# NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

**(A direct, wholly-owned subsidiary of NorthWestern Energy Group, Inc.)**

## Financial Statements

## For the Period Ending September 30, 2025

## Table of Contents

## NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

## CONDENSED STATEMENTS OF INCOME

**(in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2025** | **2024** |
| Revenues | | |
| Electric | $ 153,793 | $ 142,707 |
| Gas | 72,258 | 69,729 |
| **Total Revenues** | 226,051 | 212,436 |
| Operating Expenses | | |
| Fuel, purchased supply and direct transmission expense (exclusive of depreciation shown separately below) | 87,071 | 88,814 |
| Operating, administrative and general | 50,574 | 47,413 |
| Property and other taxes | 5,801 | 5,307 |
| Depreciation | 38,243 | 36,991 |
| **Total Operating Expenses** | 181,689 | 178,525 |
| Operating income | 44,362 | 33,911 |
| Interest expense, net | (19,110) | (18,409) |
| Other income, net | 1,768 | 1,786 |
| Income before income taxes | 27,020 | 17,288 |
| Income tax (expense) benefit | (3,629) | 6,695 |
| **Net Income** | $ 23,391 | $ 23,983 |

See Notes to Condensed Financial Statements

## NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

**(in thousands)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2025** | **2024** |
| Net Income | $ 23,391 | $ 23,983 |
| Other comprehensive income, net of tax: | — | — |
| **Comprehensive Income** | $ 23,391 | $ 23,983 |

See Notes to Condensed Financial Statements

## NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

## CONDENSED BALANCE SHEETS

**(in thousands)**

| | As of September 30, 2025 | As of December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash and cash equivalents | $ 1,054 | $ 1,565 |
| Restricted cash | 9,634 | 9,691 |
| Accounts receivable, net | 26,503 | 37,881 |
| Accounts receivable from related parties | 2,017 | — |
| Inventories | 33,168 | 33,434 |
| Regulatory assets | 8,475 | 12,200 |
| Prepaid expenses and other | 14,630 | 12,584 |
| **Total current assets** | **95,481** | **107,355** |
| Property, plant, and equipment, net | 1,122,986 | 1,093,239 |
| Goodwill | 93,779 | 93,779 |
| Regulatory assets | 95,500 | 96,991 |
| Other noncurrent assets | 10,089 | 10,250 |
| **Total Assets** | **$ 1,417,835** | **$ 1,401,614** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current Liabilities:** | | |
| Current portion of long-term debt | $ 104,951 | $ 63,991 |
| Accounts payable | 19,327 | 27,846 |
| Accounts payable to related parties | — | 1,432 |
| Accrued expenses | 34,140 | 38,595 |
| Regulatory liabilities | 12,669 | 17,155 |
| **Total current liabilities** | **171,087** | **149,019** |
| Long-term debt | 471,958 | 488,195 |
| Deferred income taxes | 44,551 | 29,788 |
| Noncurrent regulatory liabilities | 114,827 | 110,514 |
| Other noncurrent liabilities | 31,048 | 32,090 |
| **Total Liabilities** | **833,471** | **809,606** |
| Commitments and Contingencies (Note 5) | | |
| **Shareholders' Equity:** | | |
| Common stock, par value $0.01 | 0 | 0 |
| Paid-in capital | 581,957 | 580,992 |
| Retained earnings | 1,578 | 10,187 |
| Accumulated other comprehensive income | 829 | 829 |
| **Total Shareholders' Equity** | **584,364** | **592,008** |
| **Total Liabilities and Shareholders' Equity** | **$ 1,417,835** | **$ 1,401,614** |

