 Million (Authorized: \$582.8 Million) | Requested: \$95.6 Million (Authorized: \$65.9 Million) | Requested: \$47.4 Million (Authorized: \$24.3 Million) |
| Other Items to Note | \$874M of Gross Plant Investment (Jan '23-Dec '24F) | \$174M of Gross Plant Investment (Jan '23-Dec '24F) | \$80M of Gross Plant Investment (Jan '10-Dec '23) | \$42M of Gross Plant Investment (Jan '07-Dec '23) |
| Key Dates | Requested Interim Rates Oct. 1, 2024 (MPSC decision pending) / New Rates May 23, 2025 | Requested Interim Rates Oct. 1, 2024 (MPSC decision pending) / New Rates May 23, 2025 | Interim rates 180 days from filing. Earliest rate increase would be Dec. 21, 2024 | Implemented interim rates Oct. 1, 2024 |

Key Dates of Montana procedural Schedule

- 12/20/24: Final day for data requests to NWE (with final responses due 1/10/25)
- 1/17/25: Intervenor testimony due
- 3/14/25: NWE rebuttal and cross-intervenor testimony due
- 3/24/25: Final day to file settlements
- 4/22/25: Hearing Commences

See Rate Review Appendix for additional information

Note: For Montana electric, the equity and debt layer, ROE and cost of debt exclude Colstrip Unit 4 metrics of a 10.00% return on equity, an equity weighting of 50.0% and a return on rate base of 8.25%

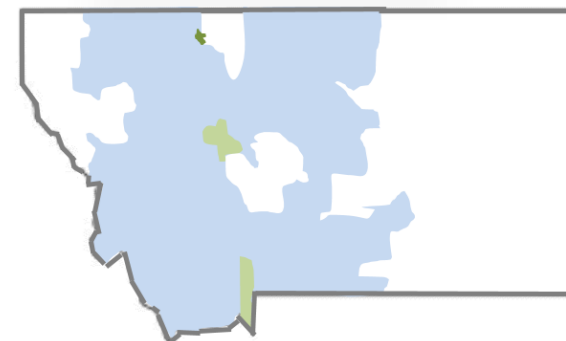
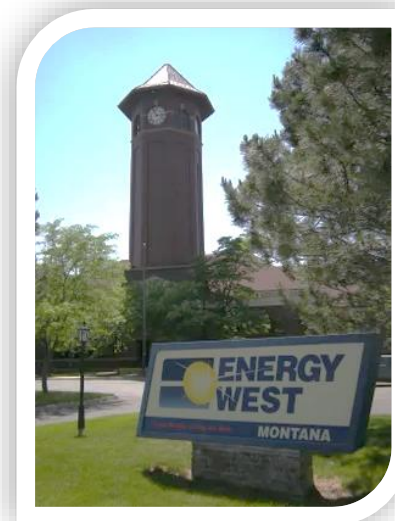


Strategic Update

Energy West / Cut Bank Natural Gas Acquisition

| | |
|-------------------------------|--|
| Transaction Highlights | <ul style="list-style-type: none">• Two natural gas LDC's in Montana: Energy West Montana ("EWM") and Cut Bank Gas Co. ("CBGC") from Hope Utilities• 33,000 customers in Great Falls area, West Yellowstone and Cut Bank communities• EWM's and CBGC's currently authorized rates will remain until our next natural gas rate review |
| Purchase Price | <ul style="list-style-type: none">• Asset purchase price of \$39 million*, subject to a number of customary closing conditions |
| Approvals and Timing | <ul style="list-style-type: none">• Expected closing in the first quarter of 2025• Subject to Montana Public Service Commission approval (August 2024 filing) |
| Customers | <ul style="list-style-type: none">• Opportunity to acquire assets strategically located within our service territory• Consistent with focus on our existing regulated utility business |
| Communities | <ul style="list-style-type: none">• Expands and reinforces NorthWestern's commitment to Montana, its communities and residents• Opportunity to expand NorthWestern's charitable and economic development impact |
| Employees | <ul style="list-style-type: none">• EWM and CBGC employees offered employment with NWE• NorthWestern remains committed to competitive pay, benefits and opportunity for advancement |
| Investors | <ul style="list-style-type: none">• Regulated distribution assets within our existing geography• Expected to be earnings and credit neutral |

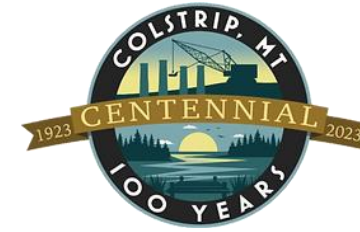
* Approximately 1.5x estimated 2024 ending Property Plant & Equipment balance



- NWE Natural Gas Service Territory
- Energy West Service Territory
- Cut Bank Service Territory

Colstrip Transactions Overview

NorthWestern Energy entered into an agreement to acquire Puget Sound Energy's ownership interests in Colstrip Units 3 and 4. This transaction is in addition to our previously disclosed agreement with Avista to acquire their ownership interest in Colstrip.



Reliability

NorthWestern has considerable low cost wind and solar generation on our system today, but that generation is variable. Colstrip's generation provides power for our customers when the wind isn't blowing and the sun isn't shining.

Affordability

As other states require a transition away from coal resources at a pace faster than is feasible in Montana, this no-cost acquisition allows our customers to transition to a cleaner energy future at a pace that works for Montanans.

Sustainability

Colstrip is a dependable bridge to a cleaner energy future, which could ultimately include new lower- or no-carbon emitting resources such as gas-fired generation, small modular nuclear reactors, long-duration storage or other technologies, which we believe could be located in the Colstrip area. But this will take time and we will not sacrifice service reliability during the transition.

| | <u>Avista</u> | <u>Puget Sound</u> |
|-----------------------------|--|--|
| Announcement Date: | January 2023 | July 2024 |
| Effective Date: | December 31, 2025 | December 31, 2025 |
| Generating Capacity: | 222 MW (111 MW of each CU 3 & 4) | 370 MW (185 MW of each CU 3 & 4) |
| Acquisition Price: | \$0.0 | \$0.0 |

The no-cost acquisition will allow us to leverage existing infrastructure in Montana that is available when our customers need energy the most at an affordable cost.

Similar to the previously disclosed Avista agreement, the Puget acquisition is subject to customary conditions and approvals, including approval from the FERC. NorthWestern will have the right to exercise Avista's and Puget Sound's votes with respect to capital expenditures between now and 2025 with both Avista and Puget Sound responsible for its pro rata share. Avista and Puget Sound will retain their respective existing environmental and decommissioning obligations through life of plant.

Colstrip Facility Ownership

Mitigating today's capacity crisis while creating a sustainable glide path to the cost-effective carbon-free technologies of tomorrow

55%

In January 2026, we will own 55% of Colstrip Units 3 & 4.

This allows us to guide investments in operation and maintenance in providing on-demand, 24/7 cost-effective generation for our Montana customers until a viable equivalent, carbon-free energy resource is available.

| | Current Colstrip Ownership Structure (megawatts) | | Announced January 16, 2023 | | Announced July 30, 2024 | |
|--|--|--------|----------------------------|--------|-------------------------|--------|
| | Unit 3 | Unit 4 | Unit 3 | Unit 4 | Unit 3 | Unit 4 |
| Avista | 111 | 111 | | | | |
| NorthWestern | | 222 | 111 | 333 | 296 | 518 |
| PacifiCorp | 74 | 74 | 74 | 74 | 74 | 74 |
| Portland | 148 | 148 | 148 | 148 | 148 | 148 |
| Puget | 185 | 185 | 185 | 185 | | |
| Talen | 222 | | 222 | | 222 | |
| Total | 740 | 740 | 740 | 740 | 740 | 740 |
| | Unit 3 | Unit 4 | Unit 3 | Unit 4 | Unit 3 | Unit 4 |
| Avista | 15% | 15% | | | | |
| NorthWestern | | 30% | 15% | 45% | 40% | 70% |
| PacifiCorp | 10% | 10% | 10% | 10% | 10% | 10% |
| Portland | 20% | 20% | 20% | 20% | 20% | 20% |
| Puget | 25% | 25% | 25% | 25% | | |
| Talen | 30% | | 30% | | 30% | |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |
| NorthWestern's Share of Total Facility | | 15% | 30% | 55% | | |

Regional Transmission Opportunities

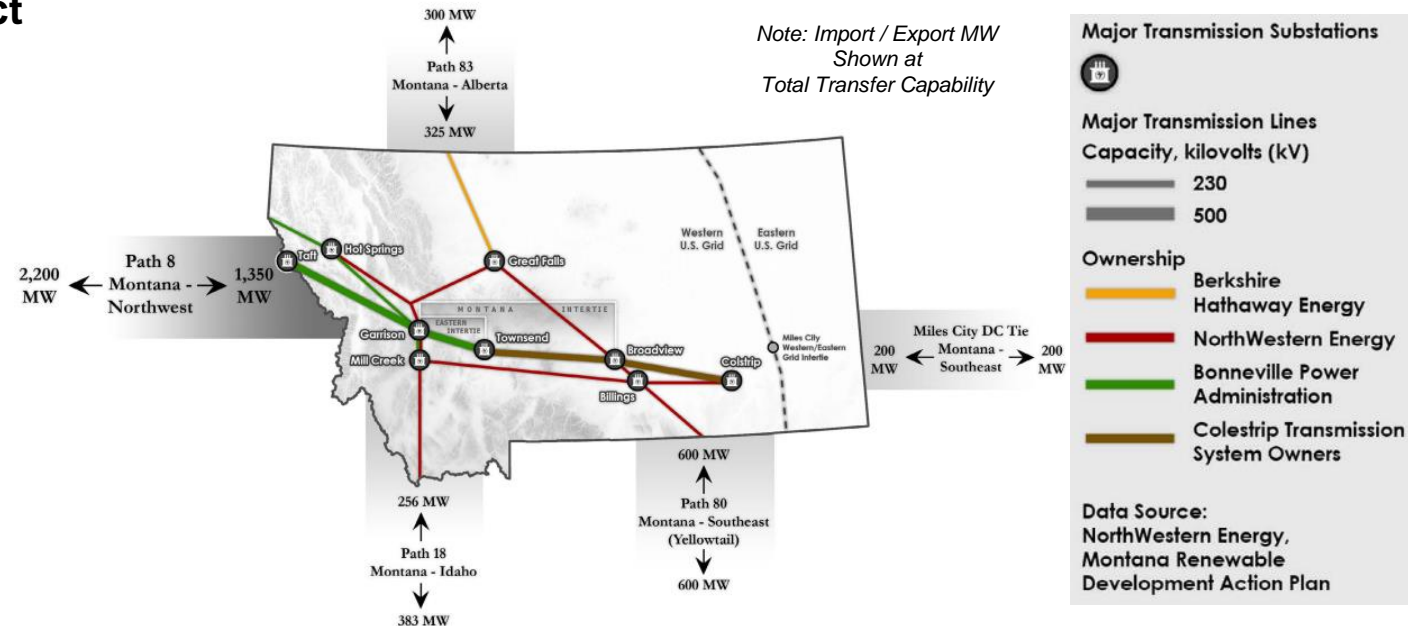
North Plains Connector (NPC) Consortium Project

- \$3.6 billion, 415-mile, high-voltage direct-current transmission line connecting Montana's Colstrip substation bridging the eastern and western U.S. energy grids
- Project awarded \$700M Grid Resilience and Innovation Partnership grant by U.S. Department of Energy
- \$70.0 million of the award is earmarked for upgrades to the **Colstrip Transmission System** (of which we are ~30% owner)

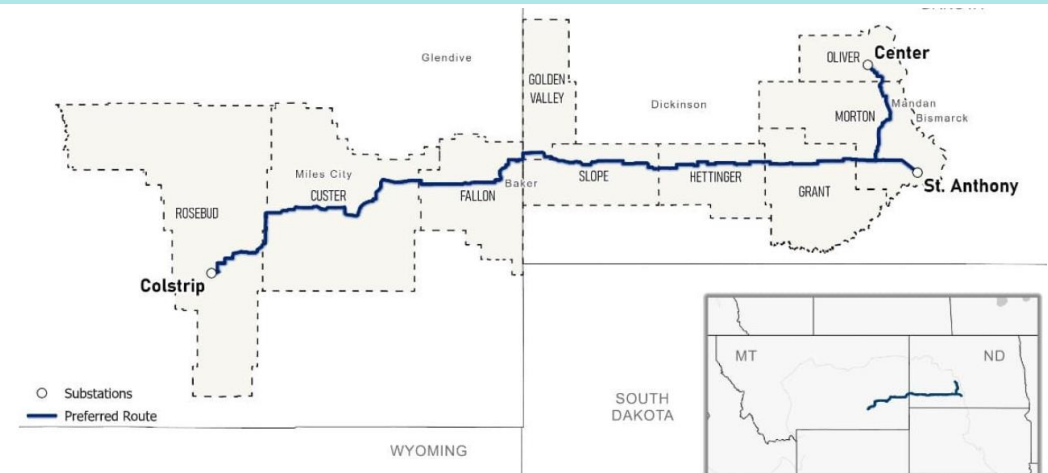
The projects aim to enhance grid reliability, support renewable energy integration, and provide additional capacity across the region.

