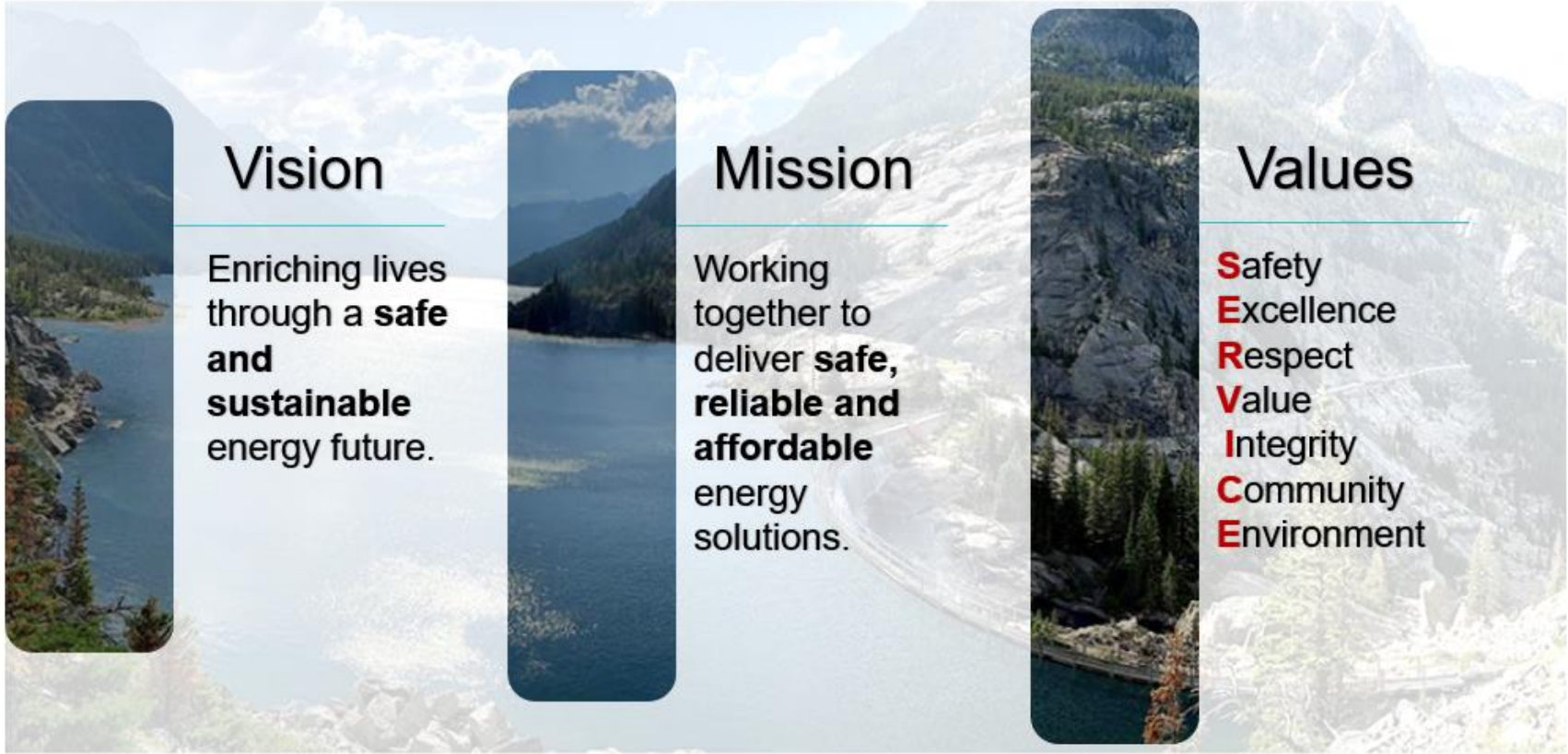
NorthWestern® Energy

Mizuho Mid-Cap Utilities Conference

New York | June 3, 2024

8-K Date: June 03, 2024

NorthWestern Energy



NorthWestern Energy Group, Inc.
dba: NorthWestern Energy
Ticker: NWE (Nasdaq)
www.northwesternenergy.com

Corporate Support Office
3010 West 69th Street
Sioux Falls, SD 57108
(605) 978-2900

Director of Corporate Development & Investor Relations Officer
Travis Meyer
605-978-2967
travis.meyer@northwestern.com

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

AMERICA'S MOST RESPONSIBLE COMPANIES 2023 Newsweek statista

50 WOMEN 50 ON BOARDS 3+

CORPORATE GOVERNANCE AWARDS 2019 corporatesecretary

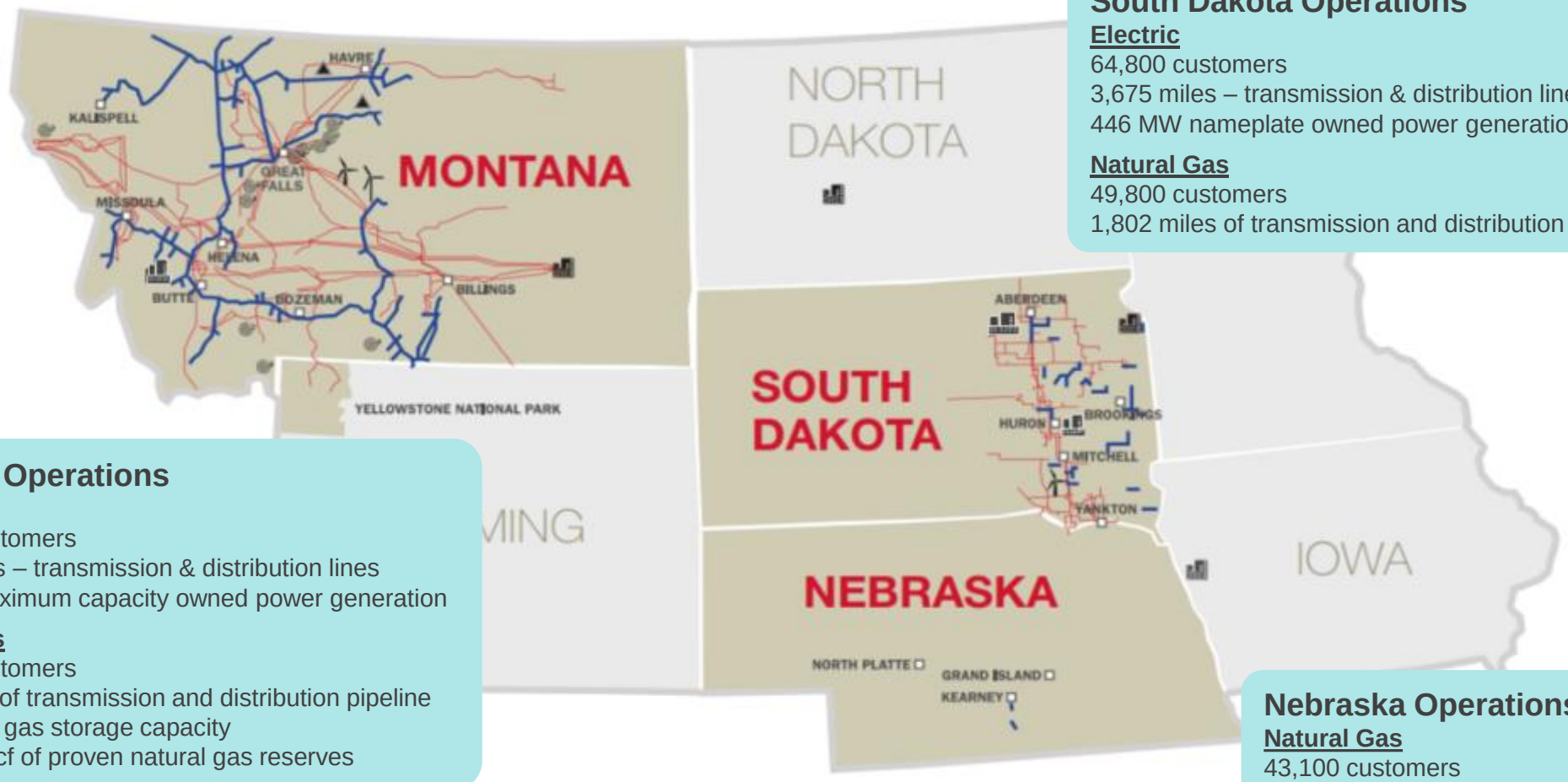
MOODY'S INVESTORS SERVICE

5th Best Governance Score

AMERICA'S GREATEST WORKPLACES 2023 Newsweek PLANT-A INSIGHTS GROUP

Recognized as one of America's Greatest Workplaces

About NorthWestern



South Dakota Operations

Electric

64,800 customers
3,675 miles – transmission & distribution lines
446 MW nameplate owned power generation

Natural Gas

49,800 customers
1,802 miles of transmission and distribution pipeline

Montana Operations

Electric

405,500 customers
25,274 miles – transmission & distribution lines
887 MW maximum capacity owned power generation

Natural Gas

212,100 customers
7,390 miles of transmission and distribution pipeline
17.85 Bcf of gas storage capacity
Own 31.5 Bcf of proven natural gas reserves

Nebraska Operations

Natural Gas

43,100 customers
826 miles of distribution pipeline

Electric
Natural Gas
Wind Farm
Hydro Facilities
Thermal Generating Plants
Natural Gas Reserves
Peaking Plants

Data as of 12/31/2023

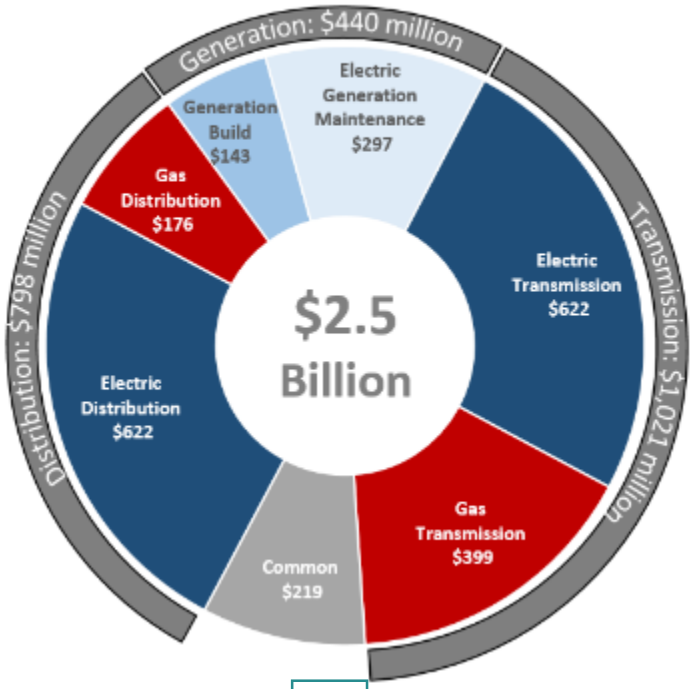
The NorthWestern Value Proposition

~5% Dividend Yield

+

Base Capital Plan:
4%-6% EPS Growth

2024-2028 Capital Investment
($ Millions)



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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**

=

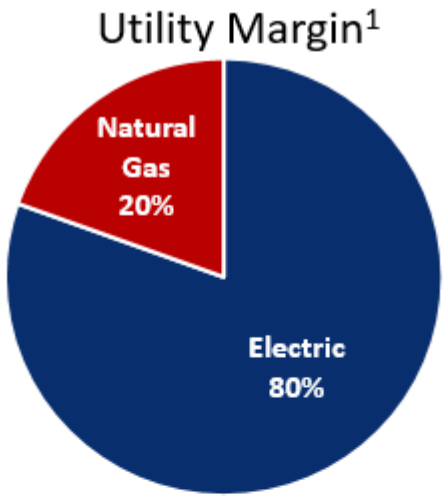
11%+ Total Growth

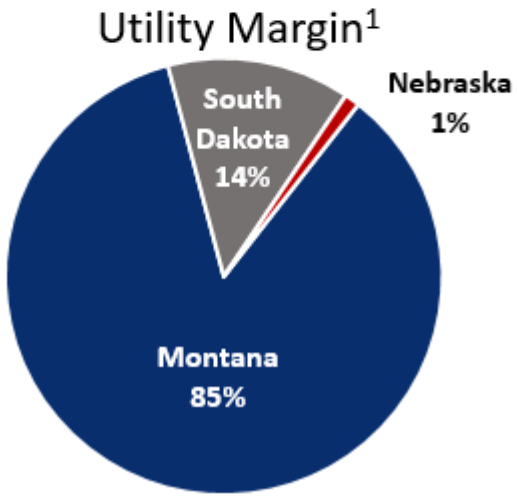
Nearly $2.5 billion of highly executable and low-risk capital investment forecasted over the next five years.

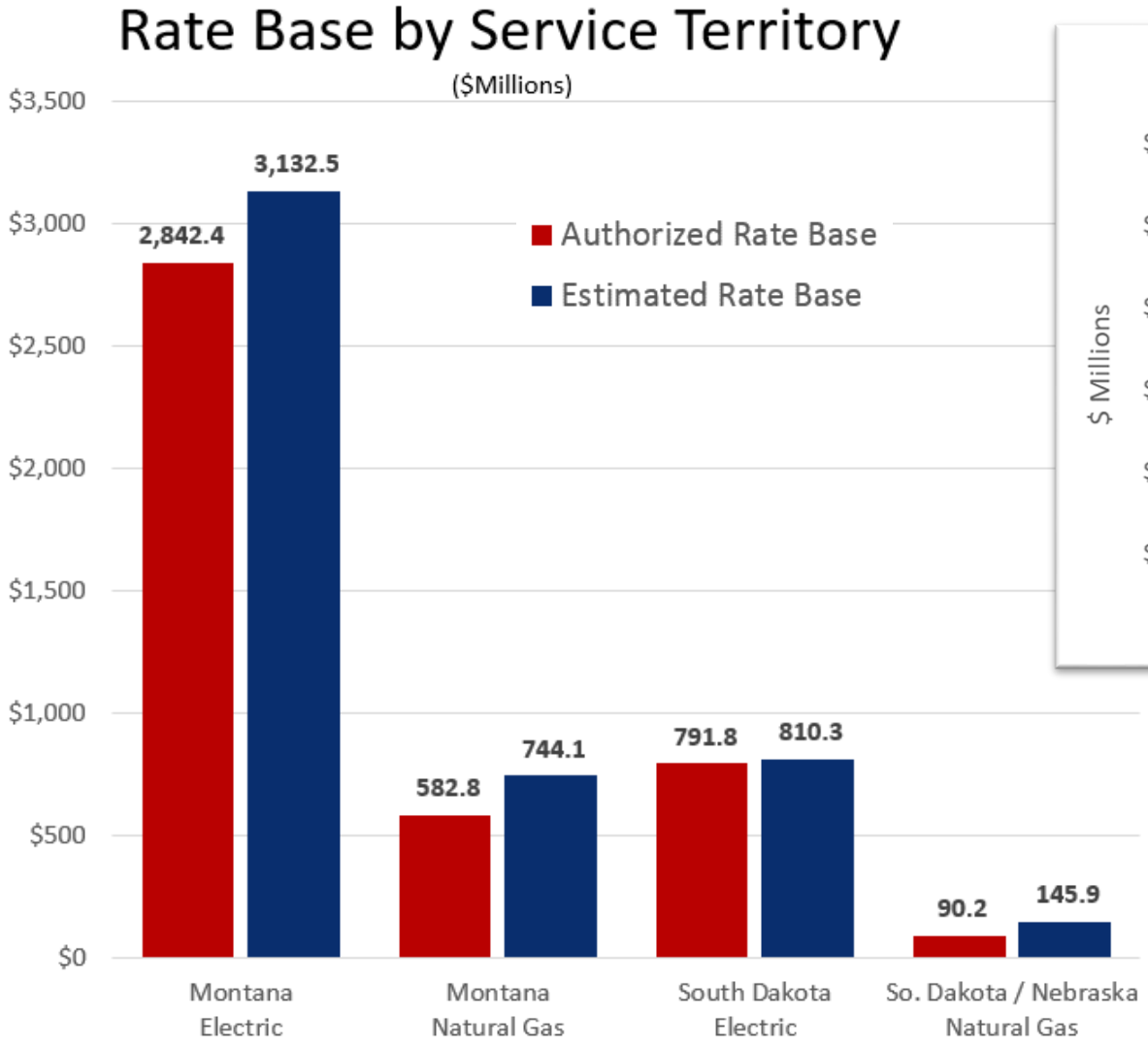
This investment is expected to drive annualized earnings and rate base growth of approximately 4% - 6%.

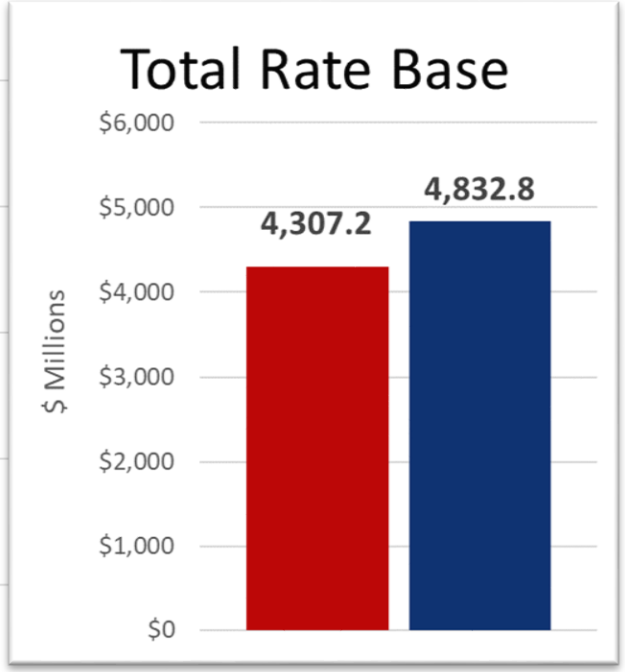
See slide titled "Strong Growth Outlook" for additional information.