See Notes to Condensed Financial Statements

## NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

## CONDENSED STATEMENTS OF CASH FLOWS

**(in thousands)**

| | Nine Months Ended September 30, 2025 | Nine Months Ended September 30, 2024 |
|---|---|---|
| **OPERATING ACTIVITIES:** | | |
| Net Income | $ 23,391 | $ 23,983 |
| Adjustments to reconcile net income to cash provided by operations: | | |
| Depreciation | 38,243 | 36,991 |
| Amortization of debt issuance costs, discount and deferred hedge gain | 701 | 735 |
| Stock-based compensation costs | 965 | 890 |
| Equity portion of allowance for funds used during construction | (789) | (756) |
| Deferred income taxes | 2,101 | (6,302) |
| Changes in current assets and liabilities: | | |
| Accounts receivable | 7,929 | 13,956 |
| Inventories | 267 | (302) |
| Other current assets | (2,046) | (1,341) |
| Accounts payable | (12,558) | (7,250) |
| Accrued expenses | (4,458) | 2,755 |
| Regulatory assets | 3,725 | (5,361) |
| Regulatory liabilities | (4,487) | (6,704) |
| Other noncurrent assets and liabilities | 12,104 | 682 |
| **Cash Provided by Operating Activities** | 65,088 | 51,976 |
| **INVESTING ACTIVITIES:** | | |
| Property, plant, and equipment additions | (58,126) | (40,300) |
| **Cash Used in Investing Activities** | (58,126) | (40,300) |
| **FINANCING ACTIVITIES:** | | |
| Cash contribution from NorthWestern Corporation | — | 253 |
| Cash dividends to parent | (32,000) | (13,745) |
| Issuance of long-term debt | 100,000 | 40,000 |
| Repayments on long-term debt | (64,000) | — |
| Line of credit repayments, net | (11,000) | (29,000) |
| Financing costs | (530) | (259) |
| **Cash Used in Financing Activities** | (7,530) | (2,751) |
| **Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash** | (568) | 8,925 |
| Cash, Cash Equivalents, and Restricted Cash, beginning of period | 11,256 | 0 |
| **Cash, Cash Equivalents, and Restricted Cash, end of period** | **$ 10,688** | **$ 8,925** |
| **Supplemental Cash Flow Information:** | | |
| Cash (received) paid during the period for: | | |
| Production tax credits[(1)] | (12,293) | — |
| Interest | 17,163 | 16,709 |
| Significant non-cash transactions: | | |
| Capital expenditures included in accounts payable | 7,879 | 2,748 |

(1) Proceeds from production tax credits transferred are included in cash provided by operating activities within the Condensed Statement of Cash Flows.

See Notes to Condensed Financial Statements

# NORTHWESTERN PUBLIC SERVICE CORPORATION

## CONDENSED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

**(in thousands)**

| | Number of Common Shares | Number of Treasury Shares | Common Stock | Paid in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2023** | **0** | **—** | **$ 0** | **$ —** | **$ —** | **$ —** | **$ 0** |
| Net income | — | — | — | — | 23,983 | — | 23,983 |
| Stock based compensation | — | — | — | 890 | — | — | 890 |
| Cash Dividend | — | — | — | — | (13,745) | — | (13,745) |
| Contribution from Northwestern Corporation | — | — | 0 | 580,200 | — | 325 | 580,525 |
| **Balance at September 30, 2024** | **0** | **—** | **$ 0** | **$ 581,090** | **$ 10,238** | **$ 325** | **$ 591,653** |
| **Balance at December 31, 2024** | **0** | **—** | **$ 0** | **$ 580,992** | **$ 10,187** | **$ 829** | **$ 592,008** |
| Net income | — | — | — | — | 23,391 | — | 23,391 |
| Stock based compensation | — | — | — | 965 | — | — | 965 |
| Dividends on common stock | — | — | — | — | (32,000) | — | (32,000) |
| **Balance at September 30, 2025** | **0** | **—** | **$ 0** | **$ 581,957** | **$ 1,578** | **$ 829** | **$ 584,364** |

See Notes to Condensed Financial Statements

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### (1) Nature of Operations and Basis of Consolidation

Northwestern Energy Public Service Corporation (NWE Public Service), a direct wholly-owned subsidiary of NorthWestern Energy Group, Inc., doing business as NorthWestern Energy, provides electricity and / or natural gas to approximately 159,100 customers in South Dakota and Nebraska. We have generated and distributed electricity in South Dakota and distributed natural gas in South Dakota and Nebraska since 1923.

The Condensed Financial Statements (Financial Statements) for the periods included herein have been prepared by NWE Public Service (NorthWestern, we, or us) in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information. Accordingly, the interim Financial Statements do not include all of the information and note disclosures required by GAAP for complete financial statements. The preparation of financial statements in conformity with the interim reporting guidance under GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results could differ from those estimates. Events occurring subsequent to September 30, 2025, have been evaluated as to their potential impact to the Financial Statements through the date of issuance.