In addition to the Colstrip Transmission System Upgrade, we are considering an investment in North Plains Connector and are engaged in several other potential regional transmission development activities.

Colstrip Transmission System



North Plains Connector



Montana Wildfire Mitigation Plan



Reduction of
Ignition Potential

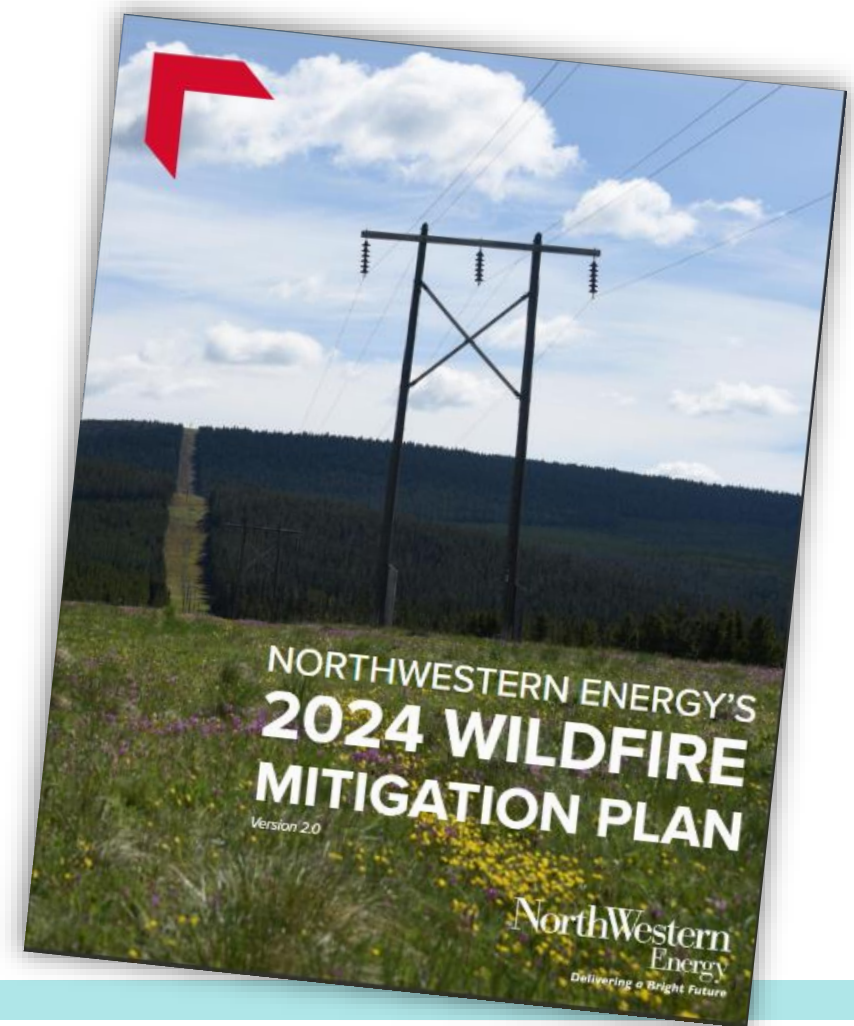
System and
Environmental
Monitoring

Enhanced
Vegetation
Maintenance

Enriched Public
Communication
and Outreach

- ✓ Comprehensive summary of wildfire mitigation activities
- ✓ Expect to update plan with each electric rate review filing
- ✓ Deferral treatment for wildfire costs beyond amounts authorized in rates (up to \$95 million over 5 years)
- ✓ **Key elements of the plan, driven by risk analysis include:**
 - Situational Awareness
 - Operational Practice
 - System Preparedness
 - Vegetation Management
 - Public Communication
- ✓ Linear line miles of highest risk Montana electric assets

Distribution 5.9%
Transmission 7.3%

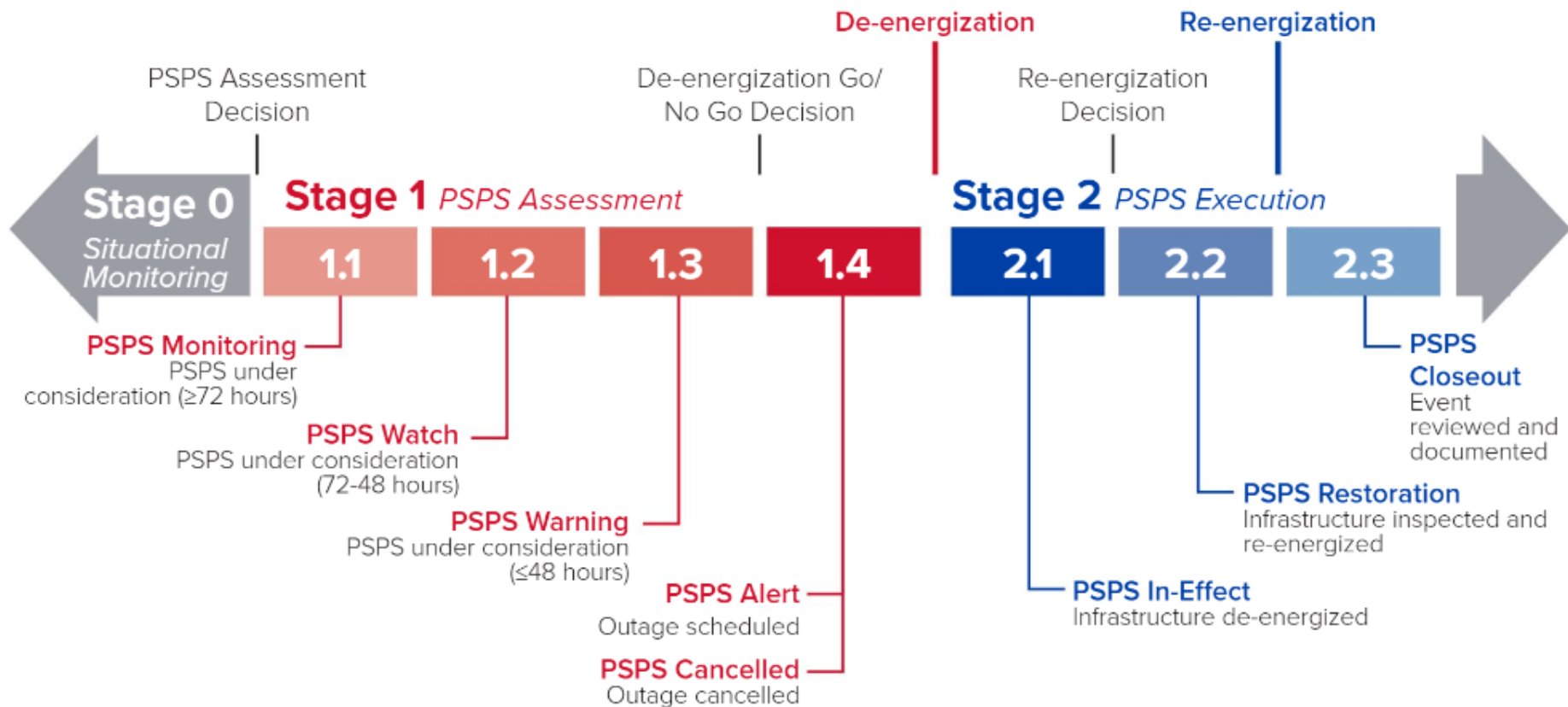


Our operational practice includes situationally performing power shutdowns and adjusting system operating protocols during periods of heightened wildfire risk. Power shutdown considerations include environmental conditions, system performance, and mitigating any potential impacts of an outage to customers and emergency services.

Montana Public Safety Power Shutoff Plan

Guiding Plan Principles

- Uphold our commitment to sustainable, affordable and reliable service
- Ensuring the safety of our employees, customers, the public, communities, and the environment
- Maintain robust situational awareness strategy for monitoring and quantifying conditions and risks
- Following a disciplined operational strategy for executing PSPS events
- Adhere to a consistent communication strategy to ensure that communications are clear, timely, and accurate



Weather / Environment
+ System Performance
+ Customer / Community Impact
= Determines PSPS Event