A Diversified Electric and Gas Utility









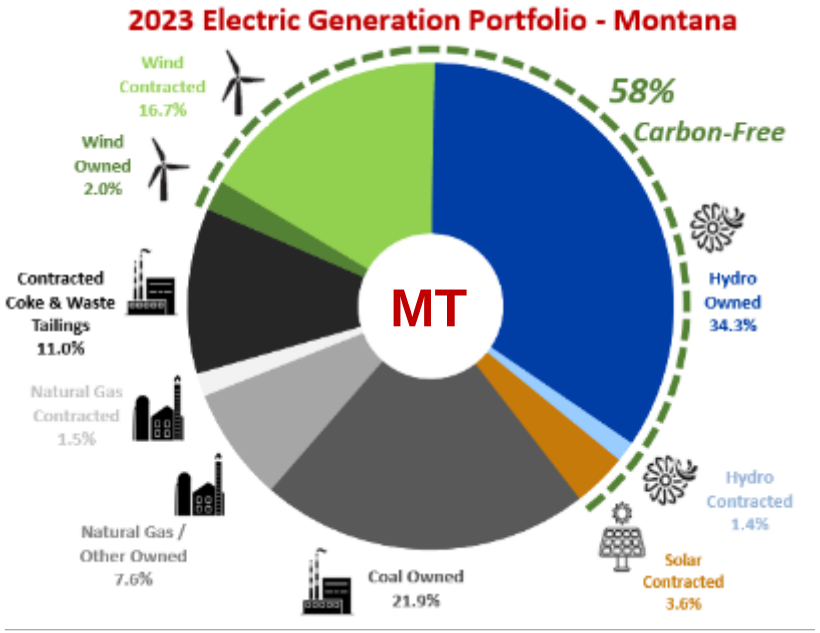
** Reflects settled filings in Montana and South Dakota.*

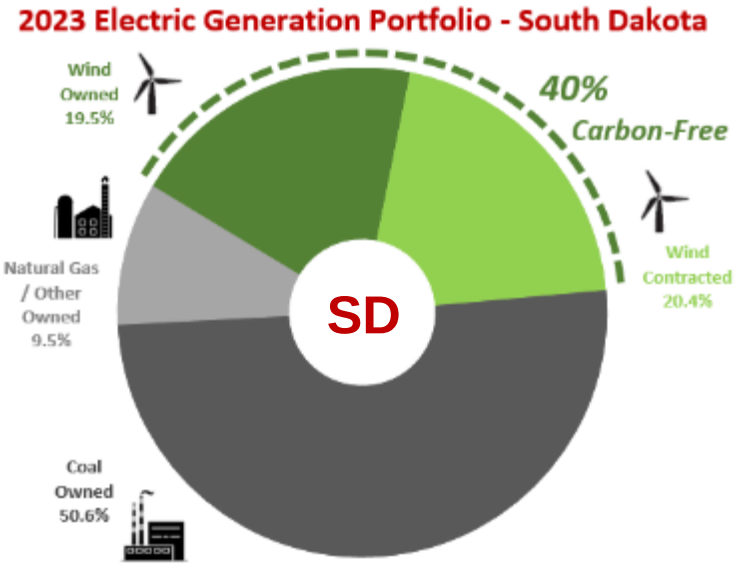
NorthWestern's '80/20' rules: Approximately 80% Electric and 80% Montana. Over $4.8 billion of rate base investment to serve our customers

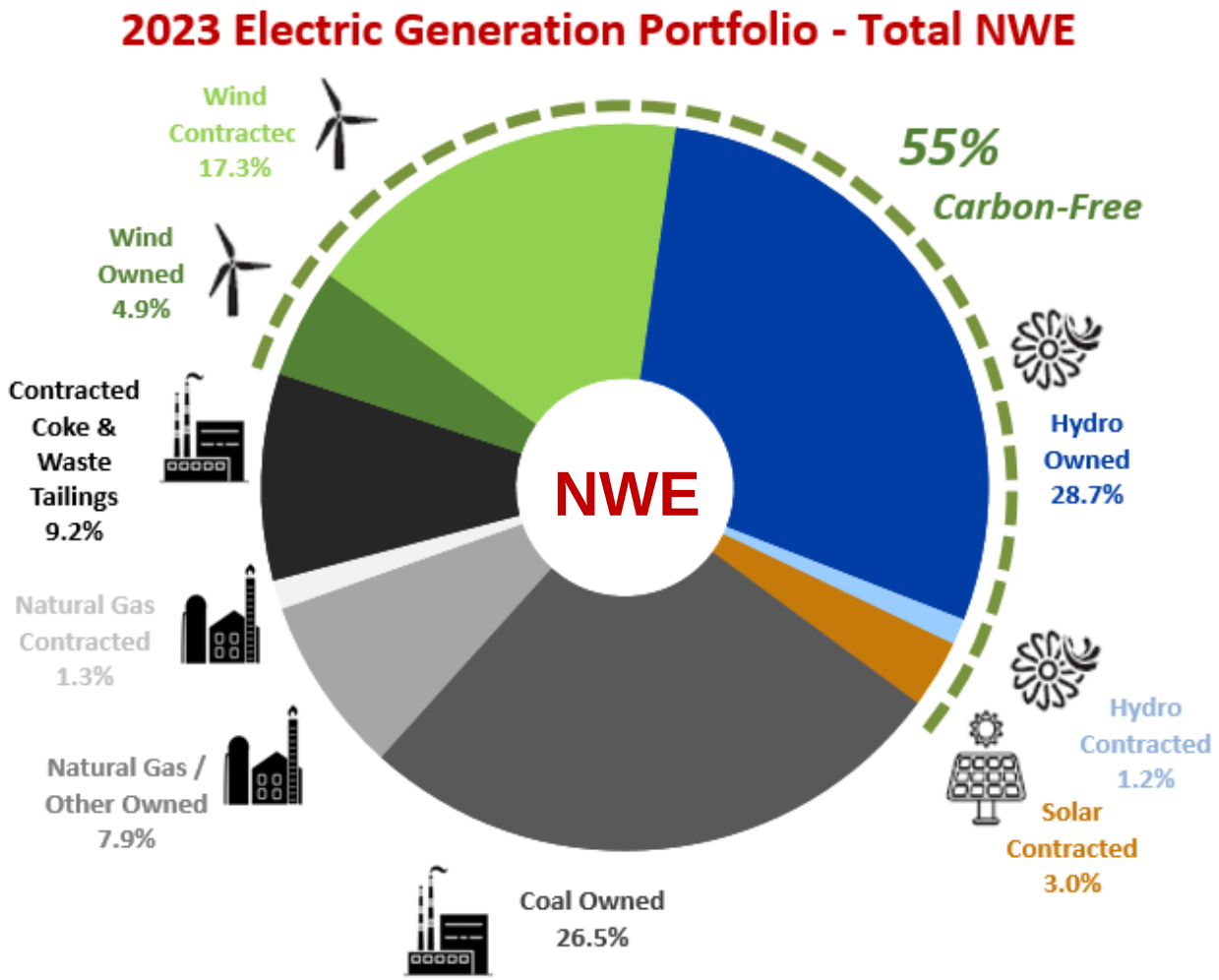
Data as reported in our 2023 10-K

(1) Utility Margin is a non-GAAP Measure. See appendix for additional disclosure.

Highly Carbon-Free Supply Portfolio





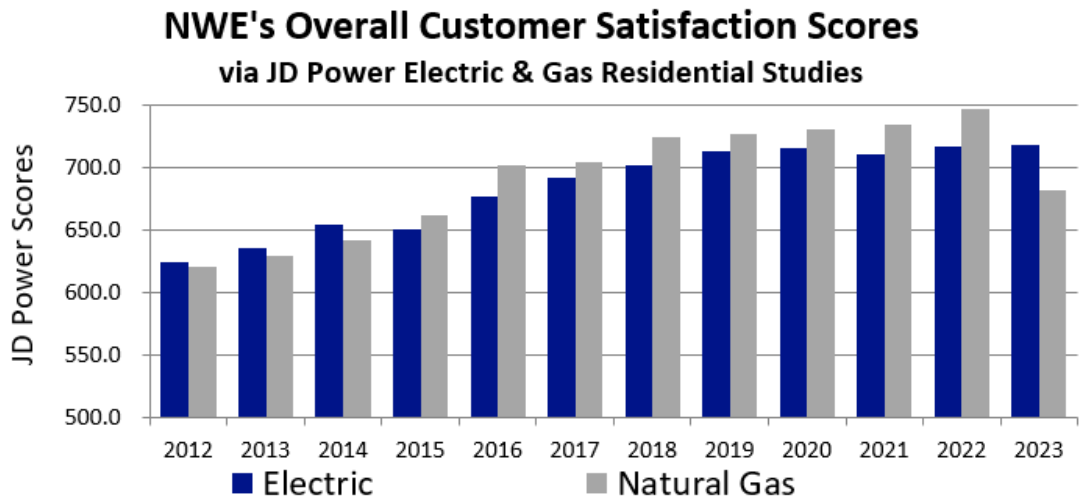


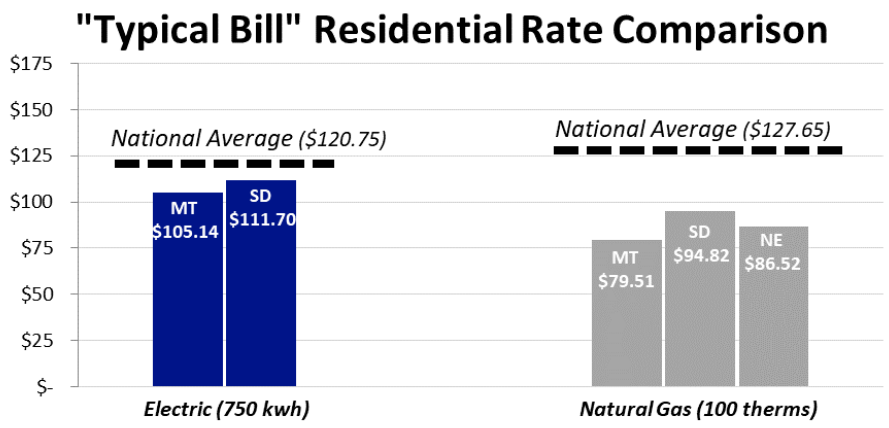
Contracted coke and waste tailings as well as a majority of the contracted wind, hydro and solar are federally mandated Qualifying Facilities, as defined under the Public Utility Regulatory Policies Act of 1978 (PURPA).

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

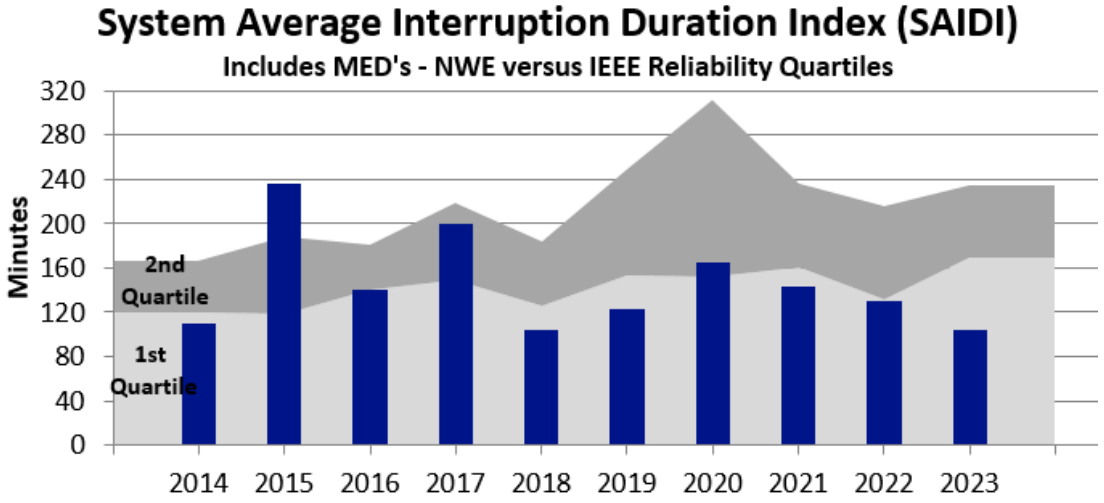


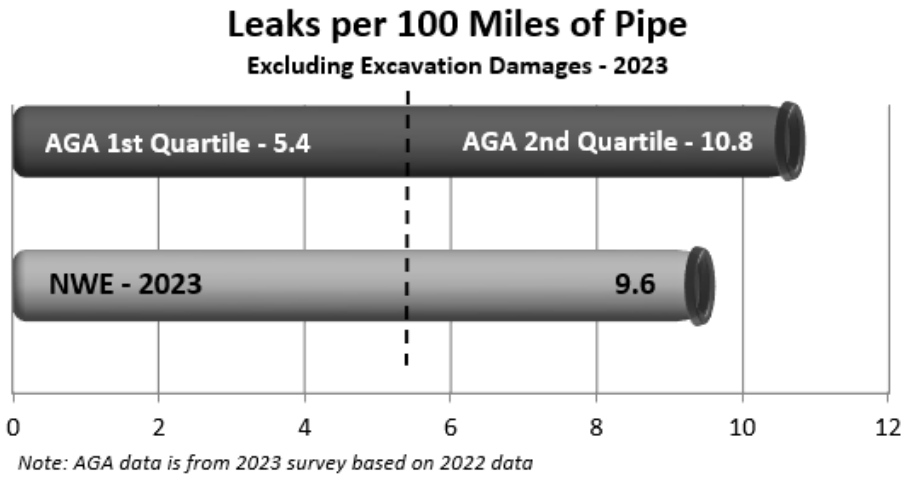


1) NWE rates as of 2/1/2024

Electric source: U.S. EIA - Average Retail Price of Electricity, Monthly as of February 2024

Natural Gas source: U.S. EIA - U.S. Price of Natural Gas Delivered to Residential Customers as of February 2024

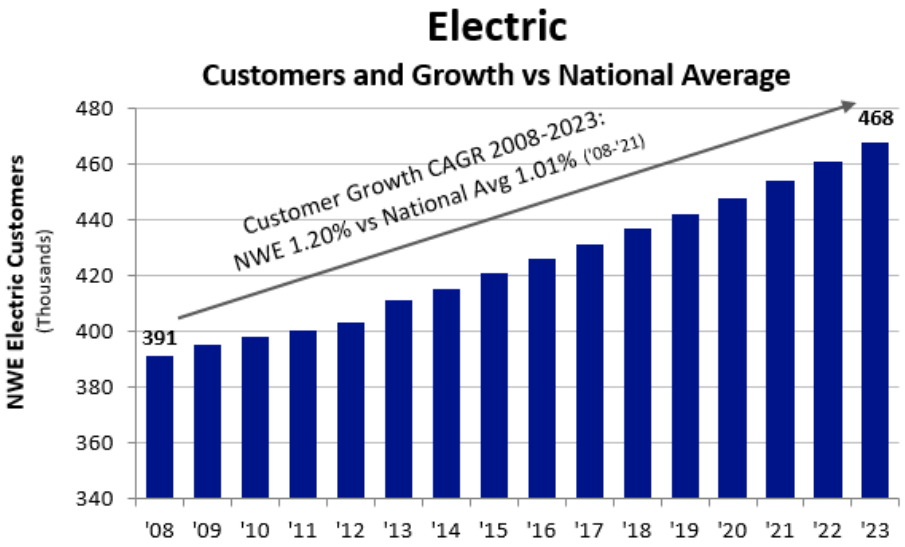




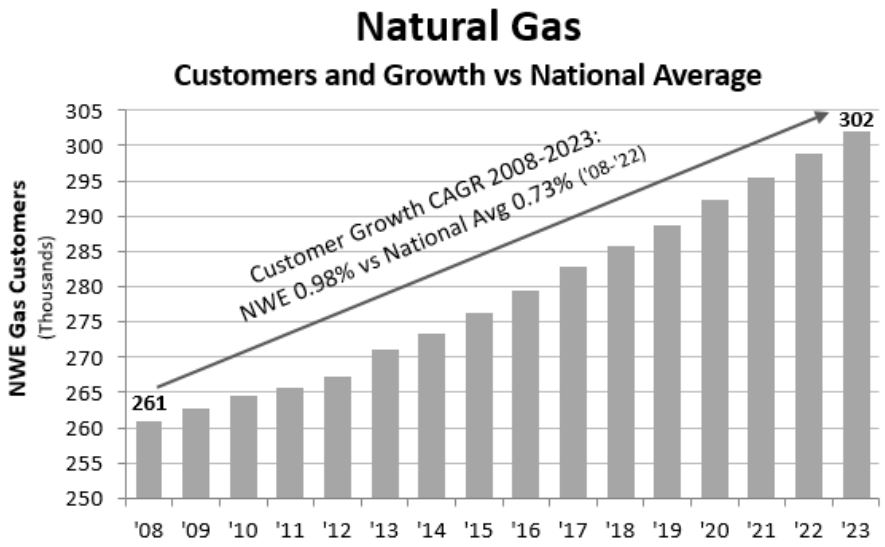
- Solid and generally improving JD Power Overall Customer Satisfaction Scores
- Solid electric system reliability

- Residential rates below national average[1]
- Better than average natural gas leaks per mile

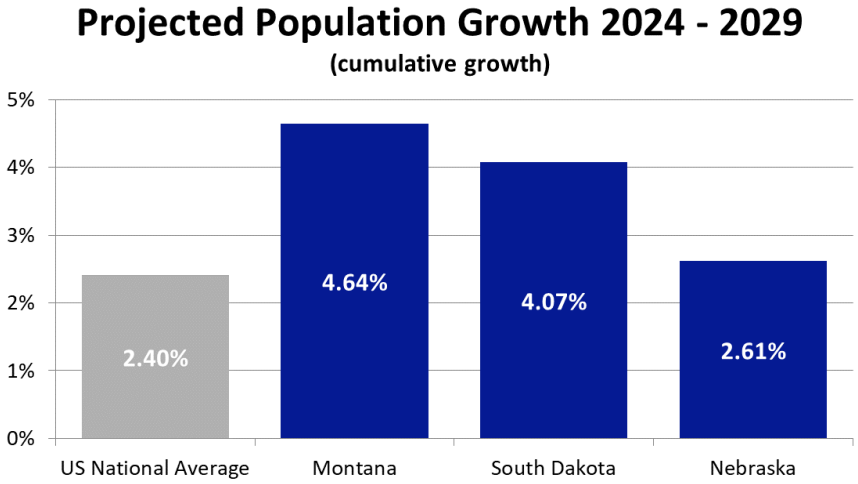
Solid Economic Indicators



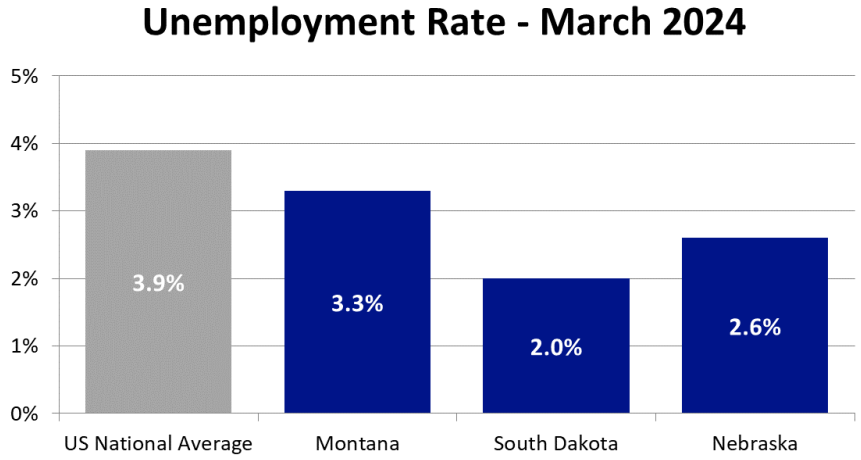
Source: Company 10K's, 2021/2022 EEI Statistical Yearbook – Table 7.2, and EIA.gov



