



NorthWestern[®] Energy

Investor Update

September 2024

NorthWestern Energy

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

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

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Forward Looking Statements

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

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



Overview

NWE – An Investment for the Long Term

Pure Electric & Gas Utility

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

Solid Utility Foundation

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

Earnings & Cash Flow

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

Attractive Future Growth Prospects

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

Financial Goals & Metrics

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

Best Practices Corporate Governance

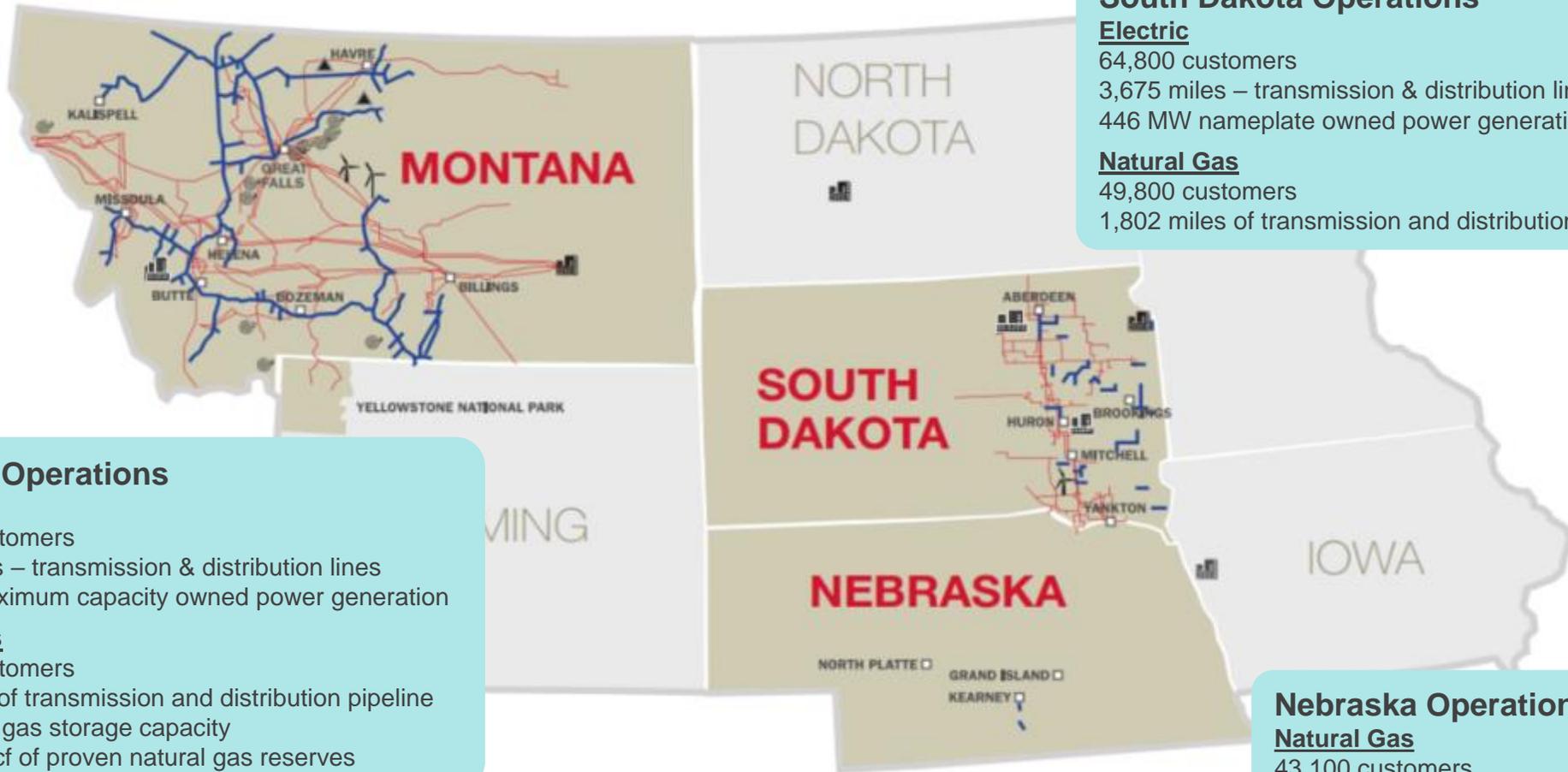


5th Best Governance Score



Recognized as one of America's Greatest Workplaces

About NorthWestern



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

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

Nebraska Operations
Natural Gas
 43,100 customers
 826 miles of distribution pipeline

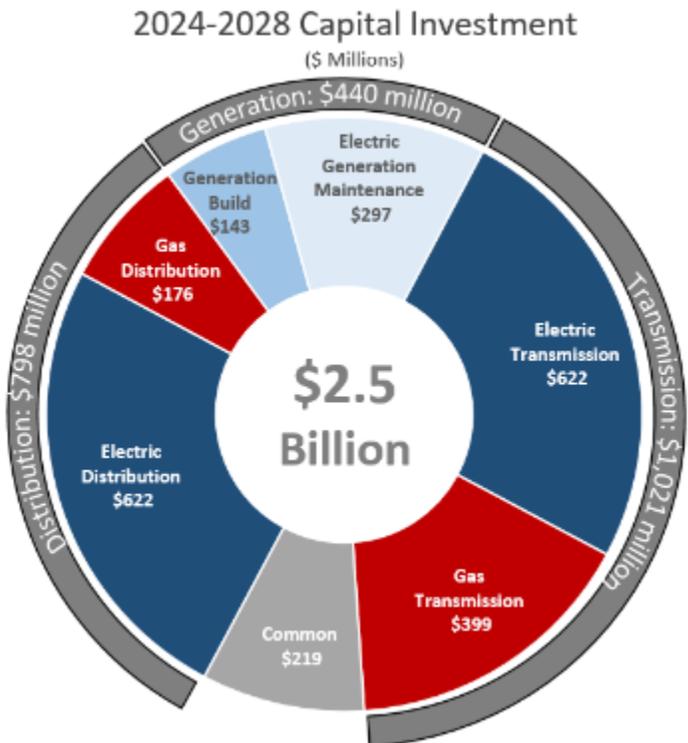
- Electric
- Natural Gas
- Wind Farm
- Hydro Facilities
- Thermal Generating Plants
- Natural Gas Reserves
- Peaking Plants

The NorthWestern Value Proposition

~5% Dividend Yield

Base Capital Plan:
4%-6% EPS 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**

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

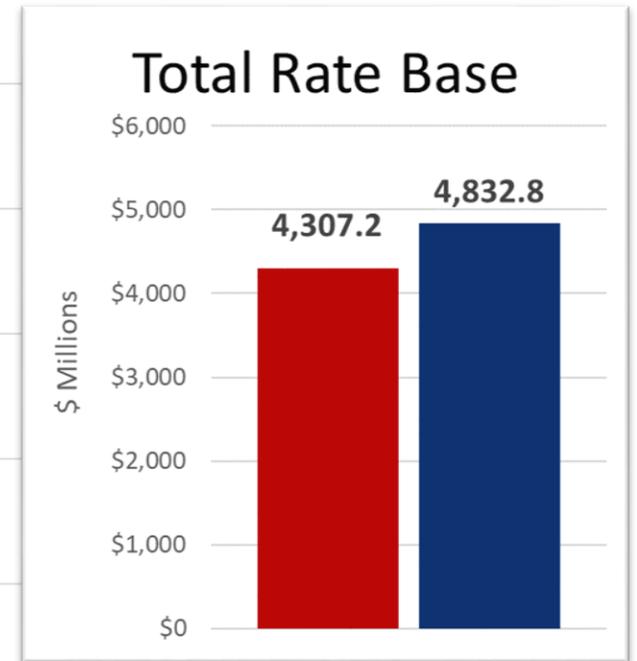
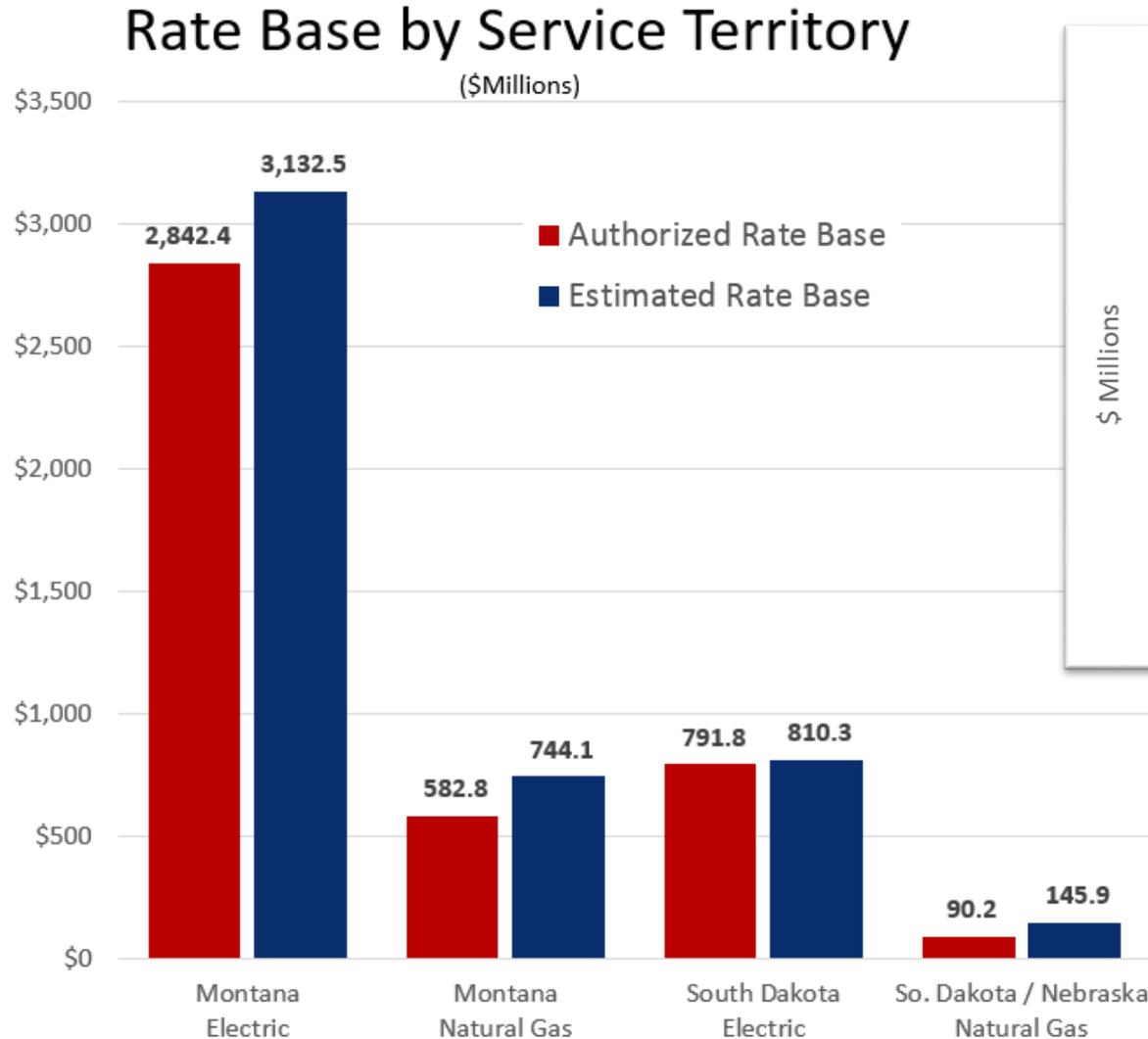
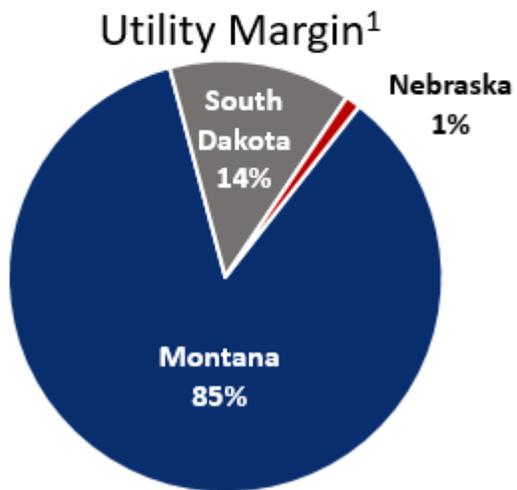
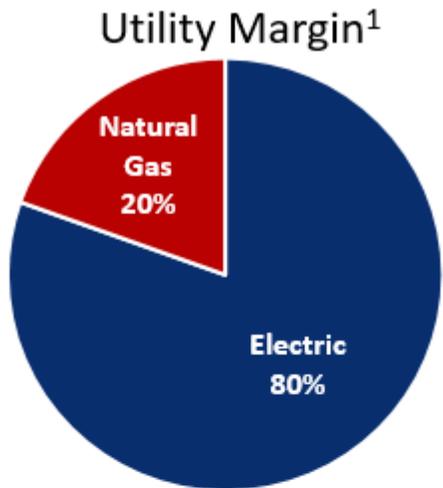
This investment is expected to drive annualized earnings and rate base growth of approximately 4% - 6%.