Conclusion

Pure
Electric &
Gas Utility

Solid Utility
Foundation

Best
Practices
Corporate
Governance

Attractive
Future
Growth
Prospects

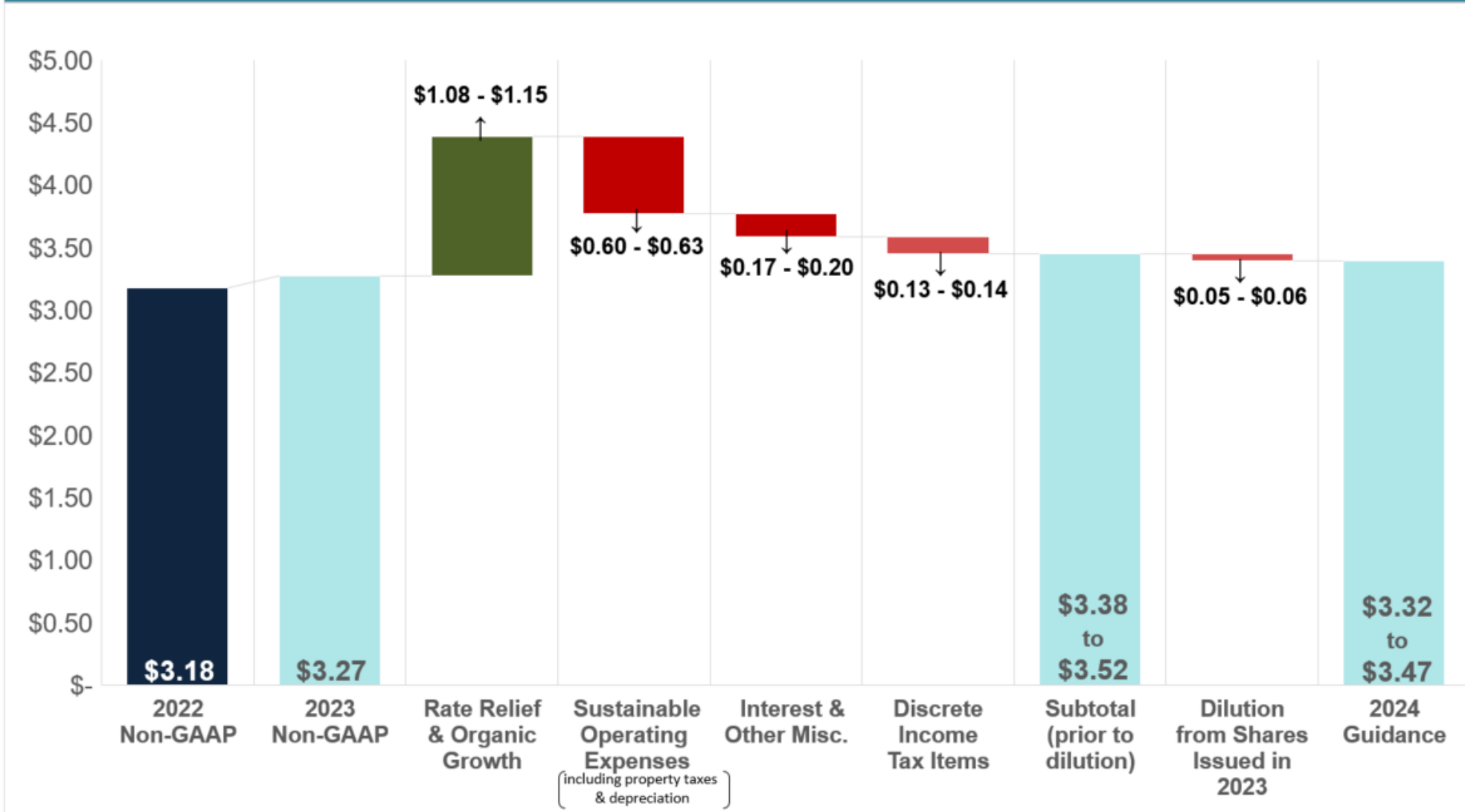
Strong
Earnings &
Cash Flows



Appendix

2024 Earnings Bridge

Revised Earnings Per Share Bridge 2023 Non-GAAP to 2024 Estimate

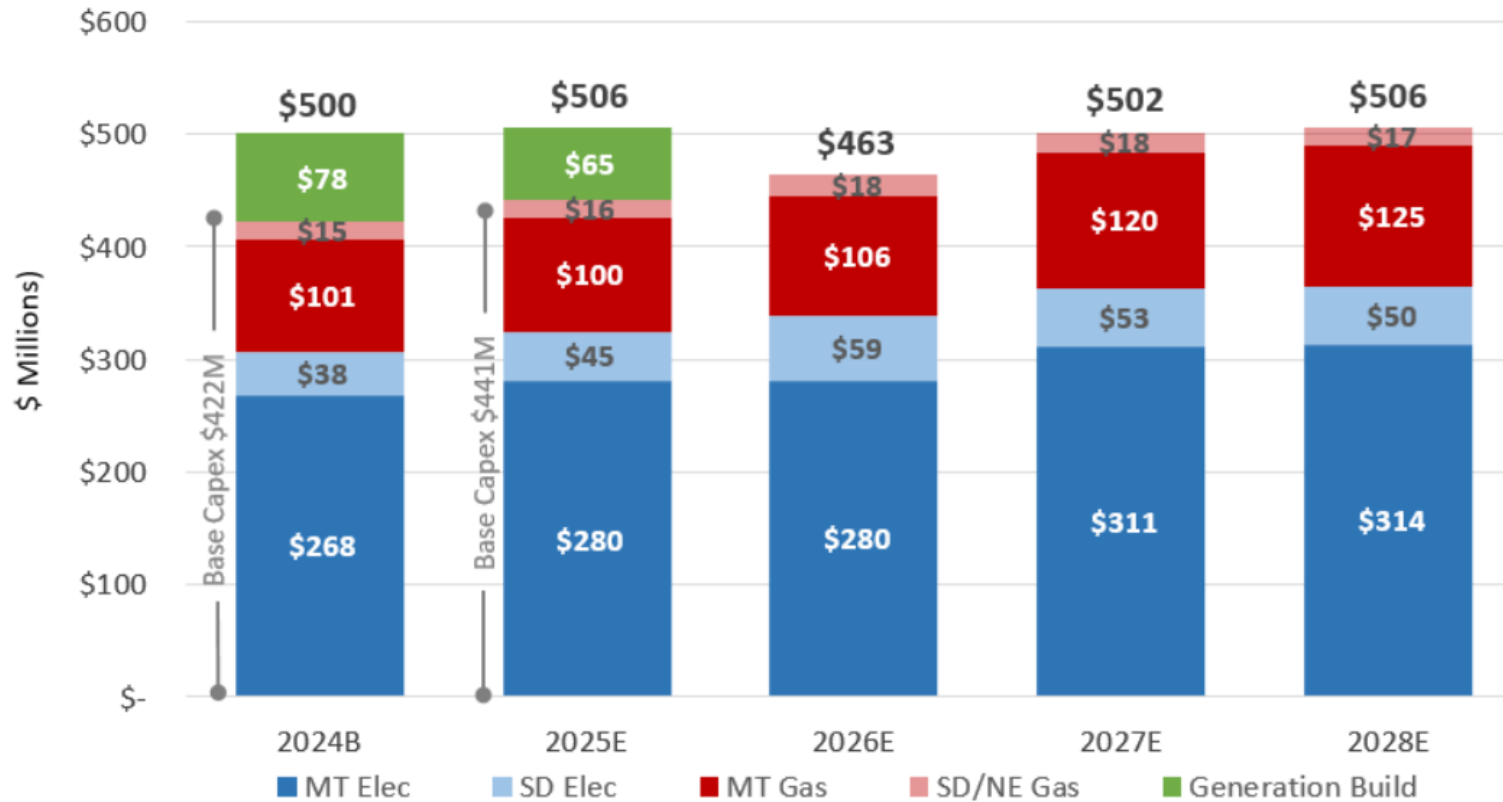


Revising 2024 Non-GAAP EPS guidance in light of delay in Montana interim rates

This guidance range is based upon, but not limited to, the following major assumptions:

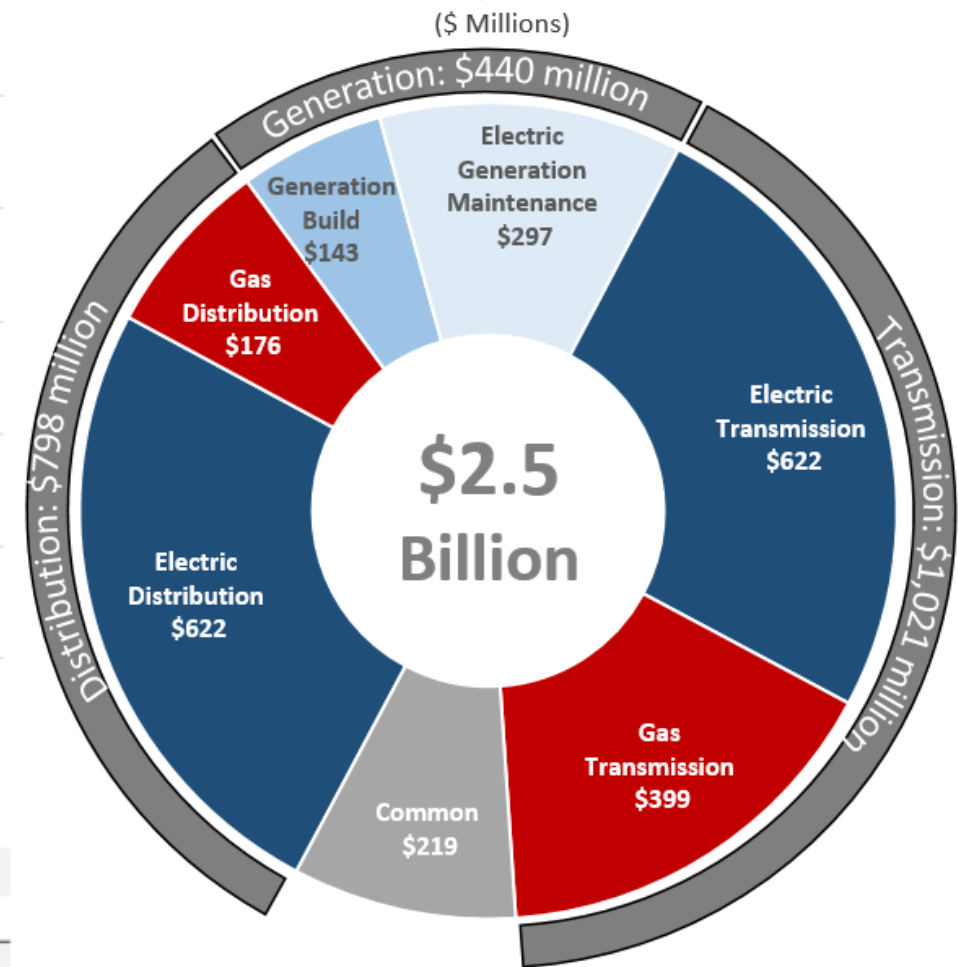
- Normal weather in our service territories;
- Interim rates in Montana in December 2024
- An effective income tax rate of approximately 9%-11%; and
- Diluted average shares outstanding of approximately 61.4 million.

Regulated Utility Five-Year Capital Forecast



| \$ Millions | 2024 | 2025 | 2026 | 2027 | 2028 |
|-----------------|--------|--------|--------|--------|--------|
| Electric | \$ 384 | \$ 390 | \$ 339 | \$ 364 | \$ 364 |
| Natural Gas | \$ 116 | \$ 117 | \$ 124 | \$ 138 | \$ 142 |
| Total NWE Capex | \$ 500 | \$ 506 | \$ 463 | \$ 502 | \$ 506 |

2024-2028 Capital Investment



\$2.5 billion of highly-executable and low-risk capital investment

Rate Base & Authorized Return Summary

Estimate as of 12/31/2023

| Jurisdiction and Service | Implementation Date | Authorized Rate Base (millions) | Year-end Estimated Rate Base (millions) | Authorized Overall Rate of Return | Authorized Return on Equity | Authorized Equity Level |
|---|---------------------|---------------------------------|---|-----------------------------------|-----------------------------|-------------------------|
| Montana electric delivery and production (1) | November 2023 | 2,565.50 | 2,874.80 | 6.72% | 9.65% | 48.02% |
| Montana - Colstrip Unit 4 | November 2023 | \$ 276.9 | \$ 257.7 | 8.25% | 10.00% | 50.00% |
| Montana natural gas delivery and production (2) | November 2023 | \$ 582.8 | \$ 744.1 | 6.67% | 9.55% | 48.02% |
| Total Montana | | \$ 3,425.2 | \$ 3,876.6 | | | |
| South Dakota electric (3) (4) | January 2024 | \$ 791.8 | \$ 810.3 | 6.81% | n/a | n/a |
| South Dakota natural gas (3) | December 2011 | \$ 65.9 | \$ 95.8 | 7.80% | n/a | n/a |
| Total South Dakota | | \$ 857.7 | \$ 906.1 | | | |
| Nebraska natural gas (3) | December 2007 | \$ 24.3 | \$ 50.1 | 8.49% | 10.40% | n/a |
| Total NorthWestern Energy | | \$ 4,307.2 | \$ 4,832.8 | | | |

(1) The revenue requirement associated with the FERC regulated portion of Montana electric transmission and ancillary services are included as revenue credits to our MPSC jurisdictional customers. Therefore, we do not separately reflect FERC authorized rate base or authorized returns.

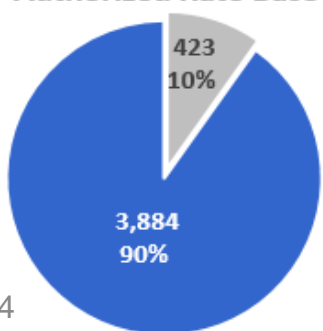
(2) The Montana gas revenue requirement includes a step down which approximates annual depletion of our natural gas production assets included in rate base.

(3) For those items marked as "n/a," the respective settlement and/or order was not specific as to these terms.

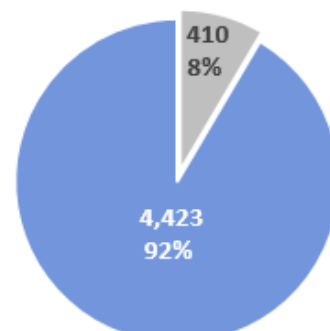
(4) On June 15, 2023, we filed a South Dakota electric rate review filing (2022 test year) with the South Dakota Public Utility Commission

Coal Generation Rate Base as a percentage of Total Rate Base

Authorized Rate Base



Estimated Rate Base



■ Coal Rate Base
■ Non-Coal Rate Base

Revenue from coal generation is not easily identifiable due to the use of bundled rates in South Dakota and other rate design and accounting considerations. However, NorthWestern is a fully regulated utility company for which rate base is the primary driver for earnings. The data to the left illustrates that NorthWestern only derives approximately 8 -10% of earnings from its jointly owned coal generation rate base.