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 5/8/2024

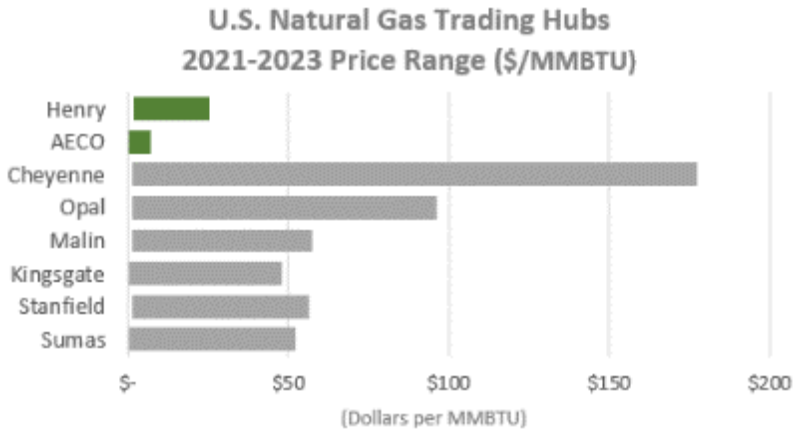
- Customer growth rates historically exceed National Averages.
- Projected population growth in our service territories better than the National Average.
- Unemployment rates better than National Average

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

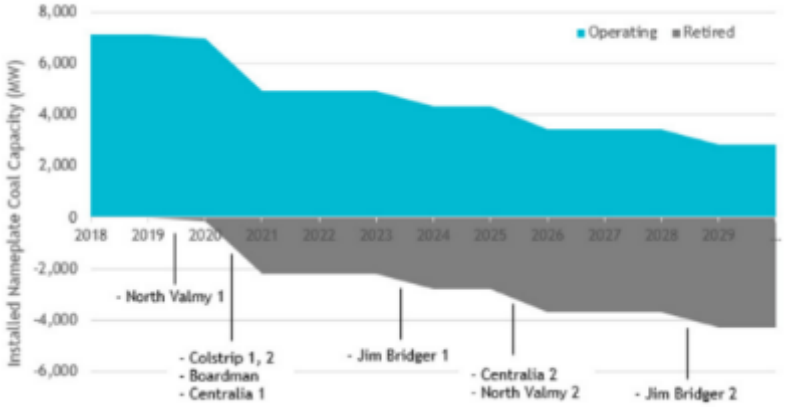
- Investment in production*, transmission & distribution
- Extreme winters necessitate economical gas heating
- Energy Choice (*Ban the Ban*) laws in MT & SD
- Access to low & less volatile natural gas pricing
  - AECO & Henry Hub (Ventura)



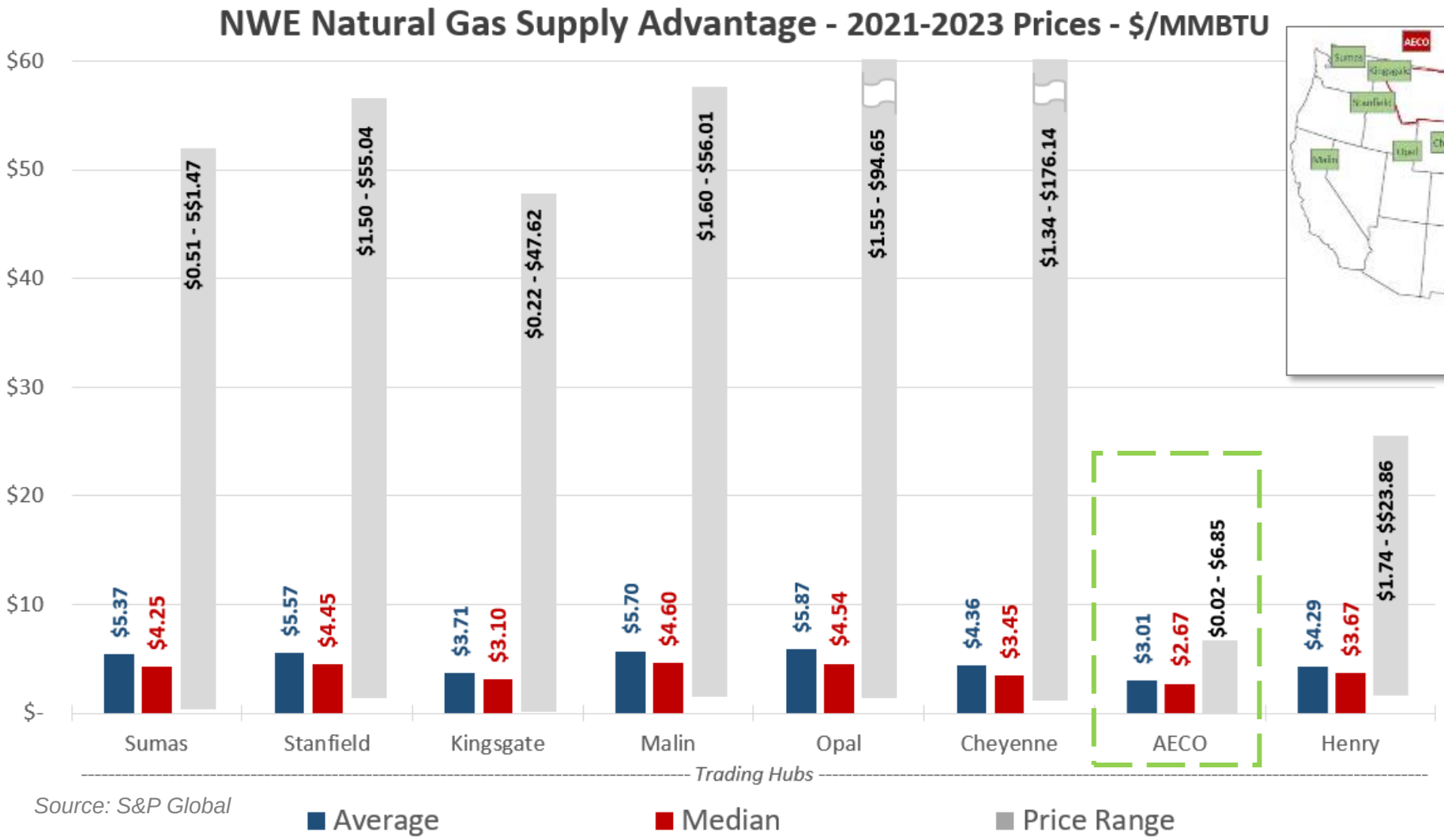
*Proven and producing reserves only (no exploration)

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



Source: S&P Global

NWE has access to some of the lowest and most stable natural gas prices in the nation, through the Alberta Energy Company (AECO) trading hub.

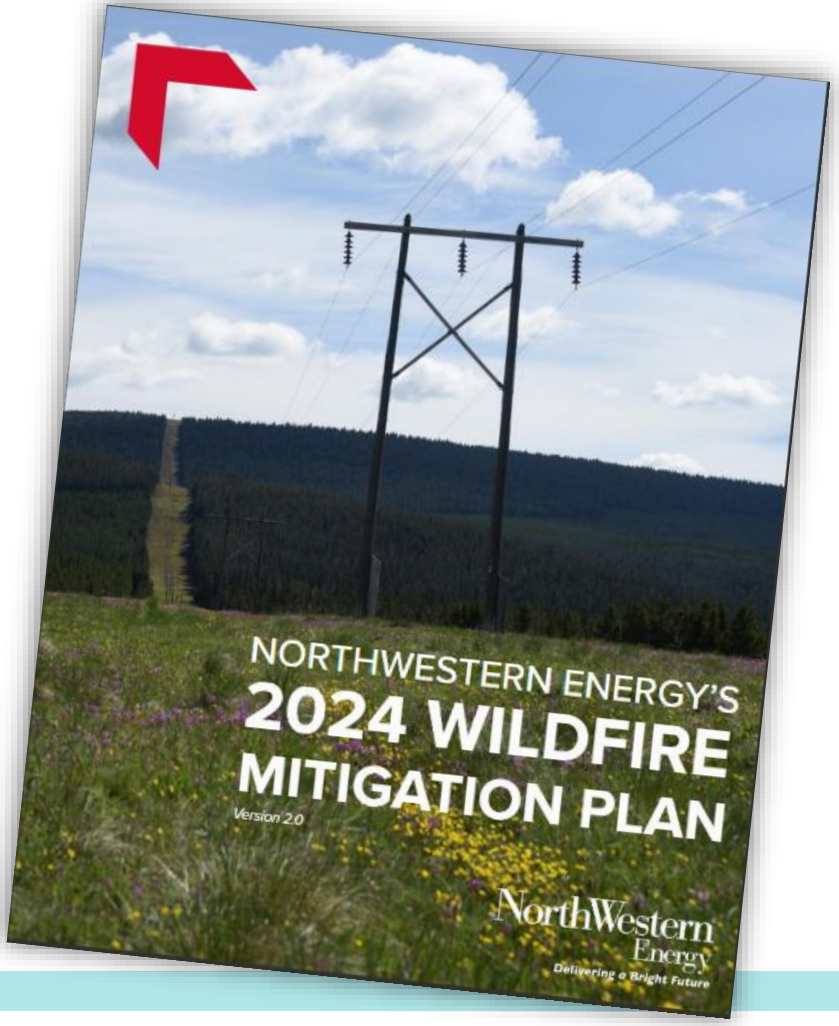
By the end of 2025 in South Dakota, we expect to facilitate the injection of enough renewable natural gas onto our system to meet approximately two-thirds of our retail natural gas load requirements.

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%

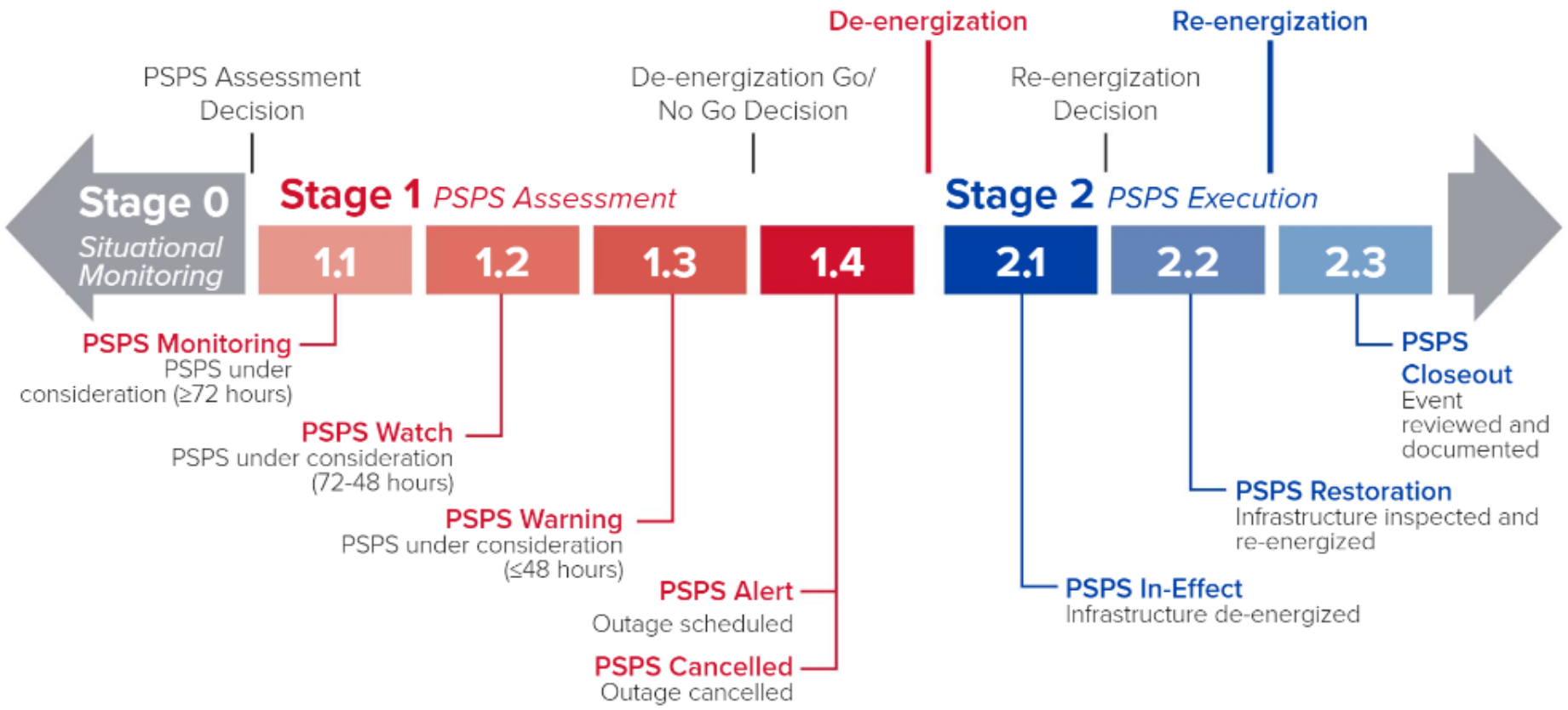


Our operational practice includes situationally performing power shutdowns and adjusting system operating protocols during periods of heightened wildfire risk. Power shutdown considerations include environmental conditions, system performance, and mitigating any potential impacts of an outage to customers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

NorthWesternEnergy.com/Wildfire

Corporate Sustainability

Environmental

Social

Governance

These eight publications provide valuable insight into NorthWestern Energy's Environmental, Social and Governance (ESG) Sustainability practices.
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

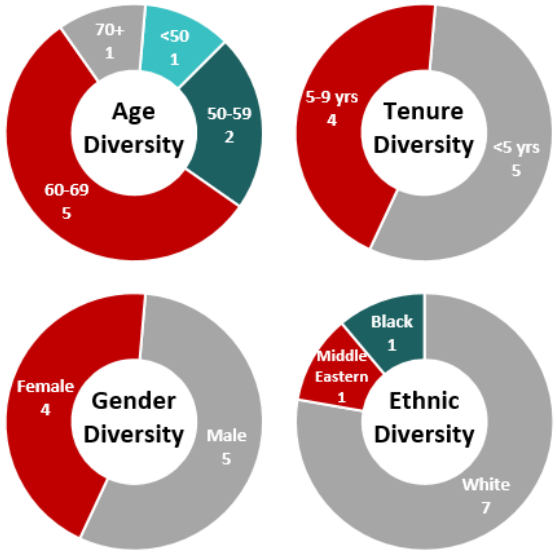
Recognized for gender diversity on its board of directors by 2022 Women on Boards. Currently four of the company's nine directors are female.

Edison Electric Institute Emergency Response Award recipient

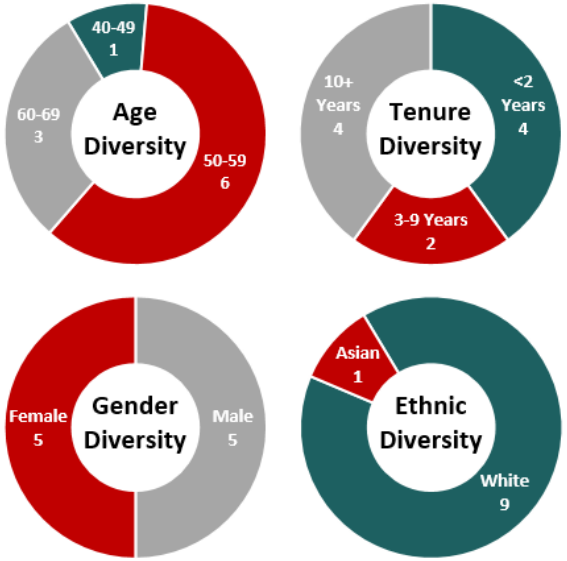
Recognized for our restoration response for both the May 2022 derecho in South Dakota and the historic flooding in Montana & Yellowstone National Park in June 2022.

