



2024 Year-End Earnings Webcast

February 13, 2025


NorthWestern[®]
Energy

8-K February 13, 2025




Vision

Enriching lives through a **safe and sustainable** energy future.



Mission

Working together to deliver **safe, reliable and affordable** energy solutions.



Values

Safety
Excellence
Respect
Value
Integrity
Community
Environment

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.

2024 In Review

Critical Infrastructure Investment

- Maintained safe & reliable service while reaching **new all-time winter & summer electric system peaks** in Montana
- Safely completed over **\$550 million of capital investment**
- **Yellowstone County Generating Station** online & serving customers
- Strengthened Montana presence with planned acquisition of **Energy West Montana & Cut Bank Gas assets**
- Agreement for **incremental Colstrip Ownership** in Montana
 - Addresses remaining capacity gap & enables opportunities for new large-load customers
- Announced plans for **Regional Transmission Expansion**

Regulatory & Operational Performance

- **Rate reviews filed across all jurisdictions** to recover necessary investment to provide safe & reliable service
- Refreshed **Wildfire Mitigation Plan & implemented Public Safety Power Shutoff Plan**

Strong Financial Performance & Outlook

- Reporting **diluted GAAP EPS of \$3.65**
- Affirming long-term **EPS & rate base target growth rates of 4% - 6%**¹
- **Increasing quarterly dividend** by 1.5% - to \$0.66 per share – payable March 31, 2025
- Announcing **\$2.74 billion 5-year capital plan, an 11% increase over prior plan**



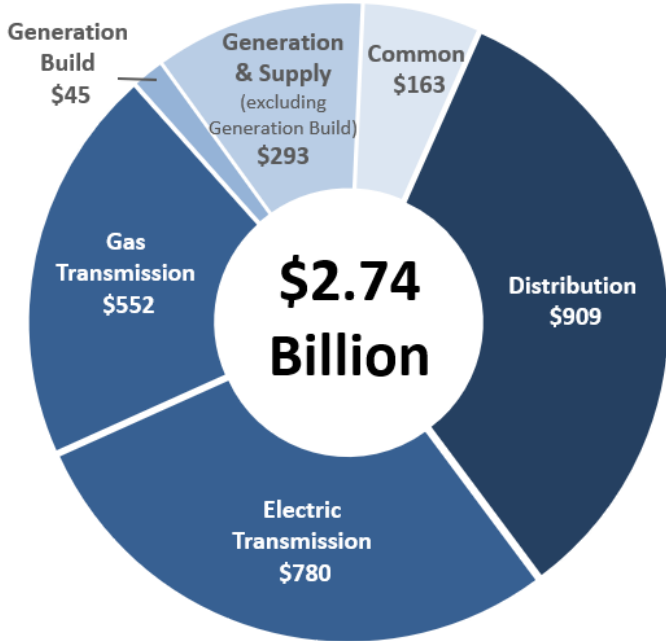
The NorthWestern Value Proposition

~5% Dividend Yield

Base Capital Plan:
4%-6% EPS Growth

Incremental Opportunities:
> 6% EPS Growth

2025-2029 Capital Investment
(\$ Millions)



- ✓ Data centers & new large-load opportunities
- ✓ FERC Regional Transmission
- ✓ Incremental generating capacity
(subject to successful resource procurement bids)

9%-11% Total Growth

>11% Total Growth

\$2.74 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.

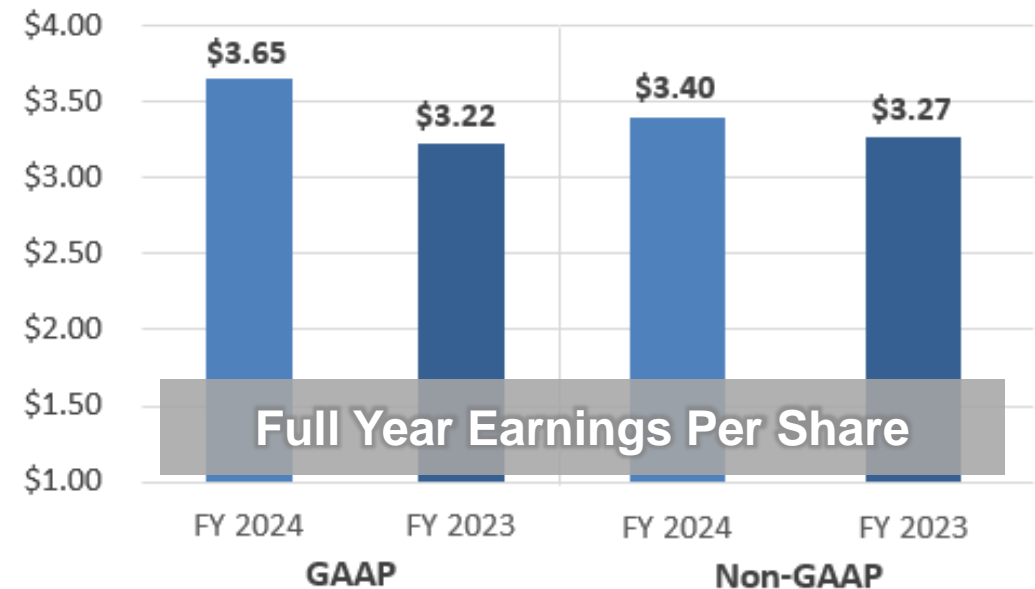
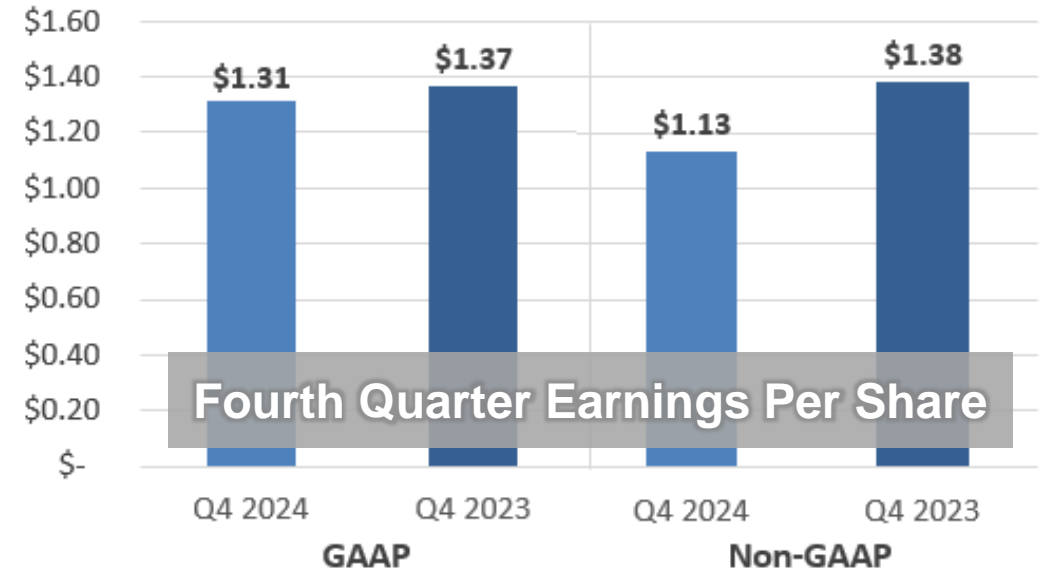
2024 Financial Results

Fourth Quarter 2024 EPS vs Prior Period

- GAAP: ↓ \$0.06 or (4.4%)
- Non-GAAP¹: ↓ \$0.25 or (18.1%)

Full Year 2024 EPS vs Prior Period

- GAAP: ↑ \$0.43 or 13.4%
- Non-GAAP¹: ↑ \$0.13 or 4.0%

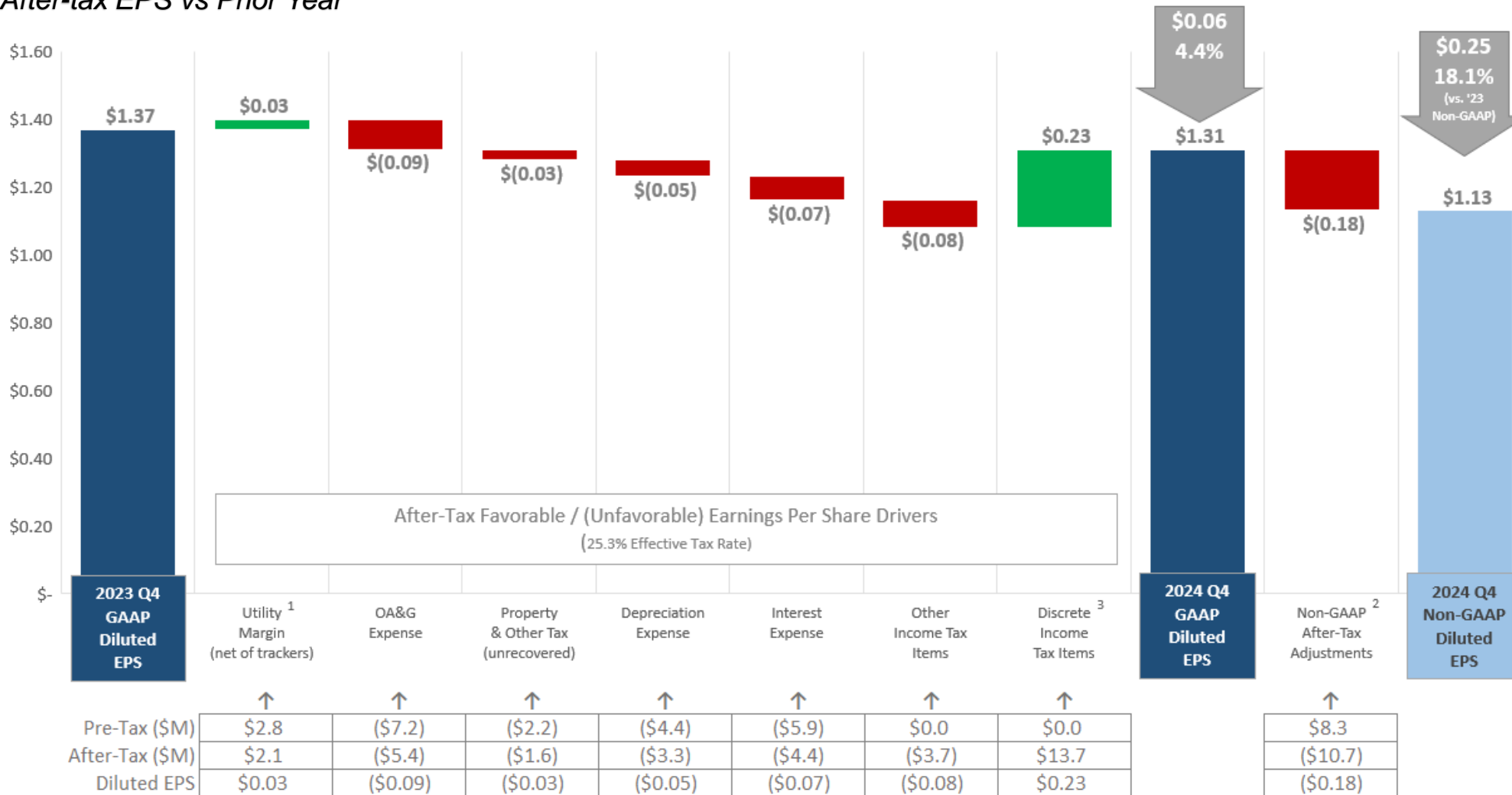




Fourth Quarter Financial Review

Fourth Quarter Earnings Drivers

After-tax EPS vs Prior Year



The decrease in diluted EPS was primarily driven by higher operating, depreciation, interest, and income tax expenses, partially offset by increased utility margin and income tax benefits.

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

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

3.) Release of a \$16.9 million Unrecognized Tax Benefit in 2024 as compared to a \$3.2 million release of an Unrecognized Tax Benefit in 2023.