2023 System Statistics



Owned Energy Supply

| Electric (MW) | MT | SD | Total |
|----------------------|-----------|-----------|--------------|
| Base load coal | 222 | 211 | 433 |
| Wind | 51 | 80 | 131 |
| Hydro | 464 | - | 464 |
| Natural gas | 325 | 138 | |
| Other resources | - | 17 | 17 |
| | 1,062 | 446 | 1,045 |

| Natural Gas (Bcf) | MT | SD | Total |
|--------------------------|-----------|-----------|--------------|
| Proven reserves | 31.5 | - | 31.5 |
| Annual production | 2.8 | - | 2.8 |
| Storage | 17.9 | - | 17.9 |



Transmission

| Trans for Others | MT | SD | Total |
|-------------------------|-----------|-----------|--------------|
| Electric (GWh) | 13,603 | 25 | 13,628 |
| Natural Gas (Bcf) | 48 | 35 | 83 |

| System (miles) | MT | SD | Total |
|-----------------------|-----------|-----------|--------------|
| Electric | 6,600 | 1,310 | 7,910 |
| Natural gas | 2,235 | 55 | 2,290 |
| Total | 8,835 | 1,365 | 10,200 |



Distribution

| Demand | MT | SD / NE | Total |
|---------------|-----------|----------------|--------------|
| Daily MWs | 750 | 200 | 950 |
| Peak MWs | 1,300 | 340 | 1,640 |
| Annual GWhs | 6,570 | 1,750 | 8,320 |
| Annual Bcf | 23 | 11 | 33 |

| Customers | MT | SD / NE | Total |
|------------------|-----------|----------------|--------------|
| Electric | 405,500 | 64,800 | 470,300 |
| Natural gas | 212,100 | 92,900 | 305,000 |
| Total | 617,600 | 157,700 | 775,300 |

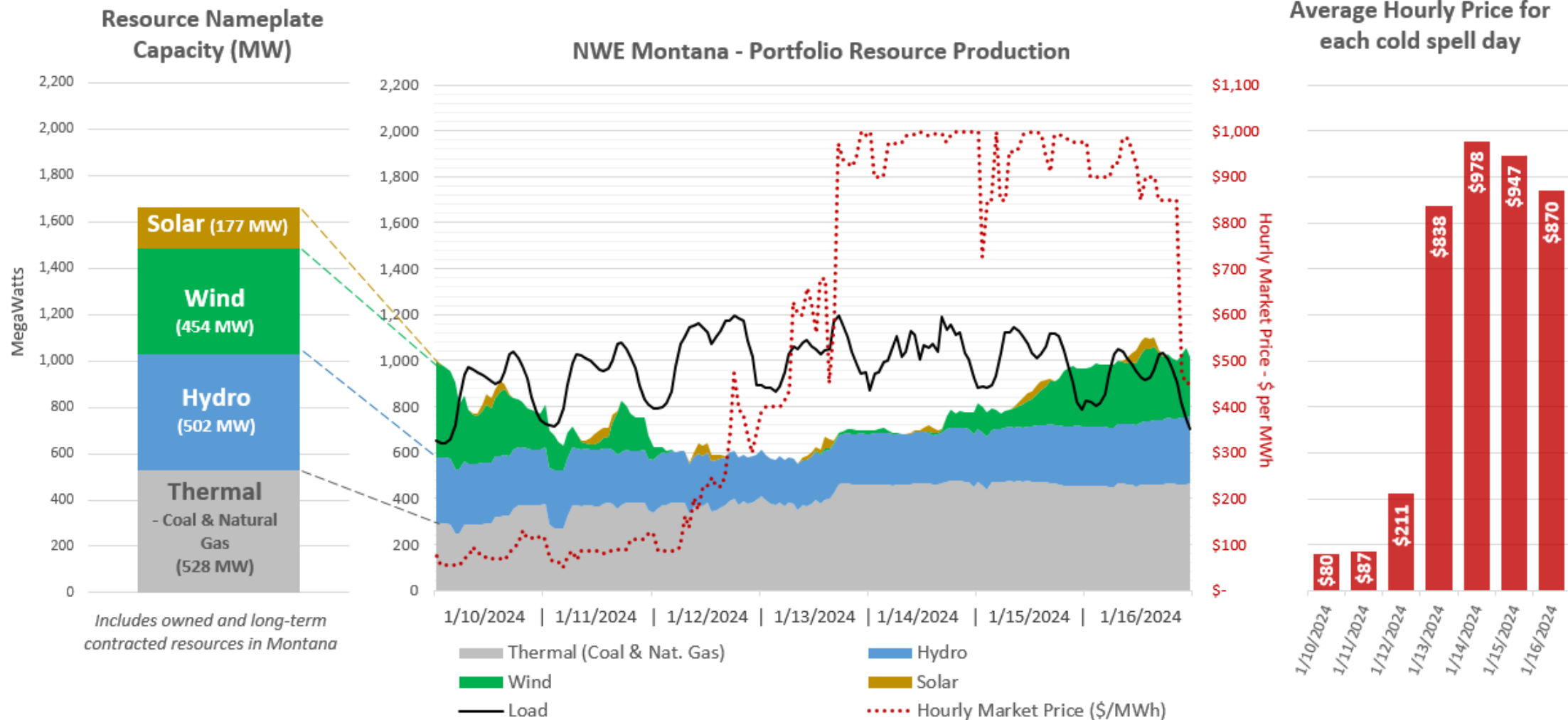
| System (miles) | MT | SD / NE | Total |
|-----------------------|-----------|----------------|--------------|
| Electric | 18,674 | 2,365 | 21,039 |
| Natural gas | 5,155 | 2,573 | 7,728 |
| Total | 23,829 | 4,938 | 28,767 |

Note: Statistics above are as of 12/31/2023 except generation for YCGS (online in October 2024) was added to natural gas

(1) Nebraska is a natural gas only jurisdiction

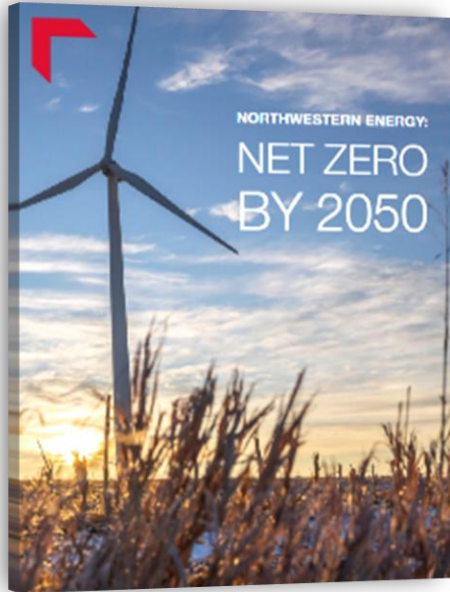
(2) Dave Gates Generating Station (DGGS) in Montana is a 150 MW nameplate facility but consider it a 105 MW (60 MW FERC & 45MW MPSC jurisdictions) peaker

January 2024 Cold Weather Event - Montana



The above charts illustrate our resource nameplate capacity, the actual resource specific contribution of energy, the capacity deficit we faced, and the market price of power during the January 2024 multi-day cold weather event in Montana. As a result of our capacity deficit, we were reliant upon the high and volatile power market a majority of the time to meet customer demand.

Our Net-Zero Vision



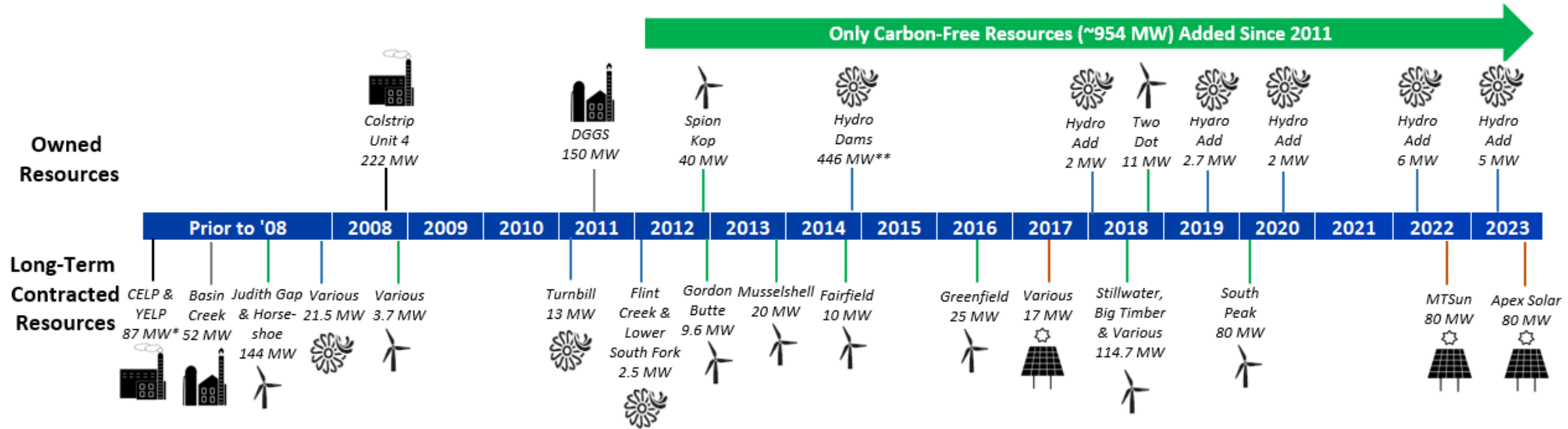
Over the past 100 years, NorthWestern Energy has maintained our commitment to provide customers with reliable and affordable electric and natural gas service while also being good stewards of the environment. We have responded to climate change, its implications and risks, by increasing our environmental sustainability efforts and our access to clean energy resources. But more must be done. We are committed to achieving net zero emissions by 2050.



- Committed to achieving net-zero by 2050 for Scope 1 and 2 emissions
- Must balance Affordability, Reliability and Sustainability in this transition
- No new carbon emitting generation additions after 2035
- Pipeline modernization, enhanced leak detection and development of alternative fuels for natural gas business
- Electrify fleet and add charging infrastructure
- Carbon offsets likely needed to ultimately achieve net-zero
- Please visit www.NorthWesternEnergy.com/NetZero to learn more about our Net Zero Vision.

Timeline of Montana Generation Portfolio

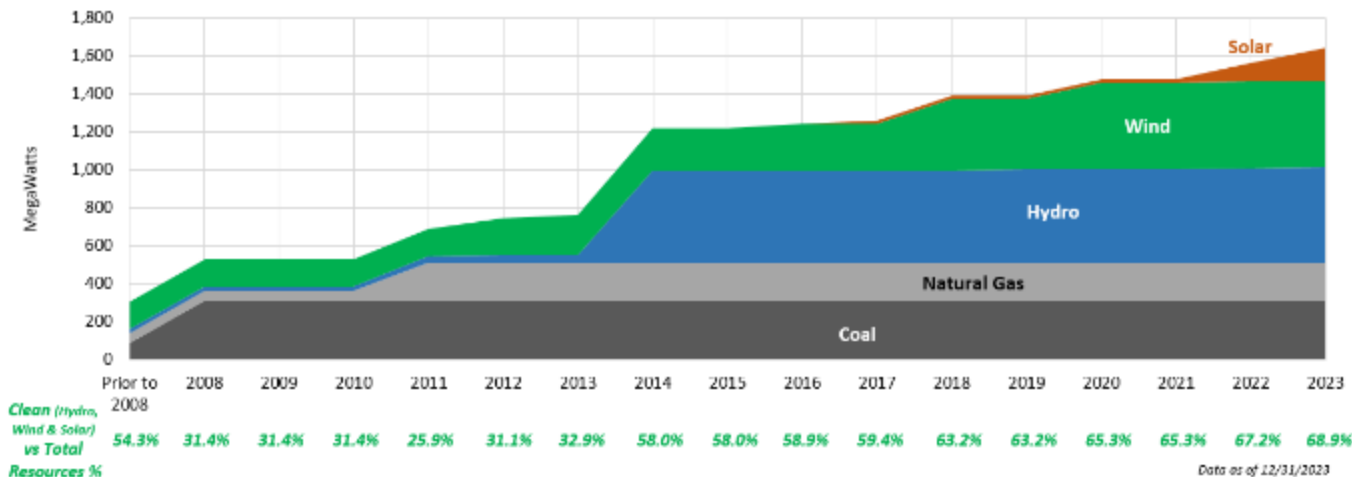
NorthWestern Energy - Montana Owned & Long-Term Contracted Electric Portfolio by Capacity



* Federally mandated Qualifying Facilities contracts with CELP (Colstrip Energy Limited Partnership) and YELP (Yellowstone Energy Limited Partnership) expire in 2024 and 2028, respectively.