Diverse Leadership

Board of Directors



Executive Team



2023 CEO Pay Ratio to Average Employee Salary

NWE

23:1

U.S. Utilities Average in '22	12 Member Peer Group Average in '22
66:1	40:1

CEO Pay to Peers[1]

75%

1) Peer data based on 2022 pay

Financial & Regulatory Update

Strong Growth Outlook

2024 Non-GAAP EPS Guidance[1] of $3.42 - $3.62

✓ **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
- **Montana electric and natural gas rate reviews anticipated in third quarter of 2024. Filing will include prudence review of Yellowstone County Generating Station.**

✓ **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 losses[1]) and secured debt
- Any equity needs would be driven by opportunities incremental to the plan

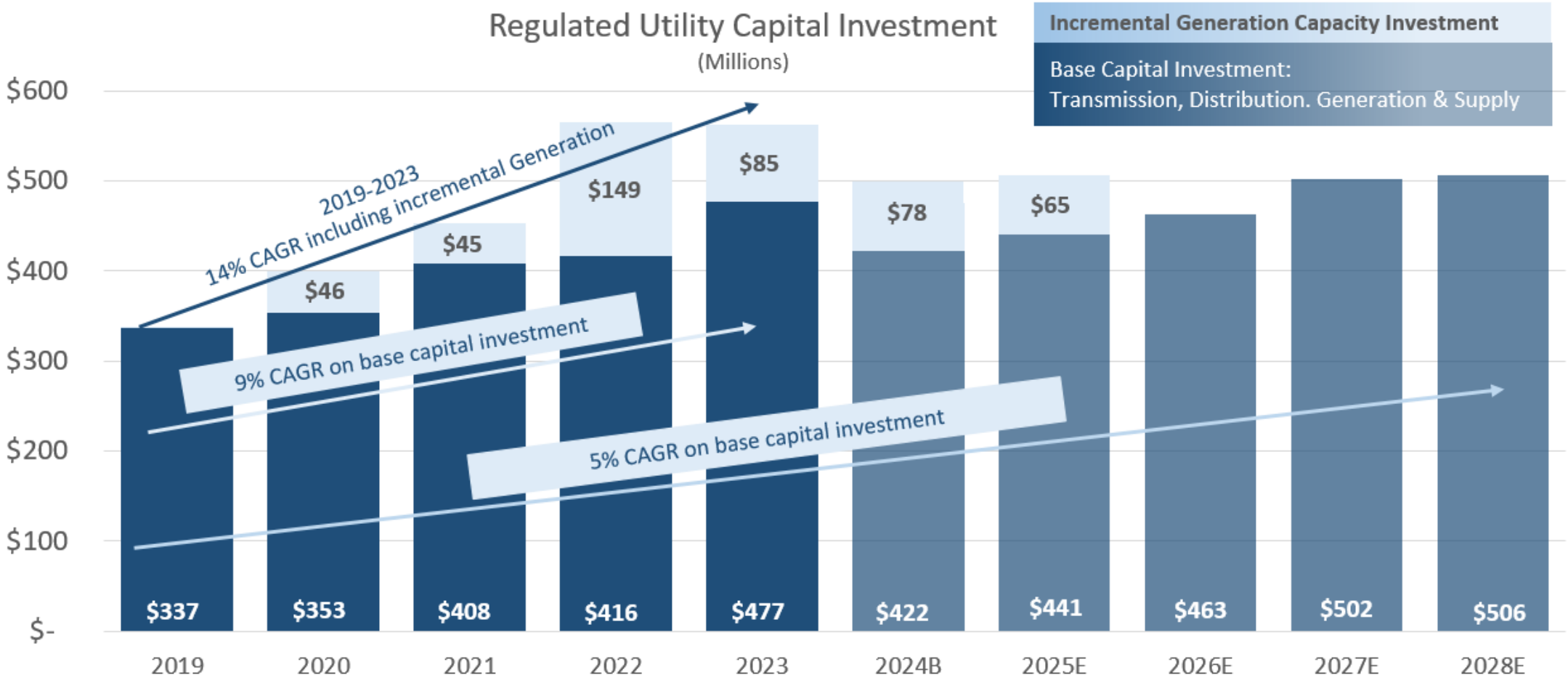
✓ **Targeting FFO > 14% by end of 2024** and beyond

✓ 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.

This guidance range is based upon, but not limited to, the following major assumptions:
- Normal weather in our service territories;
- An effective income tax rate of approximately 12%-14%; and
- Diluted average shares outstanding of approximately 61.3 million.

Track Record of Growing Capital Investment



$2.3 Billion 2019-2023 Invested over the last 5 years*

$2.5 Billion 2024-2028 Forecasted over the next 5 years**

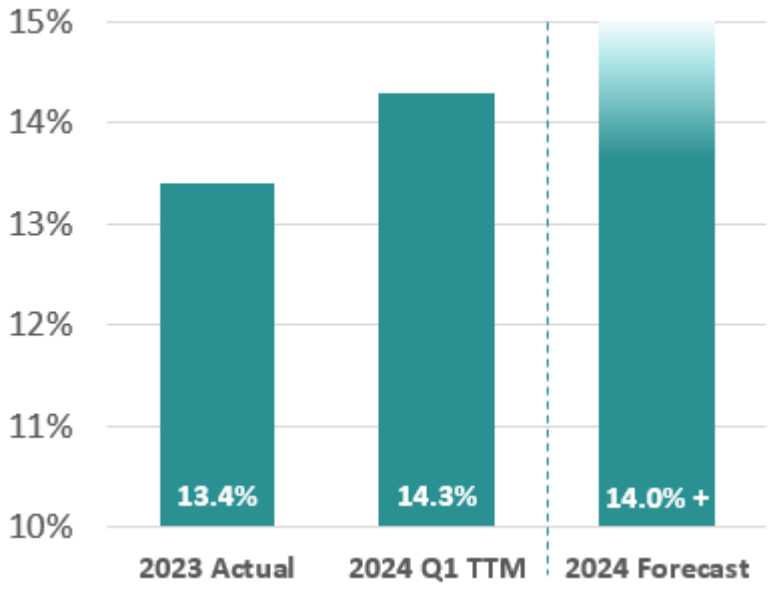
* Historical Capital Investment includes property, plant and equipment additions and AFUDC Credit, both from our cash flow statement, and change in capital expenditures included in accounts payable.
** See *Regulated Utility Five-Year Capital Forecast* slide in the appendix for additional detail.

Credit, Cash Flow and Financing Plans

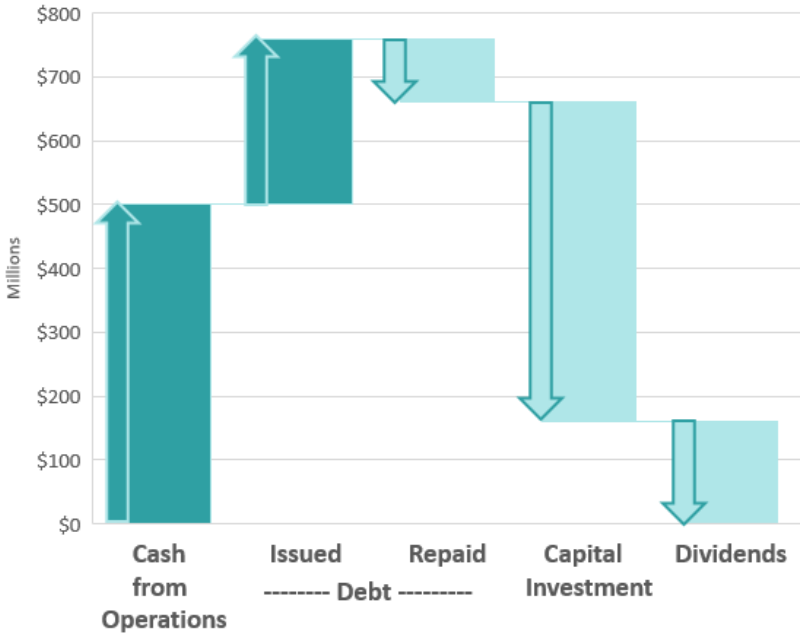
Credit Ratings

		Moody's	S&P	Fitch
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

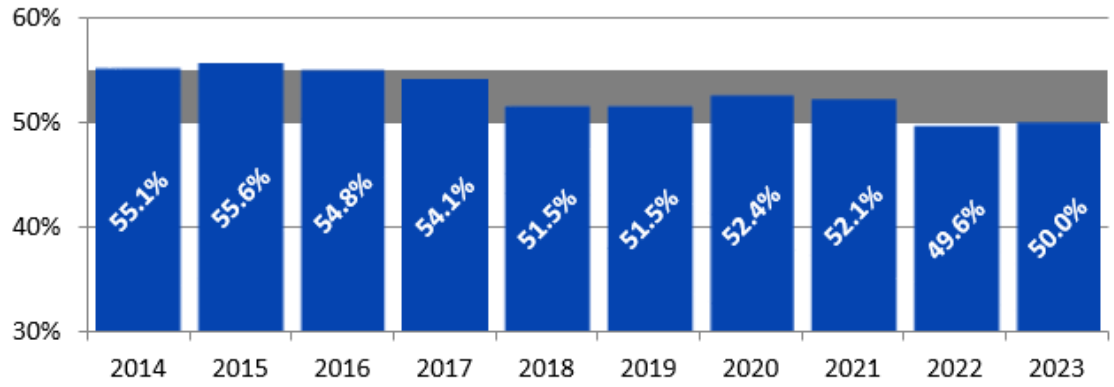


<u>No equity expected</u> to fund the current 5-year | $2.5 billion capital plan

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.

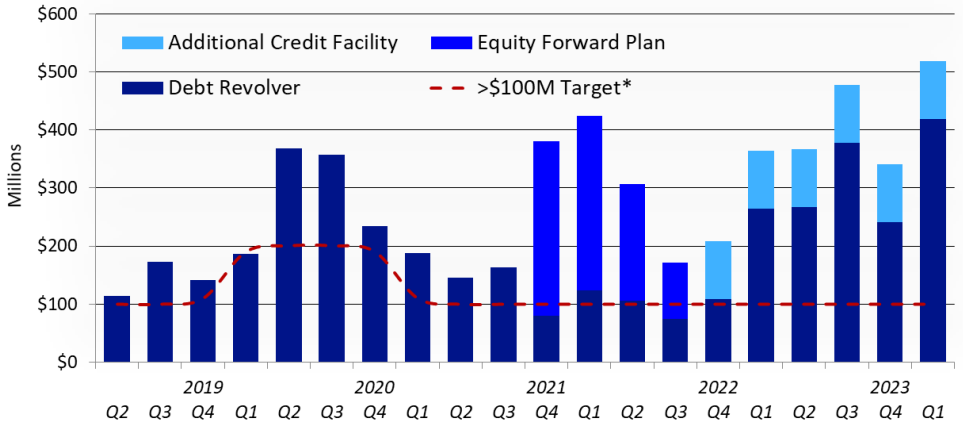
Solid Balance Sheet

Debt to Capital Ratio



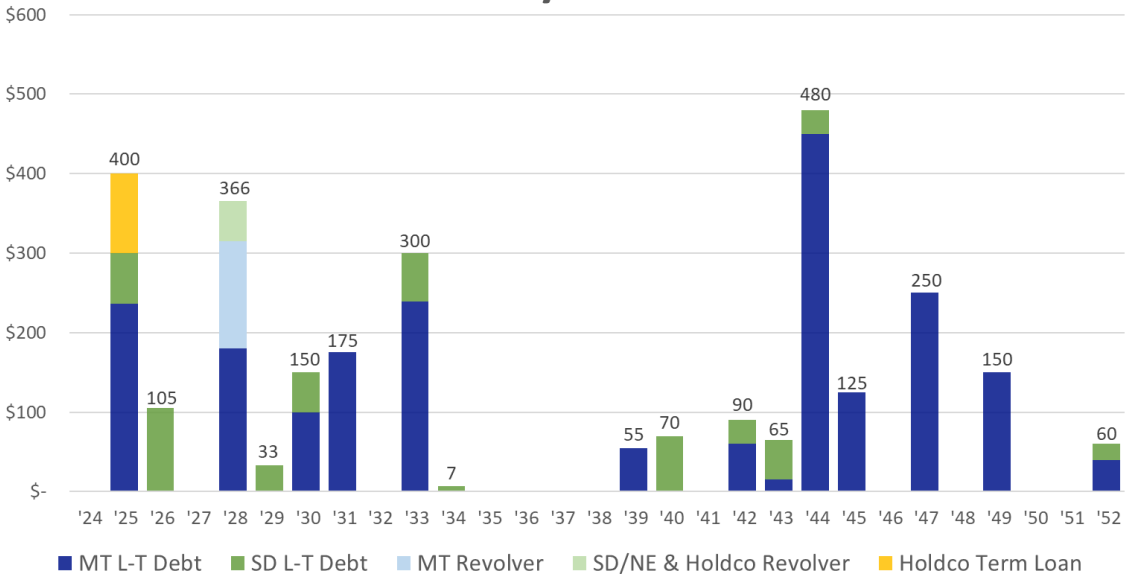
Target: 50% - 55% - Annual ratio based on average of each quarter's debt/cap ratio
Excludes Basin Creek capital lease and New Market Tax Credit Financing

Liquidity - Debt Revolver / Credit Facilities & Equity Forward Plan



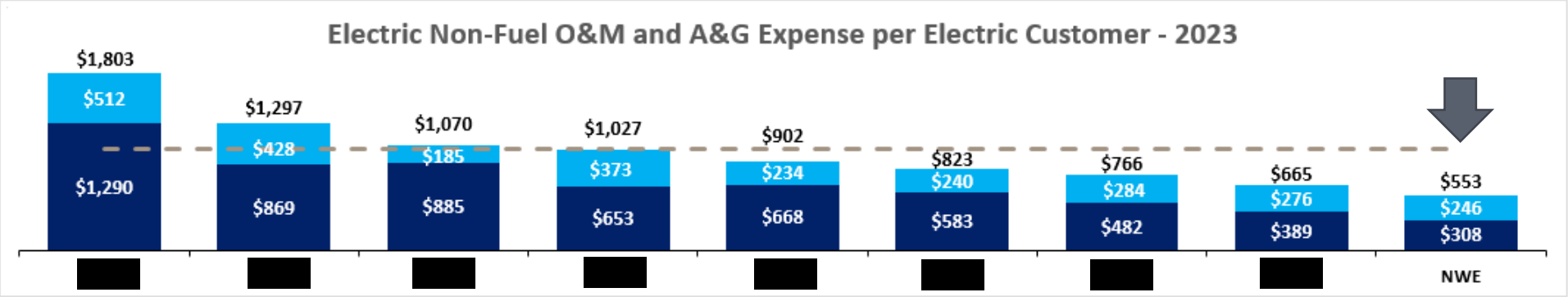
** Liquidity target was raised to $200 million during the height of the Covid pandemic*

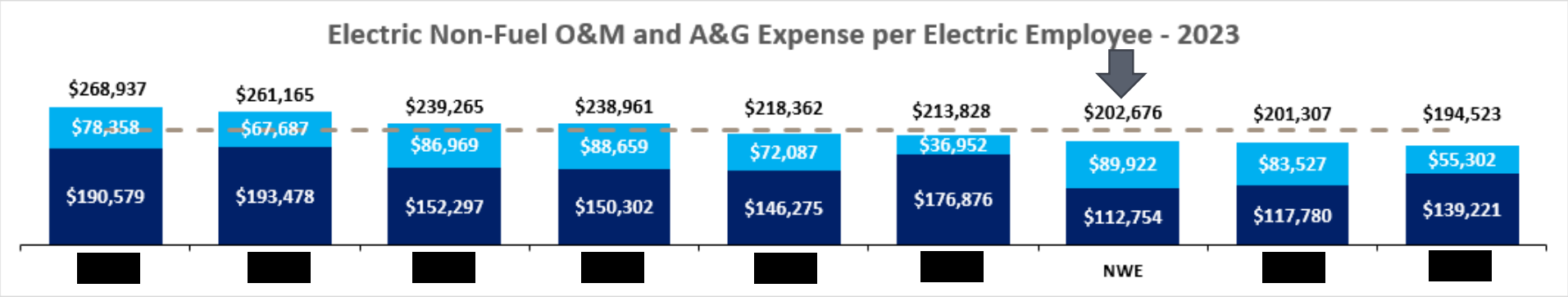
Debt Maturity Profile ($ Millions)

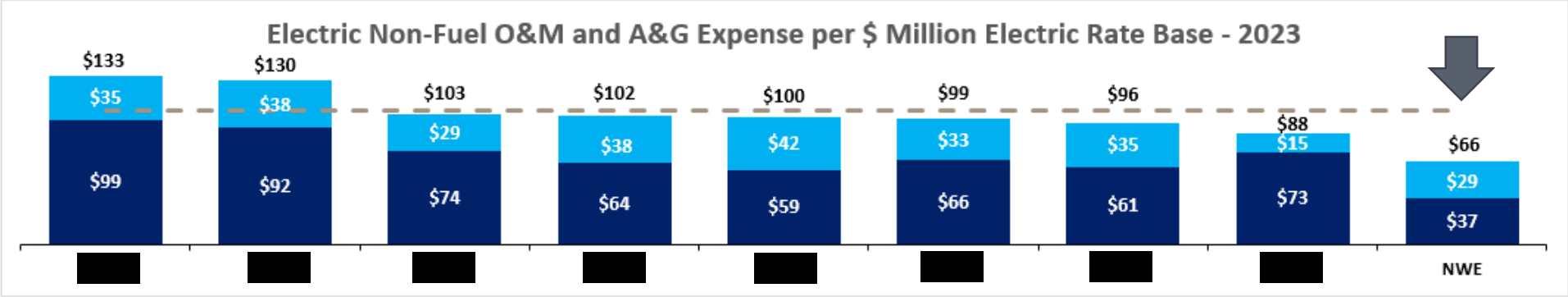


Investment grade credit ratings, liquidity significantly greater than our $100 million target, debt to capitalization at the bottom of our targeted 50%-55% range, and a manageable schedule of debt maturities.

Disciplined Expense Program







Per Customer…
Per Employee…
Per Rate Base…

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

A&G Expense
O&M Expense

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.

Generation Investment

	Montana	South Dakota
Generation Update	175 MW Yellowstone County Generating Station natural gas fired facility • Construction started April 2022 • Total cost of $310-$320 million with $267.5M incurred thru 3/31/2024 • Scheduled to be online in Q3 of 2024* 222 MW of Colstrip from Avista • $0 purchase price • Avista retains pre-closing environmental and pension liabilities • Transfer effective 12/31/2025	Capacity generation in Aberdeen, SD to replace aging generation resources • Construction to start in 2024 • Total cost of $70 million • Scheduled to be completed end of 2025
Resource Plans	Filed in April 2023, the plan evaluates alternatives to reliably and affordably to meet customer needs over a 20 year horizon. With the anticipated addition of YCGS and Avista's transfer of Colstrip, the plan anticipates resource adequacy into 2029.	Filed in September 2022, the plan identifies 43 megawatts as retire and replace candidates. We anticipate filing the next IRP in the summer of 2024.