Fourth Quarter 2024 Non-GAAP Earnings

Three Months Ended December 31,														
	GAAP	Non-GAAP Adjustments				Non GAAP	Non-GAAP Variance		Non GAAP	Non-GAAP Adjustments				GAAP
		Unfavorable Weather (Addback)	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) ⁽¹⁾	Deferred Compensation	Release of Unrecognized Tax Benefit		Variance	%		Release of Unrecognized Tax Benefit	Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) ⁽¹⁾	Unfavorable Weather (Addback)	
	Three Months Ended Dec. 31, 2024								Three Months Ended Dec. 31, 2023					Three Months Ended Dec. 31, 2023
<i>(in millions)</i>														
Revenues	\$373.5	8.3	-	-	-	\$381.8	\$20.6	5.7%	\$361.2	-	-	-	5.2	\$356.0
Fuel, supply & dir. tx	94.7	-	-	-	-	94.7	(3.5)	-3.6%	98.2	-	-	-	-	98.2
Utility Margin⁽²⁾	278.7	8.3	-	-	-	287.0	24.0	9.1%	263.0	-	-	-	5.2	257.8
Op. Expenses														
OG&A Expense	91.2	-	(1.0)	1.2	-	91.4	8.9	10.8%	82.5	-	(0.9)	3.5	-	79.9
Prop. & other taxes	38.8	-	-	-	-	38.8	16.8	76.3%	22.0	-	-	-	-	22.0
Depreciation	57.0	-	-	-	-	57.0	4.3	8.2%	52.7	-	-	-	-	52.7
Total Op. Exp.	187.0	-	(1.0)	1.2	-	187.2	30.0	19.1%	157.2	-	(0.9)	3.5	-	154.6
Op. Income	91.7	8.3	1.0	(1.2)	-	99.8	(6.0)	-5.7%	105.8	-	0.9	(3.5)	5.2	103.2
Interest expense	(35.4)	-	-	-	-	(35.4)	(5.9)	-20.0%	(29.5)	-	-	-	-	(29.5)
Other Inc. (Exp.), net	3.4	-	(1.0)	1.2	-	3.6	(1.9)	-34.5%	5.5	-	(0.9)	3.5	-	2.9
Pretax Income	59.7	8.3	-	-	-	68.0	(13.8)	-16.9%	81.8	-	-	-	5.2	76.6
Income tax Ben / (Exp)	20.8	(2.1)	-	-	(16.9)	1.8	(0.2)	-9.8%	2.0	(3.2)	-	-	(1.3)	6.5
Net Income	\$80.6	6.2	-	-	(16.9)	\$69.9	(\$13.9)	-16.6%	\$83.8	(3.2)	-	-	3.9	\$83.1
<i>ETR</i>	-34.9%	25.3%	-	-	-	-2.7%			-2.5%	-	-	-	25.3%	-8.6%
Diluted Shares	61.4					61.4	0.1	0.2%	61.3					61.3
Diluted EPS	\$1.31	0.10	-	-	(0.28)	\$1.13	(\$0.25)	-18.1%	\$1.38	(0.05)	-	-	0.06	\$1.37

We estimate weather to be a \$8.3 million pre-tax detriment as compared to normal and a \$3.1 million detriment as compared to fourth quarter 2023.

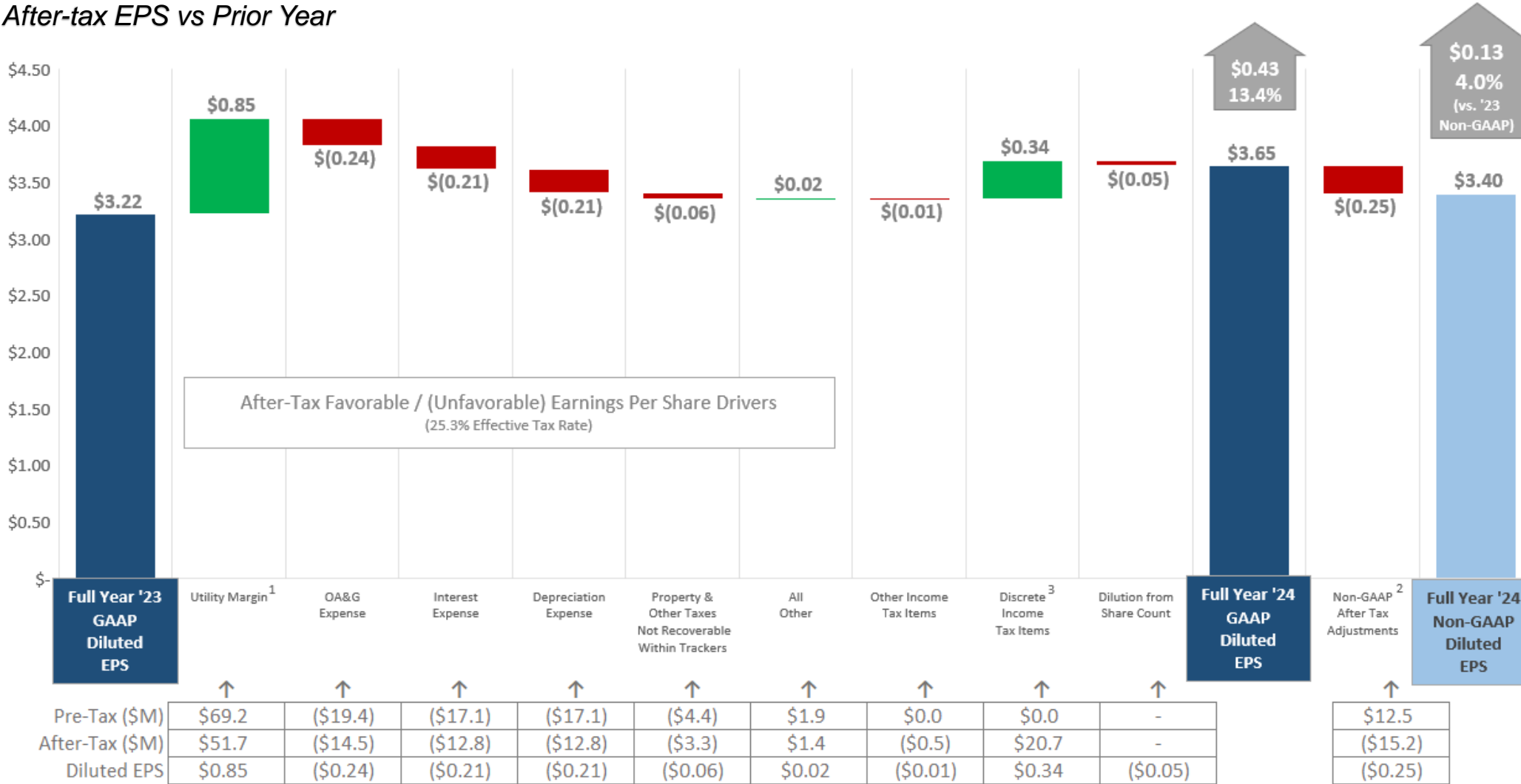
- (1) As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends 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 disclosures.



Full Year Financial Review

Year-Over-Year Earnings Drivers

After-tax EPS vs Prior Year



The increase in diluted EPS was primarily driven by higher base rates, increased transmission revenues, and income tax benefits, partially offset by higher operating, interest, and depreciation expenses.

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

2.) See "Full Year 2024 Non-GAAP Earnings" below and "Non-GAAP Financial Measures" in appendix.

3.) \$23.9 million benefit in 2024 (\$16.9 million release of an Unrecognized Tax Benefit plus \$7.0 million related to a natural gas Safe Harbor method change) as compared to a \$3.2 million benefit related to the release of an Unrecognized Tax Benefit in 2023.

Year-Over-Year Utility Margin Bridge

Pre-tax Millions vs. Prior Year



\$69.2 million or 6.9% increase in Utility Margin items that impact Net Income

Full Year 2024 Non-GAAP Earnings

Twelve Months Ended December 31, GAAP and Non-GAAP																			
	GAAP	Non-GAAP Adjustments							Non GAAP	Non-GAAP Variance		Non-GAAP Adjustments					GAAP		
		Twelve Months Ended Dec. 31, 2024	Unfavorable Weather (Addback)	(1) Move Pension Expense to OG&A (disaggregated with ASU 2017-07)	Deferred Compensation	Impairment of Alternative Energy Storage Investment	Q1: Community Renewable Energy Project Penalty (not tax deductible)	Q3: Natural Gas Repairs Safe Harbor Method Change		Q4: Remove Release of Unrecognized Tax Benefit	Twelve Months Ended Dec. 31, 2024	\$	%	Twelve Months Ended Dec. 31, 2023	Q4: Remove Release of Unrecognized Tax Benefit	Q1: Add Back Reduction Related to Previously Claimed AMT Credit		Deferred Compensation	(1) Move Pension Expense to OG&A (disaggregated with ASU 2017-07)
(in millions)																			
Revenues	\$1,513.9	10.6	-	-	-	-	-	-	\$1,524.5	\$98.1	6.9%	\$1,426.4	-	-	-	-	4.3	\$1,422.1	
Fuel, supply & dir. tx	433.8	-	-	-	-	-	-	433.8	433.8	13.6	3.2%	420.2	-	-	-	-	-	420.2	
Utility Margin ⁽²⁾	1,080.1	10.6	-	-	-	-	-	1,090.7	84.5	8.4%	1,006.2	-	-	-	-	4.3	1,001.9		
Op. Expenses																			
OG&A Expense	365.2	-	(2.1)	(0.9)	(1.7)	-	-	360.5	20.2	5.9%	340.3	-	-	(0.2)	2.7	-	337.8		
Prop. & other taxes	163.9	-	-	-	-	-	-	163.9	10.8	7.1%	153.1	-	-	-	-	-	153.1		
Depreciation	227.6	-	-	-	-	-	-	227.6	17.1	8.1%	210.5	-	-	-	-	-	210.5		
Total Op. Exp.	756.7	-	(2.1)	(0.9)	(1.7)	-	-	752.0	48.1	6.8%	703.9	-	-	(0.2)	2.7	-	701.4		
Op. Income	323.3	10.6	2.1	0.9	1.7	-	-	338.6	36.3	12.0%	302.3	-	-	0.2	(2.7)	4.3	300.5		
Interest expense	(131.7)	-	-	-	-	-	-	(131.7)	(17.1)	-14.9%	(114.6)	-	-	-	-	-	(114.6)		
Other Inc. (Exp.), net	23.0	-	(2.1)	(0.9)	2.5	(2.3)	-	20.2	1.9	10.4%	18.3	-	-	(0.2)	2.7	-	15.8		
Pretax Income	214.7	10.6	-	-	4.2	(2.3)	-	227.2	21.3	10.3%	205.9	-	-	-	-	4.3	201.6		
Income tax Ben / (Exp)	9.4	(2.7)	-	-	(1.1)	-	(7.0)	(18.3)	(9.7)	-113.0%	(8.6)	(3.2)	3.2	-	-	(1.1)	(7.5)		
Net Income	\$224.1	7.9	-	-	3.1	(2.3)	(7.0)	\$208.9	\$11.6	5.9%	\$197.3	(3.2)	3.2	-	-	3.2	\$194.1		
ETP	-4.4%	25.3%	-	-	25.3%	0.0%	-	8.0%				4.2%	-	-	-	25.3%	3.7%		
Diluted Shares	61.4	-	-	-	-	-	-	61.4	1.0	1.7%	60.4	-	-	-	-	-	60.4		
Diluted EPS	\$3.65	0.13	-	-	0.05	(0.04)	(0.11)	\$3.40	\$0.13	4.0%	\$3.27	(0.05)	0.05	-	-	0.05	\$3.22		

We estimate weather to be a \$10.6 million pre-tax detriment as compared to normal and a \$6.3 million detriment as compared to 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.

Note: Subtotal variances may exist due to rounding.

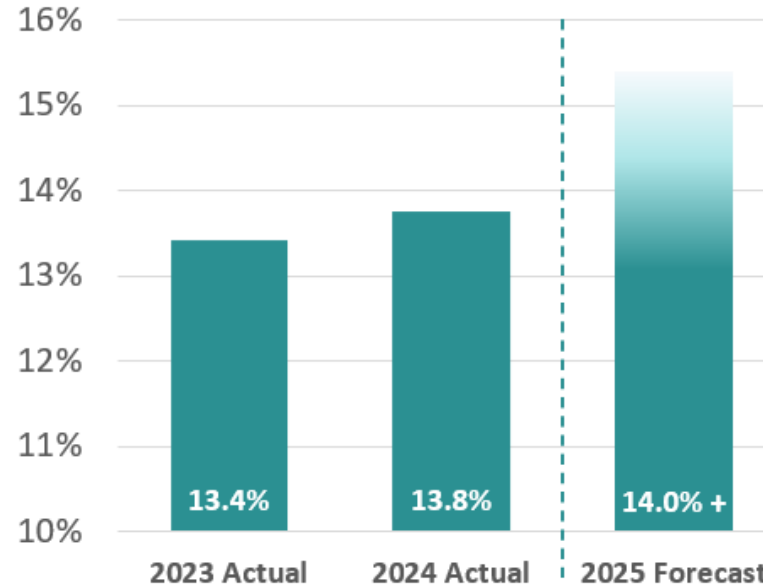
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Credit, Cash Flow, and Financing Plans

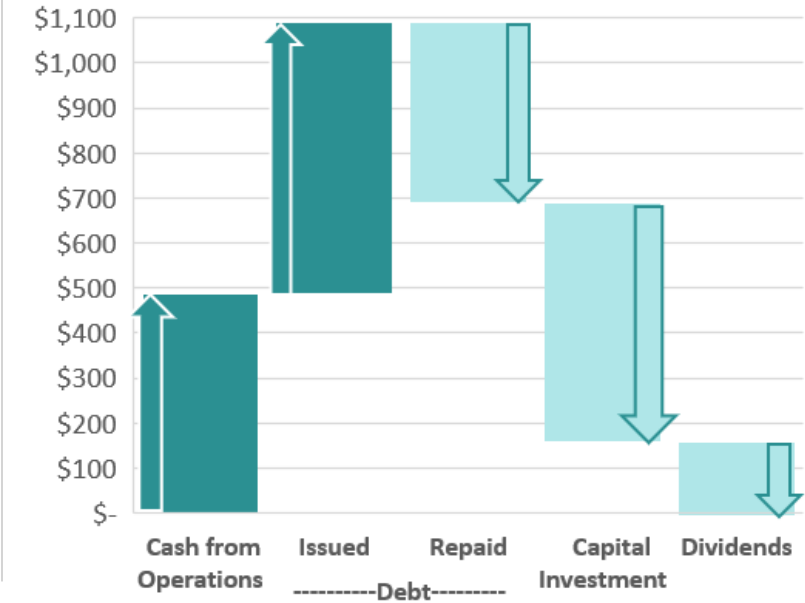
Credit Ratings

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

FFO / Debt



2025 Financing Plan (Millions)



No equity expected to fund the current \$2.74 billion 5-year 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.