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

9%-11% Total Growth

11%+ Total Growth

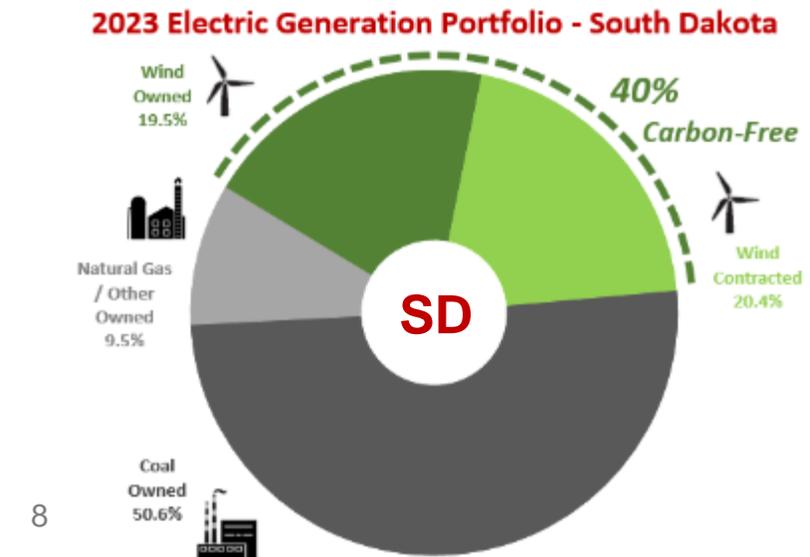
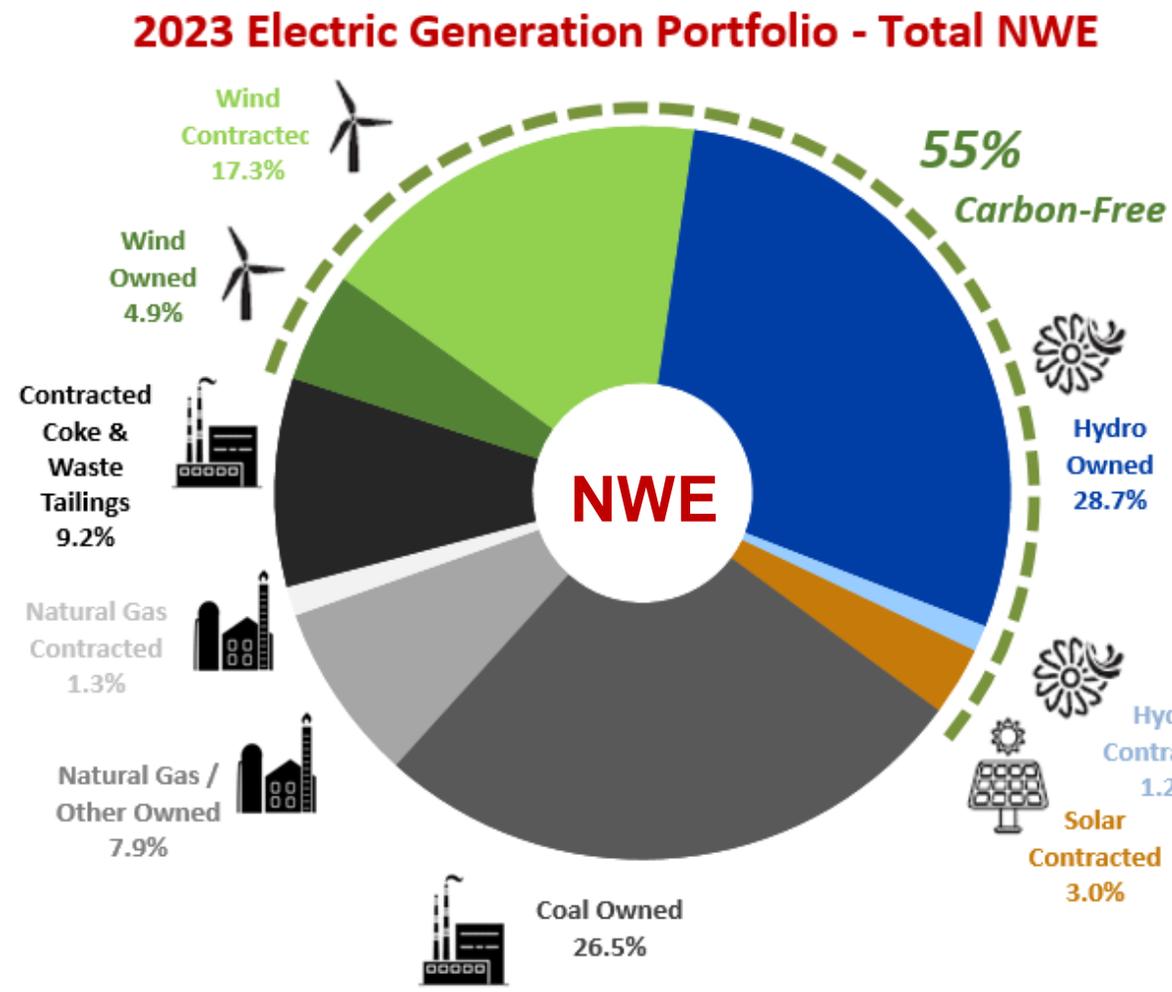
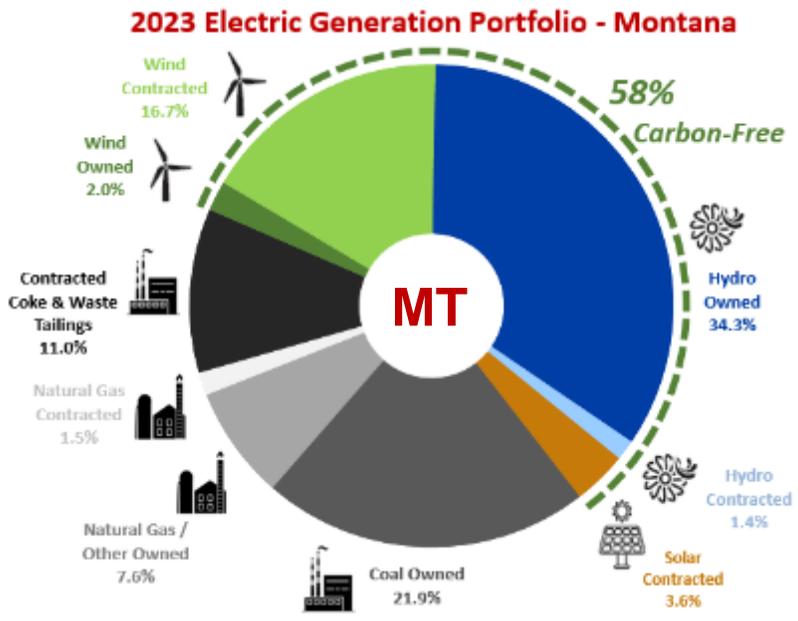
A Diversified Electric and Gas Utility



* Reflects settled filings in Montana and South Dakota.

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

Highly Carbon-Free Supply Portfolio



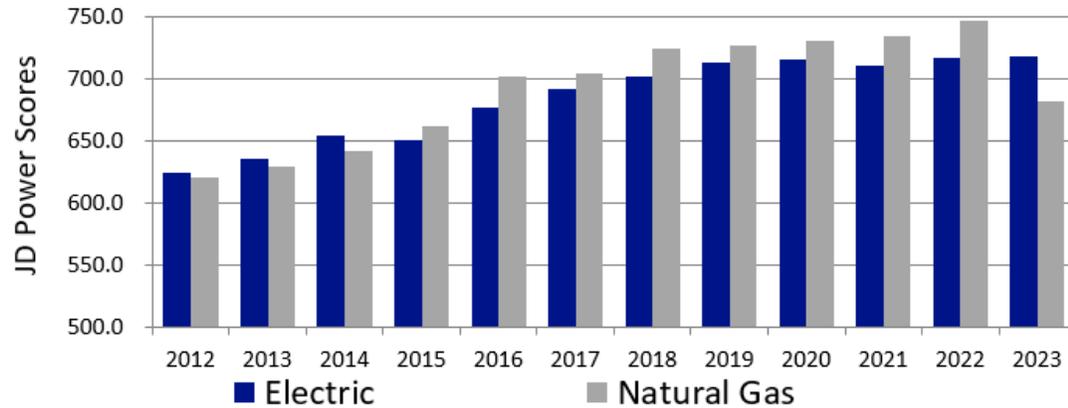
Contracted coke and waste tailings as well as a majority of the contracted wind, hydro and solar are federally mandated Qualifying Facilities, as defined under the Public Utility Regulatory Policies Act of 1978 (PURPA).

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

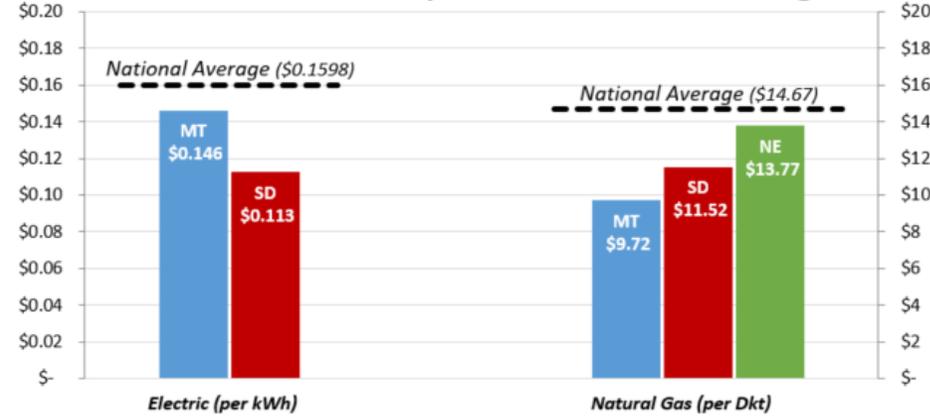
Based upon 2023 MWH's of owned and long-term contracted resources. Approximately 55% of our total company owned and contracted supply is carbon-free – better than the national average of ~40% in 2022. (eia.gov table 7.2b)

Strong Utility Foundation

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



Residential Rate Comparison vs National Average

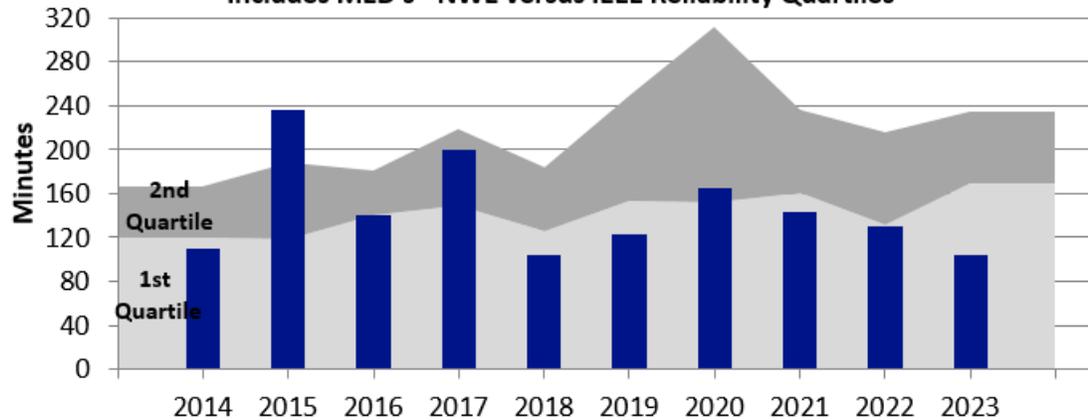


1) NWE rates are average for 2023: total residential revenues divided by total residential loads delivered

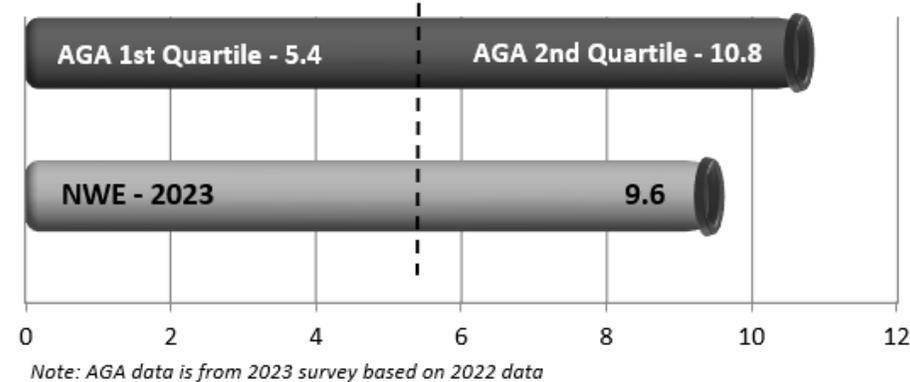
Electric source: U.S. EIA - Average Retail Price of Electricity, Monthly for 2023

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

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



Leaks per 100 Miles of Pipe
Excluding Excavation Damages - 2023

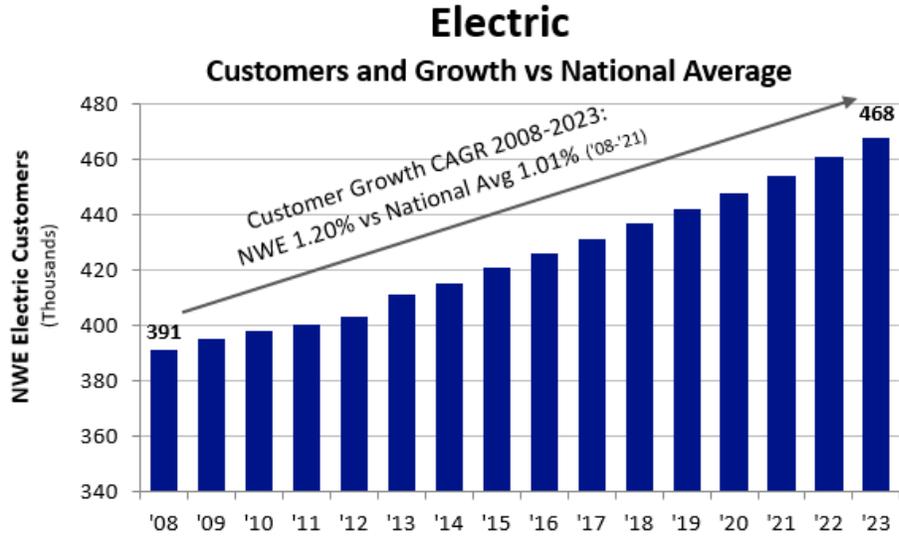


Note: AGA data is from 2023 survey based on 2022 data

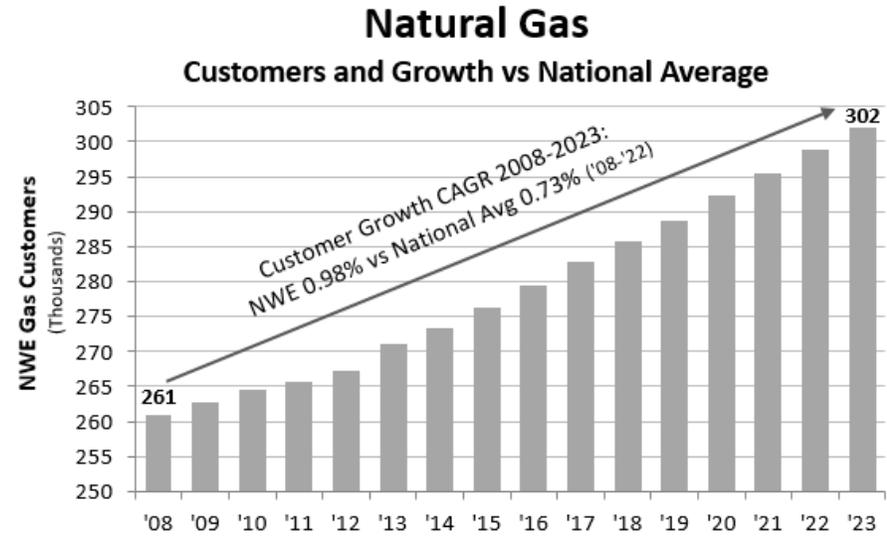
- Solid and generally improving JD Power Overall Customer Satisfaction Scores
- Solid electric system reliability

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

Solid Economic Indicators

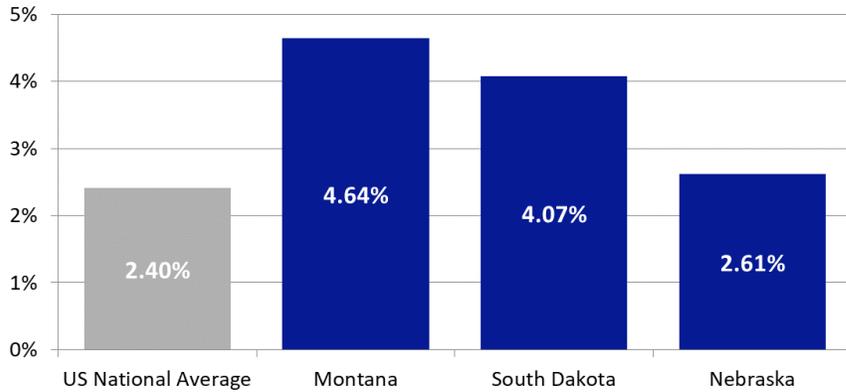


Source: Company 10K's, 2021/2022 EEI Statistical Yearbook – Table 7.2, and EIA.gov