** Excludes 194 MW Kerr Dam which was purchased and subsequently transferred to the Salish & Kootenai Tribes in 2015.

NorthWestern Energy Montana - Cumulative Timeline of Owned and Long-Term Contracted Electric Resources



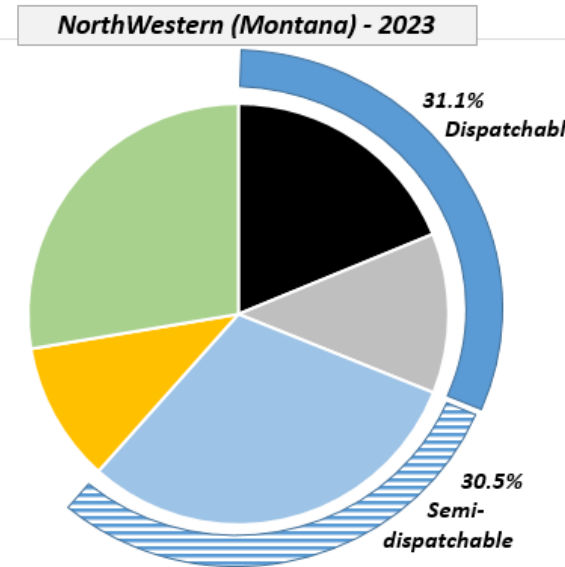
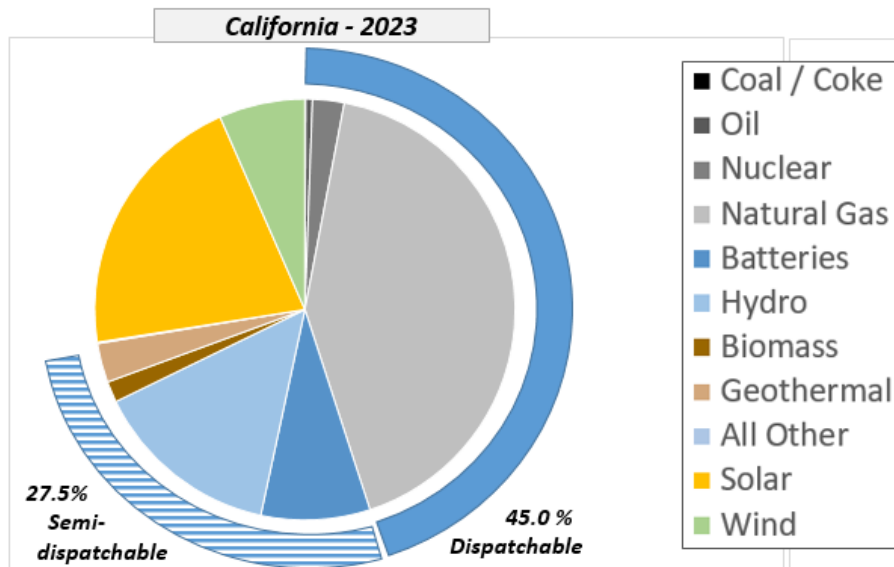
Since 2011, we have added approximately 954 MW, both owned and long-term contracted, to our generation portfolio, all of which is from carbon-free resources.

Comparison of Installed Capacity

Comparison of Installed Capacity (MW) - Dispatchability and Carbon Emitting

| | California | | | |
|-------------|------------|----------|-------------------------|------------|
| | MW 2023 | of Total | Percent Dispatchable | Non-Carbon |
| Coal / Coke | 63 | 0.1% | 0.1% | |
| Oil | 492 | 0.5% | 0.5% | |
| Nuclear | 2,323 | 2.4% | 2.4% | |
| Natural Gas | 40,097 | 42.0% | 42.0% | |
| Batteries | 8,011 | 8.4% | | 8.4% |
| Hydro | 13,777 | 14.4% | | 14.4% |
| Biomass | 1,538 | 1.6% | | 1.6% |
| Geothermal | 2,873 | 3.0% | | 3.0% |
| All Other | 99 | 0.1% | | 0.1% |
| Solar | 19,940 | 20.9% | | 20.9% |
| Wind | 6,315 | 6.6% | | 6.6% |
| | 95,527 | 100.0% | 45.0% | 55.0% |

| | NorthWestern Energy (Montana) | | | |
|--|-------------------------------|----------|-------------------------|------------|
| | MW 2023 | of Total | Percent Dispatchable | Non-Carbon |
| | 309 | 18.8% | 18.8% | |
| | | 0.0% | | |
| | 202 | 12.3% | 12.3% | |
| | | 0.0% | | |
| | 502 | 30.5% | | 30.5% |
| | | 0.0% | | |
| | | 0.0% | | |
| | 177 | 10.8% | | 10.8% |
| | 454 | 27.6% | | 27.6% |
| | 1,644 | 100.0% | 31.1% | 68.9% |

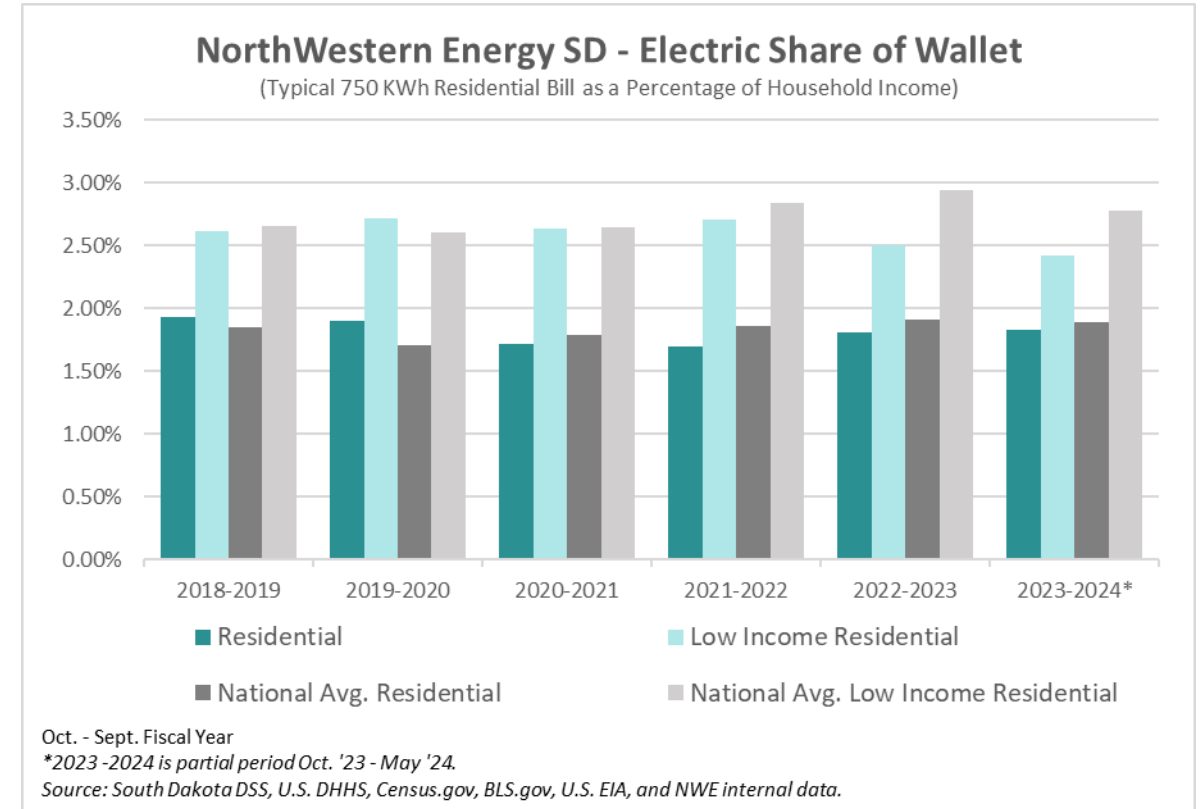
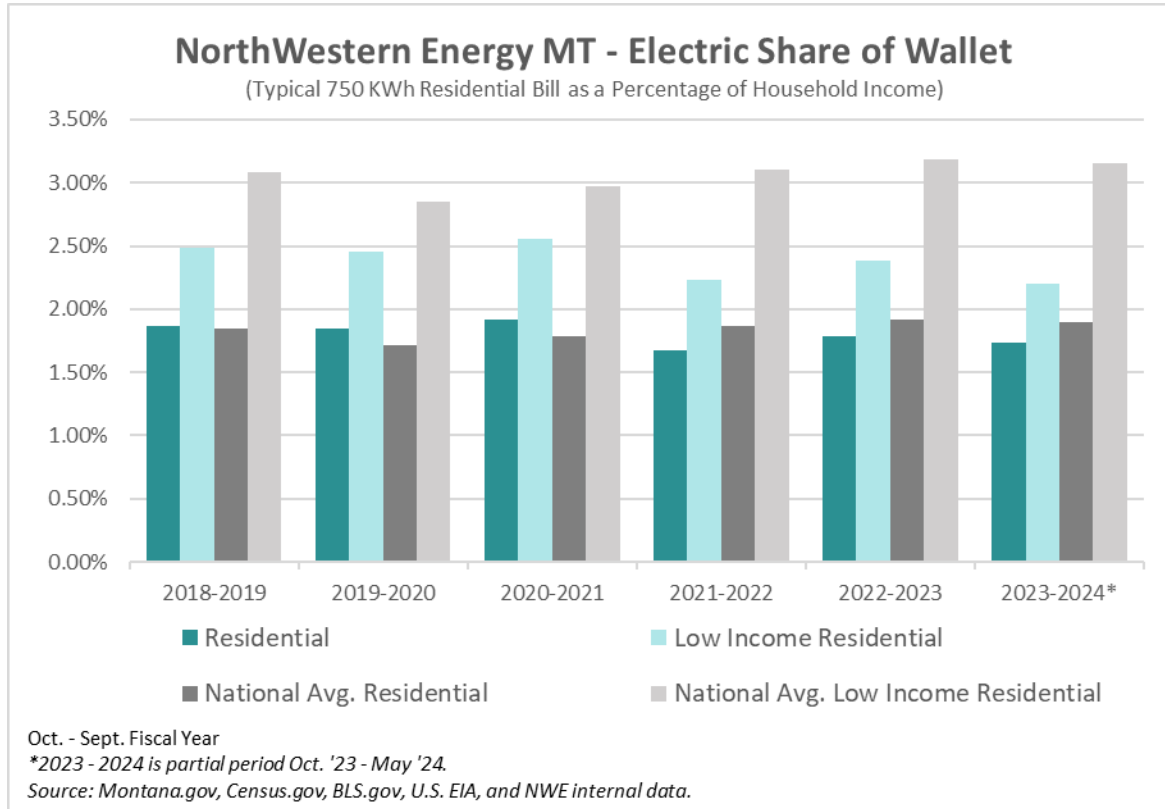


California is dealing with significant capacity issues **DESPITE** having a greater amount of dispatchable generation and fewer renewables than NorthWestern Energy in Montana (as a percentage of the total).

Source: EIA.gov – 2023
Form EIA-860 Data -
Schedule 3 for calendar
year 2023

Appendix

Electric Wallet Share



| | <u>18'-23' Average Wallet Share:</u> | |
|-----------|--------------------------------------|------------------------|
| | Residential | Residential Low Income |
| MT | ● 1.82% | ● 2.42% |
| SD | ● 1.81% | ● 2.64% |
| Nat. Avg. | 1.82% | 2.89% |

Natural Gas Wallet Share

18'-23' Average Wallet Share:

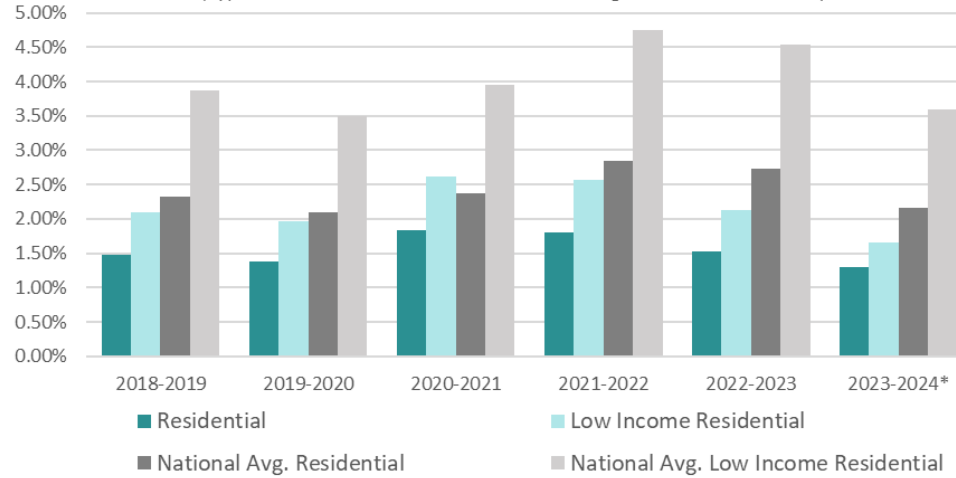
Residential

Low Income

| | | |
|-----------|---------|---------|
| MT | ● 1.61% | ● 2.28% |
| SD | ● 1.51% | ● 2.22% |
| NE | ● 1.48% | ● 2.79% |
| Nat. Avg. | 2.47% | 4.06% |

NorthWestern Energy MT - Natural Gas Share of Wallet

(Typical 100 Therm Residential Bill as a Percentage of Household Income)



Source: Montana.gov, Census.gov, BLS.gov, U.S. EIA, and NWE internal data.