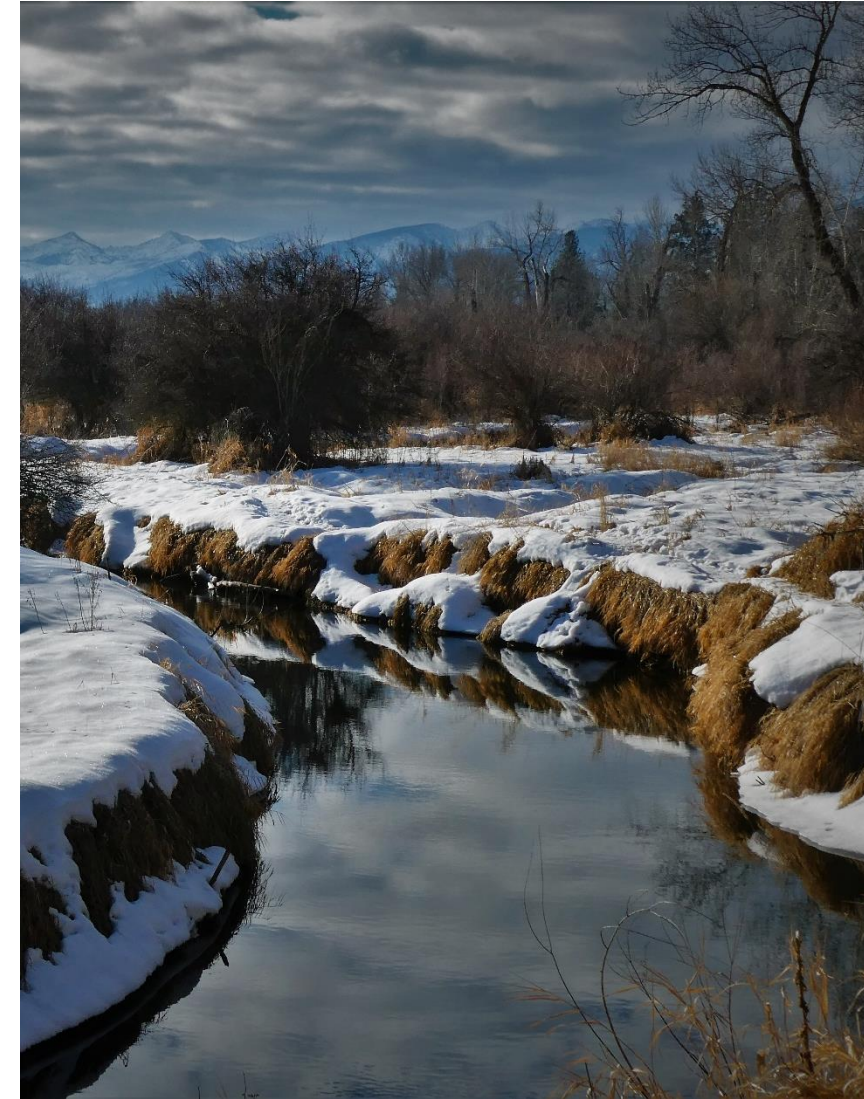
Financing plans are subject to change.



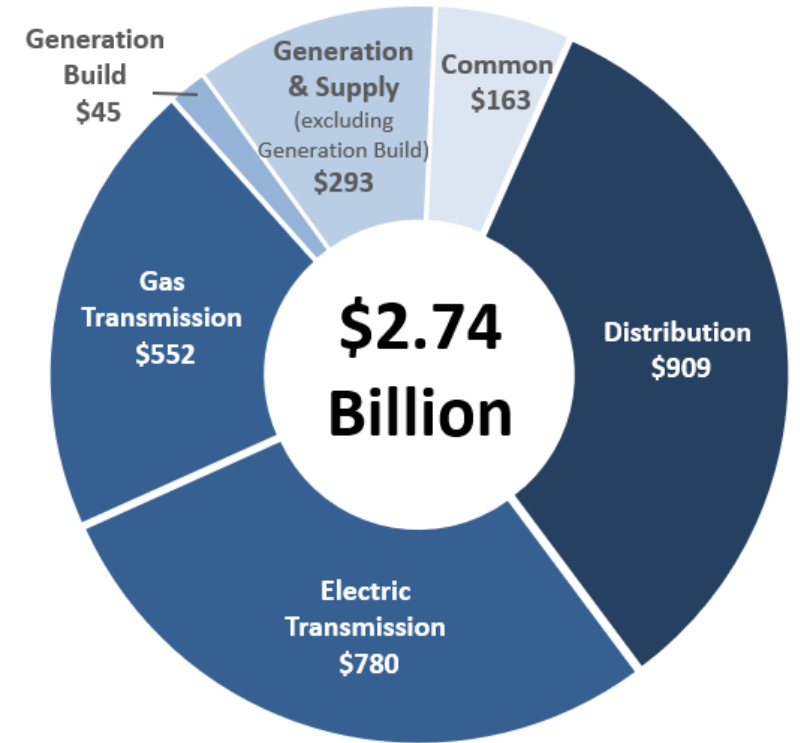
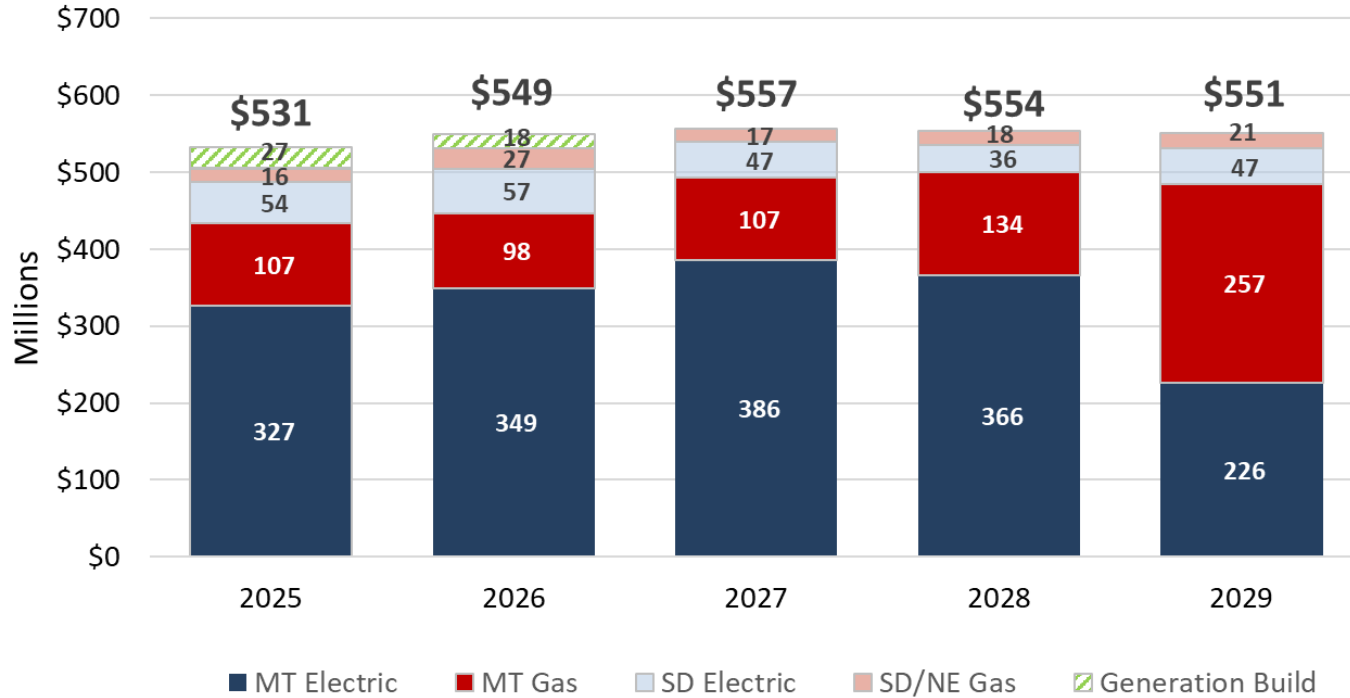
Looking Forward

Strong Growth Outlook

- ✓ **2025 EPS guidance expected to be provided following the outcome of our pending Montana rate review**
- ✓ **Affirming long-term growth rates from 2024 base¹**
 - **EPS growth of 4% to 6%**
 - **Rate base growth of 4% to 6%**
 - Continued focus on closing the gap between earned & authorized returns
- ✓ **No equity expected to fund the current 5-year | \$2.74 billion capital plan**
 - Capital plan sized to be funded by cash from operations, aided by net operating losses, and secured debt
 - Incremental capital opportunities may result in equity financing
- ✓ **Expect to maintain FFO / Debt > 14% in 2025 and beyond**
- ✓ Earnings growth is expected to exceed dividend growth until we return to our targeted 60% to 70% payout ratio



Regulated Utility Five-Year Capital Forecast (millions)



<i>\$ Millions</i>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>5yr Total</u>
Electric	\$408	\$424	\$433	\$402	\$273	\$1,940
Natural Gas	\$123	\$125	\$124	\$152	\$278	\$802
Total Capital Forecast	\$531	\$549	\$557	\$554	\$551	\$2,742

11% increase in 5-year capital investment plan
\$2.74 billion of highly-executable and low-risk critical capital investment

Rate Review Summary

	MT Electric	MT Natural Gas	NE Natural Gas
Date Filed	July 10, 2024	July 10, 2024	June 6, 2024
Test Year End	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables
Revenue Request	\$156.5 Million (\$69.4M net with Property Tax Tracker and PCCAM Adjustments)	\$28.6 Million	\$3.6 Million (\$3.3M Retail and \$0.3M Tx)
Equity Layer / ROE	Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.65%)	Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.55%)	Requested: 53.13% / 10.70% (Authorized: N/A / 10.40%)
Debt Layer / Cost of Debt	Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%)	Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%)	Requested: 46.87% / 4.42% (Authorized: N/A / 6.50%)
Authorized Rate Base	Requested: \$3.45 Billion (Authorized: \$2.84 Billion)	Requested: \$731.9 Million (Authorized: \$582.8 Million)	Requested: \$47.4 Million (Authorized: \$24.3 Million)
Other Items to Note	\$874M of Gross Plant Investment (Jan '23-Dec '24F)	\$174M of Gross Plant Investment (Jan '23-Dec '24F)	\$42M of Gross Plant Investment (Jan '07-Dec '23)
Interim Rates	\$18.4 million base rate increase effective Dec. 1, 2024	\$17.4 million base rate increase effective Dec. 1, 2024	\$2.3 million base rate increase effective Oct. 1, 2024

Key Dates of Montana procedural Schedule

- 1/17/25: Intervenor testimony received
- 3/14/25: NWE rebuttal and cross-intervenor testimony due
- 3/24/25: Final day to file settlements
- 4/22/25: Hearing Commences
- 5/23/25: Implementation of requested rates (subject to refund)

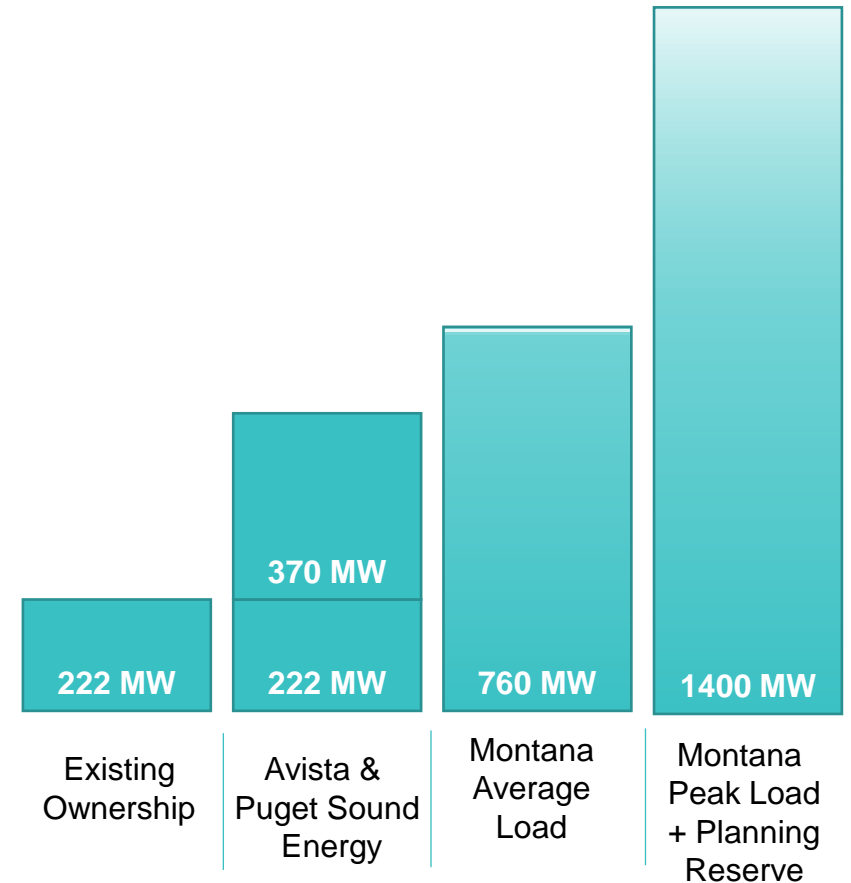
SD Natural Gas

The **South Dakota Public Utilities Commission** unanimously approved a settlement agreement between NorthWestern and SDPUC Staff for an annual increase in base rates of approximately \$4.6 million and an authorized rate of return of 6.91%. Final rates were effective December 19, 2024.