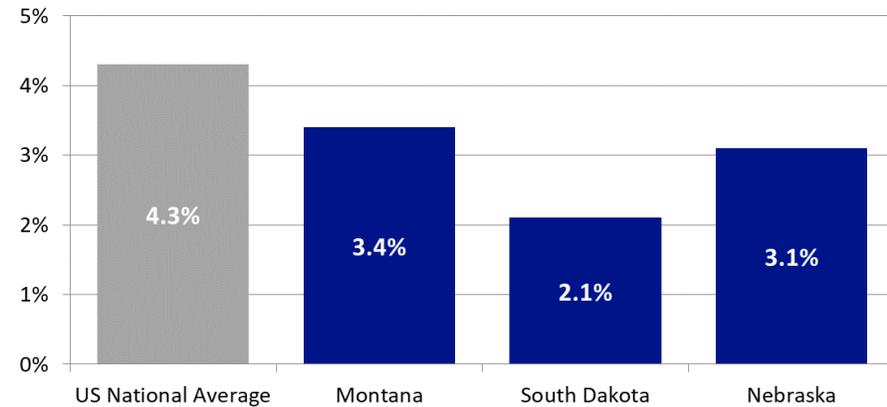
Source: Company 10K's and EIA.gov

Projected Population Growth 2024 - 2029 (cumulative growth)



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

Unemployment Rate - June 2024



Source: U.S. Department of Labor via S&P Global Market Intelligence 8/12/2024

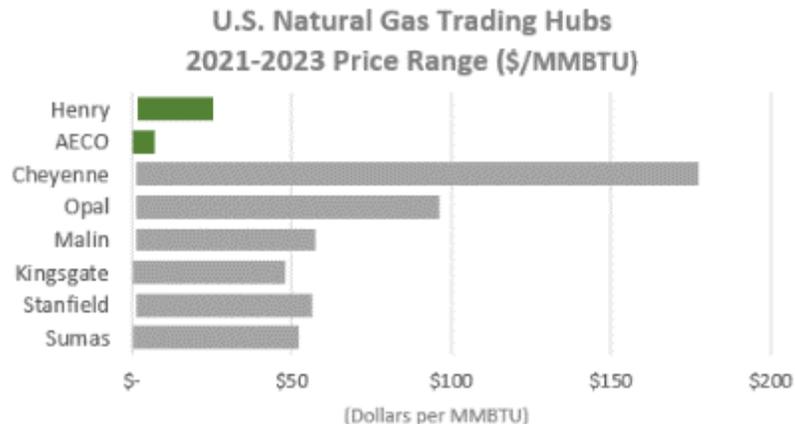
- Customer growth rates historically exceed National Averages.
- Projected population growth in our service territories better than the National Average.
- Unemployment rates better than National Average

NorthWestern's Combo-Advantage

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

Natural Gas

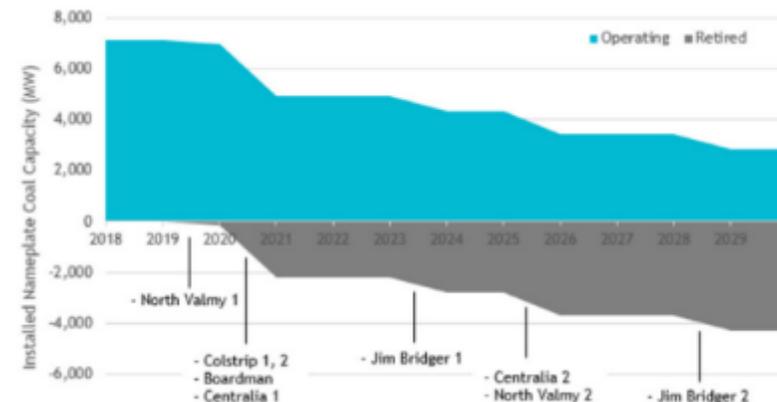
- Investment in production*, transmission, & distribution
- Extreme winters necessitate economical gas heating
- Energy Choice (*Ban the Ban*) laws in MT, SD, & NE
- Access to low & less volatile natural gas pricing
 - AECO & Henry Hub (Ventura)



*Proven and producing reserves only (no exploration)

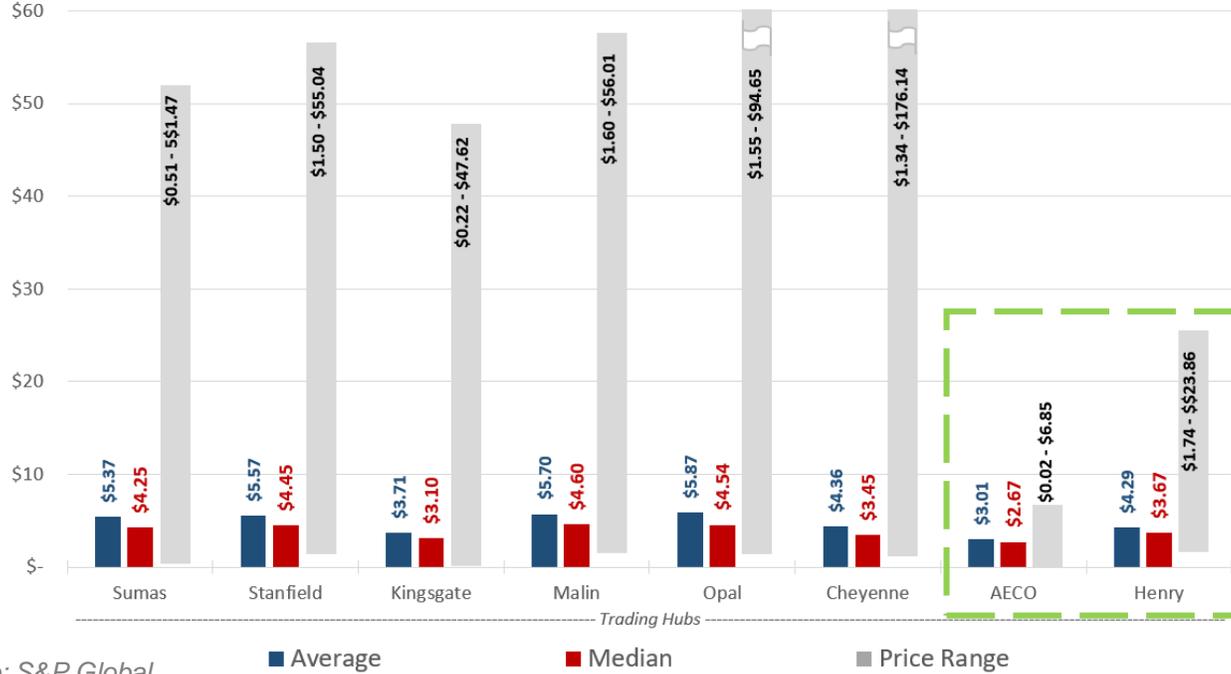
Electric

- 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

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



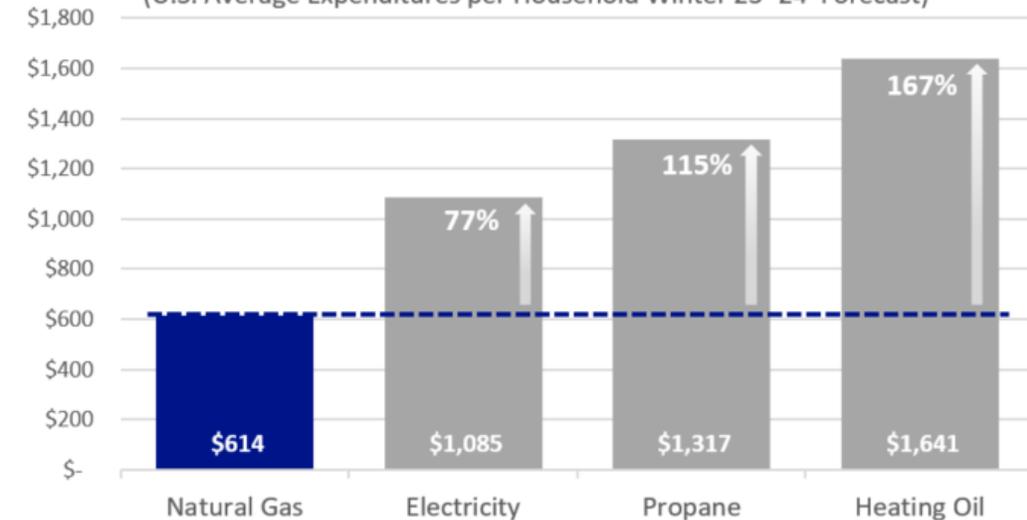
Source: S&P Global

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.

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

Household Heating Affordability

(U.S. Average Expenditures per Household Winter 23'-24' Forecast)



Percentages show amount above natural gas.
Source: U.S. EIA Short-Term Energy Outlook - March 2024

Corporate Sustainability

Environmental



Social



Governance



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

Best Practices Governance

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

Recent Governance Recognition



America's Most Responsible Companies
Recognized by **Newsweek** as one of the most responsible companies in 2023. One of only eleven EEI member utilities selected.



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



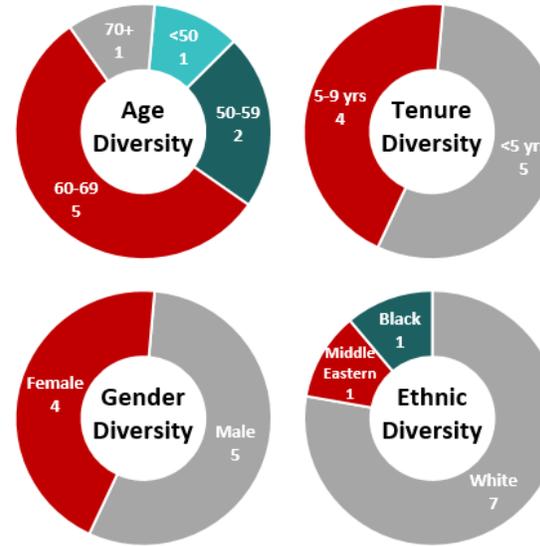
20 / 20 – Women on Boards
Recognized for gender diversity on its board of directors by 2022 Women on Boards. Currently four of the company's nine directors are female.



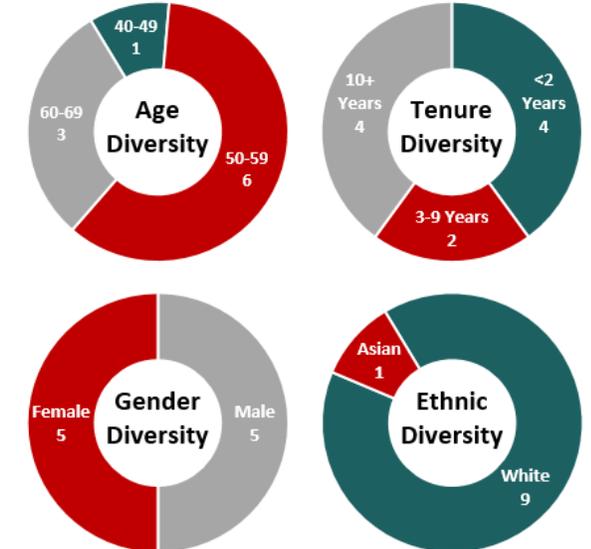
Edison Electric Institute Emergency Response Award recipient
Recognized for our restoration response for both the May 2022 derecho in South Dakota and the historic flooding in Montana & Yellowstone National Park in June 2022.

Diverse Leadership

Board of Directors



Executive Team



2023 CEO Pay Ratio to Average Employee Salary

NWE
23:1

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

12 Member Peer
Group Average in '23
47:1

CEO Pay to Peers¹

56%

1) Peer data based on 2023 pay



Financial & Regulatory Update

Strong Growth Outlook

2024 Non-GAAP EPS Guidance¹ 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
- ✓ **No equity expected** to fund the current 5-year | \$2.5 billion capital plan
 - Capital plan is expected to be funded by cash from operations (aided by net operating losses¹) and secured debt
 - Any equity needs would be driven by opportunities incremental to the plan
- ✓ **Expect to maintain FFO / Debt > 14% through 2024** and beyond
- ✓ Earnings growth is expected to exceed dividend growth until we return to our targeted 60% to 70% payout ratio.

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



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

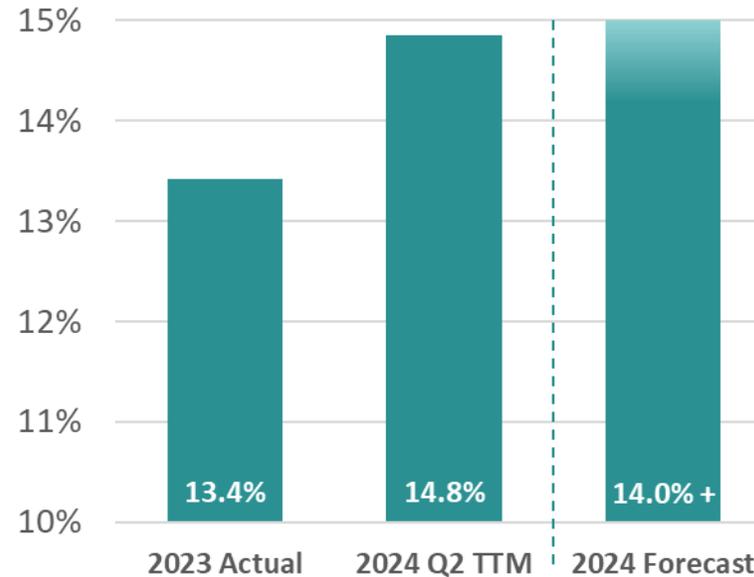
- Normal weather in our service territories;
- Interim rates in Montana in the fourth quarter;
- An effective income tax rate of approximately 12%-14%; and
- Diluted average shares outstanding of approximately 61.4 million.