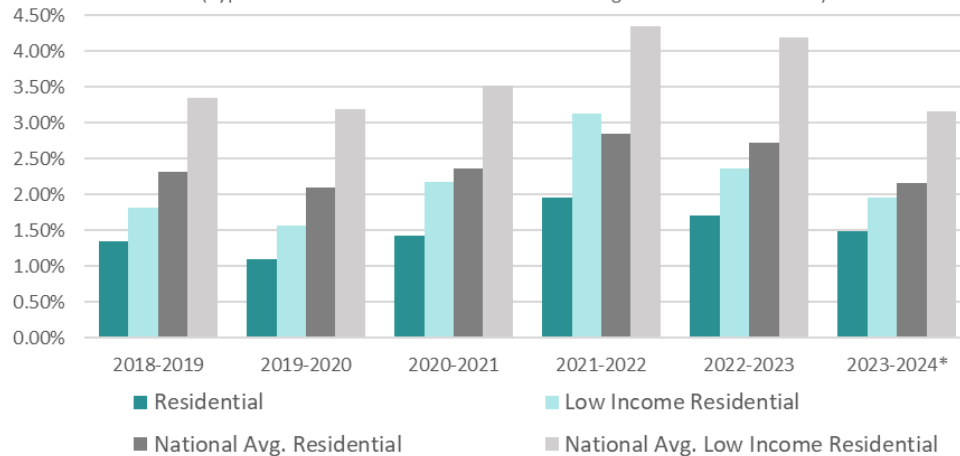
Note: Montana typical bill is based on 65 therms which translates to ~0.32% lower wallet share than pictured. For consistency with South Dakota and Nebraska, 100 therms is used for Montana in this illustration.

Oct. - Sept. Fiscal Year

*2023 - 2024 is partial period Oct. '23 - May '24

NorthWestern Energy SD - Natural Gas Share of Wallet

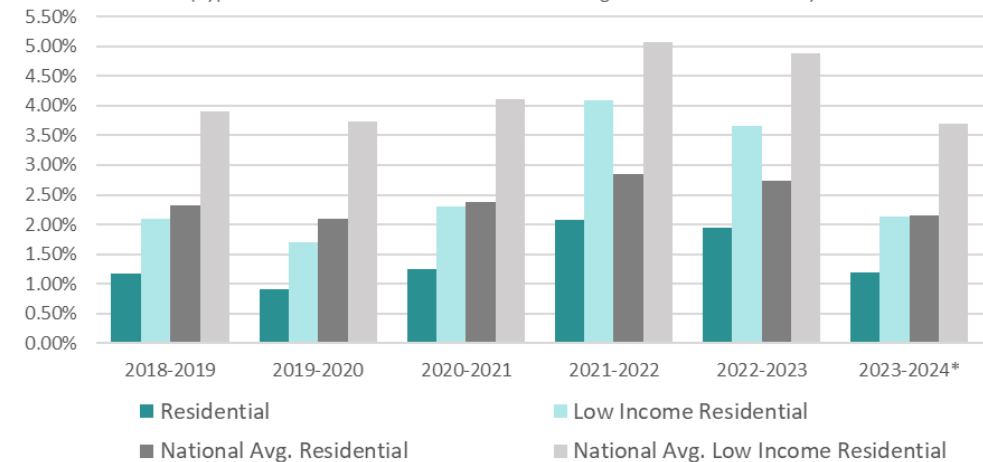
(Typical 100 Therm Residential Bill as a Percentage of Household Income)



Source: South Dakota DSS, U.S. DHHS, Census.gov, BLS.gov, U.S. EIA, and NWE internal data.

NorthWestern Energy NE - Natural Gas Share of Wallet

(Typical 100 Therm Residential Bill as a Percentage of Household Income)



Source: Nebraska DHHS, U.S. DHHS, Census.gov, BLS.gov, U.S. EIA, and NWE internal data.

Experienced & Engaged Board of Directors



Linda G. Sullivan

- Board Chair
- Audit (Chair), SETO
- Independent
- Since April 2017



Brian B. Bird

- President & Chief Executive Officer
- Non-independent
- Since Jan. 2023



Anthony T. Clark

- Nominating & Governance, HR
- Independent
- Since Dec. 2016



Sherina M. Edwards

- Nominating & Governance, HR
- Independent
- Since April 2023



Jan R. Horsfall

- SETO (chair), Audit
- Independent
- Since April 2015



Britt E. Ide

- Nominating & Governance, HR
- Independent
- Since April 2017



Kent T. Larson

- SETO, Audit
- Independent
- Since July 2022



Mahvash Yazdi

- HR (Chair), SETO
- Independent
- Since December 2019



Jeff W. Yingling

- Nominating & Governance (Chair), Audit
- Independent
- Since October 2019

Strong Executive Team



Brian B. Bird

- President & Chief Executive Officer
- Current position since 2023 (formerly President & Chief Operating Officer '21-'22 and Chief Financial Officer '03-'21)



Crystal D. Lail

- Vice President and Chief Financial Officer
- Current position since 2021 (formerly VP and Chief Accounting Officer '20-'21)



Michael R. Cashell

- Vice President - Transmission
- Current Position since 2011



Bleau LaFave

- Vice President – Asset Management & Business Development
- Current position since June 2023 (formerly Director of Long-Term Resources)



Shannon M. Heim

- General Counsel and Vice President – Federal Government Affairs
- Current position since 2023



John D. Hines

- Vice President – Supply/Montana Affairs
- Current Position since 2011



Jason Merkel

- Vice President – Distribution
- Current Position since 2022



Bobbi L. Schroepel

- Vice President – Customer Care, Communications and Human Resources
- Current Position since 2002



Jeanne M. Vold

- Vice President – Technology
- Current Position since 2021 (former Business Technology Officer '12-'21)

Our Commissioners

Montana Public Service Commission



| <u>Name</u> | <u>Party</u> | <u>Began Serving</u> | <u>Term Ends</u> |
|-----------------------------------|--------------|--------------------------|----------------------|
| James Brown (President) | R | Jan-21 | Jan-25 |
| Jennifer Fielder (Vice President) | R | Jan-21 | Jan-25 |
| Annie Bukacek | R | Jan-23 | Jan-27 |
| Tony O'Donnell | R | Jan-17 | Jan-25 |
| Randy Pinocci | R | Jan-23 | Jan-27 |

Commissioners are elected in statewide elections from each of five districts. Leadership positions are elected by fellow Commissioners.
Commissioner term is four years, Chairperson term is two years.

Montana – one incumbent commissioner re-elected and two new commissioners elected

District 2 – Comm. O'Donnell (termed out)
Brad Molner (R) defeated Susan Bilo (D)

District 3 – Comm. Brown (not seeking re-election)
Jeff Welborn (R) defeated Leonard Williams (D)

District 4 – Comm. Fielder (re-elected) defeated
Elena Evans (I)

South Dakota Public Utilities Commission



| <u>Name</u> | <u>Party</u> | <u>Began Serving</u> | <u>Term Ends</u> |
|--------------------------|--------------|--------------------------|----------------------|
| Kristie Fiegen (Chair) | R | Aug-11 | Jan-25 |
| Gary Hanson (Vice Chair) | R | Jan-03 | Jan-27 |
| Chris Nelson | R | Jan-11 | Jan-29 |

Commissioners are elected in statewide elections.
Chairperson is elected by fellow Commissioners.
Commissioner term is six years, Chairperson term is one year.

South Dakota – one incumbent commissioner re-elected

Comm. Fiegen (re-elected) defeated Forrest Wilson (D) and Gideon Oakes (L)

Nebraska Public Service Commission



| <u>Name</u> | <u>Party</u> | <u>Began Serving</u> | <u>Term Ends</u> |
|------------------------|--------------|--------------------------|----------------------|
| Eric Kamler | R | Jan-23 | Jan-29 |
| Christian Mirch | R | Jan-23 | Jan-27 |
| Tim Schram | R | Jan-07 | Jan-25 |
| Kevin Stocker | R | Jan-23 | Jan-29 |
| Dan Watermeier (Chair) | R | Jan-19 | Jan-25 |

Commissioners are elected in statewide elections.
Chairperson is elected by fellow Commissioners.
Commissioner term is six years, Chairperson term is one year.

Nebraska – two incumbent commissioners re-elected

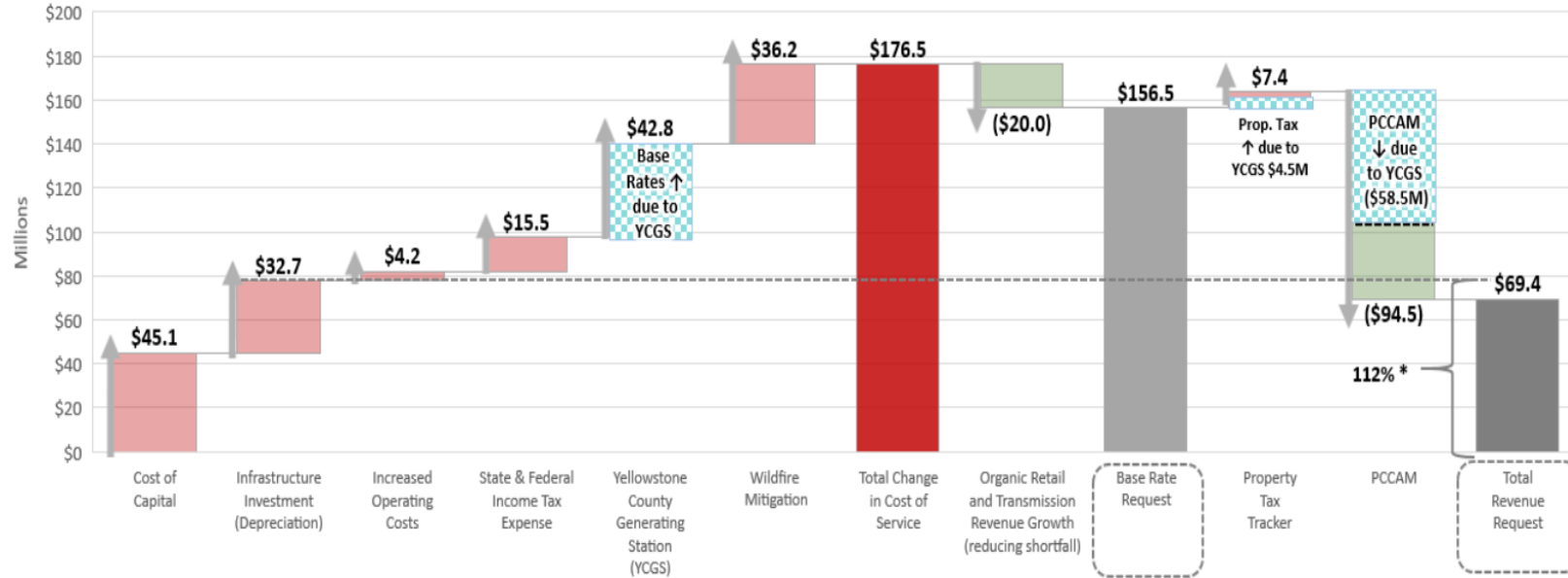
Comm. Schram and Comm. Watermeier (both unchallenged and re-elected)



Rate Review Appendix

Montana Electric Rate Review

\$156.5 Million Base Rate Increase Requested & \$69.4 Million Total Request



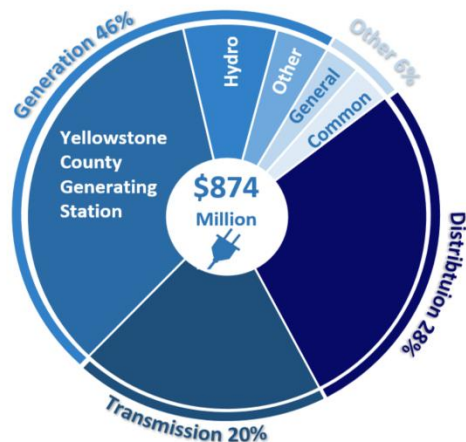
Typical 750 kWh Residential Electric Bill



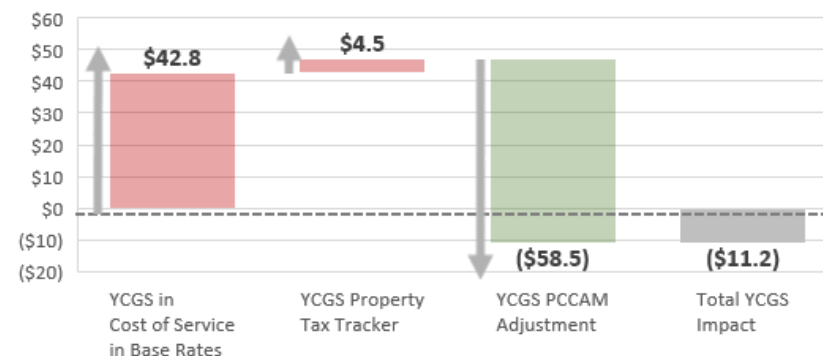
■ Base Rate Costs ■ Flow-Through Costs

| | Base Rates | Flow-Through Costs | Typical Resi. Monthly Bill |
|------------------------|------------|--------------------|----------------------------|
| Current Rates | \$64.33 | \$45.74 | \$110.07 |
| Updated Interim Rates | \$69.69 | \$41.49 | \$111.18 |
| \$ Increase (Decrease) | \$5.36 | (\$4.24) | \$1.11 |
| % Increase (Decrease) | 8.3% | -9.3% | 1.0% |