Construction of our 175 MW Yellowstone County Generating Station

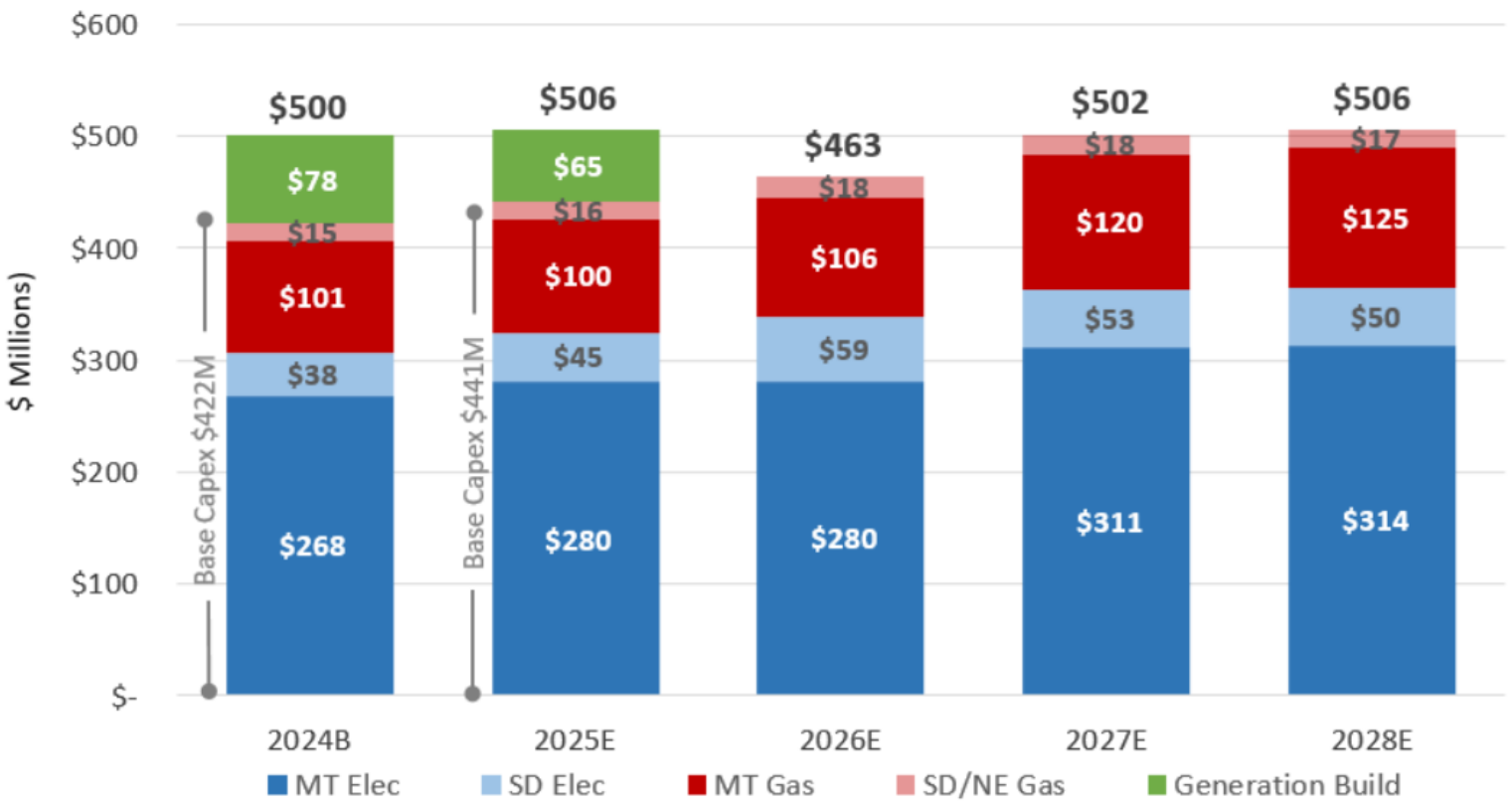
** See NorthWestern Energy Group's 2023 10-K for additional detail associated with litigation challenging the Yellowstone County Generating Station air quality permit. This litigation could further delay the project and increase costs.*

Conclusion

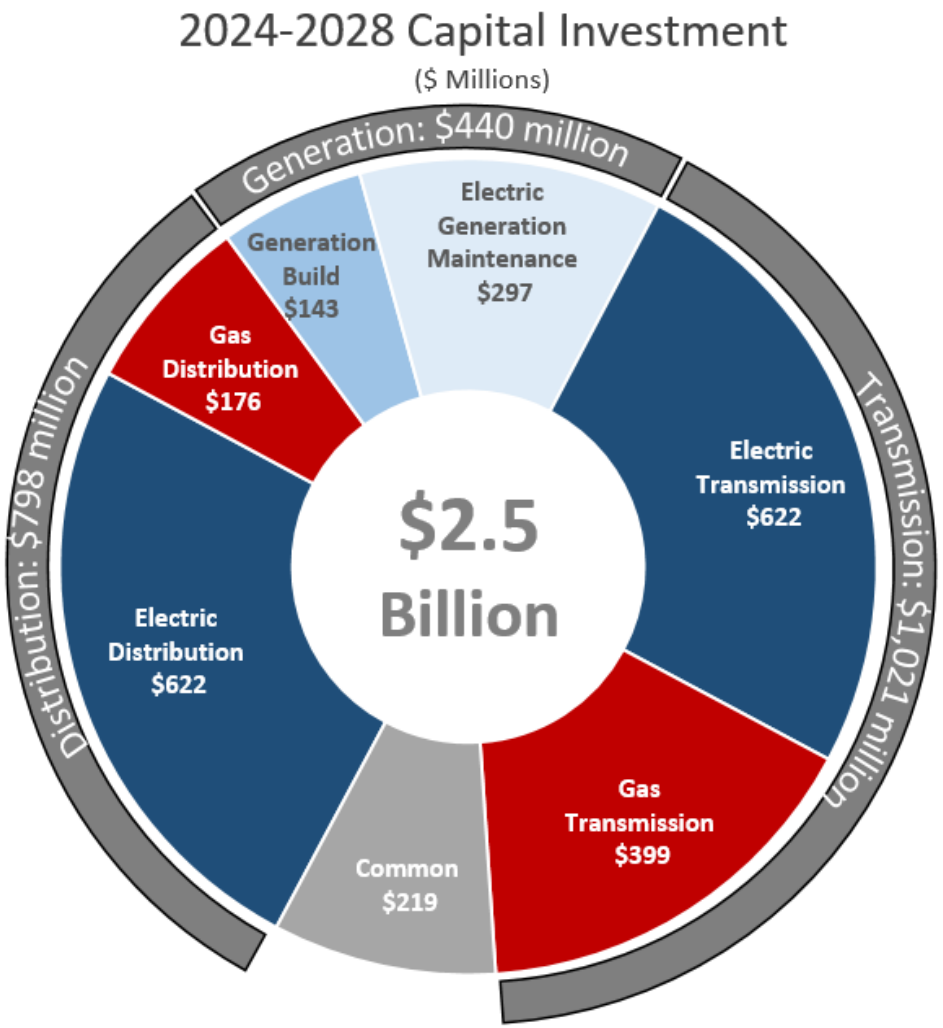
- Pure Electric & Gas Utility
- Solid Utility Foundation
- Best Practices Corporate Governance
- Attractive Future Growth Prospects
- Strong Earnings & Cash Flows

Appendix

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



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

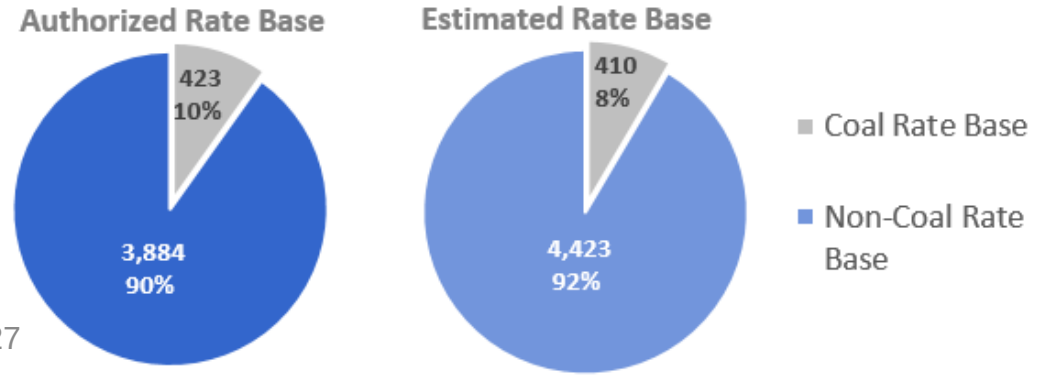
Rate Base & Authorized Return Summary

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



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 9 -14% 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
Other resources	150	155	305
	887	446	1,333

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
(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

Holding Company Reorganization Completed

Before

Nasdaq: NWE

NorthWestern Corporation

Phase I — Oct. 2, 2023

1. New publicly traded holding company
2. Utility unchanged

Nasdaq: NWE

1 **NorthWestern Energy Group, Inc.** *(Del.)*

2 **NorthWestern Corporation**

Phase II — Jan. 1, 2024

3. Separate utility subsidiaries
4. Isolate unregulated non-utility assets

Nasdaq: NWE

4 **NorthWestern Energy Group, Inc.** *(Del.)*

3 **NorthWestern Corporation** *(Del.)*

3 **NorthWestern Energy Public Service Corporation** *(S. Dak.)*

Stock

- New name – NorthWestern Energy Group, Inc.
- Same NWE stock ticker
- Same shareholders
- Same stock plans

Governance

- Same board of directors, but now at new parent NorthWestern Energy Group, Inc.
- Same executive team
- Same policies

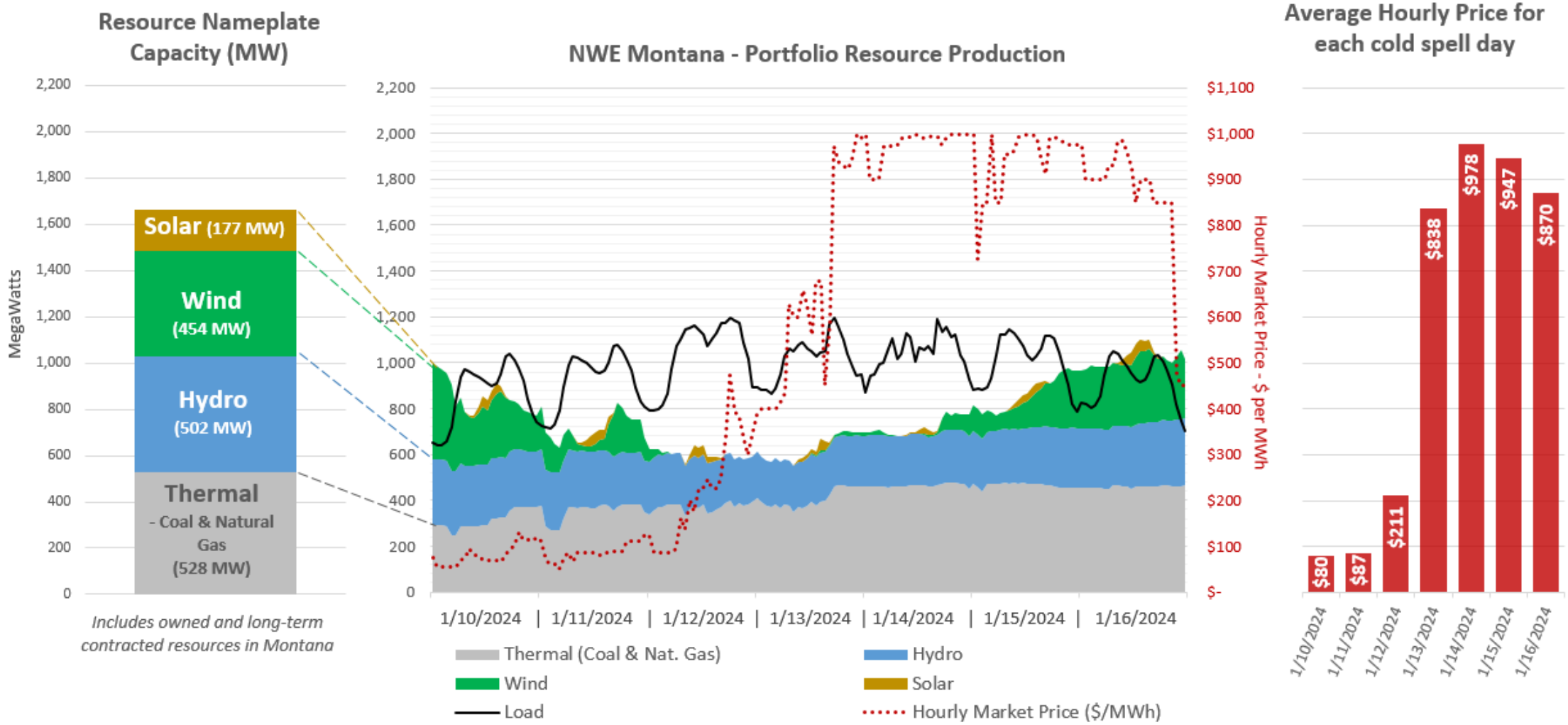
Colstrip Transfer Overview

NorthWestern Energy executed an agreement with Avista Corporation (Exit Agreement) for the transfer of Avista's ownership interests in Colstrip Units 3 and 4.

- **Effective date of transfer: December 31, 2025**
- Generating capacity: 222 MW
  (bringing our total ownership to 444 MW)
- **Transfer price: $0.00**
- NorthWestern will be responsible for operational and capital costs beginning January 1, 2026.
  - The agreement does not require approval by the Montana Public Service Commission (MPSC). We expect to work with the MPSC in a future docket for cost recovery in 2026.
  - NorthWestern will have the right to exercise Avista's vote with respect to capital expenditures[1] between now and 2025 with Avista responsible for its pro rata share[2].
- Avista will retain its existing environmental and decommissioning obligations through life of plant.
- Under the Colstrip Ownership & Operating Agreement, each of the owners will have a 90-day period in which to evaluate the transaction between NorthWestern and Avista to determine whether to exercise their respective right of first refusal.
- We filed our Montana Integrated Resource Plan on April 28, 2023. This transaction is expected to satisfy our capacity needs in Montana for at least the next 5 years.

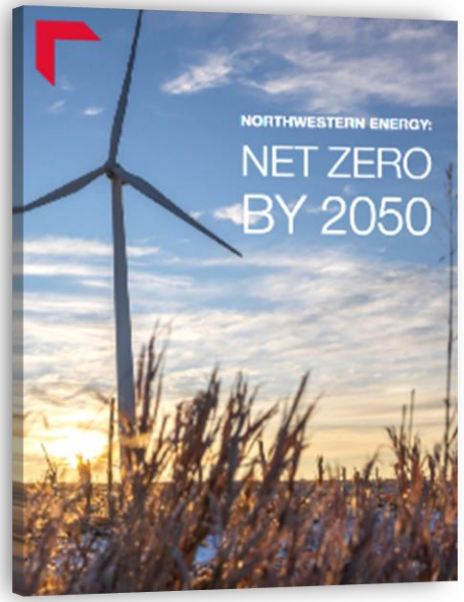
1. Avista retains the vote related to remediation activities.
2. Avista bears its current project share (15%) costs through 2025, other than "Enhancement Work Costs" for which it bears a time-based pro-rata share. Enhancement Work Costs are costs that are not performed on a least-costs basis or are intended to extend the life of the facility beyond 2025. See the Exit Agreement for additional detail.

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.

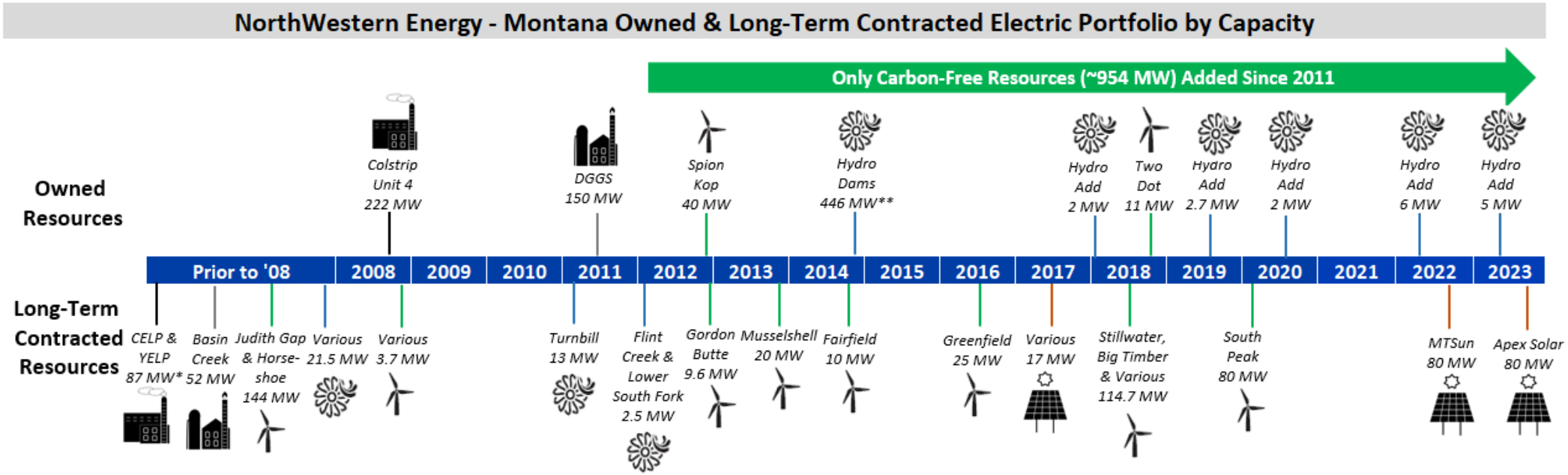
Our Net-Zero Vision



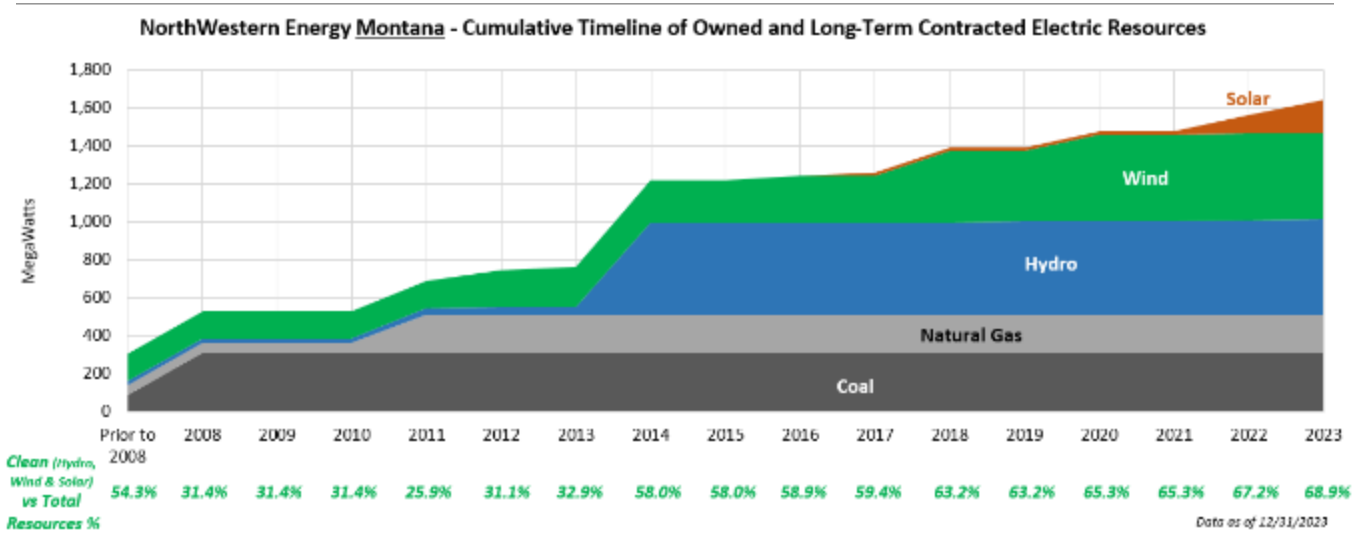
Over the past 100 years, NorthWestern Energy has maintained our commitment to provide customers with reliable and affordable electric and natural gas service while also being good stewards of the environment. We have responded to climate change, its implications and risks, by increasing our environmental 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