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

Incremental Colstrip Capacity

- ✓ No cost acquisition of incremental Colstrip ownership allows us to reliably and affordably serve existing customers
 - Provides energy independence & improves system reliability / integrity
 - Moves portfolio from short capacity position to long capacity
 - Maintains affordability while insulating customers from volatile capacity and energy market pricing
- ✓ Increased ownership (from 15% to 55%) is expected to protect existing interest and provide Montana control to keep the plant open beyond Washington and Oregon mandated closure deadlines
- ✓ Significant capacity surplus provides opportunity for new large-load customers, spreading fixed costs over more kilowatt-hours, lowering and stabilizing the cost per unit for all our customers

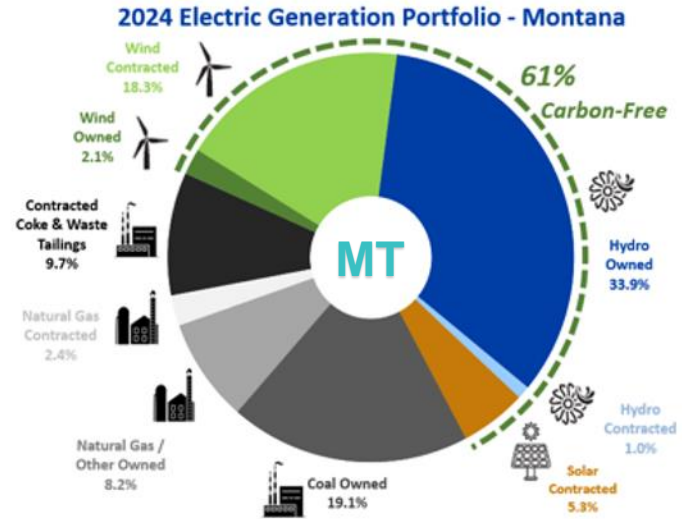


NorthWestern's planned no cost acquisition of 592 MW of additional Colstrip capacity supports the integration of large-load customers, delivering substantial benefits to our customers, communities, and investors.

Large Load Customers

✓ Montana

- Served by overall utility portfolio, which is expected to be long capacity beginning in 2026
- Over 60% carbon free
- If data center demand interest develops beyond existing capacity, we will work with the Montana PSC to structure appropriate tariffs



Note on pie Chart: Based on MWh's supplied from owned & long-term contracted resources. Contracted energy from Colstrip Energy Limited Partners (CELP), Yellowstone Energy Limited Partners (YELP) 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 resources, 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.

✓ South Dakota

- Significant indications of interest
- Any new large load customers would require incremental capacity
- South Dakota PUC has an established process for large load customers with a deviated rate tariff

- ✓ **Announced: December 17, 2024**
 - Company: Confidential Data Center Developer
 - Load: 50 MW expected to grow to 250 MW
 - Start Date: Mid-2027
 - Agreement Status: Letter of Intent
- ✓ **Announced: December 19, 2024**
 - Company: Atlas Power
 - Load: 75 MW expected to grow to 150 MW
 - Start Date: January 2026
 - Agreement Status: Letter of Intent (Existing transmission customer)
- ✓ **Expect to serve under existing Montana tariffs**

Large-Load Data Center Opportunities

Rate Moderation: Adding large customers with high energy usage spreads fixed costs over more kilowatt-hours, lowering and stabilizing the cost per unit for everyone.

Economic Development: Large load customers bring jobs and infrastructure investments, benefiting the local economy.

Increased Property Tax Revenue: Large load customers contribute significantly to local property tax bases.

Grid Efficiency: High-consumption customers allow for optimization of grid usage, improving overall system efficiency and reliability.

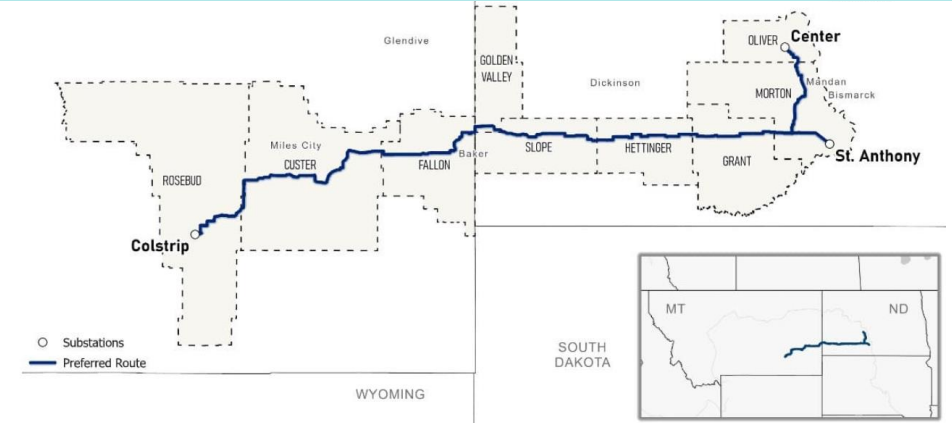
Revenue Stability: Large load customers provide a steady and predictable revenue stream, helping stabilize rates for all customers.

Regional Transmission Opportunities

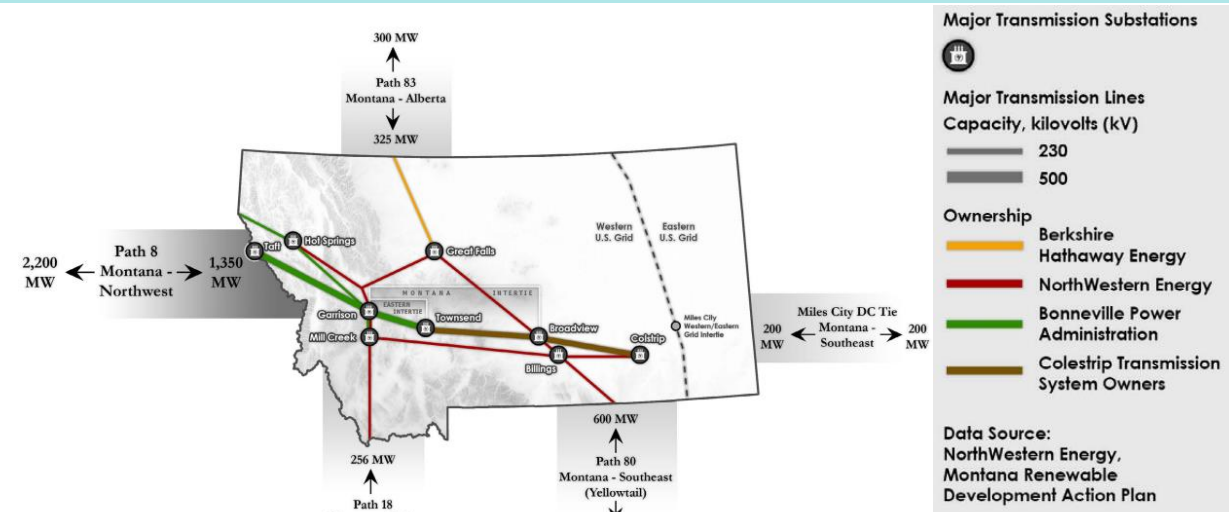
North Plains Connector (NPC) Consortium Project

- \$3.6 billion, 415-mile, high-voltage direct-current transmission line connecting to Montana's Colstrip substation, bridging the eastern and western U.S. energy grids
- Project awarded \$700M Grid Resilience & Innovation Partnership grant by U.S. Department of Energy ¹
 - \$70.0 million of the award is earmarked for upgrades to the **Colstrip Transmission System** (of which we are ~30% owner)

North Plains Connector



Colstrip Transmission System



In December 2024, NorthWestern announced a memorandum of understanding to own 10% of the North Plains Connector. The project, targeting a 2032 in-service date, strengthens grid reliability and efficiency.

A separate partnership will explore expanding Montana's southwest transmission corridor to bolster reliability, allow for critical import capability, and enhance Western market access.

1.) President Trump issued an Executive Order on January 20, 2025, "Unleashing American Energy," directing all federal executive agency heads to review all agency actions implicating energy reliability and affordability or potentially burdening the development of domestic energy resources. This Executive Order has delayed, for up to 90 days, the disbursement of the funds granted by the U.S. Department of Energy for the NPC Consortium project.

Conclusion

Pure
Electric &
Gas Utility

Solid Utility
Foundation

Best
Practices
Corporate
Governance

Attractive
Future
Growth
Prospects

Strong
Earnings &
Cash Flows

NorthWestern Energy Group, Inc.

dba: NorthWestern Energy

Ticker: NWE (Nasdaq)

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Appendix:

Rate Base & Authorized Return Summary

Estimate as of 12/31/2024

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	\$ 2,565.5	\$ 3,330.9	6.72%	9.65%	48.02%
Montana - Colstrip Unit 4	November 2023	\$ 276.9	\$ 257.8	8.25%	10.00%	50.00%
Montana natural gas delivery and production ⁽²⁾	November 2023	\$ 582.8	\$ 814.8	6.67%	9.55%	48.02%
Total Montana		\$ 3,425.2	\$ 4,403.5			
South Dakota electric ⁽³⁾	January 2024	\$ 791.8	\$ 813.1	6.81%	n/a	n/a
South Dakota natural gas ⁽³⁾⁽⁴⁾	December 2024	\$ 96.2	\$ 117.6	6.91%	n/a	n/a
Total South Dakota		\$ 888.0	\$ 930.7			
Nebraska natural gas ⁽³⁾⁽⁴⁾	December 2007	\$ 24.3	\$ 52.5	8.49%	10.40%	n/a
Total NorthWestern Energy		\$ 4,337.5	\$ 5,386.7			

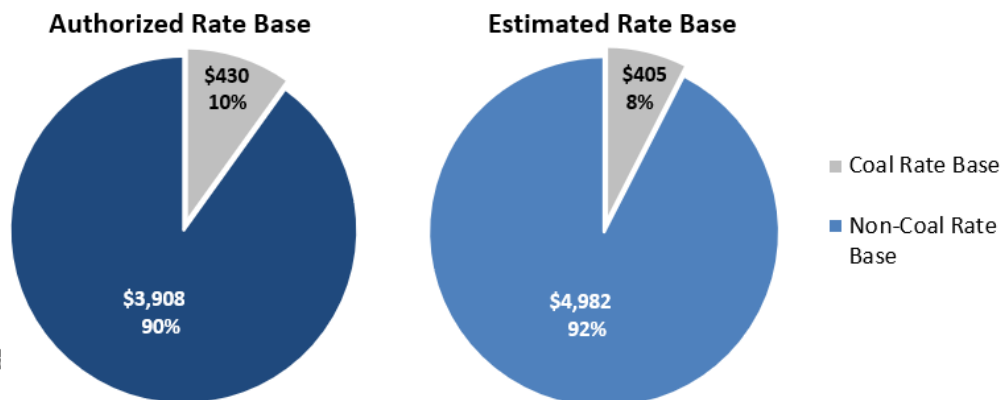
(1) The revenue requirement associated with the FERC regulated portion of Montana electric transmission and ancillary services are included as revenue credits to our MPSC jurisdictional customers. Therefore, we do not separately reflect FERC authorized rate base or authorized returns.

(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) In June 2024, we filed a South Dakota natural gas rate review filing (2023 test year) with the SDPUC and a Nebraska natural gas rate review filing (2023 test year) with the NEPSC.

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 of earnings. The data to the left illustrates that NorthWestern only derives approximately 8-10% of earnings from its jointly owned coal generation rate base.



Full Year Appendix

Full Year Financial Results

(in millions except per share amounts)

	Twelve Months Ended December 31,			
	2024	2023	Variance	% Variance
Operating Revenues	\$1,513.9	\$1,422.1	\$91.8	6.5%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	433.8	420.2	13.6	3.2%
Utility Margin¹	1,080.1	1,001.9	78.2	7.8%
Operating Expenses				
Operating and maintenance	227.8	220.5	7.3	3.3%
Administrative and general	137.4	117.3	20.1	17.1%
Property and other taxes	163.9	153.1	10.8	7.1%
Depreciation and depletion	227.6	210.5	17.1	8.1%
Total Operating Expenses	756.7	701.4	55.3	7.9%
Operating Income	323.3	300.5	22.8	7.6%
Interest Expense, net	(131.7)	(114.6)	(17.1)	(14.9%)
Other Income, net	23.0	15.8	7.2	45.6%
Income Before Income Taxes	214.7	201.6	13.1	6.5%
Income Tax Benefit (Expense)	9.4	(7.5)	16.9	225.3%
Net Income	\$224.1	\$194.1	\$30.0	15.5%
Effective Tax Rate	(4.4%)	3.7%	(8.1%)	
Diluted Average Shares Outstanding	61.4	60.4	1.0	1.7%
Diluted Earnings Per Share	\$3.65	\$3.22	\$0.43	13.4%
Dividends Paid per Common Share	\$2.60	\$2.56	\$ 0.04	1.6%

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

Note: Subtotal variances may exist due to rounding.

