

**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

IN THE MATTER OF NorthWestern Energy's)
Application for Authority to Increase Retail) REGULATORY DIVISION
Electric and Natural Gas Utility Service Rates)
and for Approval of Electric and Natural Gas) DOCKET NO. 2024.05.053
Service Schedules and Rules and Allocated Cost)
of Service and Rate Design)

**STIPULATION AND SETTLEMENT AGREEMENT OF
NORTHWESTERN ENERGY AND THE NORTHERN CHEYENNE TRIBE**

NorthWestern Corporation d/b/a NorthWestern Energy ("NorthWestern"), and the Northern Cheyenne Tribe ("Tribe") (collectively referred to as "Settling Parties"), by and through their undersigned representatives, hereby submit to the Montana Public Service Commission ("Commission") this Stipulation and Settlement Agreement ("Stipulation"), and agree and stipulate as follows:

1. On July 10, 2024, NorthWestern filed an application to revise its electric and natural gas service rates, service schedules, cost allocation, and rate design in Docket No. 2024.05.053 ("Application"). In the Application, NorthWestern requested an increase in electric and natural gas base revenue requirements, updates to property taxes, and a lower Power Costs and Credit Adjustment Mechanism Base. NorthWestern also requested recovery of its investment in the Yellowstone County Generating Station as well as three balancing accounts for critical service areas: wildfire mitigation, Business Technology costs, and reliability costs associated with the Colstrip Generating Station ("Colstrip").
2. The Tribe is a federally recognized, sovereign Indian tribe governing the 444,000-acre Northern Cheyenne Reservation in southeast Montana and serving approximately 4,000 on-Reservation Tribal members. Up to approximately 150 Tribal members have worked at Colstrip at any given time, which is especially significant given that the unemployment rate on Reservation is at least 27% and some estimates are much higher. The Tribe intervened in this docket and filed testimony regarding background on the Tribe, including its efforts to development renewable energy, impacts of changes in the operation of Colstrip on the Tribe, the importance of such operation and related activities to the Tribe, and addressing transition planning related to the future closure of Colstrip.

3. NorthWestern and the Tribe have developed a mutually beneficial and respectful business and community partnership. The leadership of both Settling Parties share mutual respect and a commitment to open, coordinated communication in the best interest of the communities they serve.
4. For settlement purposes, the Settling Parties have reached a fair, equitable, and comprehensive resolution of their respective issues, and they therefore agree as follows:
 - a. NorthWestern recognizes the Tribe's distinct status as a sovereign stakeholder in the Colstrip region. NorthWestern further acknowledges the Tribe's interests and valuable input regarding transition planning when Colstrip eventually approaches the end of its operational life. In sufficient advance of that time, NorthWestern will initiate a transition planning process. NorthWestern commits to meaningful consultation with the Tribe in this process and to support the Tribe being a beneficiary of transition investments. NorthWestern will make every reasonable effort to ensure the Tribe is actively engaged in discussions regarding the future of the facility, the economic impacts of the transition of the facility, and appropriate measures to mitigate potential impacts. Until that time, NorthWestern commits to meet at least annually (by June 30 each year) with the Tribe to update the Tribe about plans for Colstrip and to provide an opportunity to discuss other matters of mutual interest to the Settling Parties.
 - b. Colstrip remains an important source of employment in the region, including for the Tribe's members. Enhancing access to employment and training opportunities would strengthen economic prospects for both the Tribe and the broader community. NorthWestern will encourage the operator of Colstrip to make such opportunities readily available and to communicate with the Tribe to enhance and ensure Tribal membership awareness of such opportunities. Additionally, NorthWestern will share information with the Tribe about matters of Tribal interest to the extent allowable by law.
 - c. The Tribe acknowledges the critical role NorthWestern plays in ensuring the continued operation and stability of Colstrip. NorthWestern's impending majority ownership of Colstrip reflects a commitment to responsible stewardship, long-term energy reliability, and economic sustainability for the region. The Tribe appreciates NorthWestern's efforts to balance operational needs with environmental and community interests and looks forward to continued collaboration in shaping the future of Colstrip.

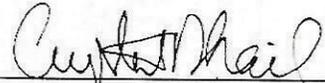
- d. The Tribe agrees that all issues raised in its testimony are resolved for purposes of this docket, including but not limited to the Tribe's recommendation that the Commission open a dedicated docket to address Colstrip-related transition planning.
 - e. This Stipulation does not resolve any issues outside of this docket or that may arise after the date of the approval by the Commission referenced in Section 8 below.
5. The Settling Parties agree, without objection, to the admission into the evidentiary record of their respective witnesses' pre-filed testimony and exhibits to support the reasonableness of the Stipulation and shall refrain from cross-examining the witnesses of the other party. As required by Procedural Order 7968e, ¶ 19, the Settling Parties are filing supporting testimony with the Commission, simultaneously with the filing of this Stipulation.
6. The Settling Parties present this Stipulation as a reasonable settlement of their contested issues in this docket. Other than those terms agreed to herein: no party's position in this docket is accepted by the other party by virtue of their entry into this Stipulation; nor does it indicate their acceptance, agreement, or concession as to the validity of any particular theory or rate making principle or legal principle embodied, or arguably embodied, in this Stipulation; no parties hereafter shall be deemed to be bound by any asserted position, and no finding of fact or conclusion of law shall be deemed to be implicit in this Stipulation.
7. The entry of an order by the Commission approving this Stipulation shall not be deemed to work any estoppel upon any party or to otherwise establish or create any limitation on or precedent of the Commission.
8. This Stipulation shall not become effective and binding upon the Settling Parties and shall be of no force and effect unless and until accepted and approved by the Commission as to all of the terms and conditions contained herein without modification. If the Commission declines to approve this Stipulation as agreed to herein by the Settling Parties, or if the Commission adds or removes any terms or conditions not agreeable to the parties, either party shall, at its sole option, have the right to withdraw from this Stipulation with all of its rights reserved. The Stipulation and all its parts shall then be void, and the Settling Parties shall not be bound by any provision of it, and it shall have no force or effect whatsoever. In such event, the existence or terms of this Stipulation shall not be admissible in any proceeding before the Commission or any court for any purpose.

9. The Settling Parties hereby acknowledge that this Stipulation is the result of a voluntary, negotiated settlement between them pursuant to Admin. R. Mont. 38.2.3001 and agree that this Stipulation, inclusive of the compromises and settlements contained herein, is in the public interest.
10. The terms of this Stipulation are specifically enforceable by the Commission and before Montana's First Judicial District Court.
11. This Stipulation may be executed electronically and in one or more counterparts and each counterpart shall have the same force and effect as an original document, fully executed by the parties. Any signature page of this Stipulation may be detached from any counterpart of this Stipulation without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Stipulation identical in form hereto but having attached to it one or more signature page(s).

IN WITNESS WHEREOF, the Settling Parties hereto below have executed this Stipulation on the 24th day of March, 2025.

BY:

 3-24-25
Gene Small, President
Northern Cheyenne Tribe


Crystal Lail, Chief Financial Officer
NorthWestern Energy