** 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.*

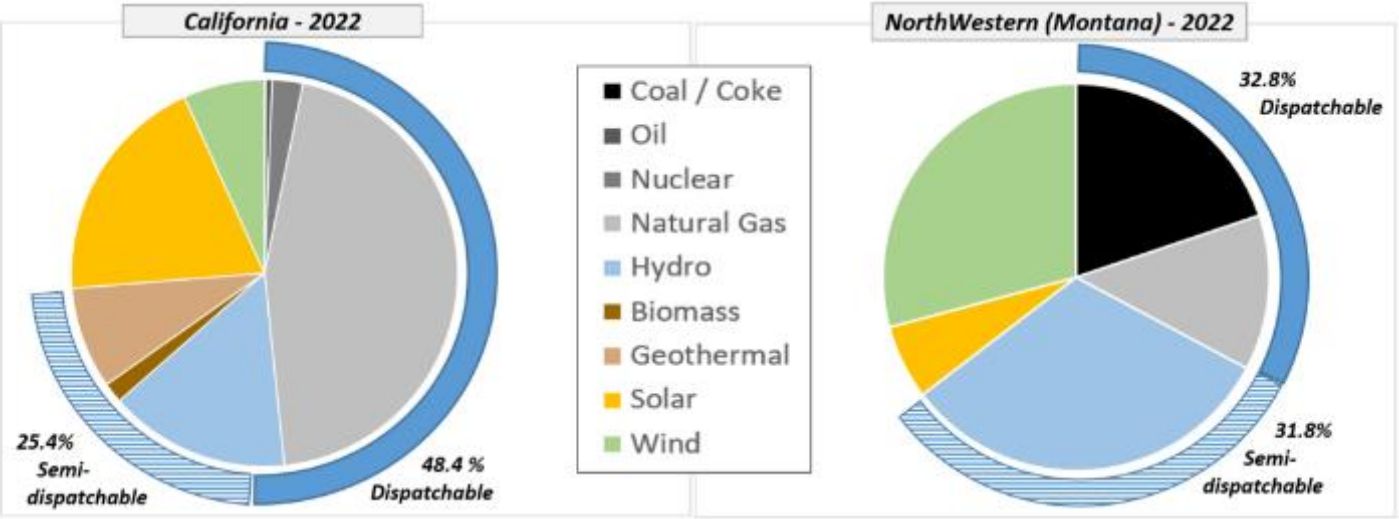


Since 2011, we have added approximately 954 MW, both owned and long-term contracted, to our generation portfolio, all of which is from carbon-free resources.

Comparison of Installed Capacity

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

	California				NorthWestern Energy (Montana)			
	MW	Percent			MW	Percent		
	2021	of Total	Dispatchable	Non-Carbon	2022	of Total	Dispatchable	Non-Carbon
Coal / Coke	90	0.1%	0.1%		309	19.8%	19.8%	
Oil	492	0.5%	0.5%		0	0.0%		
Nuclear	2,323	2.6%	2.6%			0.0%		
Natural Gas	41,102	45.2%	45.2%		202	13.0%	13.0%	
Hydro	13,804	15.2%		15.2%	496	31.8%		31.8%
Biomass	1,555	1.7%		1.7%		0.0%		
Geothermal	7,739	8.5%		8.5%		0.0%		
Solar	17,685	19.4%		19.4%	97	6.2%		6.2%
Wind	6,206	6.8%		6.8%	454	29.2%		29.2%
	90,996	100.0%	48.4%	51.6%	1,558	100.0%	32.8%	67.2%

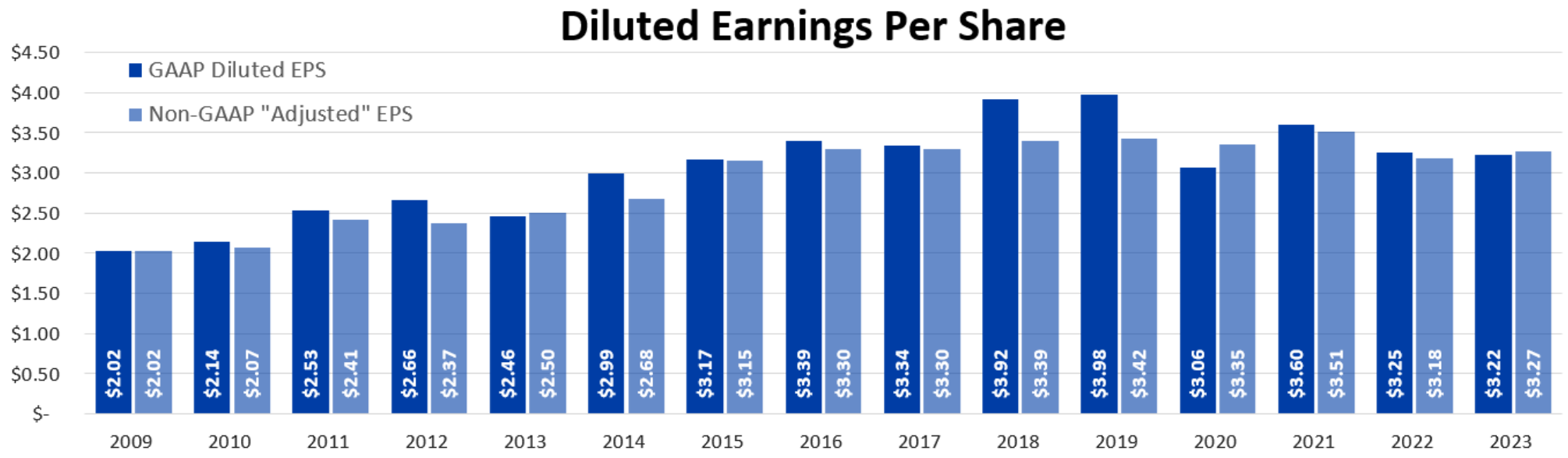


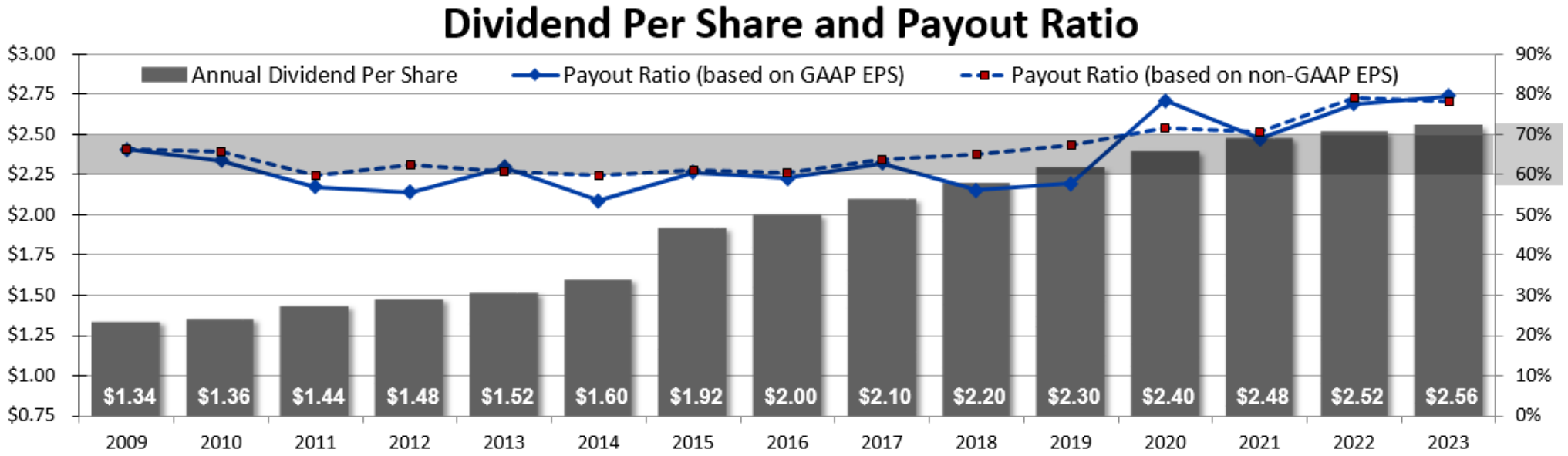
Source: EIA.gov – 2022 Form EIA-860 Data - Schedule 3 for calendar year 2022

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

Earnings and Other

EPS & Dividend History





2009-2023 CAGR's:

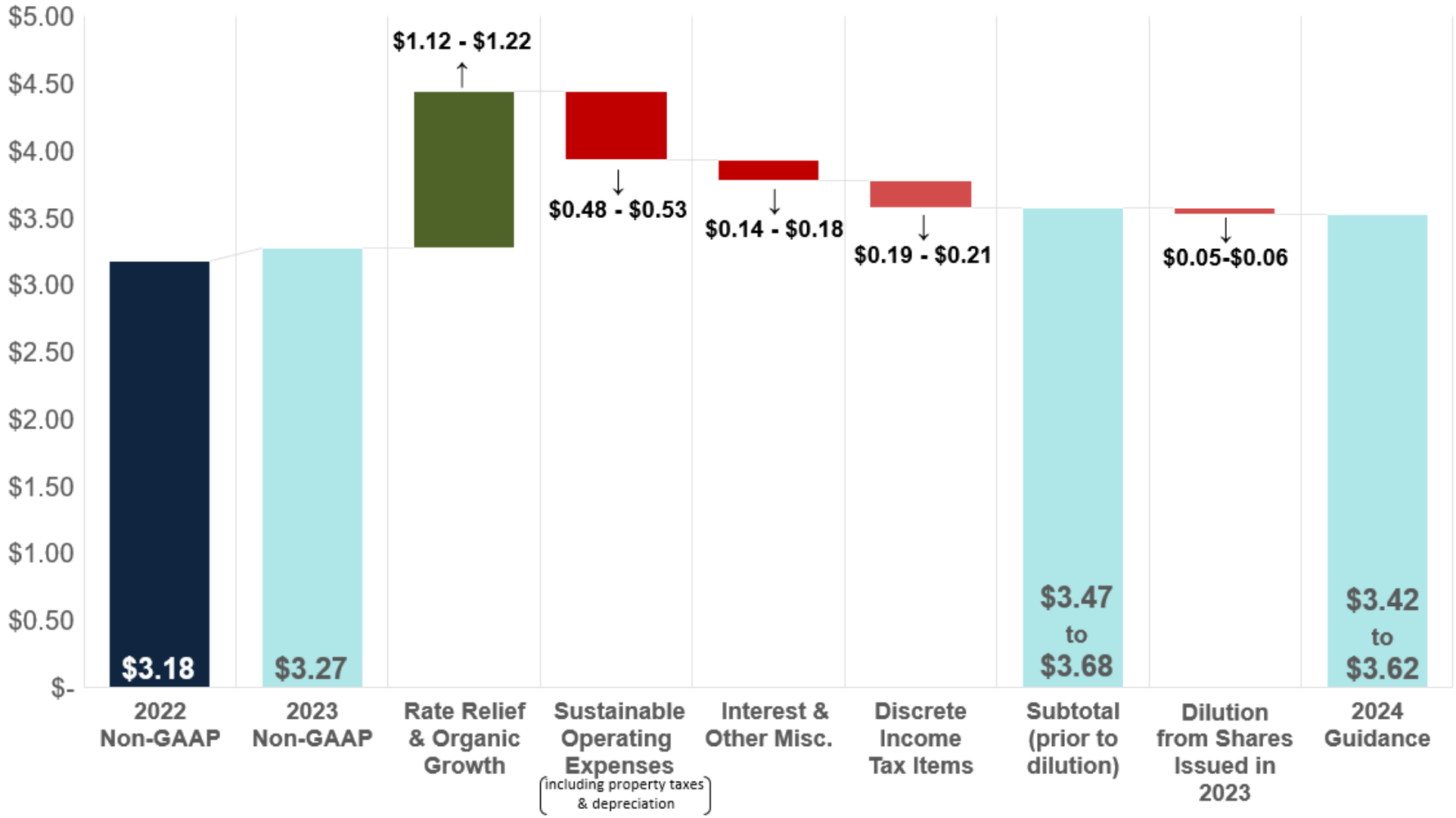
GAAP EPS:
3.4%

Non-GAAP EPS:
3.5%

Dividend:
4.7%

See appendix for "Non-GAAP Financial Measures"

2024 Earnings Bridge



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

- Normal weather in our service territories;
- An effective income tax rate of approximately 12%-14%; and
- Diluted average shares outstanding of approximately 61.3 million.

We project an annualized dividend of $2.60 per share for 2024.

Note: 2024 earnings drivers are calculated using a 25.3% effective tax rate. The discrete income tax adjustments included to the left reflect anticipated changes in discrete tax items (such as amortization of removals, tax repairs and meter deductions, production tax credits, and other permanent or flow-through items) from 2023 non-GAAP earnings to 2024 guidance.

First Quarter Earnings Drivers

After-tax EPS vs Prior Year

	Utility Margin	Property & Other Tax Expense	O&M Expense	Depreciation Expense	Interest Expense	All Other	Dilution from Share Count	Non-GAAP after tax adjustments
Pre-Tax ($M)	$11.6	$2.0	($4.0)	($3.5)	($3.0)	($0.4)	-	$3.6
After-Tax ($M)	$8.7	$1.5	($3.0)	($2.6)	($2.2)	($0.3)	-	$2.1
Diluted EPS	$0.15	$0.03	($0.05)	($0.04)	($0.04)	($0.01)	($0.03)	$0.03

Improvement in Utility Margin offset mild weather, higher OA&G expense, depreciation, interest expense, and share count dilution.

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

2.) See "First Quarter 2024 Non-GAAP Earnings" and "Non-GAAP Financial Measures" in appendix.

First Quarter Financial Results

(in millions except per share amounts)	Three Months Ended March 31,			
	2024	2023	Variance	% Variance
Operating Revenues	$ 475.3	$ 454.5	$ 20.8	4.6%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	174.7	165.5	9.2	5.6%
Utility Margin[1]	**300.6**	**289.0**	**11.6**	**4.0%**
Operating Expenses				
Operating and maintenance	54.2	55.9	(1.7)	(3.0%)
Administrative and general	40.4	34.7	5.7	16.4%
Property and other taxes	47.2	49.2	(2.0)	(4.1%)
Depreciation and depletion	56.7	53.2	3.5	6.6%
Total Operating Expenses	**198.5**	**193.0**	**5.5**	**2.8%**
Operating Income	**102.1**	**96.0**	**6.1**	**6.4%**
Interest expense	(31.0)	(28.0)	(3.0)	(10.7%)
Other income, net	4.3	4.7	(0.4)	(8.5%)
Income Before Taxes	**75.4**	**72.7**	**2.7**	**3.7%**
Income tax expense	(10.3)	(10.2)	(0.1)	(1.0%)
Net Income	**$ 65.1**	**$ 62.5**	**$ 2.6**	**4.2%**
Effective Tax Rate	13.7%	14.1%	(0.4%)	
Diluted Shares Outstanding	61.3	59.8	1.5	2.5%
Diluted Earnings Per Share	$1.06	$1.05	$ 0.01	1.0%
Dividends Paid per Common Share	$ 0.65	$ 0.64	$ 0.01	1.6%

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

First Quarter 2024 Non-GAAP Earnings

(in millions)	GAAP	Non-GAAP Adjustments					Non-GAAP	Non-GAAP Variance		Non-GAAP	Non-GAAP Adjustments				GAAP
	Three Months Ended March 31, 2024	Unfavorable Weather (addback)	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Non-employee Deferred Compensation	Impairment of Alternative Energy Storage Investment	Community Renewable Energy Project Penalty (not tax deductible)	Three Months Ended March 31, 2024	Variance $	Variance %	Three Months Ended March 31, 2023	Add Back Reduction related to Previously Claimed AMT Credit	Non-employee Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Favorable Weather (Deduct)	Three Months Ended March 31, 2023
Revenues	$475.3	1.2					$476.5	$25.6	5.7%	$450.9				(3.6)	$454.5
Fuel, supply & dir. tx	174.7						174.7	9.2	5.6%	165.5					165.5
Utility Margin (2)	**300.6**	**1.2**	-	-	-	-	**301.8**	**16.4**	**5.7%**	**285.4**	-	-	-	**(3.6)**	**289.0**
Op. Expenses															
OG&A Expense	94.6		-	(0.1)	(2.2)		92.3	2.4	2.7%	89.9		0.1	(0.9)		90.6
Prop. & other taxes	47.2						47.2	(2.0)	-4.1%	49.2					49.2
Depreciation	56.7						56.7	3.5	6.6%	53.2					53.2
Total Op. Exp.	**198.5**	-	-	**(0.1)**	**(2.2)**	-	**196.2**	**3.9**	**2.0%**	**192.3**	-	**0.1**	**(0.9)**	-	**193.0**
Op. Income	**102.1**	**1.2**	-	**0.1**	**2.2**	-	**105.6**	**12.5**	**13.4%**	**93.1**	-	**(0.1)**	**0.9**	**(3.6)**	**96.0**
Interest expense	(31.0)						(31.0)	(3.0)	-10.7%	(28.0)					(28.0)
Other (Exp.) Inc., net	4.3		-	(0.1)	2.5	(2.3)	4.4	0.4	10.0%	4.0		0.1	(0.9)		4.7
Pretax Income	**75.4**	**1.2**	-	-	**4.7**	**(2.3)**	**79.0**	**9.9**	**14.3%**	**69.1**	-	-	-	**(3.6)**	**72.7**
Income tax	(10.3)	(0.3)	-	-	(1.2)	-	(11.8)	(5.7)	-93.6%	(6.1)	3.2	-	-	0.9	(10.2)
Net Income	**$65.1**	**0.9**	-	-	**3.5**	**(2.3)**	**$67.2**	**$4.2**	**6.7%**	**$63.0**	**3.2**	-	-	**(2.7)**	**$62.5**
ETR	13.7%	25.3%	-	-	25.3%	0.0%	14.9%			8.8%	-	-	-	25.3%	14.1%
Diluted Shares	61.3						61.3	1.5	2.5%	59.8					59.8
Diluted EPS	**$1.06**	0.01	-	-	0.06	(0.04)	**$1.09**	$0.04	3.8%	**$1.05**	0.05	-	-	(0.05)	**$1.05**

We estimate weather to be a $1.2 million pre-tax detriment as compared to normal and a $4.8 million detriment as compared to first quarter 2023.