Credit, Cash Flow, and Financing Plans

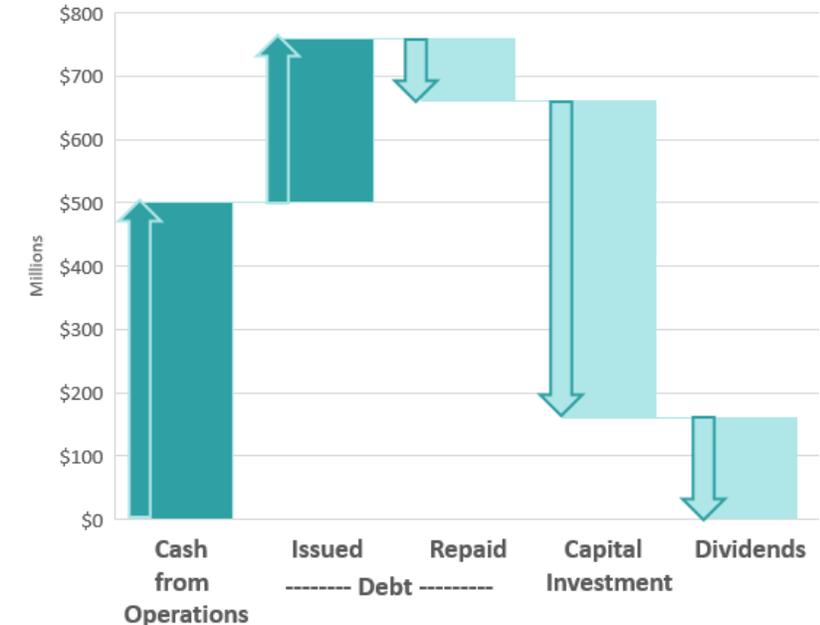
Credit Ratings

		<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



2024 Financing Plan



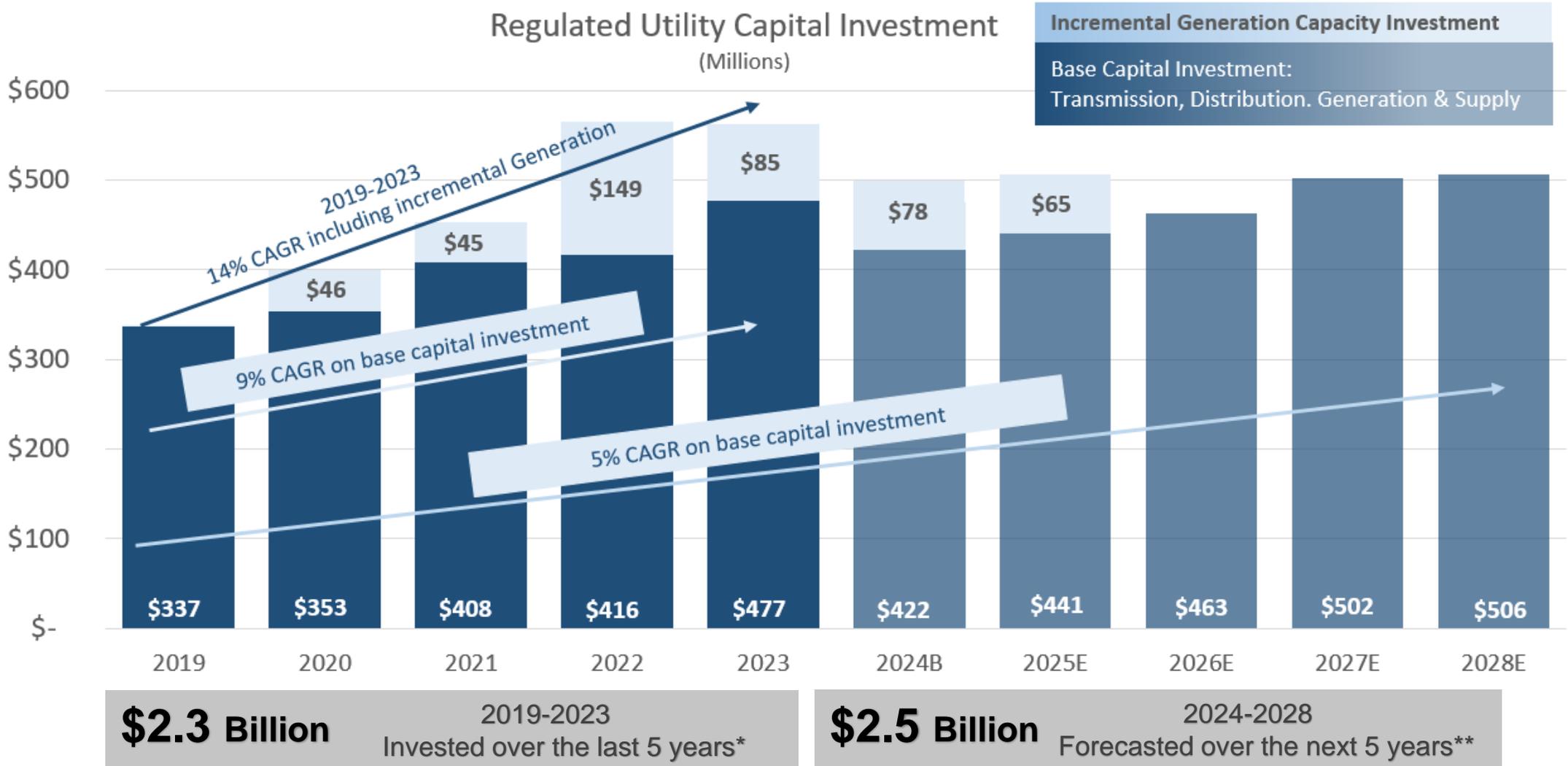
No equity expected to fund the current 5-year | \$2.5 billion capital plan

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

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

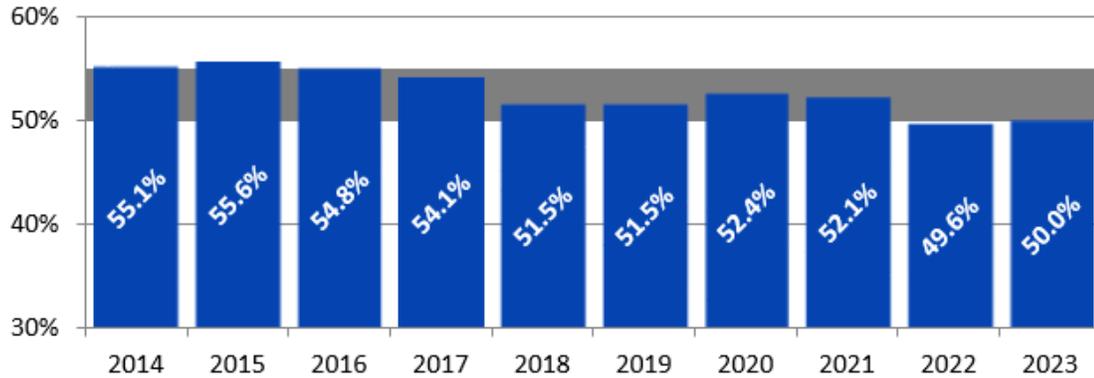
Financing plans are subject to change.

Track Record of Growing Capital Investment



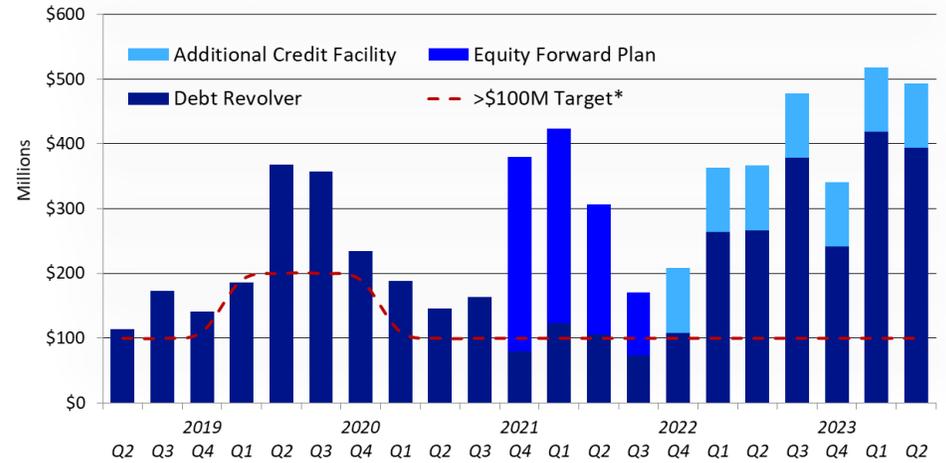
Solid Balance Sheet

Debt to Capital Ratio



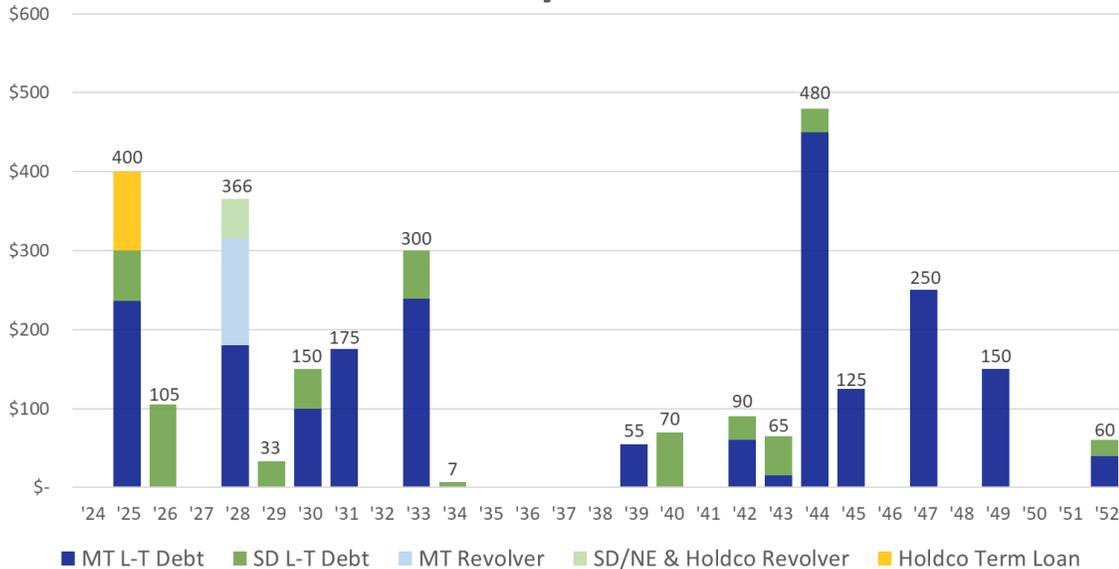
Target: 50% - 55% - Annual ratio based on average of each quarter's debt/cap ratio
Excludes Basin Creek capital lease and New Market Tax Credit Financing

Liquidity - Debt Revolver / Credit Facilities & Equity Forward Plan



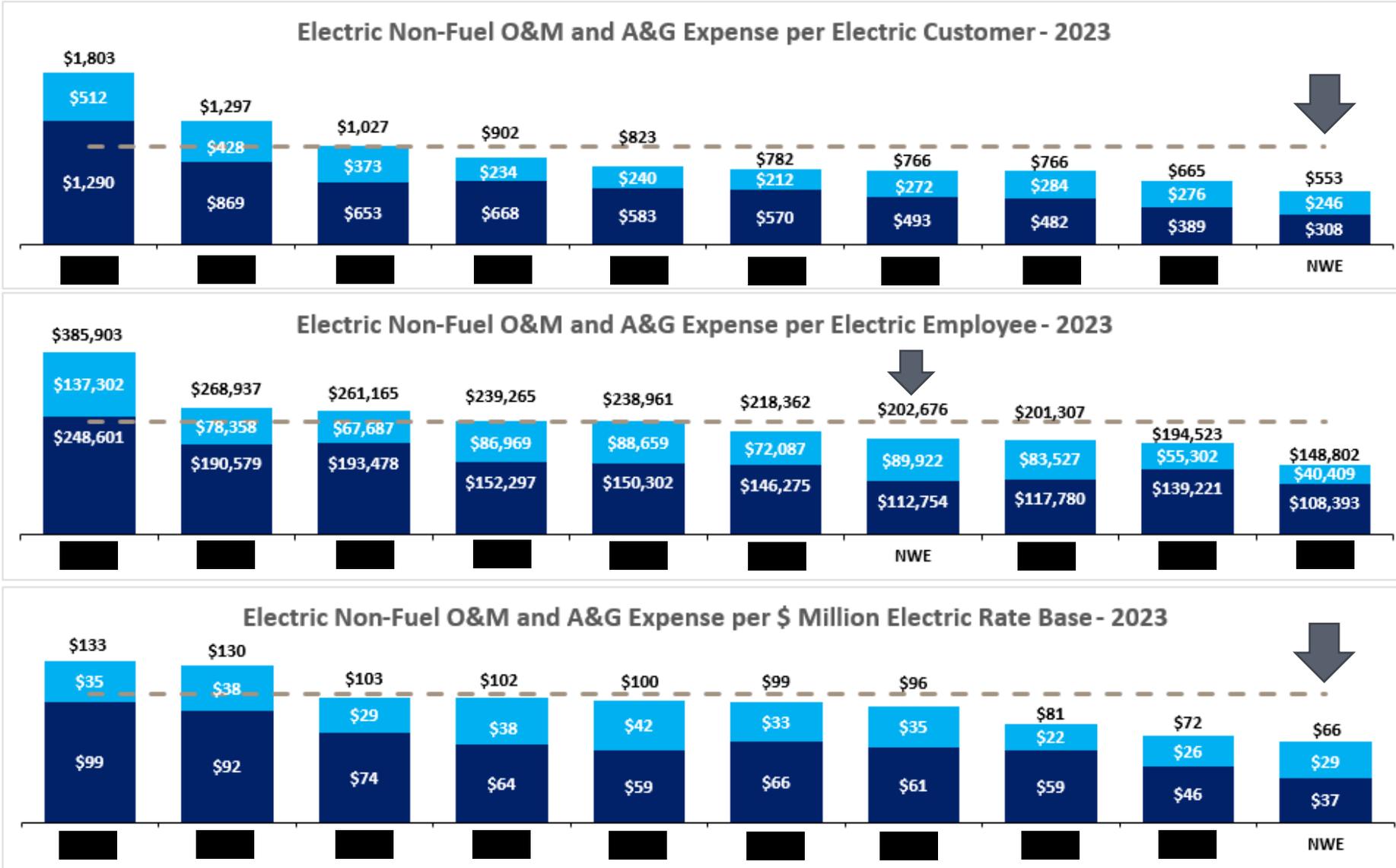
* Liquidity target was raised to \$200 million during the height of the Covid pandemic

Debt Maturity Profile (\$ Millions)