Utility Margin (Full Year)

(dollars in millions)

Twelve Months Ended December 31,

	2024	2023	Variance	
Electric	\$ 871.1	\$ 806.1	\$ 65.0	8.1%
Natural Gas	209.0	195.8	13.2	6.7%
Total Utility Margin⁽¹⁾	\$ 1,080.1	\$ 1,001.9	\$ 78.2	7.8%

Increase in utility margin due to the following factors:

\$ 62.4	Base rates
18.6	Electric transmission revenue due to market conditions and rates
4.8	Montana interim rates (subject to refund)
2.3	Montana natural gas transportation
1.1	Montana property tax tracker collections
(7.9)	Non-recoverable Montana electric supply costs
(4.2)	QF liability adjustment
(4.0)	Natural gas retail volumes
(0.9)	Electric retail volumes
(3.0)	Other
\$ 69.2	Change in Utility Margin <u>Impacting</u> Net Income
\$ 6.4	Property & other taxes recovered in revenue, offset in property & other taxes
2.4	Operating expenses recovered in revenue, offset in operating & maintenance expense
0.2	Production tax credits, offset in income tax expense
\$ 9.0	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 78.2	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 (Full Year)

(dollars in millions)

	Twelve Months Ended December 31,			
	2024	2023	Variance	
Operating & maintenance	\$ 227.8	\$ 220.5	\$ 7.3	3.3%
Administrative & general	137.4	117.3	20.1	17.1%
Property and other taxes	163.9	153.1	10.8	7.1%
Depreciation and depletion	227.6	210.5	17.1	8.1%
Operating Expenses	\$ 756.7	\$ 701.4	\$ 55.3	7.9%
Increase in operating expenses due to the following factors:				
\$ 17.1	Depreciation expense due to plant additions and higher depreciation rates			
7.9	Labor and benefits ⁽¹⁾			
7.7	Insurance expense, primarily due to increased wildfire risk premiums			
4.4	Property and other taxes not recoverable within trackers			
2.4	Litigation outcome (Pacific Northwest Solar)			
2.0	Electric generation maintenance			
1.7	Non-cash impairment of alternative energy storage investment			
1.5	Technology implementation and maintenance expenses			
(1.4)	Uncollectible accounts			
(2.3)	Other			
\$ 41.0	Change in Operating Expense Items <u>Impacting</u> Net Income			
\$ 6.4	Property and other taxes recovered in trackers, offset in revenue			
4.8	Pension and other postretirement benefits, offset in other income ⁽¹⁾			
2.4	Operating and maintenance expenses recovered in trackers, offset in revenue			
0.7	Deferred compensation, offset in other income			
\$ 14.3	Change in Operating Expense Items <u>Offset Within</u> Net Income			
\$ 55.3	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 (Full Year)

(dollars in millions)

Twelve Months Ended December 31,

	2024	2023	Variance	
Operating Income	\$ 323.3	\$ 300.5	\$ 22.8	7.6%
Interest expense	(131.7)	(114.6)	(17.1)	(14.9)%
Other income, net	23.0	15.8	7.2	45.6%
Income Before Taxes	214.7	201.6	13.1	6.5%
Income tax benefit (expense)	9.4	(7.5)	16.9	225.3%
Net Income	\$ 224.1	\$ 194.1	\$ 30.0	15.5%

\$17.1 million increase in interest expense was primarily due to higher borrowings and interest rates partly offset by higher capitalization of AFUDC.

\$7.2 million increase in other income, net was primarily due a \$2.3 million reversal of a previously expensed Community Renewable Energy Project penalty due to a favorable legal ruling, higher capitalization of AFUDC, a decrease in the non-service cost component of pension expense, and an increase in the value of deferred shares held in trust for deferred compensation, offset in part by a \$2.5 million non-cash impairment of an alternative energy storage equity investment.

\$16.9 million increase in income tax benefit was primarily due to a reduction in our unrecognized tax benefits, a natural gas safe harbor tax repairs accounting method change, and other increased flow-through benefits offset by higher pre-tax income.

Tax Reconciliation (Full Year)

(in millions)

	Twelve Months Ended December 31,				
	2024		2023		Variance
Income Before Income Taxes	\$214.7		\$201.6		\$13.1
Income tax calculated at federal statutory rate	45.1	21.0%	42.4	21.0%	2.7
<u>Permanent or flow-through adjustments:</u>					
State income taxes, net of federal provisions	0.4	0.2%	0.6	0.3%	(0.2)
Flow-through repairs deductions	(23.1)	(10.8%)	(25.9)	(12.9%)	2.8
Release of unrecognized tax benefits (2024 is inclusive of \$4.1 million of related interest previously accrued)	(21.0)	(9.8%)	(3.2)	(1.6%)	(17.8)
Production tax credits	(11.1)	(5.2%)	(10.3)	(5.1%)	(0.8)
Gas repairs safe harbor method change	(7.0)	(3.3%)	-	-	(7.0)
Amortization of excess deferred income taxes	(2.9)	(1.4%)	(2.2)	(1.1%)	(0.7)
Prior year permanent return to accrual adjustments	(0.4)	(0.2%)	-	-	(0.4)
Plant and depreciation of flow-through items	9.4	4.4%	6.6	3.3%	2.8
Unregulated Tax Cuts and Jobs Act excess deferred income taxes	-	-	(3.4)	(1.7%)	3.4
Reduction to previously claimed alternative minimum tax credit	-	-	3.2	1.6%	(3.2)
Other, net	1.2	0.7%	(0.3)	(0.1%)	1.5
Sub-total	(54.5)	(25.4%)	(34.9)	(17.3%)	(19.6)
Income Tax (Benefit) Expense	\$ (9.4)		\$ 7.5		\$ (16.9)

Segment Results (Full Year)

(in thousands)

Twelve Months Ended December 31, 2024	Electric	Gas	Total
Operating revenues	\$ 1,200,701	\$ 313,197	\$ 1,513,898
Fuel, purchased supply, & direct transmission*	329,578	104,238	433,816
Utility margin¹	871,123	208,959	1,080,082
Operating, general, & administrative	270,145	92,211	362,356
Property & other taxes	126,470	37,386	163,856
Depreciation & depletion	189,987	37,648	227,635
Operating income	284,521	41,714	326,235
Interest expense, net	(99,250)	(27,740)	(126,990)
Other income, net	18,082	5,803	23,885
Income tax (expense) benefit	(20,892)	7,963	(12,929)
Segment net income	\$ 182,461	\$ 27,740	\$ 210,201
<i>Reconciliation to consolidated net income</i>			
Other, net ²			13,910
Consolidated net income			\$ 224,111

Twelve Months Ended December 31, 2023	Electric	Gas	Total
Operating revenues	\$ 1,068,833	\$ 353,310	\$ 1,422,143
Fuel, purchased supply, & direct transmission*	262,755	157,507	420,262
Utility margin¹	806,078	195,803	1,001,881
Operating, general, & administrative	249,549	87,153	336,702
Property & other taxes	120,289	34,323	154,612
Depreciation & depletion	174,071	36,403	210,474
Operating income	262,169	37,924	300,093
Interest expense, net	(84,089)	(15,719)	(99,808)
Other income, net	11,580	3,344	14,924
Income tax (expense) benefit	(14,196)	4,627	(9,569)
Segment net income	\$ 175,464	\$ 30,176	\$ 205,640
<i>Reconciliation to consolidated net income</i>			
Other, net ²			(11,509)
Consolidated net income			\$ 194,131

*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.

(2) Consists of unallocated corporate costs and some limited unregulated activity within the energy industry.

Electric Segment (Full Year)

Twelve Months Ended December 31,

	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 398,790	\$ 408,341	\$ (9,551)	(2.3) %	2,804	2,795	328,420	322,489
South Dakota	70,012	67,888	2,124	3.1 %	557	603	51,467	51,261
Residential	468,802	476,229	(7,427)	(1.6) %	3,361	3,398	379,887	373,750
Montana	408,977	431,357	(22,380)	(5.2) %	3,197	3,238	75,878	74,438
South Dakota	111,813	103,194	8,619	8.4 %	1,093	1,101	13,084	12,973
Commercial	520,790	534,551	(13,761)	(2.6) %	4,290	4,339	88,962	87,411
Industrial	46,637	45,958	679	1.5 %	2,924	2,660	80	79
Other	32,811	32,756	55	0.2 %	146	134	6,544	6,443
Total Retail Electric	1,069,040	1,089,494	(20,454)	(1.9) %	10,721	10,531	475,473	467,683
Regulatory amortization	24,908	(105,608)	130,516	(123.6) %				
Transmission	97,052	78,436	18,616	23.7 %				
Wholesale and other	9,701	6,511	3,190	49.0 %				
Total Revenues	1,200,701	1,068,833	131,868	12.3 %				
Total fuel, purchased supply & direct transmission expense*	329,578	262,755	66,823	25.4 %				
Utility Margin¹	\$ 871,123	\$ 806,078	\$ 65,045	8.1 %				

* Direct transmission expense is exclusive of depreciation and depletion

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

Natural Gas Segment (Full Year)

Twelve Months Ended December 31,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 110,215	\$ 136,097	\$ (25,882)	(19.0) %	13,749	14,008	185,644	183,810
South Dakota	26,884	36,638	(9,754)	(26.6) %	2,709	3,179	42,577	42,053
Nebraska	21,205	35,539	(14,334)	(40.3) %	2,294	2,581	37,958	37,793
Residential	158,304	208,274	(49,970)	(24.0) %	18,752	19,768	266,179	263,656
Montana	59,925	73,721	(13,796)	(18.7) %	7,782	8,036	26,164	25,725
South Dakota	18,069	25,869	(7,800)	(30.2) %	2,791	3,169	7,383	7,232
Nebraska	11,432	22,114	(10,682)	(48.3) %	1,664	1,916	5,056	5,023
Commercial	89,426	121,704	(32,278)	(26.5) %	12,237	13,121	38,603	37,980
Industrial	1,041	1,392	(351)	(25.2) %	147	157	237	232
Other	1,352	1,681	(329)	(19.6) %	207	209	197	190
Total Retail Electric	\$ 250,123	\$ 333,051	\$ (82,928)	(24.9) %	31,343	33,255	305,216	302,058
Regulatory amortization	19,017	(25,012)	44,029	(176.0) %				
Wholesale and other	44,057	45,271	(1,214)	(2.7) %				
Total Revenues	\$ 313,197	\$ 353,310	\$ (40,113)	(11.4) %				
Total fuel, purchased supply & direct transmission expense*	\$ 104,238	\$ 157,507	\$ (53,269)	(33.8) %				
Utility Margin ¹	\$ 208,959	\$ 195,803	\$ 13,156	6.7 %				

* Direct transmission expense is exclusive of depreciation and depletion

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

Appendix Balance Sheet

(dollars in millions)	As of December 31, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 4.3	\$ 9.2
Restricted cash	24.7	16.0
Accounts receivable, net	187.8	212.3
Inventories	122.9	114.5
Other current assets	78.5	55.0
Goodwill	357.6	357.6
PP&E and other non-current assets	7,221.8	6,836.1
Total Assets	\$ 7,997.5	\$ 7,600.7
Payables	111.8	124.3
Current Maturities - debt and leases	403.5	103.3
Other current liabilities	286.9	307.3
Long-term debt & capital leases	2,697.2	2,690.1
Other non-current liabilities	1,640.4	1,590.3
Shareholders' equity	2,857.7	2,785.3
Total Liabilities and Equity	\$ 7,997.5	\$ 7,600.7
Capitalization:		
Short-Term Debt & Short-Term Finance Leases	403.5	103.3
Long-Term Debt & Long-Term Finance Leases	2,697.2	2,690.1
Less: Basin Creek Finance Lease	(5.5)	(8.8)
Shareholders' Equity	2,857.7	2,785.3
Total Capitalization	\$ 5,953.0	\$ 5,569.9
Ratio of Debt to Total Capitalization	52.0%	50.0%

**Debt to Total
Capitalization up
from last year and
inside our targeted
50% - 55% range.**

Appendix

Full Year Cash Flow

(dollars in millions)	Twelve Months Ended December 31,	
	2024	2023
Operating Activities		
Net Income	\$ 224.1	\$ 194.1
Non-Cash adjustments to net income	213.5	210.1
Changes in working capital	(18.9)	115.6
Other noncurrent assets & liabilities	(11.9)	(30.6)
Cash Provided by Operating Activities	406.8	489.2
Cash Used in Investing Activities	(554.5)	(570.8)
Cash Provided by Financing Activities	151.5	84.3
<hr/>		
Cash Provided by Operating Activities	\$ 406.8	\$ 489.2
Less: Changes in working capital	(18.9)	115.6
Funds from Operations	\$ 425.7	\$ 373.6
<hr/>		
PP&E additions	549.3	566.9
Capital expenditures included in trade accounts payable	(19.9)	(22.4)
AFUDC Credit	18.6	17.6
Total Capital Investment	\$ 548.0	\$ 562.1

Cash from Operating Activities decreased by \$82.4 million primarily due to significant net cash inflows in the prior period from the recovery of previously under-collected energy supply costs, compared to minimal net cash inflows in the current period due to the timely recovery of energy supply costs.