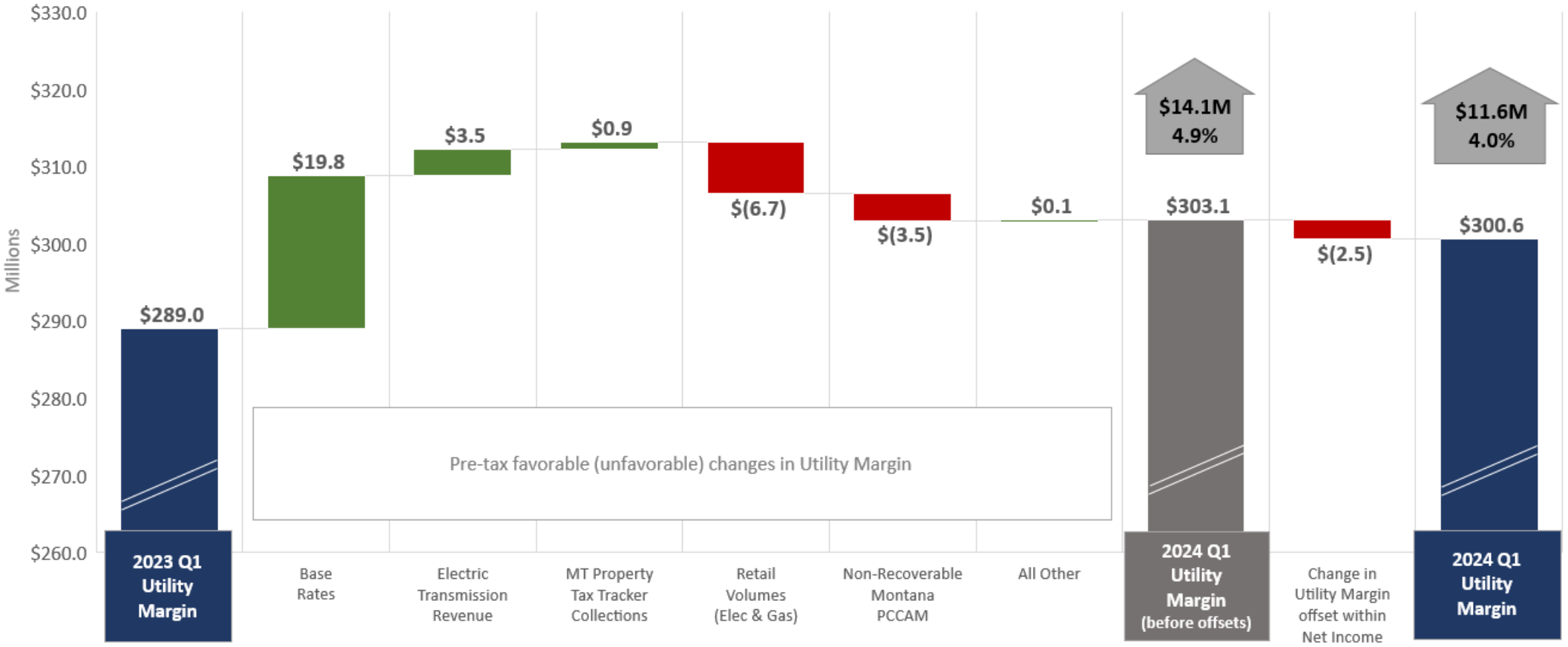
The adjusted non-GAAP measures presented in the table reflect significant items that are non-recurring or a variance from normal weather, however they should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

(1) As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends in year-over-year comparisons, the non-GAAP adjustment above re-aggregates the expense in OG&A - as it was historically presented prior to the ASU 2017-07 (with no impact to net income or earnings per share).

(2) Utility Margin is a non-GAAP Measure. See the slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

First Quarter Utility Margin Bridge

Pre-tax Millions vs. Prior Year



	Base Rates	Electric Transmission Revenue	MT Property Tax Tracker Collections	Retail Volumes (Elec & Gas)	Non-Recoverable Montana PCCAM	All Other	2024 Q1 Utility Margin (before offsets)	Change in Utility Margin offset within Net Income	2024 Q1 Utility Margin
Pre-Tax ($M)	$19.8	$3.5	$0.9	($6.7)	($3.5)	$0.1	$14.1	($2.5)	$11.6
After-Tax ($M)	$14.8	$2.6	$0.7	($5.0)	($2.6)	$0.1	$10.6	($1.9)	$8.7
Diluted EPS	$0.25	$0.04	$0.01	($0.08)	($0.04)	$0.00	$0.18	($0.03)	$0.15

$11.6 million or 4.0% increase in Utility Margin

NOTE: Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Utility Margin (Q1)

(dollars in millions)	Three Months Ended March 31,			
	2024	2023	Variance	
Electric	$ 227.9	$ 217.2	$ 10.7	4.9%
Natural Gas	72.7	71.8	0.9	1.3%
Total Utility Margin	**$ 300.6**	**$ 289.0**	**$ 11.6**	**4.0%**

Increase in utility margin due to the following factors:

$ 19.8	New base rates
3.5	Higher transmission revenue due to market conditions
0.9	Montana property tax tracker collections
0.2	Higher Montana natural gas transportation
(3.5)	Higher non-recoverable Montana electric supply costs due to higher electric supply costs
(3.5)	Lower natural gas retail volumes
(3.2)	Lower electric retail volumes
(0.1)	Other
$ 14.1	**Change in Utility Margin Impacting Net Income**
$ (2.4)	Lower property & other taxes recovered in revenue, offset in property & other taxes
(0.5)	Lower revenue from higher production tax credits, offset in income tax expense
0.4	Higher operating expenses recovered in revenue, offset in operating & maintenance expense
$ (2.5)	**Change in Utility Margin Offset Within Net Income**
$ 11.6	**Increase in Utility Margin**

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Operating Expenses (Q1)

(dollars in millions)

	Three Months Ended March 31,			
	2024	2023	Variance	
Operating & maintenance	$ 54.2	$ 55.9	$ (1.7)	(3.0)%
Administrative & general	40.4	34.7	5.7	16.4%
Property and other taxes	47.2	49.2	(2.0)	(4.1)%
Depreciation and depletion	56.7	53.2	3.5	6.6%
Operating Expenses	**$ 198.5**	**$ 193.0**	**$ 5.5**	**2.8%**

Increase in operating expenses due to the following factors:

$ 3.5	Higher depreciation expense due to plant additions and higher depreciation rates
2.4	Litigation outcome (Pacific Northwest Solar)
2.2	Non-cash impairment of alternative energy storage investment
1.6	Higher labor and benefits[1]
0.5	Higher insurance expense
0.4	Higher property and other taxes not recoverable within trackers
(2.6)	Lower expenses at our electric generation facilities
0.2	Other
$ 8.2	**Change in Operating Expense Items Impacting Net Income**
$ (2.4)	Lower property and other taxes recovered in trackers, offset in revenue
(0.9)	Pension and other postretirement benefits, offset in other income[1]
0.4	Higher operating and maintenance expenses recovered in trackers, offset in revenue
0.2	Higher deferred compensation, offset in other income
$ (2.7)	**Change in Operating Expense Items Offset Within Net Income**
$ 5.5	**Increase in Operating Expenses**

(1) In order to present the total change in labor and benefits, we have included the change in the non-service cost component of our pension and other postretirement benefits, which is recorded within other income on our Condensed Consolidated Statements of Income. This change is offset within this table as it does not affect our operating expenses.

Operating to Net Income (Q1)

(dollars in millions)

	Three Months Ended March 31,			
	2024	2023	Variance	
Operating Income	**$ 102.1**	**$ 96.0**	**$ 6.1**	**6.4%**
Interest expense	(31.0)	(28.0)	(3.0)	(10.7)%
Other income, net	4.3	4.7	(0.4)	(8.5)%
Income Before Taxes	**75.4**	**72.7**	**2.7**	**3.7%**
Income tax expense	(10.3)	(10.2)	(0.1)	(1.0)%
Net Income	**$ 65.1**	**$ 62.5**	**$ 2.6**	**4.2%**

$3.0 million increase in interest expenses was primarily due to higher interest on long term debt partly offset by lower interest on our revolving credit facilities and higher capitalization of AFUDC.

$0.4 million decrease in other income, net was primarily due to a non-cash impairment of an alternative energy storage equity investment and an increase in the non-service component of pension expense, partly offset by a reversal of a previously expensed CREP penalty and higher capitalization of AFUDC.

$0.1 million increase in income tax expense was primarily due to higher pre-tax income.

Tax Reconciliation (Q1)

(in millions)	Three Months Ended March 31,				
	2024		2023		Variance
Income Before Income Taxes	**$75.4**		**$72.7**		2.7
Income tax calculated at federal statutory rate	15.8	21.0%	15.3	21.0%	0.5
Permanent or flow through adjustments:					
State income taxes, net of federal provisions	0.6	0.9%	1.0	1.3%	(0.4)
Flow-through repairs deductions	(6.1)	(8.2%)	(5.8)	(8.0%)	(0.3)
Production tax credits	(3.0)	(4.0%)	(3.2)	(4.4%)	0.2
Amortization of excess deferred income tax	(0.4)	(0.5%)	(0.8)	(1.1%)	0.4
Plant and depreciation flow-through items	3.1	4.1%	0.7	0.9%	2.4
Share-based compensation	0.3	0.4%	0.4	0.5%	(0.1)
Reduction to previously claimed alternative minimum tax credit	-	-	3.2	4.4%	(3.2)
Other, net	0.0	0.0	(0.6)	(0.5%)	0.6
Sub-total	(5.5)	(7.3%)	(5.1)	(6.9%)	(0.4)
Income Tax Expense	**$ 10.3**	**13.7%**	**$ 10.2**	**14.1%**	**$ 0.1**

Reconciling Gross Margin to Utility Margin

Reconciliation of Gross Margin to Utility Margin for Quarter Ending March 31,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	$ 343.2	$ 295.3	$ 132.1	$ 159.2	$ 475.3	$ 454.5
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown	115.3	78.1	59.4	87.4	174.7	165.5
Less: Operating & maintenance expense	40.3	42.4	13.9	13.5	54.2	55.9
Less: Property and other tax expense	36.3	38.3	10.9	10.9	47.2	49.2
Less: Depreciation and depletion expense	47.3	43.9	9.4	9.3	56.7	53.2
Gross Margin	**104.0**	**92.6**	**38.5**	**38.1**	**142.5**	**130.7**
Plus: Operating & maintenance expense	40.3	42.4	13.9	13.5	54.2	55.9
Plus: Property and other tax expense	36.3	38.3	10.9	10.9	47.2	49.2
Plus: Depreciation and depletion	47.3	43.9	9.4	9.3	56.7	53.2
Utility Margin *(1)*	**$ 227.9**	**$ 217.2**	**$ 72.7**	**$ 71.8**	**$ 300.6**	**$ 289.0**

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.

(1) Utility Margin is a non-GAAP Measure.

Segment Results (Q1)

(in thousands)

Three Months Ended March 31, 2024	Electric	Gas	Other	Total
Operating revenues	$ 343,186	$ 132,156	$ -	$ 475,342
Fuel, purchased supply & direct transmission*	115,341	59,380	-	174,721
Utility margin[1]	227,845	72,776	-	300,621
Operating and maintenance	40,299	13,883	-	54,182
Administrative and general	27,919	10,046	2,480	40,445
Property and other taxes	36,300	10,869	2	47,171
Depreciation & depletion	47,304	9,439		56,743
Operating income (loss)	76,023	28,539	(2,482)	102,080
Interest expense	(24,657)	(6,249)	(73)	(30,979)
Other income (expense)	5,461	1,054	(2,196)	4,319
Income tax (expense) benefit	(7,283)	(3,173)	122	(10,334)
Net income (loss)	$ 49,544	$ 20,171	$ (4,629)	$ 65,086

Three Months Ended March 31, 2023	Electric	Gas	Other	Total
Operating revenues	$ 295,308	$ 159,234	$ -	$ 454,542
Fuel, purchased supply & direct transmission*	78,134	87,358	-	165,492
Utility margin[1]	217,174	71,876	-	289,050
Operating and maintenance	42,413	13,448	-	55,861
Administrative and general	24,968	9,766	14	34,748
Property and other taxes	38,251	10,898	2	49,151
Depreciation & depletion	43,898	9,350	-	53,248
Operating income (loss)	67,644	28,414	(16)	96,042
Interest expense	(18,560)	(3,251)	(6,197)	(28,008)
Other income	3,366	1,415	(44)	4,737
Income tax benefit (expense)	(6,628)	234	(3,847)	(10,241)
Net income (loss)	$ 45,822	$ 26,812	$ (10,104)	$ 62,530

** Direct Transmission expense excludes depreciation and depletion*

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Electric Segment (Q1)

	Three Months Ended March 31,							
	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	$	%	2024	2023	2024	2023
	(in thousands)							
Montana	$ 117,363	$ 125,462	$ (8,099)	(6.5) %	847	871	326,317	320,739
South Dakota	19,310	19,771	(461)	(2.3) %	173	195	51,451	51,276
Residential	**136,673**	**145,233**	**(8,560)**	**(5.9) %**	**1,020**	**1,066**	**377,768**	**372,015**
Montana	101,503	112,613	(11,110)	(9.9) %	824	851	75,676	74,262
South Dakota	27,773	25,128	2,645	10.5 %	287	279	13,011	12,942
Commercial	**129,276**	**137,741**	**(8,465)**	**(6.1) %**	**1,111**	**1,130**	**88,687**	**87,204**
Industrial	11,669	11,841	(172)	(1.5) %	725	626	79	78
Other	4,816	5,254	(438)	(8.3) %	13	15	4,920	4,859
Total Retail Electric	**282,434**	**300,069**	**(17,635)**	**(5.9) %**	**2,869**	**2,837**	**471,454**	**464,156**
Regulatory amortization	36,346	(25,297)	61,643	(243.7) %				
Transmission	22,387	18,893	3,494	18.5 %				
Wholesale and other	2,019	1,643	376	22.9 %				
Total Revenues	**343,186**	**295,308**	**47,878**	**16.2 %**				
Total fuel, purchased supply & direct transmission expense*	115,341	78,134	37,207	47.6 %				
Utility Margin[1]	**227,845**	**217,174**	**10,671**	**4.9 %**				

** Direct transmission expense is exclusive of depreciation and depletion expense*

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

Natural Gas Segment (Q1)

	Three Months Ended March 31,							
	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	$	%	2024	2023	2024	2023
	(in thousands)							
Montana	$ 48,590	$ 66,882	$ (18,292)	(27.3) %	6,257	6,517	185,216	183,500
South Dakota	13,605	19,935	(6,330)	(31.8) %	1,437	1,752	42,602	42,150
Nebraska	10,517	20,513	(9,996)	(48.7) %	1,231	1,407	38,050	37,965
Residential	**72,712**	**107,330**	**(34,618)**	**(32.3) %**	**8,925**	**9,676**	**265,868**	**263,615**
Montana	25,083	36,339	(11,256)	(31.0) %	3,397	3,687	26,083	25,666
South Dakota	9,267	14,286	(5,019)	(35.1) %	1,314	1,502	7,371	7,252
Nebraska	6,218	13,163	(6,945)	(52.8) %	861	999	5,082	5,076
Commercial	**40,568**	**63,788**	**(23,220)**	**(36.4) %**	**5,572**	**6,188**	**38,536**	**37,994**
Industrial	419	729	(310)	(42.5) %	60	75	236	231
Other	575	796	(221)	(27.8) %	89	93	195	188
Total Retail Electric	**$ 114,274**	**$ 172,643**	**$ (58,369)**	**(33.8) %**	**14,646**	**16,032**	**304,835**	**302,028**
Regulatory amortization	6,926	(25,401)	32,327	(127.3) %				
Wholesale and other	10,956	11,992	(1,036)	(8.6) %				
Total Revenues	**$ 132,156**	**$ 159,234**	**$ (27,078)**	**(17.0) %**				
Total fuel, purchased supply & direct transmission expense*	$ 59,380	$ 87,358	$ (27,978)	(32.0) %				
Utility Margin[1]	**$ 72,776**	**$ 71,876**	**$ 900**	**1.3 %**				

** Direct transmission expense is exclusive of depreciation and depletion expense*

(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.

First Quarter Cash Flow

(dollars in millions)	Three Months Ending March 31, 2024	Three Months Ending March 31, 2023
Operating Activities		
Net Income	$ 65.1	$ 62.5
Non-Cash adjustments to net income	69.4	43.8
Changes in working capital	33.4	107.8
Other non-current assets & liabilities	(6.2)	(0.4)
Cash Provided by Operating Activities	**161.7**	**213.7**
Cash Used in Investing Activities	**(109.0)**	**(136.6)**
Cash Used In Financing Activities	**(57.5)**	**(72.5)**
Cash Provided by Operating Activities	**$ 161.7**	**$ 213.7**
Less: Changes in working capital	33.4	107.8
Funds from Operations	**$ 128.3**	**$ 105.9**
PP&E additions	108.8	136.6
Capital expenditures included in trade accounts payable	(21.2)	(52.5)
AFUDC Credit	4.3	3.7
Total Capital Investment	**$ 91.9**	**$ 87.8**

Cash from Operating Activities decreased by $52.0 million driven primarily by a $81.5 million decrease in collection of energy supply costs from customers.
Funds from Operations increased by $22.4 million over prior period.

Net Under-Collected Supply Costs
(in millions)

	Beginning (Jan. 1)	Ending (Mar. 31)	(Outflow) / Inflow
2023	$115.4	$66.5	**$48.9**
2024	$7.8	$40.4	**$(32.6)**
	2024 Decrease in cash inflows		**$(81.5)**

No Planned Equity Issuances in 2024

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

Debt financing in 2024

- Issued $175 million, 5.56% coupon, 7 year Montana FMBs in Q1
- Issued $33 million, 5.55% coupon, 5 year South Dakota FMBs in Q1
- Issued $7 million, 5.75% coupon, 10 year, South Dakota FMBs in Q1
- Entered $100 million term loan with variable rate of Secured Overnight Financing Rate plus an applicable margin.