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

Disciplined Expense Program



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

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



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



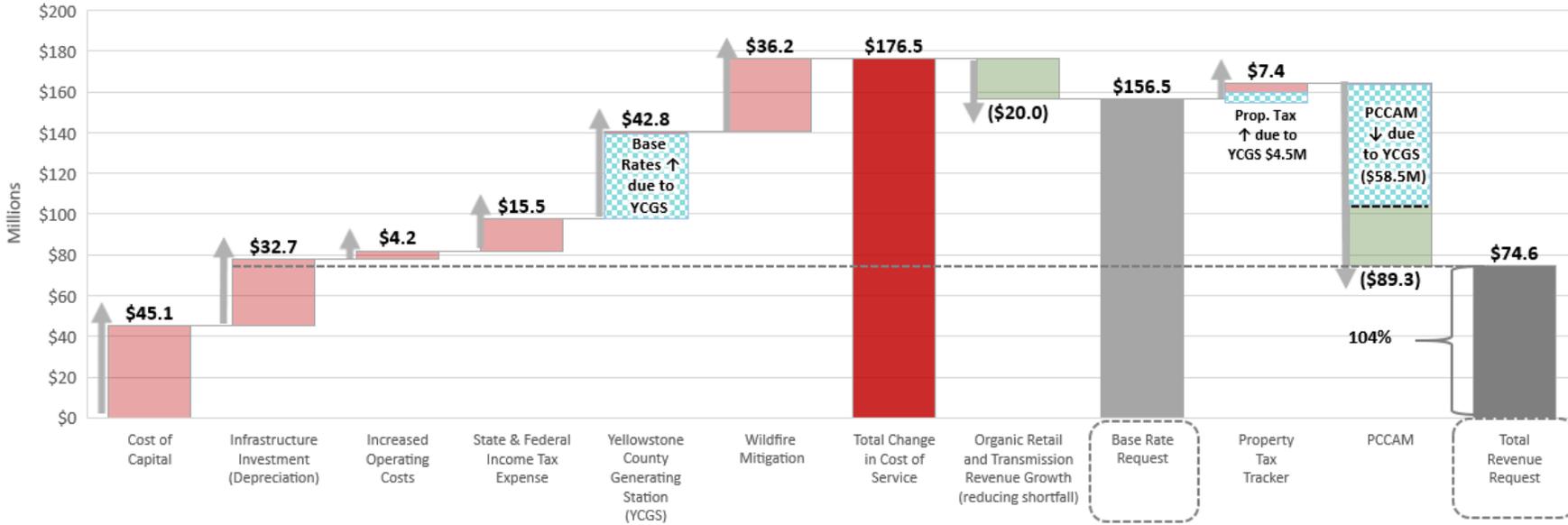
Rate Reviews

Rate Review Summary

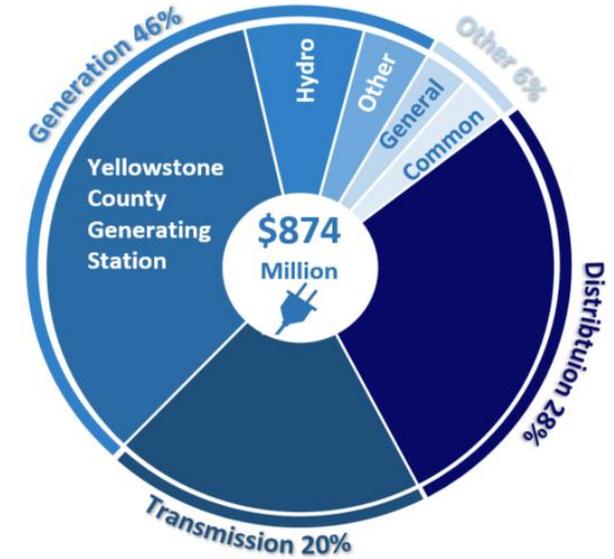
	MT Electric	MT Natural Gas	SD Natural Gas	NE Natural Gas
Date Filed	July 10, 2024	July 10, 2024	June 21, 2024	June 6, 2024
Test Year End	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables	2023 with 2024 Known & Measurables
Revenue Request	\$156.5 Million (\$74.6M net with Property Tax Tracker and PCCAM Adjustments)	\$28.6 Million	\$6.0 Million (\$4.4M Retail and \$1.6M Tx)	\$3.6 Million (\$3.3M Retail and \$0.3M Tx)
Equity Layer / ROE	Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.65%)	Requested: 46.81% / 10.80% (Authorized: 48.02% / 9.55%)	Requested: 53.13% / 10.70% (Authorized: N/A / N/A)	Requested: 53.13% / 10.70% (Authorized: N/A / 10.40%)
Debt Layer / Cost of Debt	Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%)	Requested: 53.19% / 4.57% (Authorized: 51.98% / 4.01%)	Requested: 46.87% / 4.42% (Authorized: N/A / N/A)	Requested: 46.87% / 4.42% (Authorized: N/A / 6.50%)
Authorized Rate Base	Requested: \$3.45 Billion (Authorized: \$2.84 Billion)	Requested: \$731.9 Million (Authorized: \$582.8 Million)	Requested: \$95.6 Million (Authorized: \$65.9 Million)	Requested: \$47.4 Million (Authorized: \$24.3 Million)
Other Items to Note	\$874M of Gross Plant Investment (Jan '23-Dec '24F)	\$174M of Gross Plant Investment (Jan '23-Dec '24F)	\$80M of Gross Plant Investment (Jan '10-Dec '23)	\$42M of Gross Plant Investment (Jan '07-Dec '23)
Key Dates	Requested Interim Rates Oct. 1, 2024 / New Rates May 23, 2025	Requested Interim Rates Oct. 1, 2024 / New Rates May 23, 2025	Interim rates 180 days from filing. Earliest rate increase would be Dec. 21, 2024	Requested interim rates Oct. 1, 2024

Montana Electric Rate Review

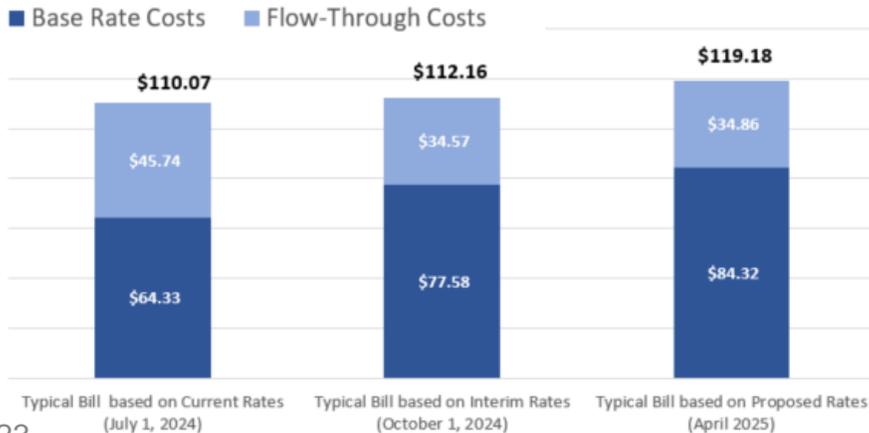
\$156.5 Million Base Rate Increase Requested & \$74.6 Million Total Request



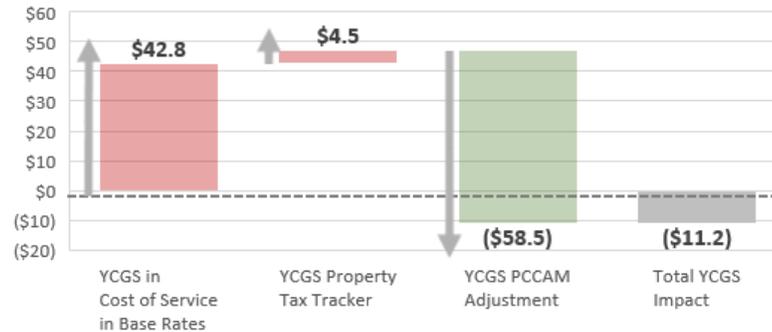
NWE Montana Electric Plant-In-Service Additions 2023 Actuals and 2024 Known and Measurable



Typical 750 kWh Residential Electric Bill



YCGS Net Customer Impact

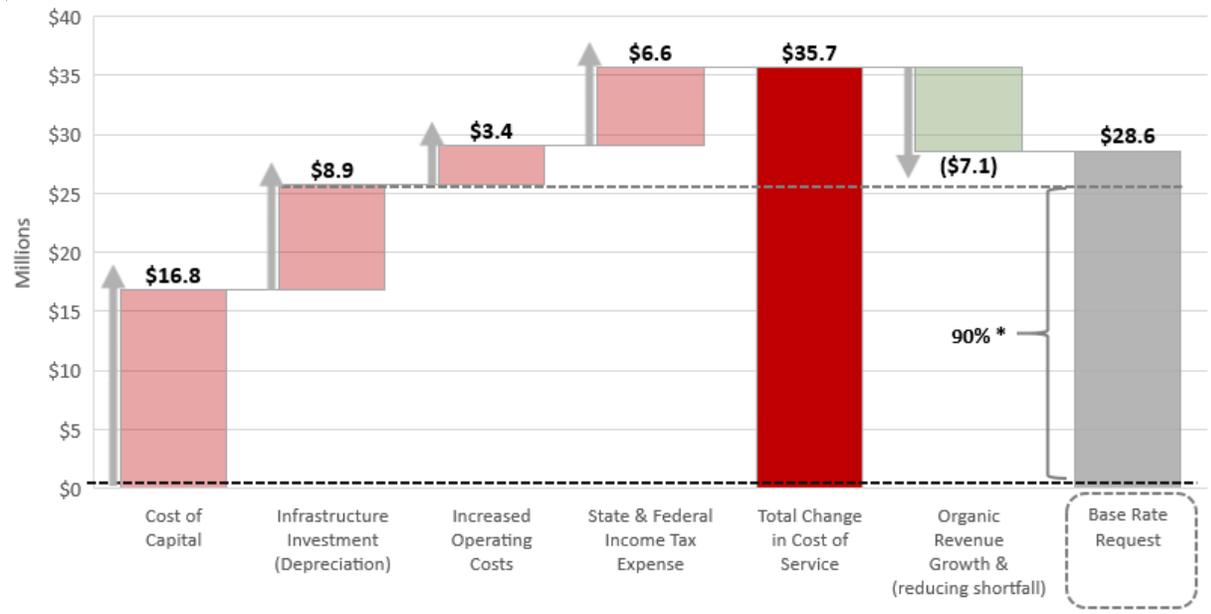


Montana Electric:

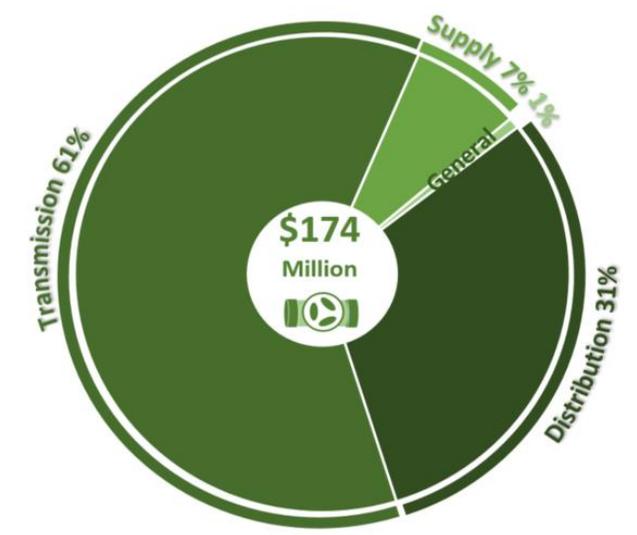
- 74.6 Million Net Request
- \$874 Million Plant-in-Service additions ('23-'24F)
- Operating Costs increase 1.1% CAGR ('21-'23)
- Typical Residential Bill increase 8.3% at full request

Montana Gas Rate Review

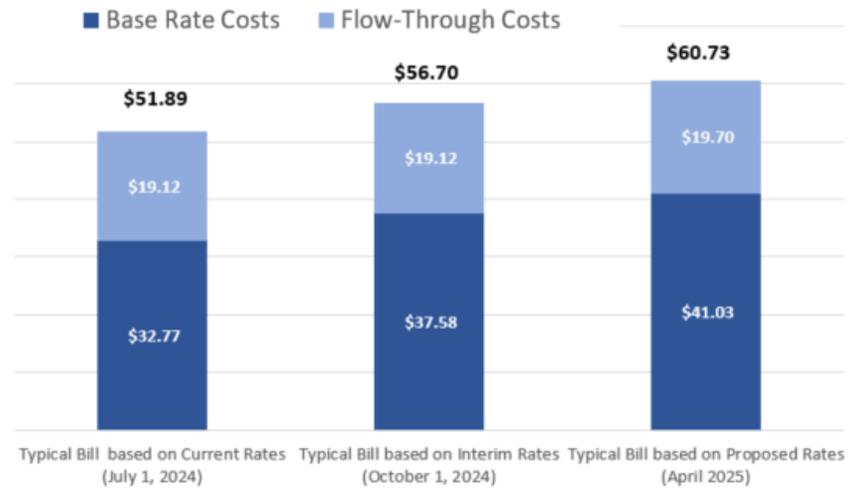
\$28.6 Million Base Rate Increase Requested



NWE Montana Natural Gas Plant-In-Service Additions 2023 Actuals and 2024 Known and Measurable



Typical 65 Therm Residential Natural Gas Bill

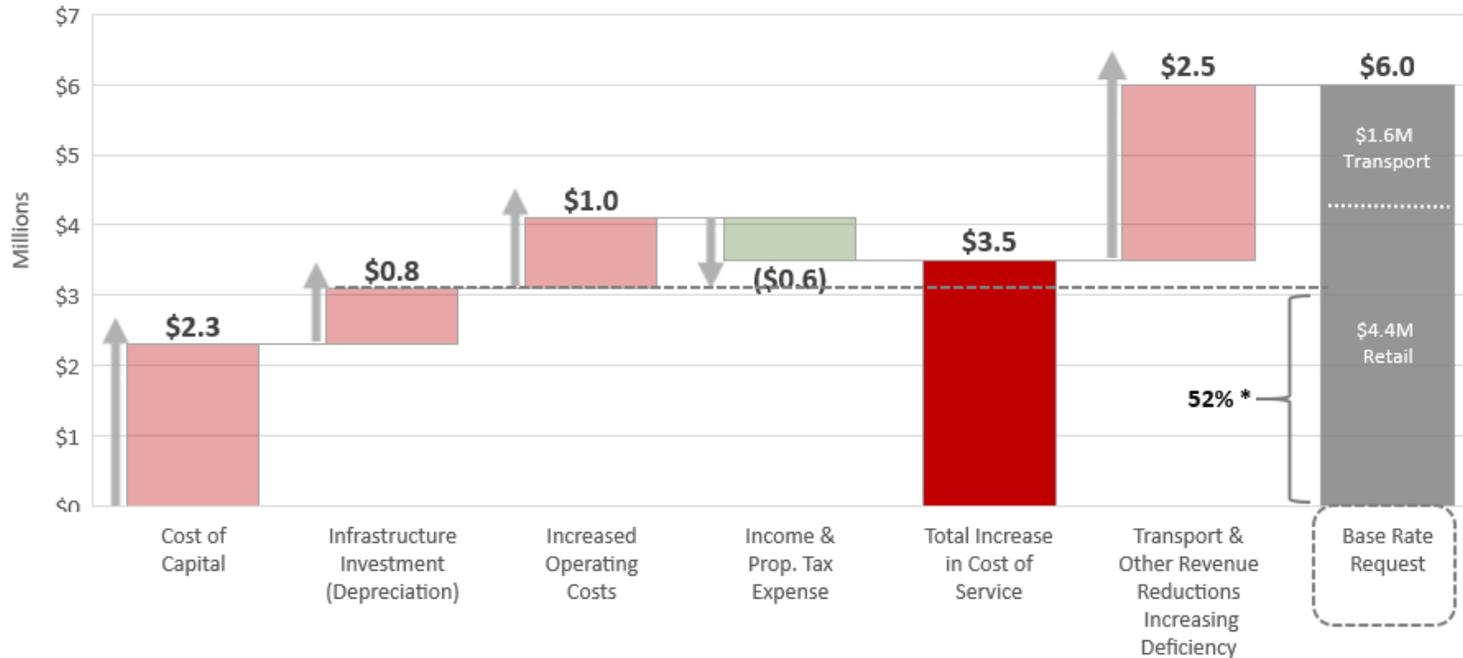


Montana Natural Gas:

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

South Dakota Natural Gas Rate Review

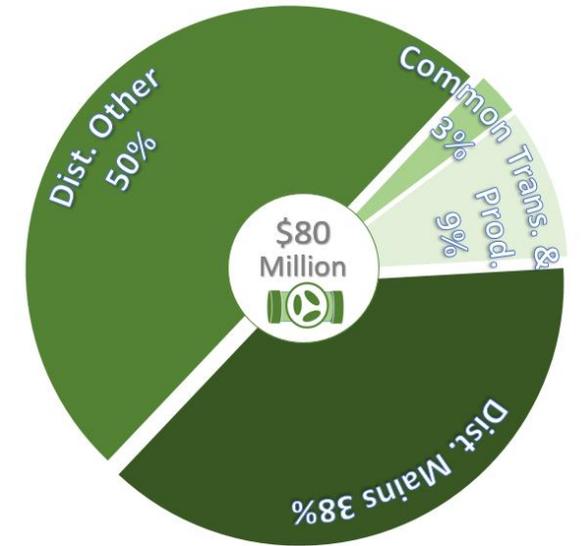
\$6.0 Million Rate Increase Requested



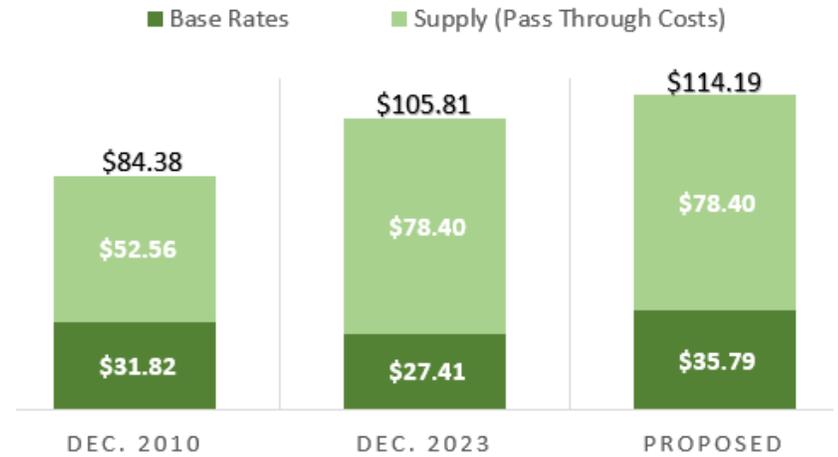
South Dakota Natural Gas:

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

South Dakota Natural Gas - Gross Plant Investment
January 2010 - December 2023

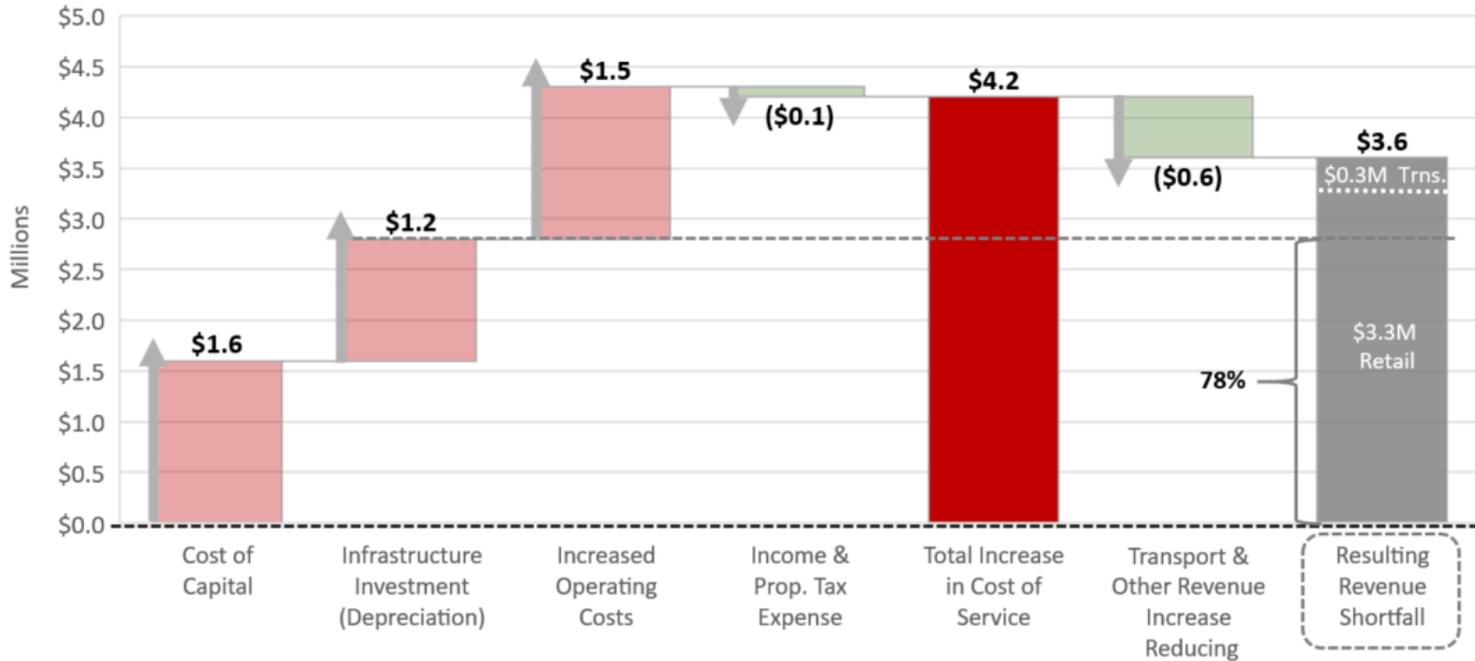


Typical 100 Therm Residential Natural Gas Bill



Nebraska Natural Gas Rate Review

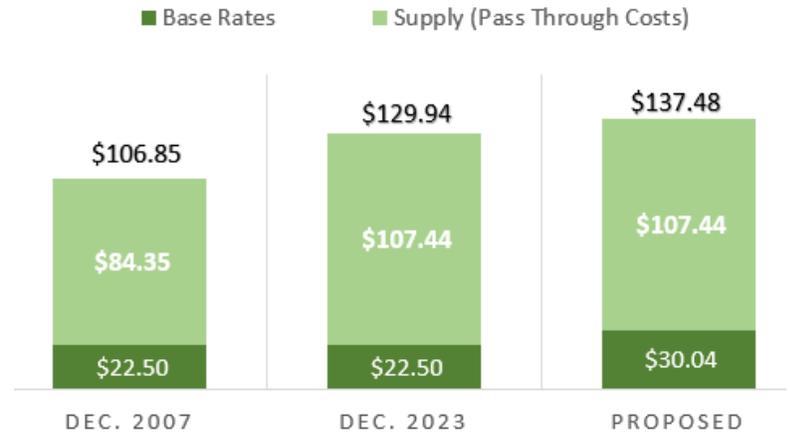
\$3.6 Million Rate Increase Requested



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



Typical 100 Therm Residential Natural Gas Bill



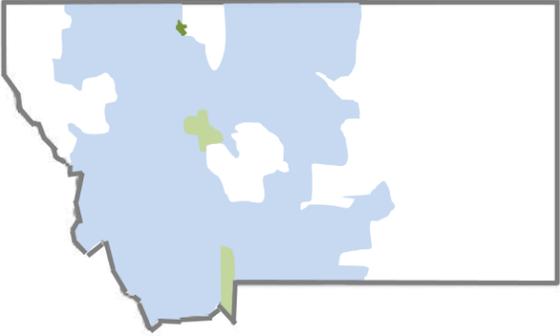
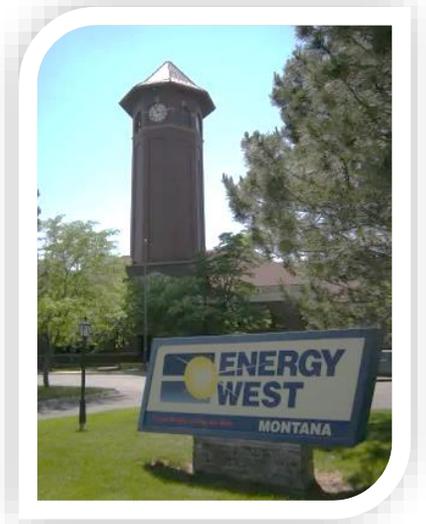
- Nebraska Natural Gas:**
- \$3.6 Million Total Request
 - \$42 Million Plant-in-Service additions ('07-'23)
 - Operating Costs increase 1.3% CAGR ('07-'23)
 - Typical Residential Bill increase 5.8% at full request



Strategic Update

Energy West / Cut Bank Natural Gas Acquisition

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

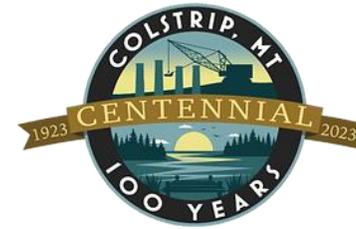


■ NWE Natural Gas Service Territory
■ Energy West Service Territory
■ Cut Bank Service Territory