Plant in Service Additions



YCGS Net Customer Impact

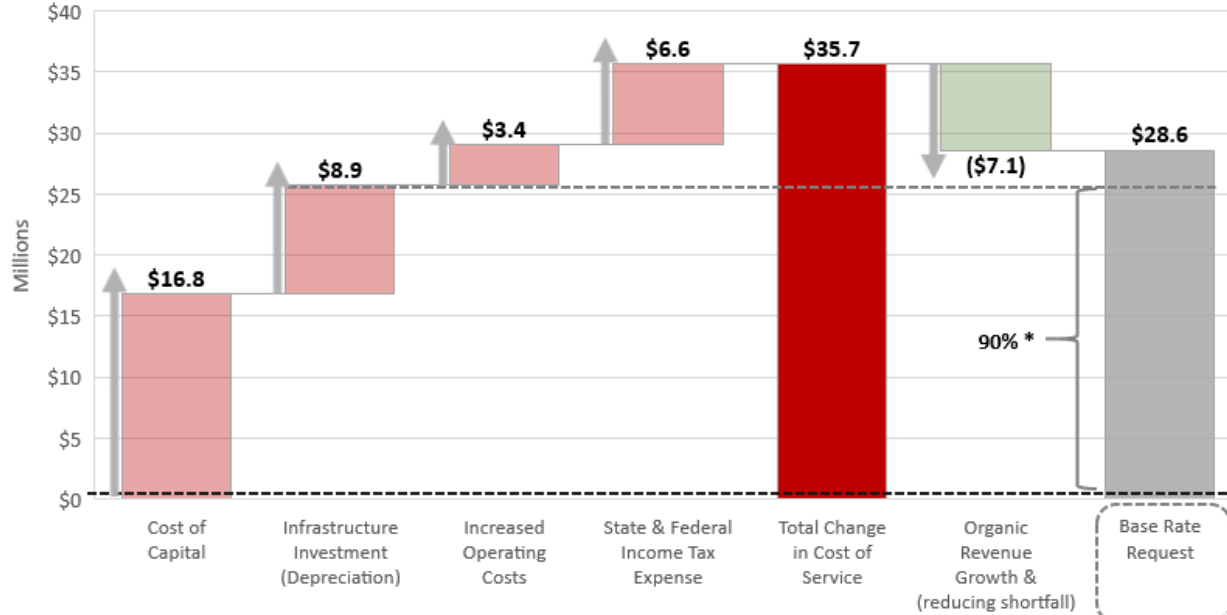


Montana Electric:

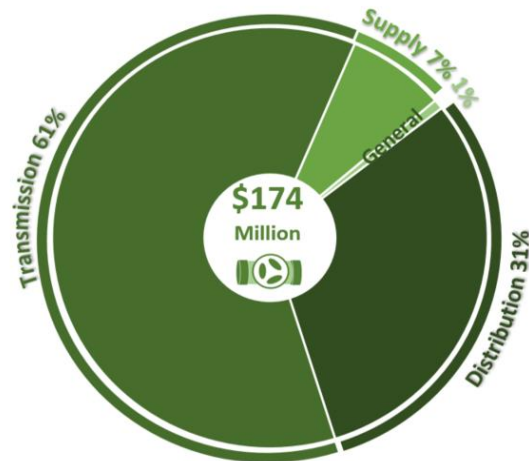
- \$69.4M Net Request
- \$874M Plant-in-Service additions ('23-'24F)
- Operating Costs 1.1% CAGR ('21-'23)
- Typical Residential Bill: 8.3% at full request

Montana Gas Rate Review

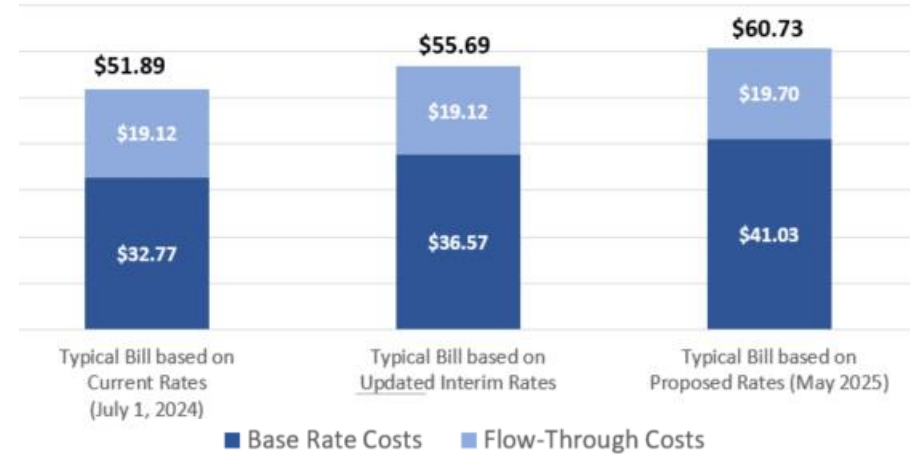
\$28.6 Million Base Rate Increase Requested



Plant in Service Additions



Typical 65 Therm Residential Natural Gas Bill

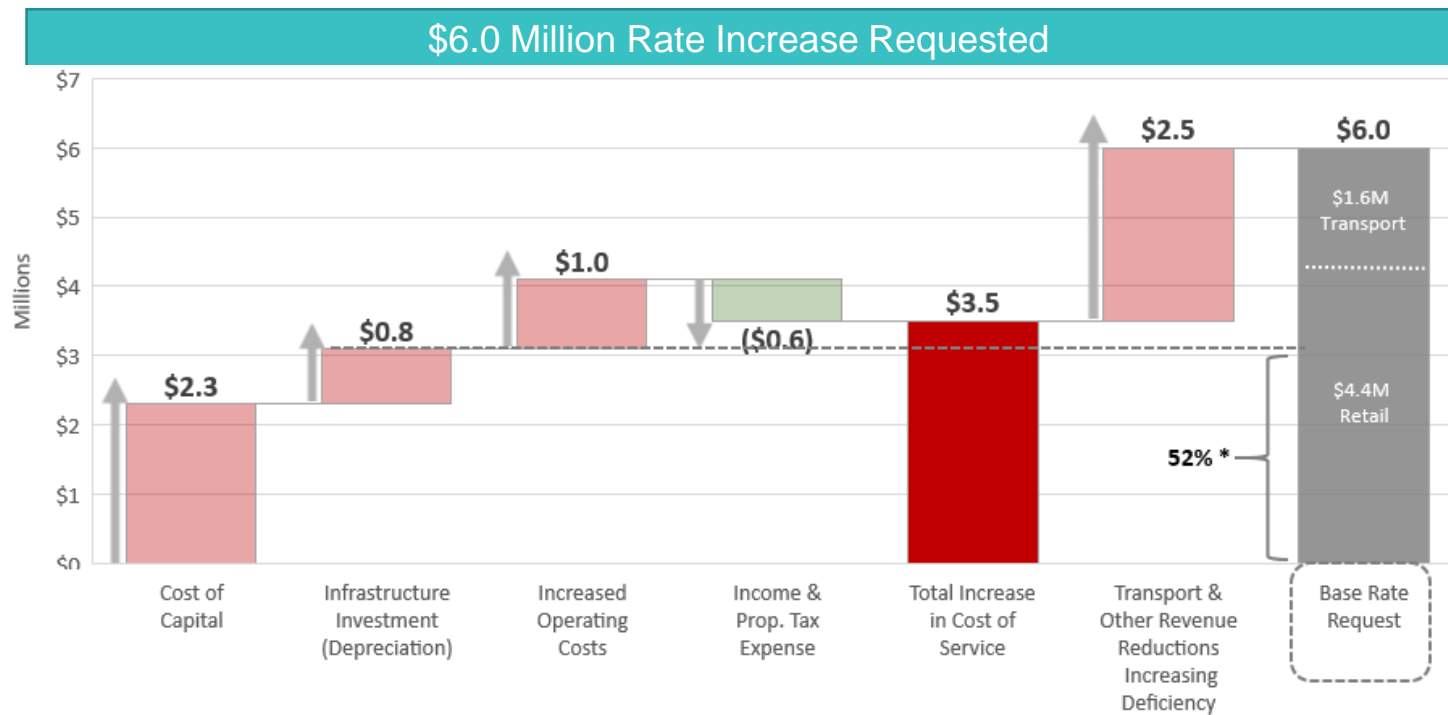


| | Base Rates | Flow-Through Costs | Typical Resi. Monthly Bill |
|------------------------|------------|--------------------|----------------------------|
| Current Rates | \$32.77 | \$19.12 | \$51.89 |
| Updated Interim Rates | \$36.57 | \$19.12 | \$55.69 |
| \$ Increase (Decrease) | \$3.81 | \$0.00 | \$3.81 |
| % Increase (Decrease) | 11.6% | 0.0% | 7.3% |

Montana Natural Gas:

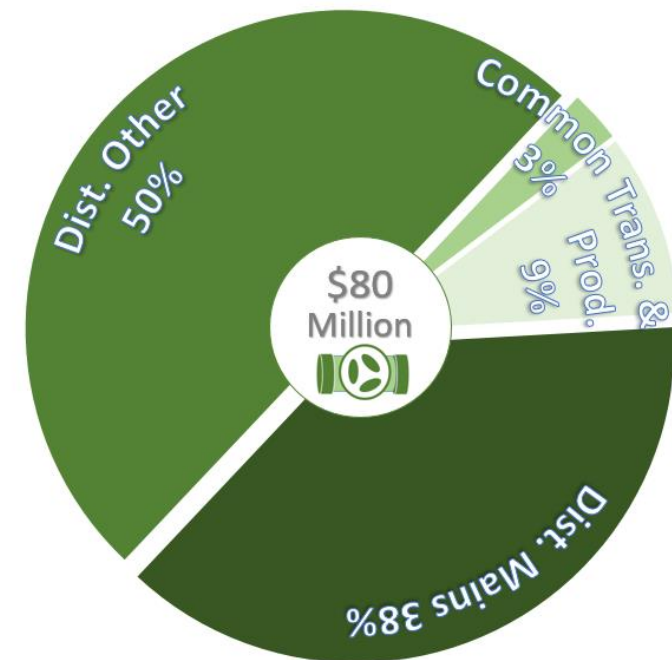
- \$28.6M Total Request
- \$174M Plant-in-Service additions ('23-'24F)
- Operating Costs 3.3% CAGR ('21-'23)
- Typical Residential Bill: 17.0% at full request