Funds from Operations increased by \$52.1 million over prior period.

Net Under-Collected Supply Costs

(in millions)

	Beginning (Jan. 1)	Ending (Dec. 31)	(Outflow) / Inflow
2023	\$115.4	\$7.8	\$107.6
2024	\$7.8	\$5.9	\$1.9
2024 Decrease in Net Cash Inflows			\$(105.7)

No Planned Equity Issuances in 2025

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 in Q2 with variable rate of Secured Overnight Financing Rate plus an applicable margin.

Reconciling Gross Margin to Utility Margin

Reconciliation of Gross Margin to Utility Margin for the Three Months Ended December 31,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 290.9	\$ 264.2	\$ 82.6	\$ 91.8	\$ 373.5	\$ 356.0
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown separately below)	72.6	64.2	22.1	34.0	94.7	98.2
Less: Operating & maintenance expense	45.4	42.2	15.0	14.4	60.4	56.6
Less: Property and other tax expense	29.9	17.3	9.0	4.7	38.9	22.0
Less: Depreciation and depletion expense	47.6	43.6	9.4	9.1	57.0	52.7
Gross Margin	95.4	96.9	27.1	29.6	122.5	126.5
Plus: Operating & maintenance expense	45.4	42.2	15.0	14.4	60.4	56.6
Plus: Property and other tax expense	29.9	17.3	9.0	4.7	38.9	22.0
Plus: Depreciation and depletion	47.6	43.6	9.4	9.1	57.0	52.7
Utility Margin ⁽¹⁾	\$ 218.3	\$ 200.0	\$ 60.5	\$ 57.8	\$ 278.8	\$ 257.8

Reconciliation of Gross Margin to Utility Margin for the Twelve Months Ended December 31,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$1,200.7	\$1,068.8	\$ 313.2	\$ 353.3	\$1,513.9	\$1,422.1
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown separately below)	329.6	262.7	104.2	157.5	433.8	420.2
Less: Operating & maintenance expense	171.7	166.0	56.1	54.5	227.8	220.5
Less: Property and other tax expense	126.5	120.3	37.4	34.3	163.9	154.6
Less: Depreciation and depletion expense	190.0	174.1	37.6	36.4	227.6	210.5
Gross Margin	382.9	345.7	77.9	70.6	460.8	416.3
Plus: Operating & maintenance expense	171.7	166.0	56.1	54.5	227.8	220.5
Plus: Property and other tax expense	126.5	120.3	37.4	34.3	163.9	154.6
Plus: Depreciation and depletion	190.0	174.1	37.6	36.4	227.6	210.5
Utility Margin ⁽¹⁾	\$ 871.1	\$ 806.1	\$ 209.0	\$ 195.8	\$1,080.1	\$1,001.9

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.

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
'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)
					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)
					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
					Year-to-Date
'23/'24 Tracker	(\$3.0)	\$1.2			(\$1.8)
'24/'25 Tracker			\$0.7	\$0.2	\$0.9
2024 (Expense) Benefit	(\$3.0)	\$1.2	\$0.7	\$0.2	(\$0.9)
Year-over-Year Variance	(\$3.5)	(\$0.9)	\$0.6	(\$4.1)	(\$7.9)

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	\$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 Non-GAAP Adj.	\$5.0
Jun-24	\$0.0	0.8	0.0	\$0.8

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)
2024	(\$4.2)	\$0.0	\$0.0	(\$4.2)

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.



Fourth Quarter Appendix

Fourth Quarter Financial Results

(in millions except per share amounts)

	Three Months Ended December 31,			
	2024	2023	Variance	% Variance
Operating Revenues	\$373.5	\$356.0	\$17.5	4.9%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	94.7	98.2	(3.5)	(3.6%)
Utility Margin¹	278.7	257.8	21.0	8.1%
Operating Expenses				
Operating and maintenance	60.4	56.6	3.8	6.8%
Administrative and general	30.8	23.3	7.5	32.1%
Property and other taxes	38.8	22.0	16.8	76.3%
Depreciation and depletion	57.0	52.7	4.3	8.2%
Total Operating Expenses	187.0	154.6	32.4	21.0%
Operating Income	91.7	103.2	(11.5)	(11.1%)
Interest expense, net	(35.4)	(29.5)	(5.9)	(20.2%)
Other income, net	3.4	2.9	0.5	18.0%
Income Before Income Taxes	59.7	76.6	(16.9)	(22.1%)
Income tax benefit	20.8	6.5	14.3	218.5%
Net Income	\$80.6	\$83.1	(\$2.6)	(3.1%)
Effective Tax Rate	(34.9%)	(8.4%)	(26.5%)	
Diluted Shares Outstanding	61.4	61.3	0.1	0.2%
Diluted Earnings Per Share	\$1.31	\$1.37	(\$0.06)	(4.4%)
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.

Note: Subtotal variances may exist due to rounding.

Utility Margin (Q4)

(dollars in millions)

	Three Months Ended December 31,			
	2024	2023	Variance	
Electric	\$ 218.3	\$ 200.0	\$ 18.3	9.2%
Natural Gas	60.5	57.8	2.7	4.7%
Total Utility Margin¹	\$ 278.8	\$ 257.8	\$ 21.0	8.1%

Increase in utility margin due to the following factors:

\$ 9.0	Base rates
5.1	Electric transmission revenue due to market conditions and rates
4.8	Montana interim rates (subject to refund)
0.4	Montana natural gas transportation
(4.1)	Non-recoverable Montana electric supply costs
(3.8)	Montana property tax tracker collections
(1.9)	Electric Retail volumes
(1.3)	Natural gas retail volumes
(5.4)	Other
\$ 2.8	Change in Utility Margin Impacting Net Income
\$ 14.6	Property & other taxes recovered in revenue, offset in property & other taxes
1.9	Operating expenses recovered in revenue, offset in operating & maintenance expense
1.7	Production tax credits, offset in income tax expense
\$ 18.2	Change in Utility Margin Offset Within Net Income
\$ 21.0	Increase in Utility Margin

Operating Expenses (Q4)

(dollars in millions)

	Three Months Ended December 31,			
	2024	2023	Variance	
Operating & maintenance	\$ 60.4	\$ 56.6	\$ 3.8	6.8%
Administrative & general	30.8	23.3	7.5	32.1%
Property and other taxes	38.8	22.0	16.8	76.3%
Depreciation and depletion	57.0	52.7	4.3	8.2%
Operating Expenses	\$ 187.0	\$ 154.6	\$ 32.4	21.0%

Increase in operating expenses due to the following factors:

\$ 4.3	Depreciation expense due to plant additions and higher depreciation rates
3.3	Insurance expense, primarily due to increased wildfire risk premiums
2.2	Property and other taxes not recoverable within trackers
1.5	Labor and benefits ⁽¹⁾
1.0	Technology implementation and maintenance expenses
0.7	Uncollectible accounts
0.7	Electric generation maintenance
0.1	Other
<u>\$ 13.8</u>	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ 14.6	Property and other taxes recovered in trackers, offset in revenue
1.9	Operating and maintenance expenses recovered in trackers, offset in revenue
4.3	Pension and other postretirement benefits, offset in other income ⁽¹⁾
(2.2)	Deferred compensation, offset in other income
<u>\$ 18.6</u>	Change in Operating Expense Items <u>Offset Within</u> Net Income
<u><u>\$ 32.4</u></u>	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 (Q4)

(dollars in millions)

Three Months Ended December 31,

	2024	2023	Variance	
Operating Income	\$ 91.7	\$ 103.2	\$ (11.5)	(11.1)%
Interest expense	(35.4)	(29.5)	(5.9)	(20.2)%
Other income, net	3.4	2.9	0.5	18.0%
Income Before Taxes	59.7	76.6	(16.9)	(22.1)%
Income tax benefit (expense)	20.8	6.5	14.3	218.5%
Net Income	\$ 80.6	\$ 83.1	\$ (2.6)	(3.1)%

\$5.9 million increase in interest expense was primarily due to higher borrowings and lower capitalization of Allowance for Funds Used During Construction (AFUDC).

\$0.5 million increase in other income, net was primarily due to an increase in the value of deferred shares held in trust for deferred compensation, partly offset by lower capitalization of AFUDC.

\$14.3 million increase in income tax benefit was primarily due to a release of an unrecognized tax benefit as well as lower pre-tax income, partly offset by lower permanent and flow-through tax benefits.

Tax Reconciliation (Q4)

(in millions)

	Three Months Ended December 31,				
	2024		2023		Variance
Income Before Income Taxes	\$59.7		\$76.6		(16.9)
Income tax calculated at federal statutory rate	12.6	21.0%	16.1	21.0%	(3.5)
<u>Permanent or flow-through adjustments:</u>					
State income taxes, net of federal provisions	(0.3)	(0.5%)	(0.8)	(1.0%)	0.5
Release of unrecognized tax benefits (2024 is inclusive of \$4.1 million of related interest previously accrued)	(21.0)	(35.1%)	(3.2)	(4.2%)	(17.8)
Flow-through repairs deductions	(9.3)	(15.6%)	(14.2)	(18.6%)	4.9
Production tax credits	(3.7)	(6.2%)	(4.7)	(6.2%)	1.0
Amortization of excess deferred income taxes	(2.1)	(3.5%)	(0.8)	(1.0%)	(1.3)
Prior year permanent return to accrual adjustments	(0.4)	(0.7%)	(0.4)	(0.5%)	-
Plant and depreciation of flow-through items	3.4	5.7%	5.4	7.0%	(2.0)
Unregulated Tax Cuts and Jobs Act excess deferred income taxes	-	-	(3.4)	(4.4%)	3.4
Other, net	-	-	(0.5)	(0.7%)	0.5
Sub-total	(33.4)	(55.9%)	(22.6)	(29.6%)	(10.8)
Income Tax Benefit	\$ (20.8)		\$ (6.5)		\$ (14.3)

Segment Results (Q4)

(in thousands)

Three Months Ended December 31, 2024	Electric	Gas	Total
Operating revenues	\$ 290,903	\$ 82,563	\$ 373,466
Fuel, purchased supply, & direct transmission*	72,589	22,138	94,727
Utility margin¹	218,314	60,425	278,739
Operating, general, & administrative	67,783	23,299	91,082
Property & other taxes	29,913	8,921	38,834
Depreciation & depletion	47,597	9,408	57,005
Operating income	73,021	18,797	91,818
Interest expense, net	(27,107)	(6,807)	(33,914)
Other income, net	2,533	805	3,338
Income tax (expense) benefit	(2,083)	1,098	(985)
Segment net income	\$ 46,364	\$ 13,893	\$ 60,257
<i>Reconciliation to consolidated net income</i>			
Other, net ²			20,295
Consolidated net income			\$ 80,552

Three Months Ended December 31, 2023	Electric	Gas	Total
Operating revenues	\$ 264,229	\$ 91,780	\$ 356,009
Fuel, purchased supply, & direct transmission*	64,263	33,986	98,249
Utility margin¹	199,966	57,794	257,760
Operating, general, & administrative	58,493	20,647	79,140
Property & other taxes	17,276	4,747	22,023
Depreciation & depletion	43,624	9,063	52,687
Operating income	80,573	23,337	103,910
Interest expense, net	(22,505)	(3,552)	(26,057)
Other income, net	1,880	(543)	1,337
Income tax (expense) benefit	(830)	4,807	3,977
Segment net income	\$ 59,118	\$ 24,049	\$ 83,167
<i>Reconciliation to consolidated net income</i>			
Other, net ²			(25)
Consolidated net income			\$ 83,142

*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.

(2) Consists of unallocated corporate costs and some limited unregulated activity within the energy industry.