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

Colstrip Transaction Overview

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



Reliability

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

Affordability

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

Sustainability

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

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

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

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

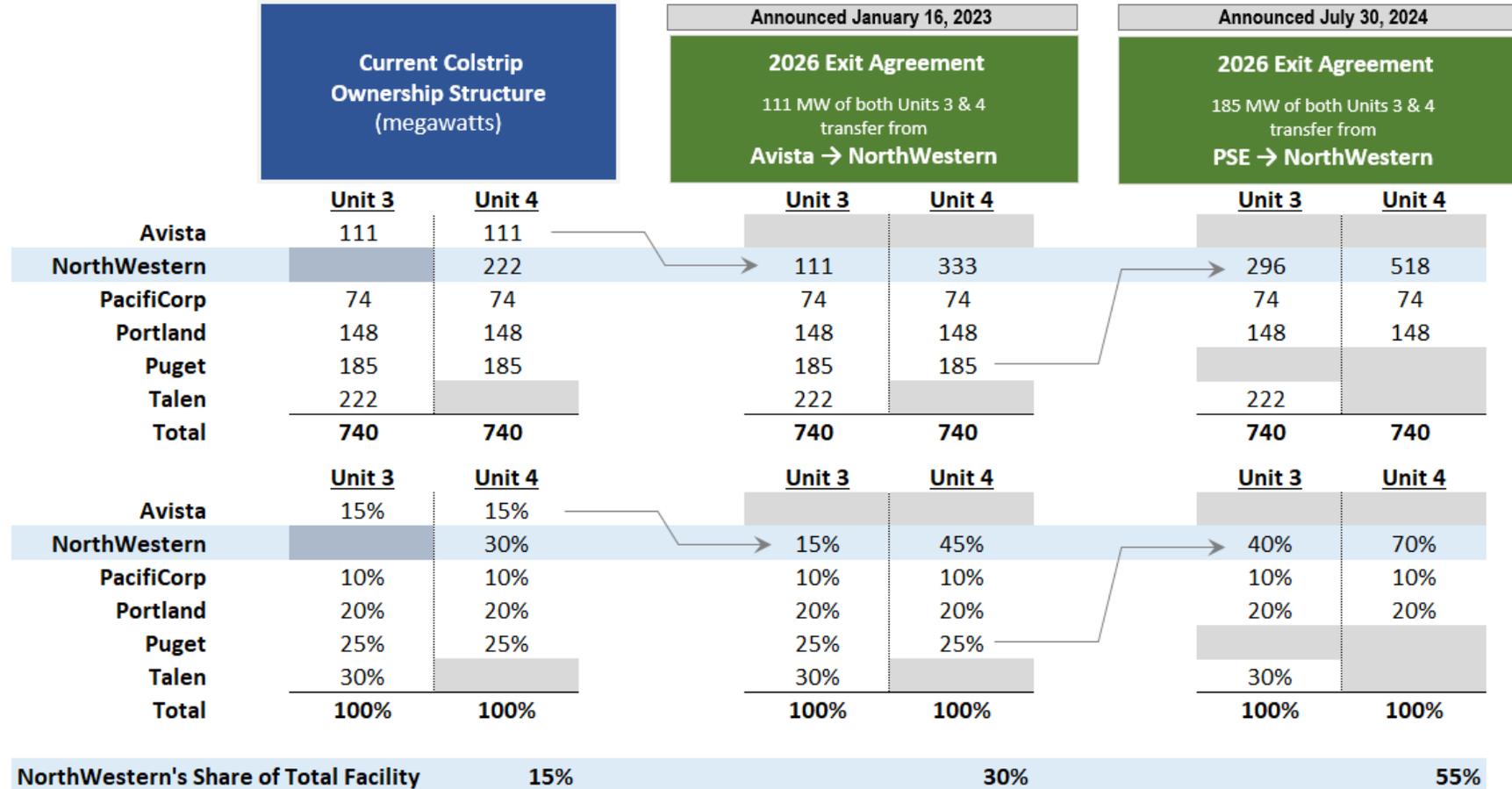
Colstrip Facility Ownership Overview

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

55%

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

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



Montana Wildfire Mitigation Plan



Reduction of Ignition Potential

System and Environmental Monitoring

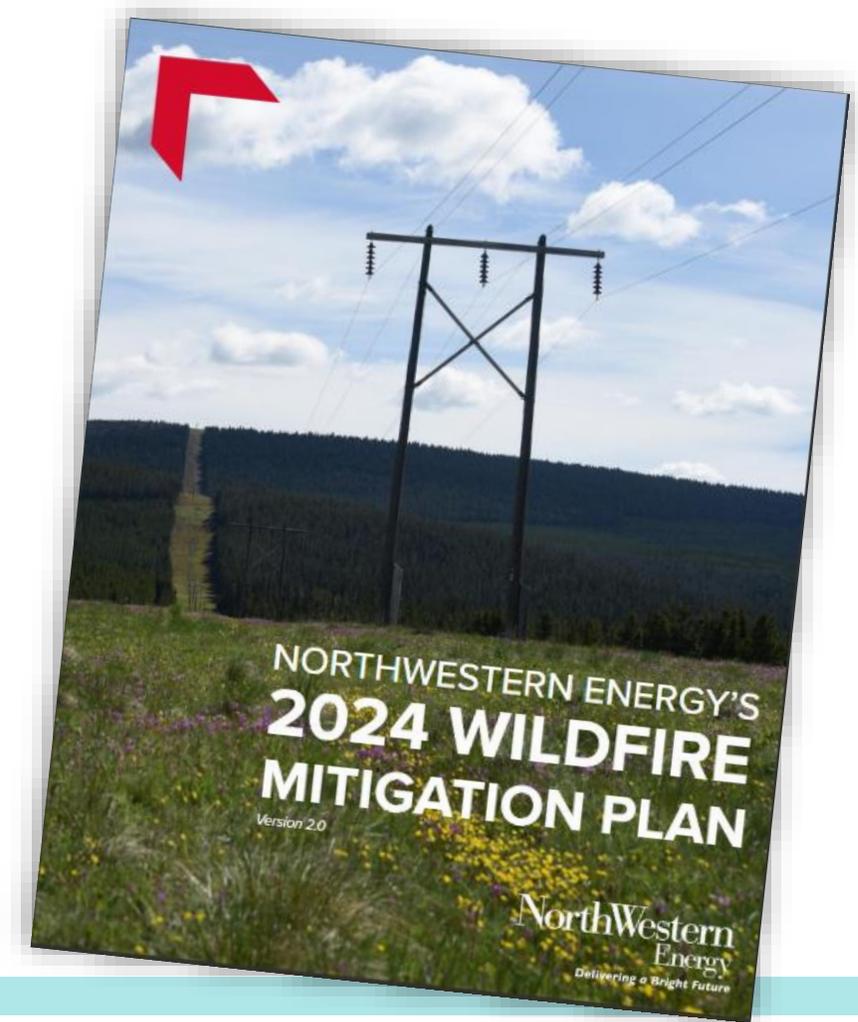
Enhanced Vegetation Maintenance

Enriched Public Communication and Outreach

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

Distribution 5.9%

Transmission 7.3%

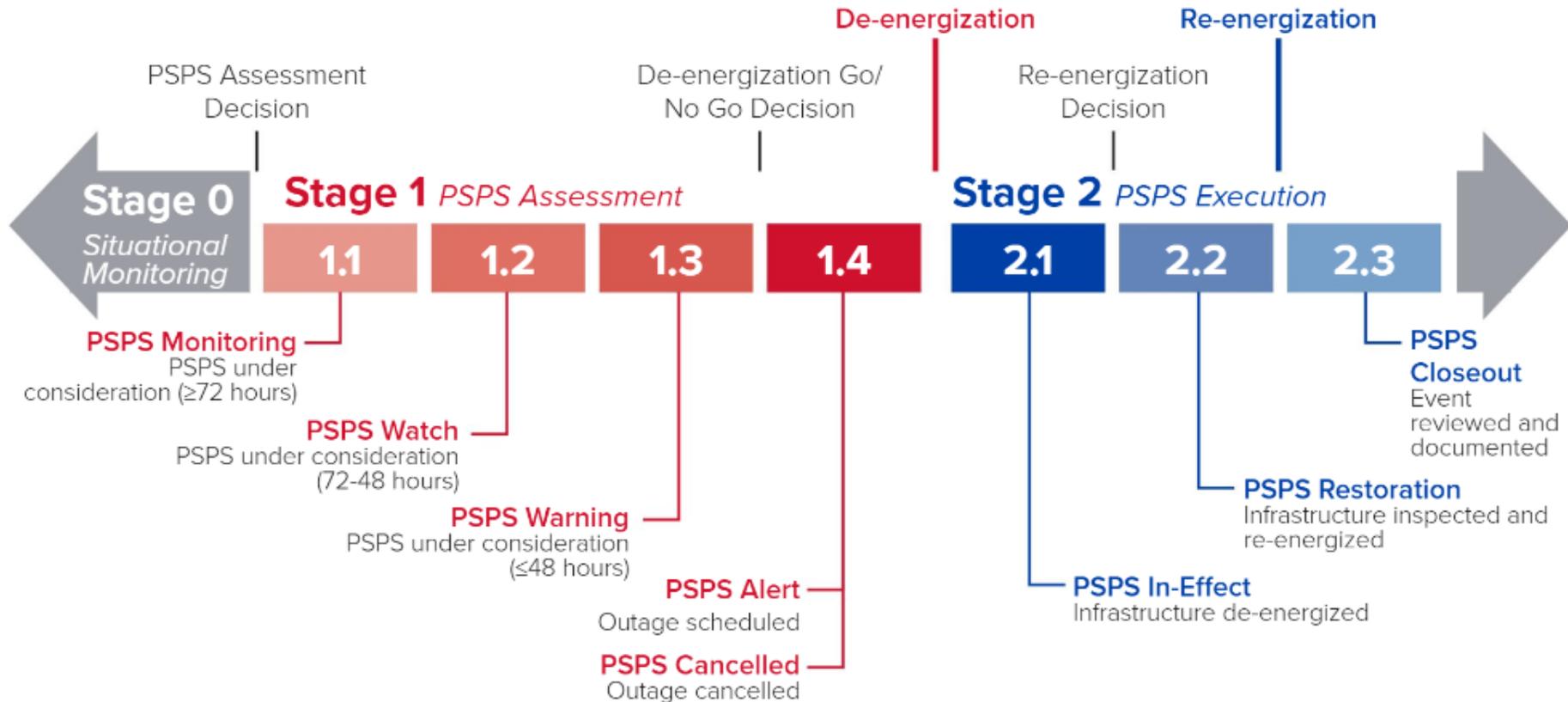


Our operational practice includes situationally performing power shutdowns and adjusting system operating protocols during periods of heightened wildfire risk. Power shutdown considerations include environmental conditions, system performance, and mitigating any potential impacts of an outage to customers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

Montana Public Safety Power Shutoff Plan

Guiding Plan Principles

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



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

Conclusion

Pure
Electric &
Gas Utility

Solid Utility
Foundation

Best
Practices
Corporate
Governance

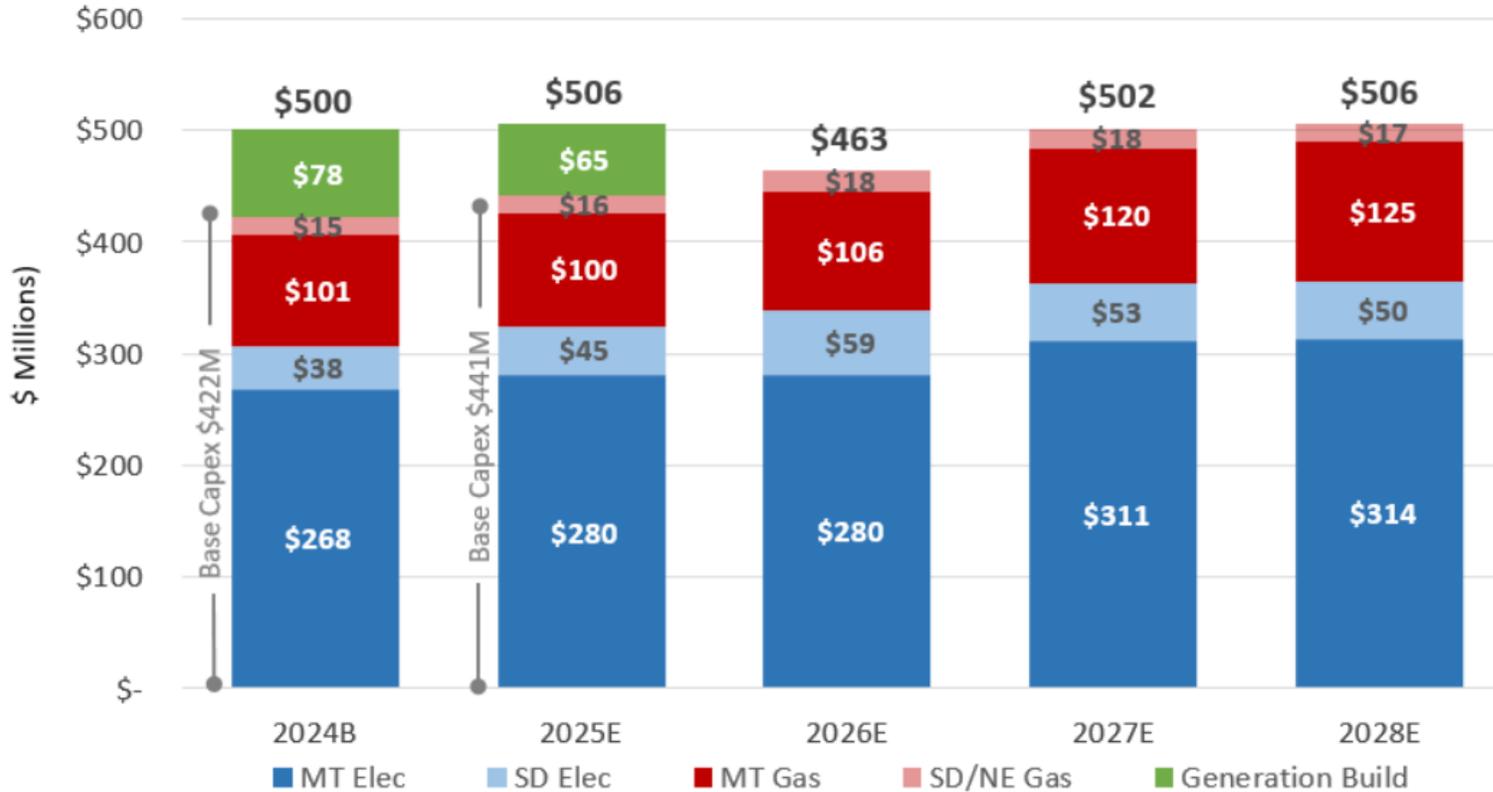
Attractive
Future
Growth
Prospects

Strong
Earnings &
Cash Flows

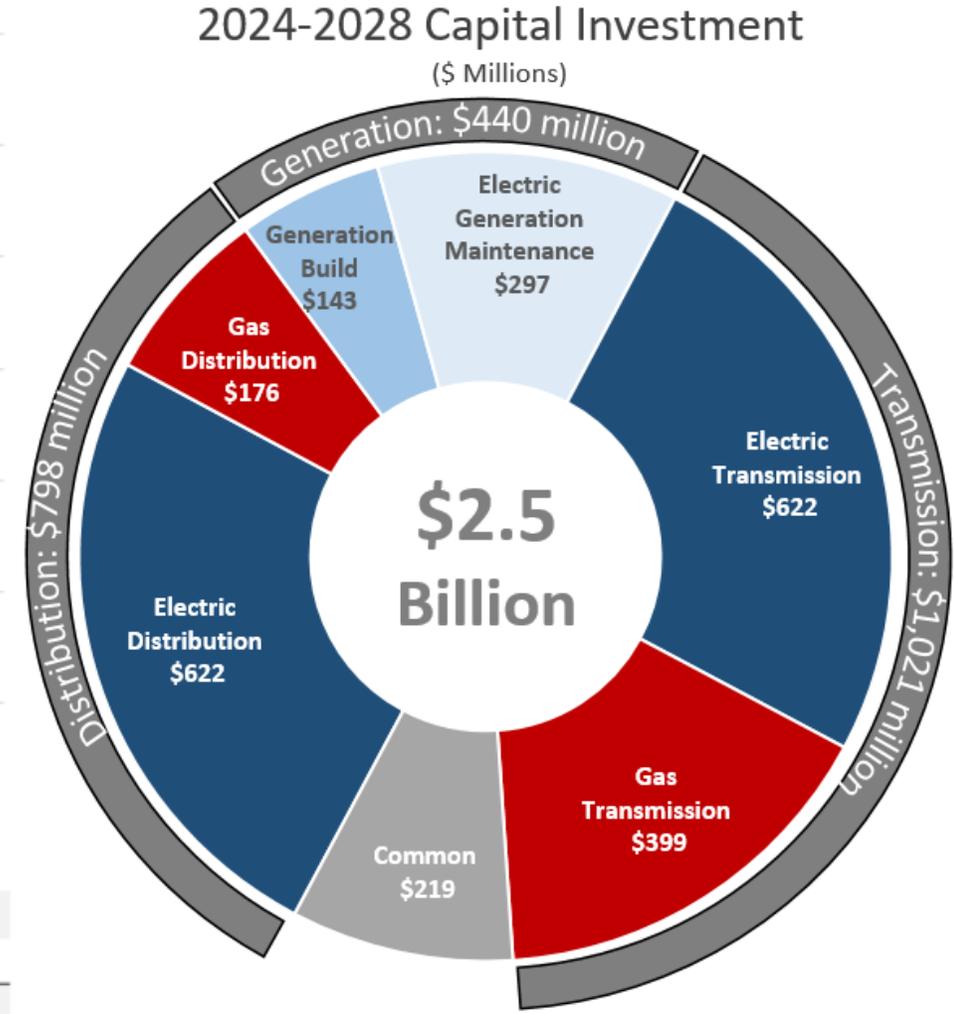


Appendix

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.

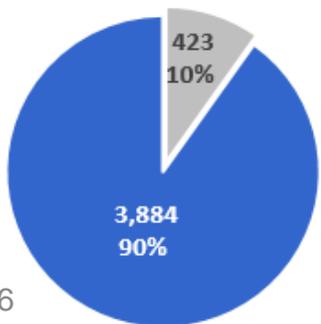
(2) The Montana gas revenue requirement includes a step down which approximates annual depletion of our natural gas production assets included in rate base.

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

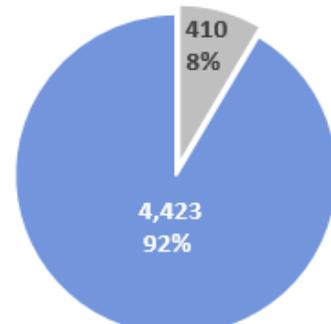
(4) On June 15, 2023, we filed a South Dakota electric rate review filing (2022 test year) with the South Dakota Public Utility Commission

Coal Generation Rate Base as a percentage of Total Rate Base

Authorized Rate Base



Estimated Rate Base



■ Coal Rate Base
■ Non-Coal Rate Base

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

2023 System Statistics



Owned Energy Supply

<i>Electric (MW)</i>	<i>MT</i>	<i>SD</i>	<i>Total</i>
<i>Base load coal</i>	222	211	433
<i>Wind</i>	51	80	131
<i>Hydro</i>	464	-	464
<i>Other resources</i>	150	155	305
	887	446	1,333

<i>Natural Gas (Bcf)</i>	<i>MT</i>	<i>SD</i>	<i>Total</i>
<i>Proven reserves</i>	31.5	-	31.5
<i>Annual production</i>	2.8	-	2.8
<i>Storage</i>	17.9	-	17.9

Transmission

<i>Trans for Others</i>	<i>MT</i>	<i>SD</i>	<i>Total</i>
<i>Electric (GWh)</i>	13,603	25	13,628
<i>Natural Gas (Bcf)</i>	48	35	83

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

Distribution

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

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

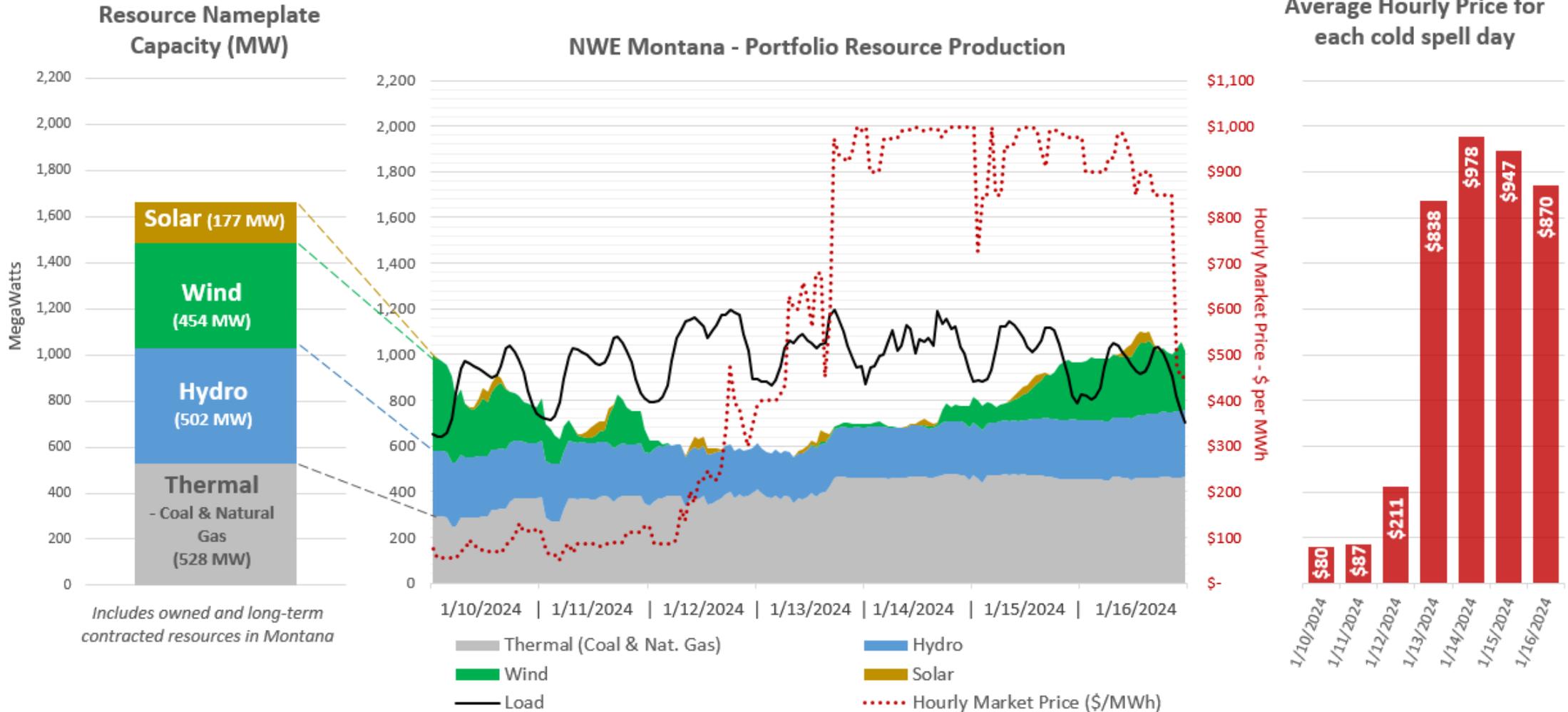
<i>System (miles)</i>	<i>MT</i>	<i>SD / NE</i>	<i>Total</i>
<i>Electric</i>	18,674	2,365	21,039
<i>Natural gas</i>	5,155	2,573	7,728
<i>Total</i>	23,829	4,938	28,767