South Dakota Natural Gas Rate Review

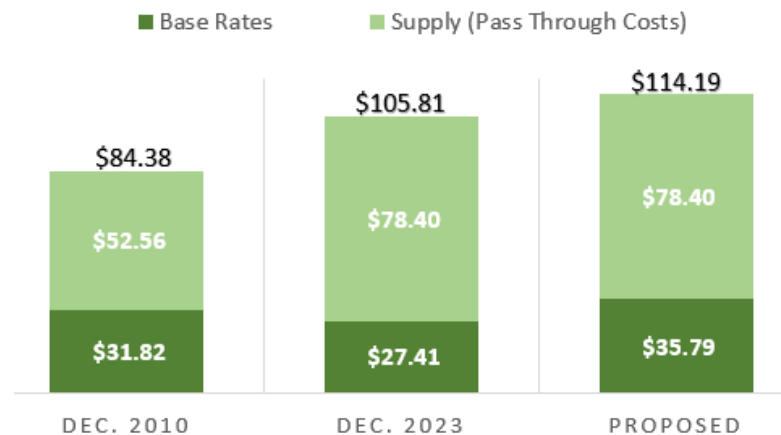


South Dakota Natural Gas - Gross Plant Investment

January 2010 - December 2023



Typical 100 Therm Residential Natural Gas Bill

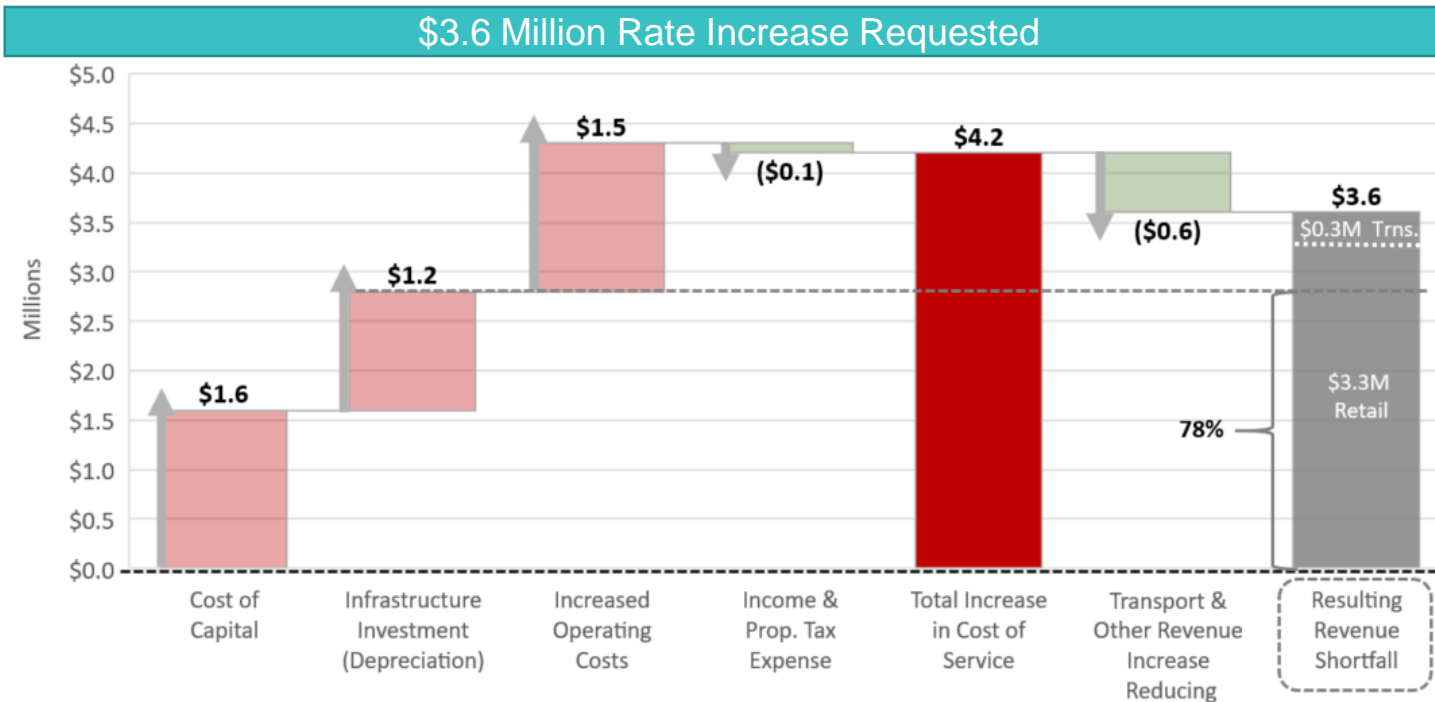


South Dakota Natural Gas:

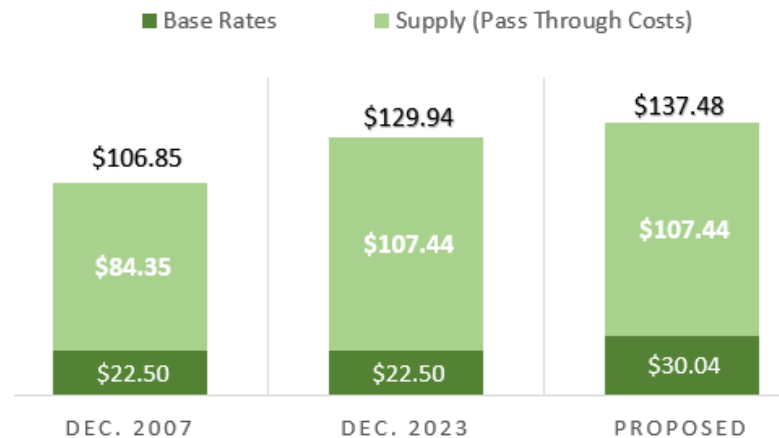
- \$6.0M Total Request
- \$80M Plant-in-Service additions ('10-'23)
- Operating Costs 1.9% CAGR ('10-'23)
- Typical Residential Bill: 7.9% at full request



Nebraska Natural Gas Rate Review



Typical 100 Therm Residential Natural Gas Bill



Nebraska Natural Gas - Gross Plant Investment
January 2007 - December 2023



Nebraska Natural Gas:

- \$3.6M Total Request
- \$42M Plant-in-Service additions ('07-'23)
- Operating Costs 1.3% CAGR ('07-'23)
- Typical Residential Bill: 5.8% at full request

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures - Reconcile to Non-GAAP diluted EPS

| Pre-Tax Adjustments (\$ Millions) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Reported GAAP Pre-Tax Income | \$ 110.4 | \$ 181.2 | \$ 156.5 | \$ 176.1 | \$ 178.3 | \$ 182.2 | \$ 144.2 | \$ 190.2 | \$ 182.4 | \$ 201.6 |
| Non-GAAP Adjustments to Pre-Tax Income: | | | | | | | | | | |
| Weather | (1.3) | 13.2 | 15.2 | (3.4) | (1.3) | (7.3) | 9.8 | 1.1 | (8.9) | 4.3 |
| Lost revenue recovery related to prior periods | - | - | (14.2) | - | - | - | - | - | - | - |
| Remove hydro acquisition transaction costs | 15.4 | - | - | - | - | - | - | - | - | - |
| Exclude unplanned hydro earnings | (8.7) | - | - | - | - | - | - | - | - | - |
| Remove benefit of insurance settlement | - | (20.8) | - | - | - | - | - | - | - | - |
| QF liability adjustment | - | 6.1 | - | - | (17.5) | - | - | (6.9) | - | - |
| Electric tracker disallowance of prior period costs | - | - | 12.2 | - | - | - | 9.9 | - | - | - |
| Income tax adjustment | - | - | - | - | 9.4 | - | - | - | - | - |
| Community Renewable Energy Project Penalty | - | - | - | - | - | - | - | - | 2.5 | - |
| Unplanned Equity Dilution from Hydro transaction | - | - | - | - | - | - | - | - | - | - |
| Adjusted Non-GAAP Pre-Tax Income | \$ 115.8 | \$ 179.7 | \$ 169.7 | \$ 172.7 | \$ 168.9 | \$ 174.9 | \$ 163.9 | \$ 184.4 | \$ 176.0 | \$ 205.9 |
| Tax Adjustments to Non-GAAP Items (\$ Million) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| GAAP Net Income | \$ 120.7 | \$ 151.2 | \$ 164.2 | \$ 162.7 | \$ 197.0 | \$ 202.1 | \$ 155.2 | \$ 186.8 | \$ 183.0 | \$ 194.1 |
| Non-GAAP Adjustments Taxed at 38.5% ('12-'17) and 25.3% ('18-current): | | | | | | | | | | |
| Weather | (0.8) | 8.1 | 9.3 | (2.1) | (1.0) | (5.5) | 7.3 | 0.8 | (6.6) | 3.2 |
| Lost revenue recovery related to prior periods | - | - | (8.7) | - | - | - | - | - | - | - |
| Remove hydro acquisition transaction costs | 9.5 | - | - | - | - | - | - | - | - | - |
| Exclude unplanned hydro earnings | (5.4) | - | - | - | - | - | - | - | - | - |
| Remove benefit of insurance settlement | - | (12.8) | - | - | - | - | - | - | - | - |
| QF liability adjustment | - | 3.8 | - | - | (13.1) | - | - | (5.2) | - | - |
| Electric tracker disallowance of prior period costs | - | - | 7.5 | - | - | - | 7.4 | - | - | - |
| Income tax adjustment | (18.5) | - | (12.5) | - | (12.8) | (22.8) | - | - | - | - |
| Community Renewable Energy Project Penalty | - | - | - | - | - | - | - | - | 2.5 | - |
| Unplanned Equity Dilution from Hydro transaction | - | - | - | - | - | - | - | - | - | - |
| Previously claimed AMT Credit | - | - | - | - | - | - | - | - | - | 3.2 |
| Natural Gas Safe Harbor UTP Benefit | - | - | - | - | - | - | - | - | - | (3.2) |
| Non-GAAP Net Income | \$ 105.5 | \$ 150.3 | \$ 159.8 | \$ 160.6 | \$ 170.1 | \$ 173.8 | \$ 169.9 | \$ 182.4 | \$ 178.9 | \$ 197.3 |
| Non-GAAP Diluted Earnings Per Share | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Diluted Average Shares (Millions) | 40.4 | 47.6 | 48.5 | 48.7 | 50.2 | 50.8 | 50.7 | 51.9 | 56.3 | 60.4 |
| Reported GAAP Diluted earnings per share | \$ 2.99 | \$ 3.17 | \$ 3.39 | \$ 3.34 | \$ 3.92 | \$ 3.98 | \$ 3.06 | \$ 3.60 | \$ 3.25 | \$ 3.22 |
| Non-GAAP Adjustments: | | | | | | | | | | |
| Weather | (0.02) | 0.17 | 0.19 | (0.04) | (0.02) | (0.11) | 0.14 | 0.01 | (0.11) | 0.05 |
| Lost revenue recovery related to prior periods | - | - | (0.18) | - | - | - | - | - | - | - |
| Remove hydro acquisition transaction costs | 0.24 | - | - | - | - | - | - | - | - | - |
| Exclude unplanned hydro earnings | (0.14) | - | - | - | - | - | - | - | - | - |
| Remove benefit of insurance settlements & recoveries | - | (0.27) | - | - | - | - | - | - | - | - |
| QF liability adjustment | - | 0.08 | - | - | (0.26) | - | - | (0.10) | - | - |
| Electric tracker disallowance of prior period costs | - | - | 0.16 | - | - | - | 0.15 | - | - | - |
| Income tax adjustment | (0.47) | - | (0.26) | - | (0.25) | (0.45) | - | - | - | - |
| Community Renewable Energy Project Penalty | - | - | - | - | - | - | - | - | 0.04 | - |
| Unplanned Equity Dilution from Hydro transaction | 0.08 | - | - | - | - | - | - | - | - | - |
| Previously claimed AMT Credit | - | - | - | - | - | - | - | - | - | 0.05 |
| Natural Gas Safe Harbor UTP Benefit | - | - | - | - | - | - | - | - | - | (0.05) |
| Non-GAAP Diluted Earnings Per Share | \$ 2.68 | \$ 3.15 | \$ 3.30 | \$ 3.30 | \$ 3.39 | \$ 3.42 | \$ 3.35 | \$ 3.51 | \$ 3.18 | \$ 3.27 |



Non-GAAP Financial Measures

This presentation includes financial information prepared in accordance with GAAP, as well as other financial measures, such as Utility Margin, Adjusted Non-GAAP pretax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS that are considered “non-GAAP financial measures.” Generally, a non-GAAP financial measure is a numerical measure of a company’s financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP.

We define Utility Margin as Operating Revenues less fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion) as presented in our Consolidated Statements of Income. This measure differs from the GAAP definition of Gross Margin due to the exclusion of Operating and maintenance, Property and other taxes, and Depreciation and depletion expenses, which are presented separately in our Consolidated Statements of Income. A reconciliation of Utility Margin to Gross Margin, the most directly comparable GAAP measure, is included in this presentation.

Management believes that Utility Margin provides a useful measure for investors and other financial statement users to analyze our financial performance in that it excludes the effect on total revenues caused by volatility in energy costs and associated regulatory mechanisms. This information is intended to enhance an investor’s overall understanding of results. Under our various state regulatory mechanisms, as detailed below, our supply costs are generally collected from customers. In addition, Utility Margin is used by us to determine whether we are collecting the appropriate amount of energy costs from customers to allow recovery of operating costs, as well as to analyze how changes in loads (due to weather, economic or other conditions), rates and other factors impact our results of operations. Our Utility Margin measure may not be comparable to that of other companies’ presentations or more useful than the GAAP information provided elsewhere in this report.

Management also believes the presentation of Adjusted Non-GAAP pre-tax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS is more representative of normal earnings than GAAP pre-tax income, net income and EPS due to the exclusion (or inclusion) of certain impacts that are not reflective of ongoing earnings. The presentation of these non-GAAP measures is intended to supplement investors’ understanding of our financial performance and not to replace other GAAP measures as an indicator of actual operating performance. Our measures may not be comparable to other companies’ similarly titled measures.



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