Electric Segment (Q4)

Three Months Ended December 31,

	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 94,662	\$ 102,227	\$ (7,565)	(7.4) %	690	692	330,741	324,565
South Dakota	16,248	14,480	1,768	12.2 %	122	122	51,685	51,372
Residential	110,910	116,707	(5,797)	(5.0) %	812	814	382,426	375,937
Montana	98,164	106,725	(8,561)	(8.0) %	787	803	76,375	74,872
South Dakota	27,631	25,458	2,173	8.5 %	259	267	13,127	12,977
Commercial	125,795	132,183	(6,388)	(4.8) %	1,046	1,070	89,502	87,848
Industrial	11,834	11,972	(138)	(1.2) %	734	699	80	79
Other	5,374	5,527	(153)	(2.8) %	15	15	6,523	6,320
Total Retail Electric	253,913	266,389	(12,476)	(4.7) %	2,607	2,598	478,531	470,185
Regulatory amortization	6,271	(25,523)	31,794	(124.6) %				
Transmission	26,479	21,344	5,135	24.1 %				
Wholesale and other	4,240	2,019	2,221	110.0 %				
Total Revenues	290,903	264,229	26,674	10.1 %				
Total fuel, purchased supply & direct transmission expense*	72,589	64,263	8,326	13.0 %				
Utility Margin ¹	218,314	199,966	18,348	9.2 %				

* Direct transmission expense is exclusive of depreciation and depletion

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

Natural Gas Segment (Q4)

Three Months Ended December 31,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 34,282	\$ 42,023	\$ (7,741)	(18.4) %	4,529	4,802	186,328	184,482
South Dakota	5,640	6,341	(701)	(11.1) %	596	622	42,875	42,329
Nebraska	5,099	5,318	(219)	(4.1) %	482	528	38,060	37,916
Residential	45,021	53,682	(8,661)	(16.1) %	5,607	5,952	267,263	264,727
Montana	17,909	21,328	(3,419)	(16.0) %	2,475	2,580	26,318	25,865
South Dakota	3,786	4,580	(794)	(17.3) %	652	784	7,473	7,276
Nebraska	2,450	2,995	(545)	(18.2) %	336	388	5,091	5,040
Commercial	24,145	28,903	(4,758)	(16.5) %	3,463	3,752	38,882	38,181
Industrial	338	397	(59)	(14.9) %	49	50	238	232
Other	316	399	(83)	(20.8) %	51	54	201	193
Total Retail Electric	\$ 69,820	\$ 83,381	\$ (13,561)	(16.3) %	9,170	9,808	306,583	303,334
Regulatory amortization	331	(3,700)	4,031	(108.9) %				
Wholesale and other	12,412	12,099	313	2.6 %				
Total Revenues	\$ 82,563	\$ 91,780	\$ (9,217)	(10.0) %				
Total fuel, purchased supply & direct transmission expense*	\$ 22,138	\$ 33,986	\$ (11,848)	(34.9) %				
Utility Margin ¹	\$ 60,425	\$ 57,794	\$ 2,631	4.6 %				

* Direct transmission expense is exclusive of depreciation and depletion

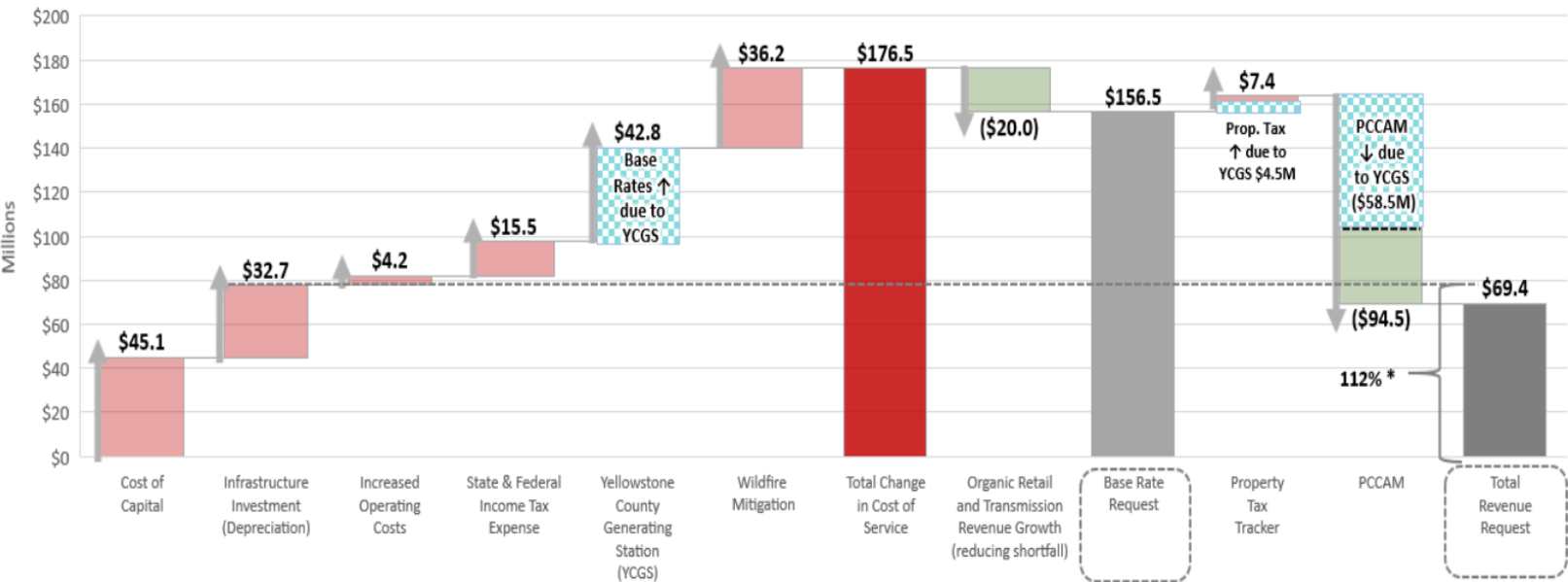
(1) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.



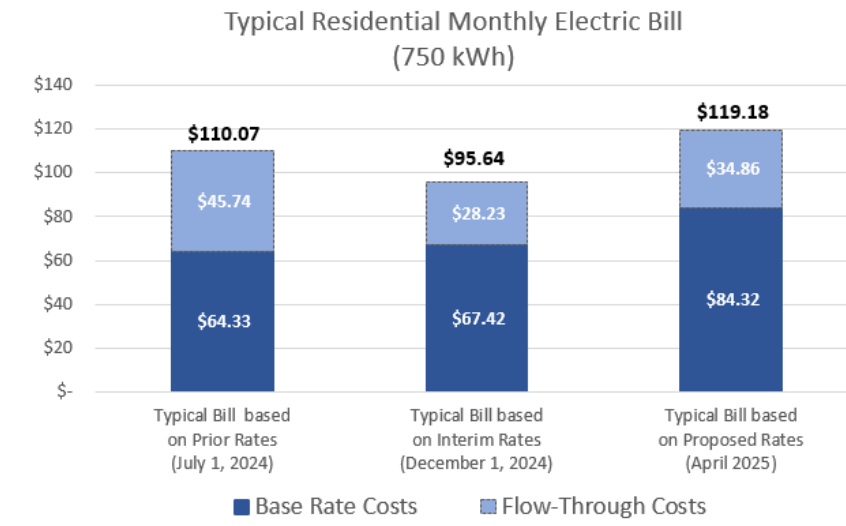
Rate Review Appendix

Montana Electric Rate Review

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

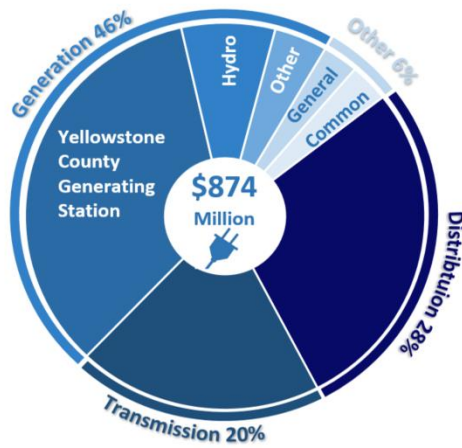


Typical 750 kWh Residential Electric Bill

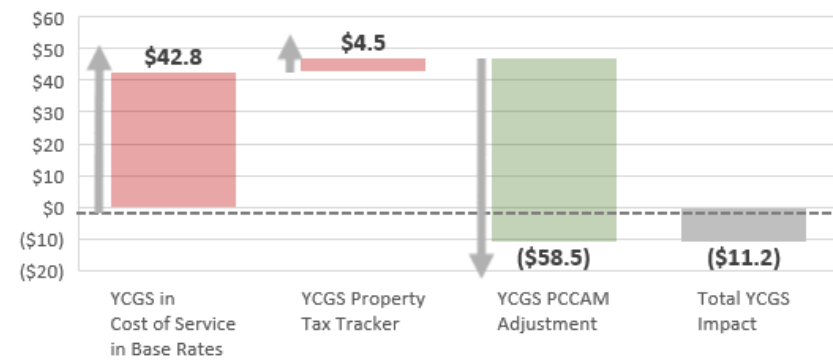


	Base Rates	Flow-Through Costs	Typical Res. Monthly Bill
Prior Rates	\$64.33	\$45.74	\$110.07
Interim Rates	\$67.42	\$28.23	\$95.64
\$ Change	\$3.08	(\$17.51)	(\$14.43)
% Change	+4.8%	(38.3%)	(13.1%)

Plant in Service Additions



YCGS Net Customer Impact

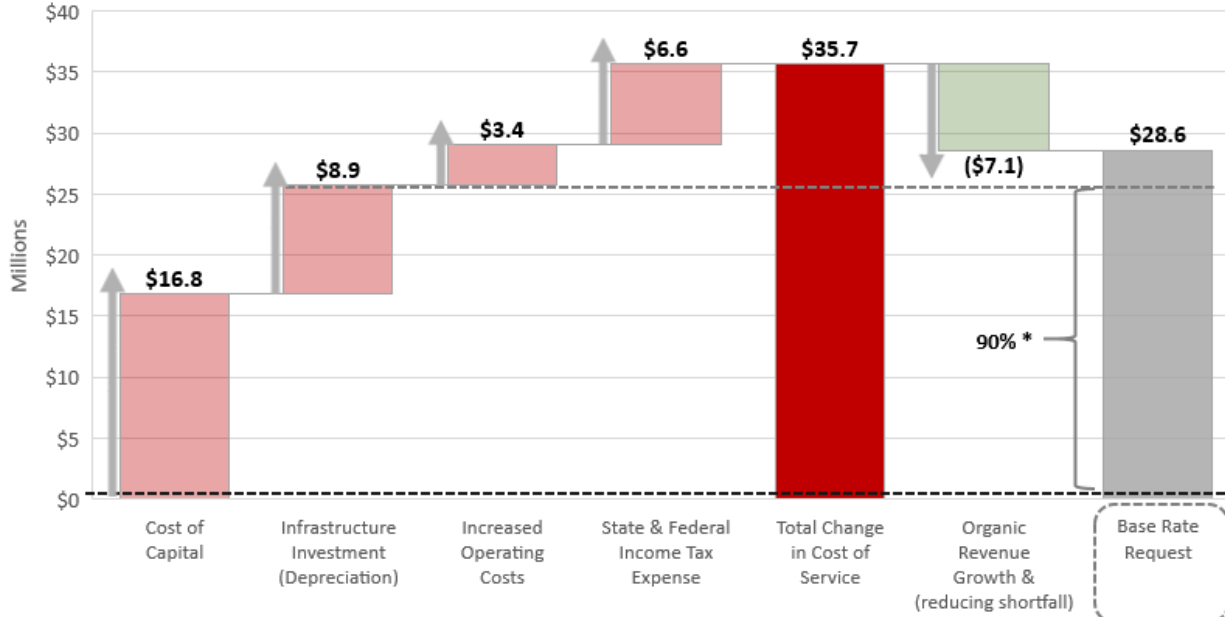


Montana Electric:

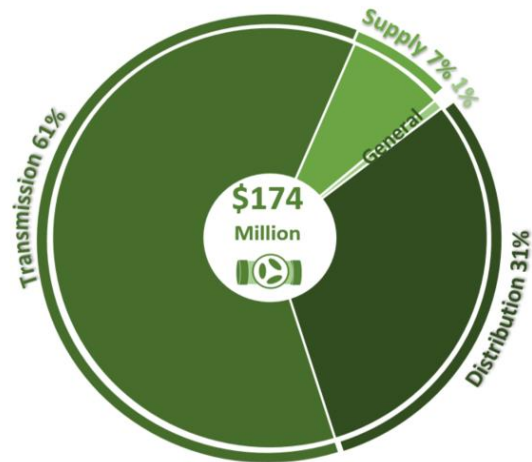
- \$69.4M Net Request
- \$874M Plant-in-Service additions ('23-'24F)
- Operating Costs 1.1% CAGR ('21-'23)
- Typical Residential Bill: 8.3% at full request

Montana Gas Rate Review

\$28.6 Million Base Rate Increase Requested

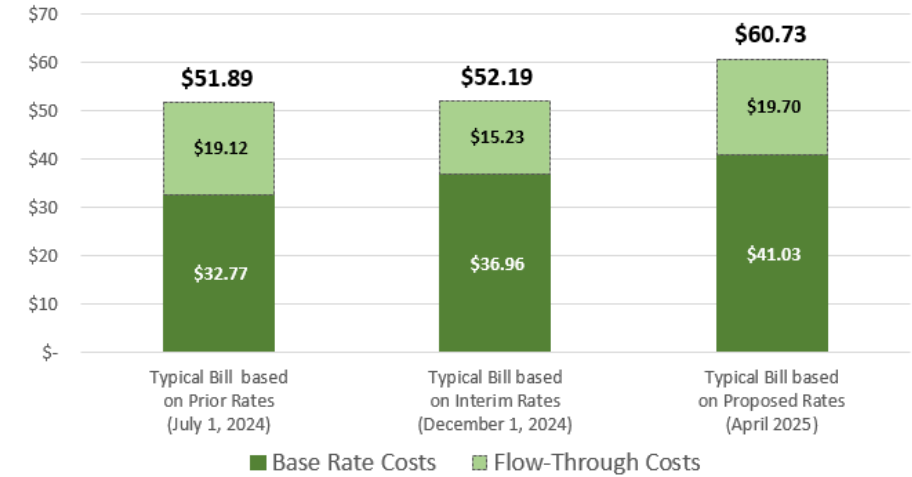


Plant in Service Additions



Typical 65 Therm Residential Natural Gas Bill

Typical Residential Monthly Natural Gas Bill (65 therms)