#### Holding Company Reorganization

On January 1, 2024, NorthWestern Energy Group, Inc. completed the second and final phase of the holding company reorganization. NorthWestern Corporation (NW Corp) contributed the assets and liabilities of its South Dakota and Nebraska regulated utilities to NWE Public Service, and then distributed its equity interest in NWE Public Service and certain other subsidiaries to NorthWestern Energy Group, Inc., resulting in NW Corp owning and operating the Montana regulated utility and NWE Public Service owning and operating the Nebraska and South Dakota utilities, each as a direct subsidiary of NorthWestern Energy Group, Inc.

#### NorthWestern Energy Group, Inc. Pending Merger with Black Hills Corporation

On August 18, 2025, NorthWestern Energy Group, Inc. entered into a Merger Agreement with Black Hills and River Merger Sub Inc., a direct wholly owned subsidiary of Black Hills (Merger Sub). The Merger Agreement provides for an all-stock merger of equals between NorthWestern Energy Group, Inc. and Black Hills upon the terms and subject to the conditions set forth therein. The Merger Agreement provides for Merger Sub to merge with and into NorthWestern Energy Group, Inc. (Merger), with NorthWestern Energy Group, Inc. continuing as the surviving entity and a direct wholly owned subsidiary of Black Hills, which would assume a new corporate name as the resulting parent company of the combined corporate group. The completion of the Merger is subject to the satisfaction or waiver of certain conditions to closing. We anticipate the transaction closing in the second half of 2026, subject to the satisfaction or waiver of certain closing conditions.

### (2) Regulatory Matters

#### Nebraska Natural Gas Rate Review

In June 2024, we filed a natural gas rate review with the Nebraska Public Service Commission (NPSC). Interim rates, which increased base natural gas rates $2.3 million, were implemented on October 1, 2024. In April 2025, we reached a settlement agreement with certain parties for a base rate annual revenue increase of $2.4 million. In June 2025, the NPSC approved this settlement agreement and final rates were implemented on July 1, 2025.

### (3) Financing Activities

On May 1, 2025, NWE Public Service issued and sold $100.0 million aggregate principal amount of South Dakota First Mortgage Bonds at a fixed interest rate of 5.49 percent maturing on May 1, 2035. These bonds were issued in transactions exempt from the registration requirements of the Securities Act of 1933. Proceeds were utilized to repay at maturity $64.0 million of NWE Public Service's 5.01 percent South Dakota First Mortgage Bonds due on May 1, 2025 and for other general utility purposes.

### (4) Employee Benefit Plans

### Pension and Other Postretirement Benefit Plans

We sponsor and/or contribute to pension and postretirement health care and life insurance benefit plans for eligible employees. We did not contribute to our pension plans during the nine months ended September 30, 2025. We do not expect to contribute additional amounts to our pension plans during the remainder of 2025.

## (5) Commitments and Contingencies

## ENVIRONMENTAL LIABILITIES AND REGULATION

### Environmental Protection Agency (EPA) Rules

On April 25, 2024, the EPA released final rules related to greenhouse gas (GHG) emission standards (GHG Rules) for existing coal-fired facilities and new coal and natural gas-fired facilities as well as final rules strengthening the MATS requirements (MATS Rules). The final MATS and GHG Rules require compliance as early as 2027 and 2032, respectively.

On June 11, 2025, the EPA issued a Notice of Proposed Rulemaking containing two proposals to reform GHG regulations. On June 11, 2025, the EPA also issued a Notice of Proposed Rulemaking to rescind the 2024 MATS Rule, which if enacted, would restore the original 2012 MATS standards. There is no mandated timeline for final action on the rules.

These GHG Rules and MATS Rules as well as future additional environmental requirements - federal or state - could cause us to incur material costs of compliance, increase our costs of procuring electricity, decrease transmission revenue and impact cost recovery. Technology to efficiently capture, remove and/or sequester such GHG emissions or hazardous air pollutants may not be available within a timeframe consistent with the implementation of any such requirements.

## LEGAL PROCEEDINGS

### Other Legal Proceedings

We are subject to various other legal proceedings, governmental audits and claims that arise in the ordinary course of business. In our opinion, the amount of ultimate liability with respect to these actions will not materially affect our financial position, results of operations, or cash flows.