Balance Sheet

(dollars in millions)	As of March 31, 2024	As of December 31, 2023
Cash and cash equivalents	$ 4.2	$ 9.2
Restricted cash	16.2	$ 16.0
Accounts receivable, net	186.9	$ 212.3
Inventories	103.8	$ 114.5
Other current assets	85.7	$ 55.0
Goodwill	357.6	$ 357.6
PP&E and other non-current assets	6,879.0	$ 6,836.1
Total Assets	**$ 7,633.4**	**$ 7,600.7**
Payables	96.5	124.3
Other current liabilities	344.7	307.3
Total debt & capital leases	2,775.1	2,793.4
Other non-current liabilities	1,604.0	1,590.3
Shareholders' equity	2,813.0	2,785.3
Total Liabilities and Equity	**$ 7,633.4**	**$ 7,600.7**
Capitalization:		
Total Debt & Capital Leases	2,775.1	2,793.4
Less: Basin Creek Capital Lease	(8.0)	(8.8)
Shareholders' Equity	2,813.0	2,785.3
Total Capitalization	**$ 5,580.1**	**$ 5,569.9**
Ratio of Debt to Total Capitalization	**49.6%**	**50.0%**

Debt to Total Capitalization down from last quarter and slightly below our targeted 50% - 55% range.

PCCAM Impact by Quarter

Pretax millions – shareholder (detriment) benefit

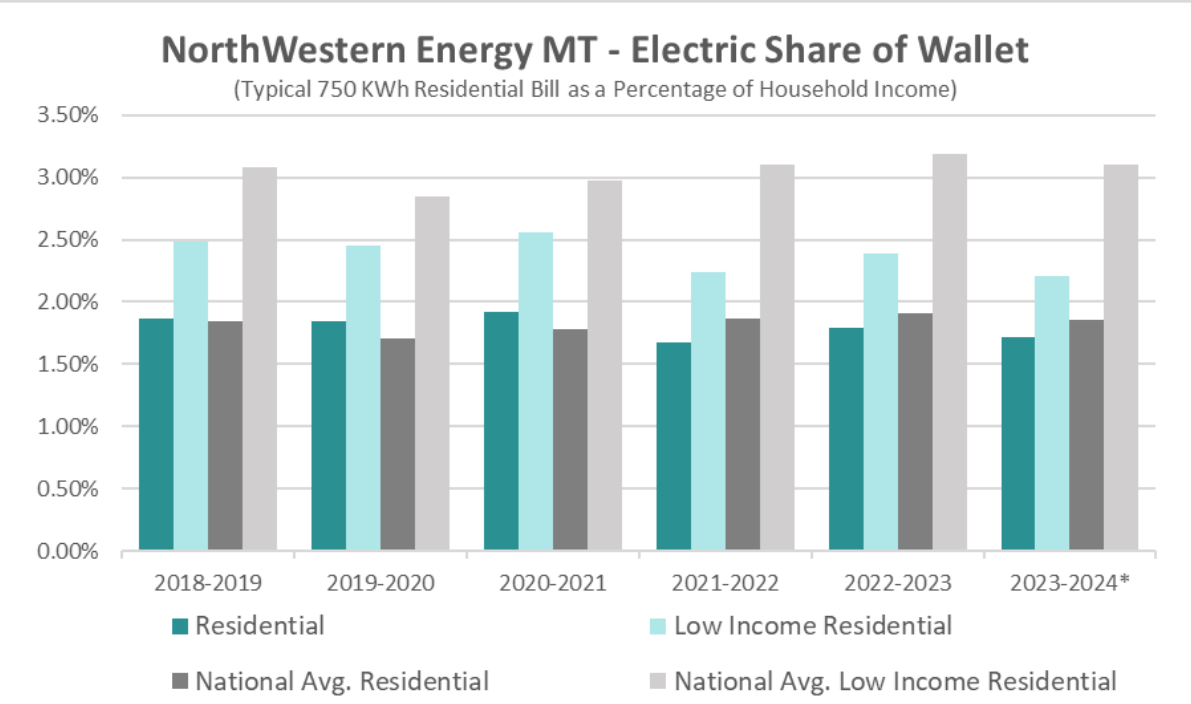
	Q1	Q2	Q3	Q4	Full Year
'17/'18 Tracker	First full year recorded in Q3		$3.3		$3.3
'18/'19 Tracker			($5.1)	$0.3	(4.8)
2018 (Expense) Benefit	**$0.0**	**$0.0**	**($1.8)**	**$0.3**	**($1.5)**
					Full Year
'18/'19 Tracker	($1.6)	$4.6			$3.0
'19/'20 Tracker			$0.1	($0.7)	(0.6)
2019 (Expense) Benefit	**($1.6)**	**$4.6**	**$0.1**	**($0.7)**	**$2.4**
					Full Year
CU4 Disallowance ('18/'19 Tracker)				($9.4)	($9.4)
'19/'20 Tracker	($0.1)	**$0.2**			$0.1
Recovery of modeling costs	$0.7				$0.7
'20/'21 Tracker			($0.6)	($0.3)	($0.9)
2020 (Expense) Benefit	**$0.6**	**$0.2**	**($0.6)**	**($0.3)**	**($0.1)**
					Full Year
'20/'21 Tracker	($0.8)	($0.5)			($1.3)
'21/'22 Tracker			($2.7)	($1.4)	($4.1)
2021 (Expense) Benefit	**($0.8)**	**($0.5)**	**($2.7)**	**($1.4)**	**($5.4)**
	Q1	***Q2***	***Q3***	***Q4***	***Full Year***
'21/'22 Tracker	($0.8)	($0.8)			($1.6)
'22/'23 Tracker			($3.9)	($1.7)	($5.6)
2022 (Expense) Benefit	**($0.8)**	**($0.8)**	**($3.9)**	**($1.7)**	**($7.2)**
	Q1	***Q2***	***Q3***	***Q4***	***Year-to-Date***
'22/'23 Tracker	$0.5	$2.1			$2.6
Retro-active application of PCCAM base				$3.2	$3.2
'23/'24 Tracker			$0.1	$1.1	$1.2
2023 (Expense) Benefit	**$0.5**	**$2.1**	**$0.1**	**$4.3**	**$7.0**
	Q1	***Q2***	***Q3***	***Q4***	***Year-to-Date***
'23/'24 Tracker	($3.0)				($3.0)
'24/'25 Tracker					$0.0
2024 (Expense) Benefit	**($3.0)**	**$0.0**	**$0.0**	**$0.0**	**($3.0)**
Year-over-Year Variance	***($3.5)***				***($3.5)***

Qualified Facility Earnings Adjustment

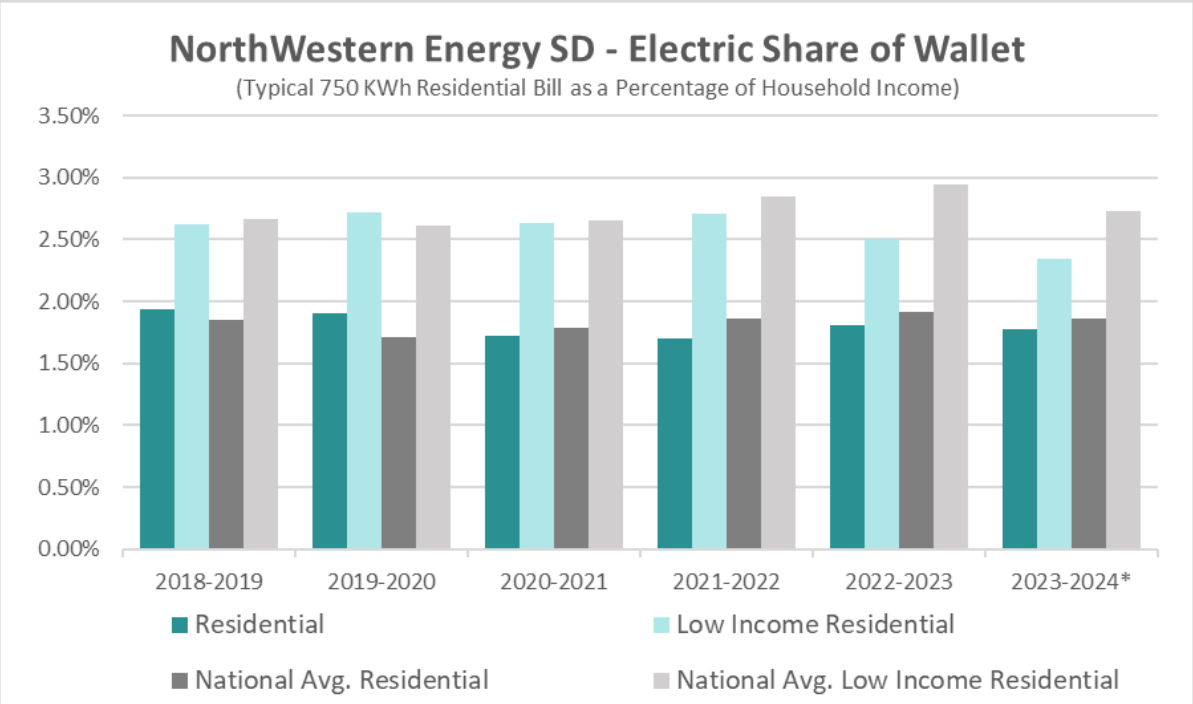
(Millions)	Annual actual contract price escalation	Annual adjustment for actual output and pricing	Adjustment associated with the one-time clarification in contract term	Total
Nov-12	(Arbitration) $47.9 Non-GAAP Adj.	$0.0	$0.0	$47.9
Jun-13	$0.0	1.0	0.0	**$1.0**
Jun-14	$0.0	0.0	0.0	**$0.0**
Jun-15	($6.1) Non-GAAP Adj.	1.8	0.0	**($4.3)**
Jun-16	$0.0	1.8	0.0	**$1.8**
Jun-17	$0.0	2.1	0.0	**$2.1**
Jun-18	$17.5 Non-GAAP Adj.	9.7	0.0	**$27.2**
Jun-19	$3.3	3.1	0.0	**$6.4**
Jun-20	$2.2	0.9	0.0	**$3.1**
Jun-21	($2.1)	2.6	8.7 Non-GAAP Adj.	**$9.2**
Sep-21	$0.0	0.0	(1.3) Non-GAAP Adj.	**($1.3)**
Dec-21	$0.0	0.0	(0.4) Non-GAAP Adj.	**($0.4)**
Jun-22	$3.3	1.8	0.0	**$5.1**
Jun-23	$4.2	0.8	0.0	**$5.0**
Year-over-Year Better (Worse)				
2013	($47.9)	1.0	0.0	**($46.9)**
2014	$0.0	(1.0)	0.0	**($1.0)**
2015	($6.1)	1.8	0.0	**($4.3)**
2016	$6.1	0.0	0.0	**$6.1**
2017	$0.0	0.3	0.0	**$0.3**
2018	$17.5	7.6	0.0	**$25.1**
2019	($14.2)	(6.6)	0.0	**($20.8)**
2020	($1.1)	(2.2)	0.0	**($3.3)**
2021	($4.3)	$1.7	$7.0	**$4.4**
2022	$5.4	($0.8)	($7.0)	**($2.4)**
2023	$0.9	($1.0)	$0.0	**($0.1)**

Our electric QF liability consists of unrecoverable costs associated with contracts covered under PURPA that are part of a 2002 stipulation with the MPSC and other parties. Risks / losses associated with these contracts are born by shareholders, not customers. Therefore, any mitigation of prior losses and / or benefits of liability reduction also accrue to shareholders.

Electric Wallet Share



Oct. - Sept. Fiscal Year
**2023 -2024 is partial period Oct. '23 - Feb. '24.*
Source: Montana.gov, Census.gov, BLS.gov, U.S. EIA, and NWE internal data.



Oct. - Sept. Fiscal Year
**2023 -2024 is partial period Oct. '23 - Feb. '24.*
Source: South Dakota DSS, U.S. DHHS, Census.gov, BLS.gov, U.S. EIA, and NWE internal data.

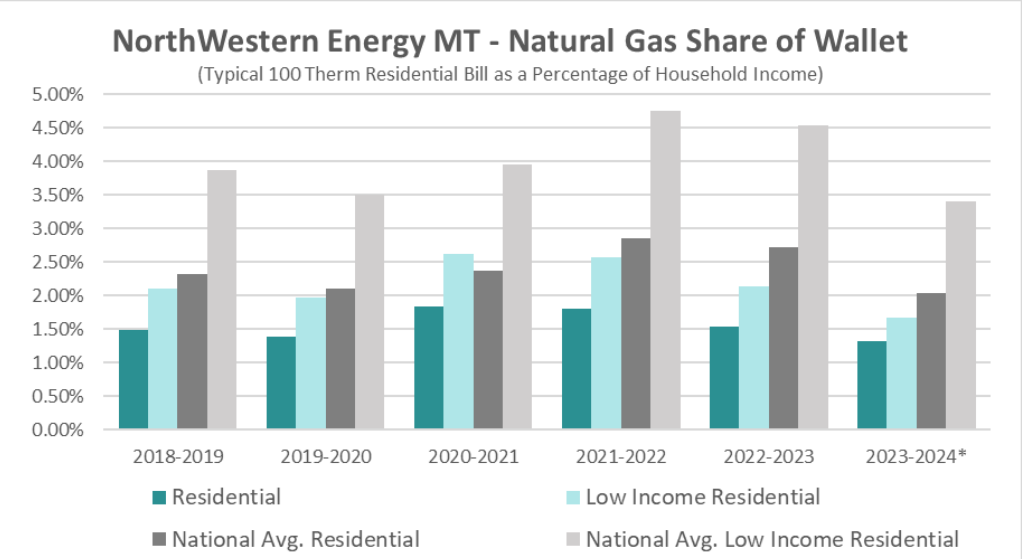
18'-23' Average Wallet Share:

	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:

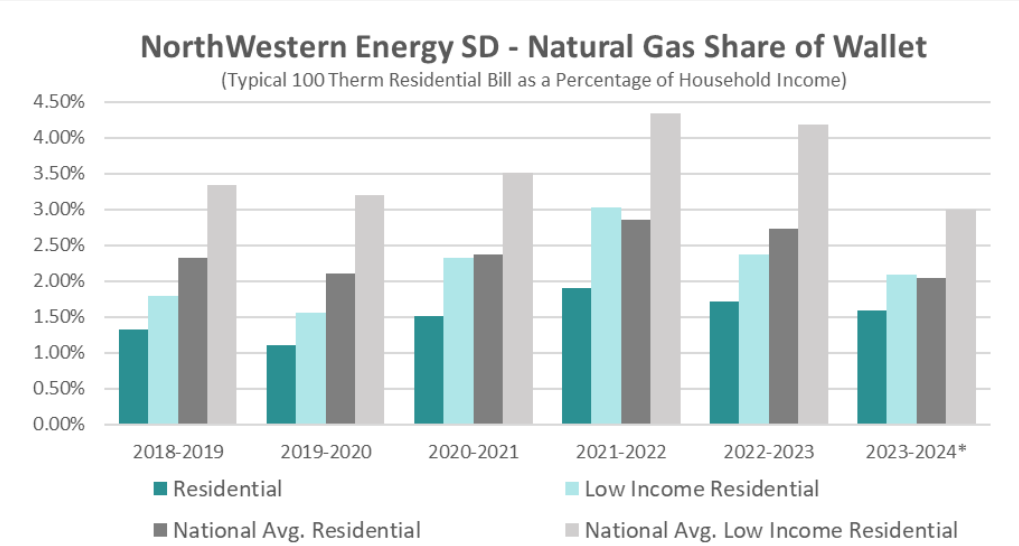
	Residential	Low Income
MT	1.61%	2.28%
SD	1.51%	2.22%
NE	1.48%	2.79%
Nat. Avg.	2.47%	4.06%



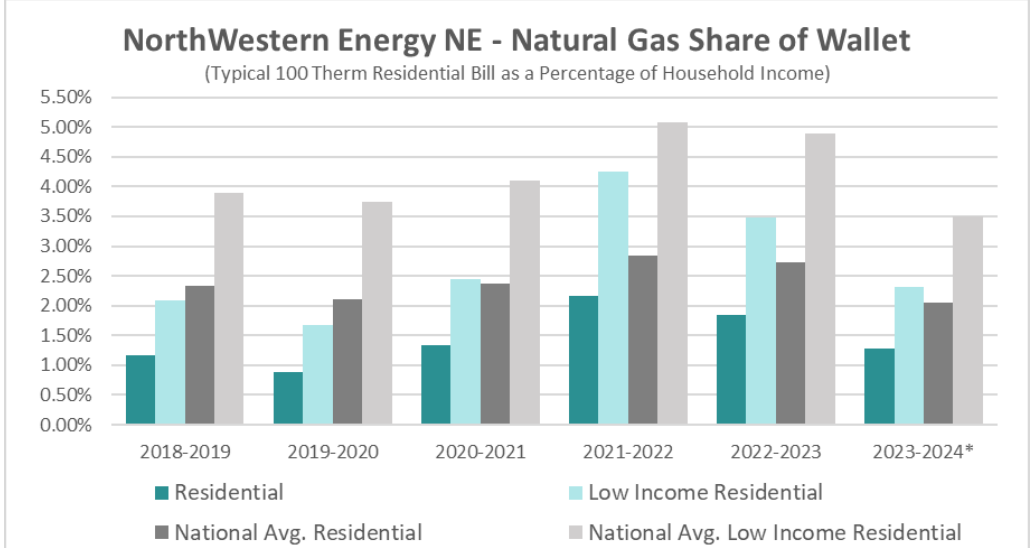
Source: Montana.gov, Census.gov, BLS.gov, U.S. EIA, and NWE internal data.

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 - Feb. '24*



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



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

Cynthia S. Fang

- Vice President - Regulatory
- Current position since 2023

Shannon M. Heim

- Vice President & General Counsel
- Current position since 2023

John D. Hines

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

Bleau LaFave

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

Jason Merkel

- Vice President – Distribution
- Current Position since 2022

Bobbi L. Schroeppel

- 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

Name	Party	Began Serving	Term Ends
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.

South Dakota Public Utilities Commission

Name	Party	Began Serving	Term Ends
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.

Nebraska Public Service Commission

Name	Party	Began Serving	Term Ends
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.

There will be at least two new commissioners in Montana after November's election.

Commissioners Brown (not running) and O'Donnell (termed out) will be leaving while commissioner Fielder is running for reelection unchallenged.

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 ($ Millio	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-currrent):										
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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