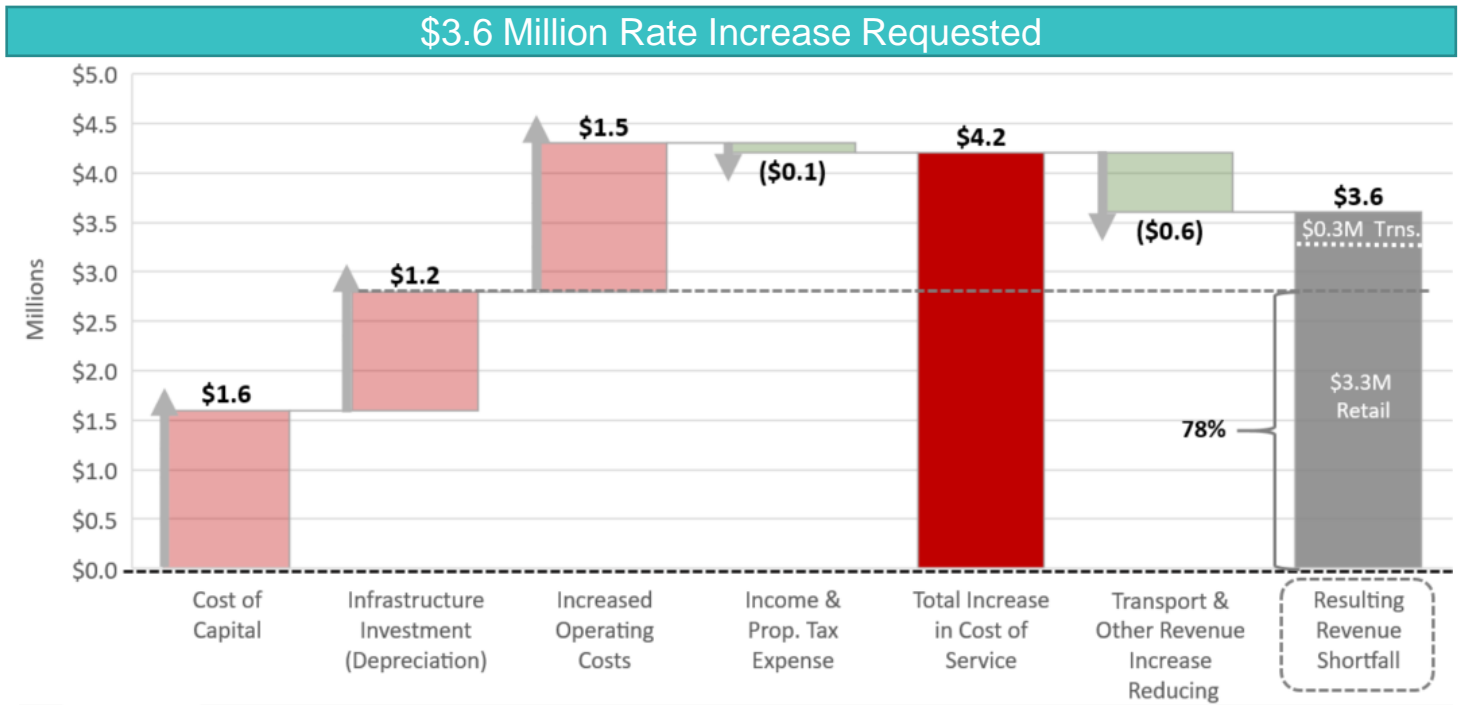


	Base Rates	Flow-Through Costs	Typical Res. Monthly Bill
Prior Rates	\$32.77	\$19.12	\$51.89
Interim Rates	\$36.96	\$15.23	\$52.19
\$ Change	\$4.19	(\$3.89)	\$0.30
% Change	+12.8%	(20.3%)	+0.6%

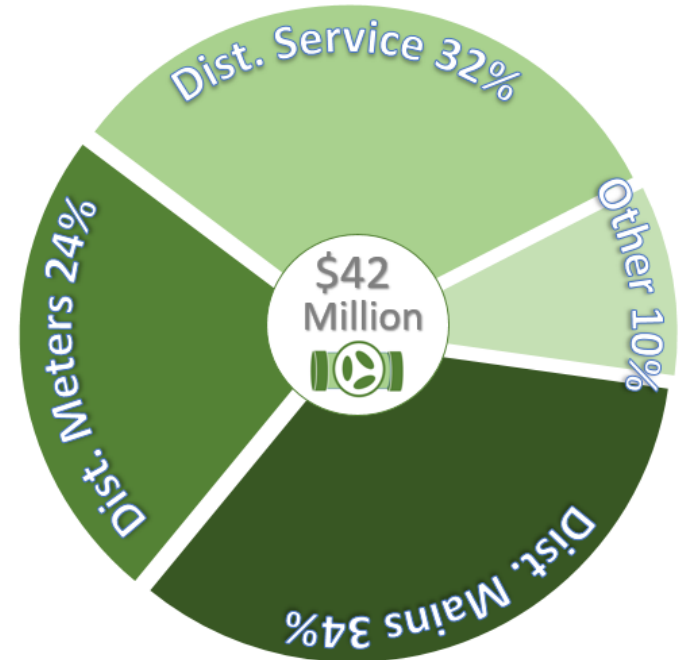
Montana Natural Gas:

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

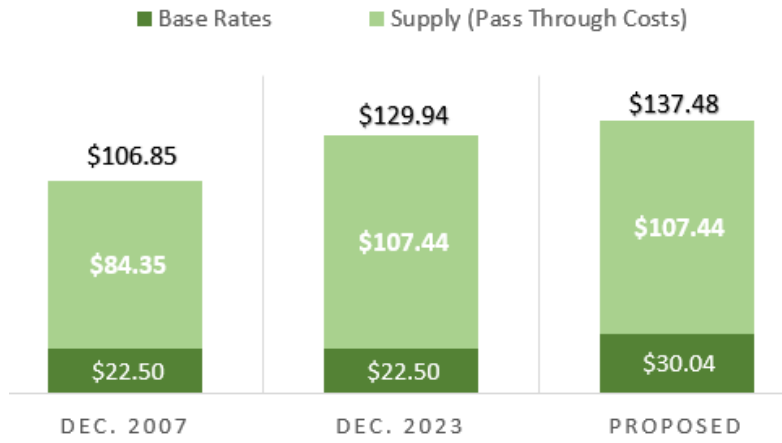
Nebraska Natural Gas Rate Review



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



Typical 100 Therm Residential Natural Gas Bill



Nebraska Natural Gas:

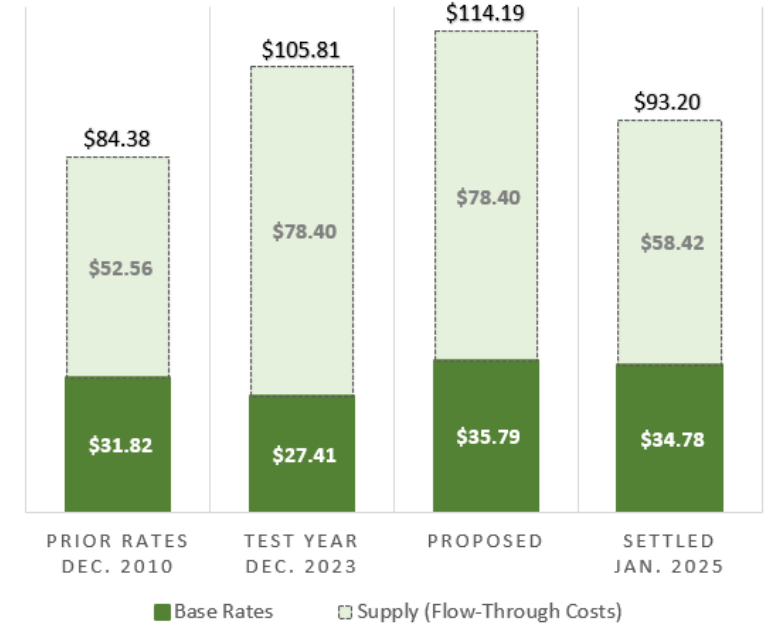
- \$3.6M Total Request
- \$42M Plant-in-Service additions ('07-'23)
- Operating Costs 1.3% CAGR ('07-'23)
- Typical Residential Bill: 5.8% at full request
- Interim rates of \$2.3M implemented Oct. 1st, 2024.

South Dakota Natural Gas Rate Review

Unanimous approval from the South Dakota Public Utilities Commission of a constructive settlement with the PUC staff.

- First natural gas rate review since 2010 with base rates driven by more than \$80 million invested in South Dakota critical infrastructure.
- Received nearly 77% of our ask (\$4.6M vs request of \$6.0M) in base rates with a 6.91% authorized rate of return vs 7.75% requested.
- Base rate increase well below the rate of inflation since 2010.
- Rates went into effect December 19th, 2024.

NORTHWESTERN ENERGY
SOUTH DAKOTA TYPICAL NATURAL GAS BILL
(100 THERMS MONTHLY BILL)



Category	Prior Rates	Requested Rates	Settled Rates
<i>Test Year (Trailing Twelve Months)</i>	December 2010	December 2023	December 2024
<i>Return on Equity</i>	Black Box	10.70%	Black Box
<i>Equity Ratio</i>		53.13%	
<i>Cost of Debt</i>		4.42%	
<i>Rate of Return</i>	7.80%	7.75%	6.91%
<i>Authorized Rate Base</i>	\$65.9 M	\$95.6 M	\$96.2 M
<i>Revenue Increase</i>		\$6.0 M	\$4.6 M

Non-GAAP Financial Measures

Pre-Tax Adjustments (\$ Millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reported GAAP Pre-Tax Income	\$ 181.2	\$ 156.5	\$ 176.1	\$ 178.3	\$ 182.2	\$ 144.2	\$ 190.2	\$ 182.4	\$ 201.6	\$ 214.7
Non-GAAP Adjustments to Pre-Tax Income:										
Weather	13.2	15.2	(3.4)	(1.3)	(7.3)	9.8	1.1	(8.9)	4.3	10.6
Lost revenue recovery related to prior periods	-	(14.2)	-	-	-	-	-	-	-	-
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	-	(2.3)
Impairment of Alternative Energy Storage Investment	-	-	-	-	-	-	-	-	-	4.2
Adjusted Non-GAAP Pre-Tax Income	\$ 179.7	\$ 169.7	\$ 172.7	\$ 168.9	\$ 174.9	\$ 163.9	\$ 184.4	\$ 176.0	\$ 205.9	\$ 227.2

Tax Adjustments to Non-GAAP Items (\$ Millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
GAAP Net Income	\$ 151.2	\$ 164.2	\$ 162.7	\$ 197.0	\$ 202.1	\$ 155.2	\$ 186.8	\$ 183.0	\$ 194.1	\$ 224.1
Non-GAAP Adjustments Taxed at 38.5% (12'-17') and 25.3% (18'-current):										
Weather	8.1	9.3	(2.1)	(1.0)	(5.5)	7.3	0.8	(6.6)	3.2	7.9
Lost revenue recovery related to prior periods	-	(8.7)	-	-	-	-	-	-	-	-
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	-	(12.5)	-	(12.8)	(22.8)	-	-	-	-	-
Community Renewable Energy Project Penalty	-	-	-	-	-	-	-	2.5	-	(2.3)
Previously claimed AMT credit	-	-	-	-	-	-	-	-	3.2	-
Release of Unrecognized Tax Benefit	-	-	-	-	-	-	-	-	(3.2)	(16.9)
Impairment of Alternative Energy Storage Investment	-	-	-	-	-	-	-	-	-	3.1
Natural Gas Safe Harbor Method Change	-	-	-	-	-	-	-	-	-	(7.0)
Non-GAAP Net Income	\$ 150.3	\$ 159.8	\$ 160.6	\$ 170.1	\$ 173.8	\$ 169.9	\$ 182.4	\$ 178.9	\$ 197.3	\$ 208.9

Non-GAAP Diluted Earnings per Share	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>Diluted Average Shares (Millions)</i>	<i>47.6</i>	<i>48.5</i>	<i>48.7</i>	<i>50.2</i>	<i>50.8</i>	<i>50.7</i>	<i>51.9</i>	<i>56.3</i>	<i>60.4</i>	<i>61.4</i>
Reported GAAP Diluted Earnings per Share	\$ 3.17	\$ 3.39	\$ 3.34	\$ 3.92	\$ 3.98	\$ 3.06	\$ 3.60	\$ 3.25	\$ 3.22	\$ 3.65
Non-GAAP Adjustments:										
Weather	0.17	0.19	(0.04)	(0.02)	(0.11)	0.14	0.01	(0.11)	0.05	0.13
Lost revenue recovery related to prior periods	-	(0.18)	-	-	-	-	-	-	-	-
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	-	(0.26)	-	(0.25)	(0.45)	-	-	-	-	-
Community Renewable Energy Project Penalty	-	-	-	-	-	-	-	0.04	-	(0.04)
Previously claimed AMT credit	-	-	-	-	-	-	-	-	0.05	-
Release of Unrecognized Tax Benefit	-	-	-	-	-	-	-	-	(0.05)	(0.28)
Impairment of Alternative Energy Storage Investment	-	-	-	-	-	-	-	-	-	0.05
Natural Gas Safe Harbor Method Change	-	-	-	-	-	-	-	-	-	(0.11)
Non-GAAP Diluted Earnings per Share	\$ 3.15	\$ 3.30	\$ 3.30	\$ 3.39	\$ 3.42	\$ 3.35	\$ 3.51	\$ 3.18	\$ 3.27	\$ 3.40



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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