Note: Statistics above are as of 12/31/2023

(1) Nebraska is a natural gas only jurisdiction

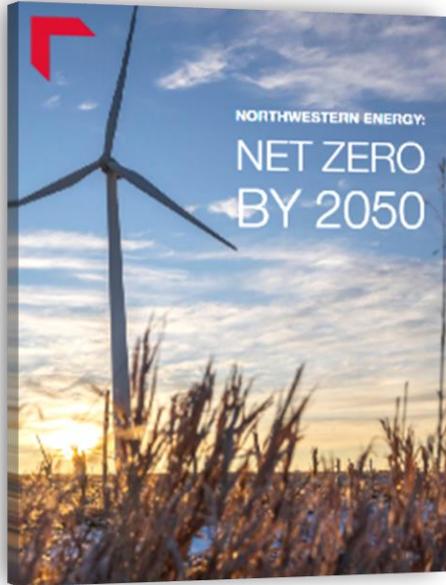
(2) Dave Gates Generating Station (DGGS) in Montana is a 150 MW nameplate facility but consider it a 105 MW (60 MW FERC & 45MW MPSC jurisdictions) peaker

January 2024 Cold Weather Event - Montana



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

Our Net-Zero Vision



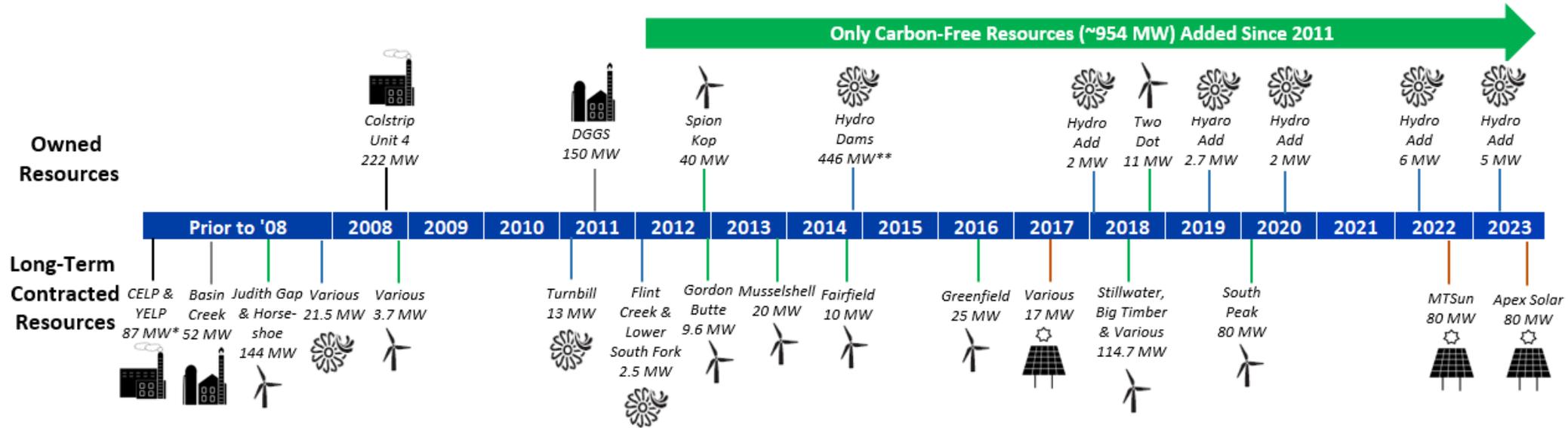
Over the past 100 years, NorthWestern Energy has maintained our commitment to provide customers with reliable and affordable electric and natural gas service while also being good stewards of the environment. We have responded to climate change, its implications and risks, by increasing our environmental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



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

Timeline of Montana Generation Portfolio

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



* Federally mandated Qualifying Facilities contracts with CELP (Colstrip Energy Limited Partnership) and YELP (Yellowstone Energy Limited Partnership) expire in 2024 and 2028, respectively.
 ** Excludes 194 MW Kerr Dam which was purchased and subsequently transferred to the Salish & Kootenai Tribes in 2015.

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

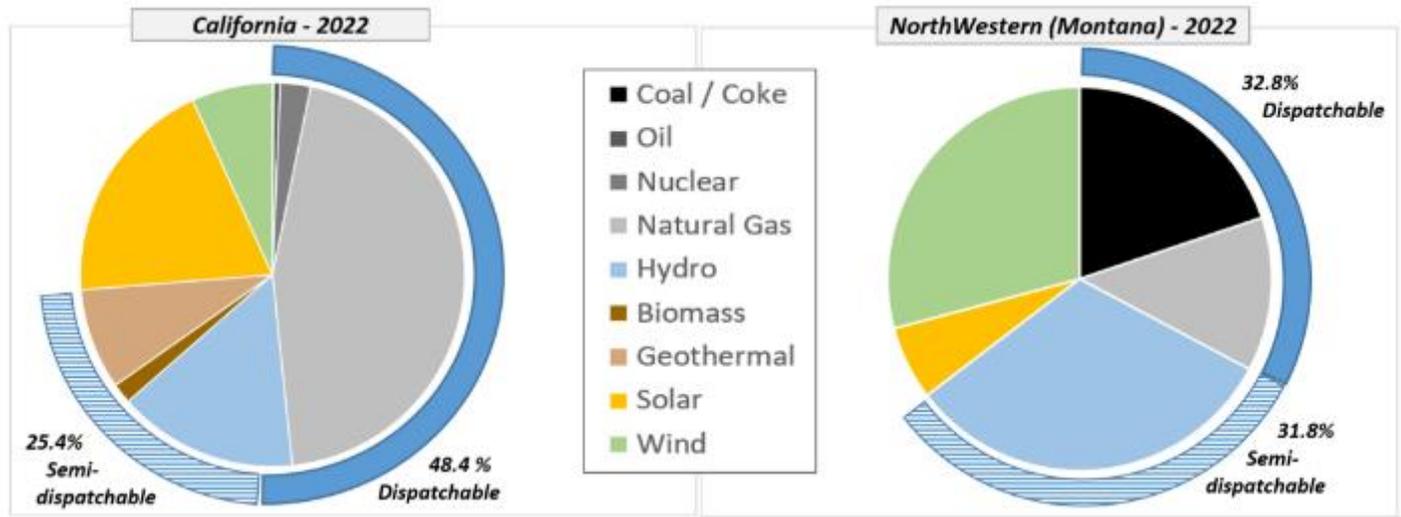


Since 2011, we have added approximately 954 MW, both owned and long-term contracted, to our generation portfolio, all of which is from carbon-free resources.

Comparison of Installed Capacity

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

	California				NorthWestern Energy (Montana)			
	MW 2021	of Total	Percent Dispatchable	Non-Carbon	MW 2022	of Total	Percent Dispatchable	Non-Carbon
Coal / Coke	90	0.1%	0.1%		309	19.8%	19.8%	
Oil	492	0.5%	0.5%		0	0.0%	0.0%	
Nuclear	2,323	2.6%	2.6%		0	0.0%	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%
Total	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

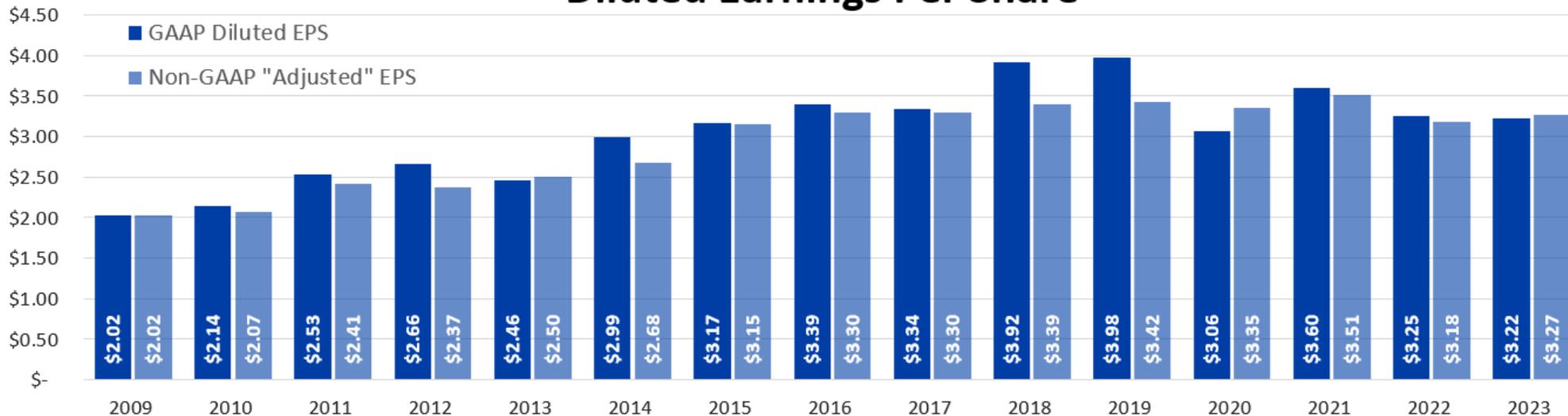
California is dealing with significant capacity issues DESPITE having a greater amount of dispatchable generation and fewer renewables than NorthWestern Energy in Montana (as a percentage of the total).



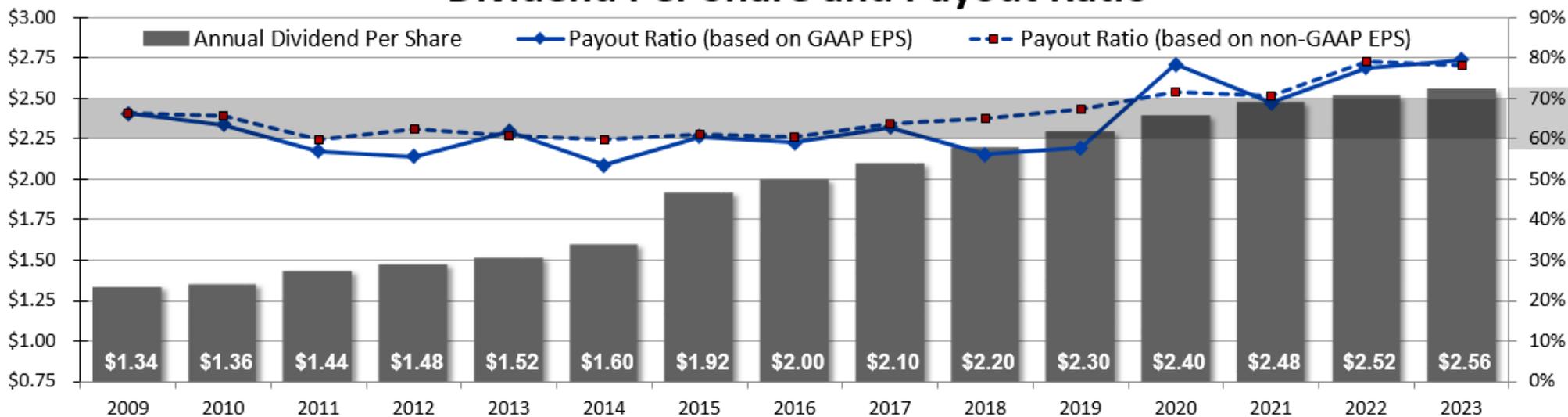
Earnings and Other

EPS & Dividend History

Diluted Earnings Per Share



Dividend Per Share and Payout Ratio



**2009-2023
CAGR's:**

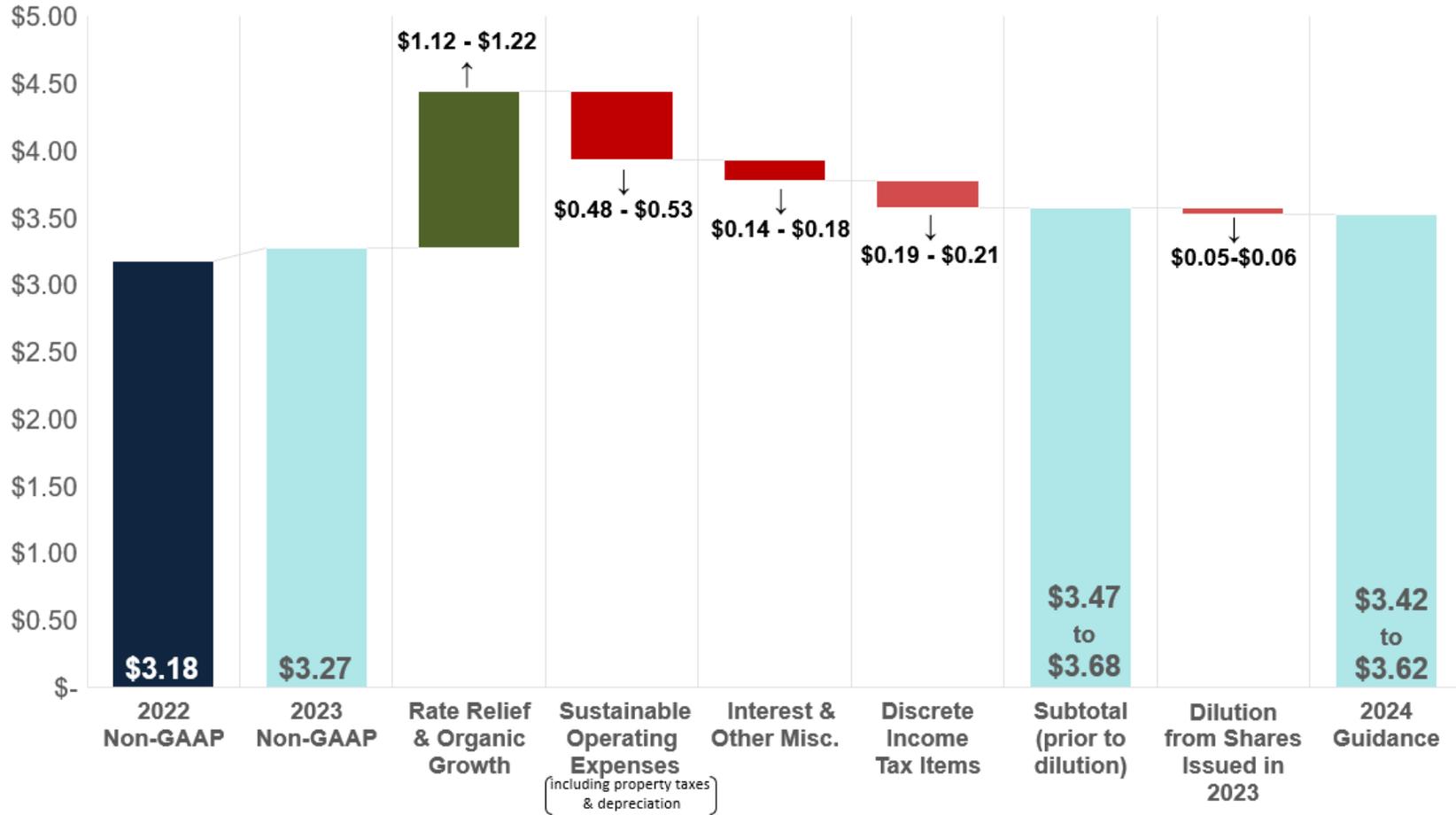
GAAP EPS:
3.4%

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;
- Interim rates in Montana in the fourth quarter;
- An effective income tax rate of approximately 12%-14%; and
- Diluted average shares outstanding of approximately 61.4 million.

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

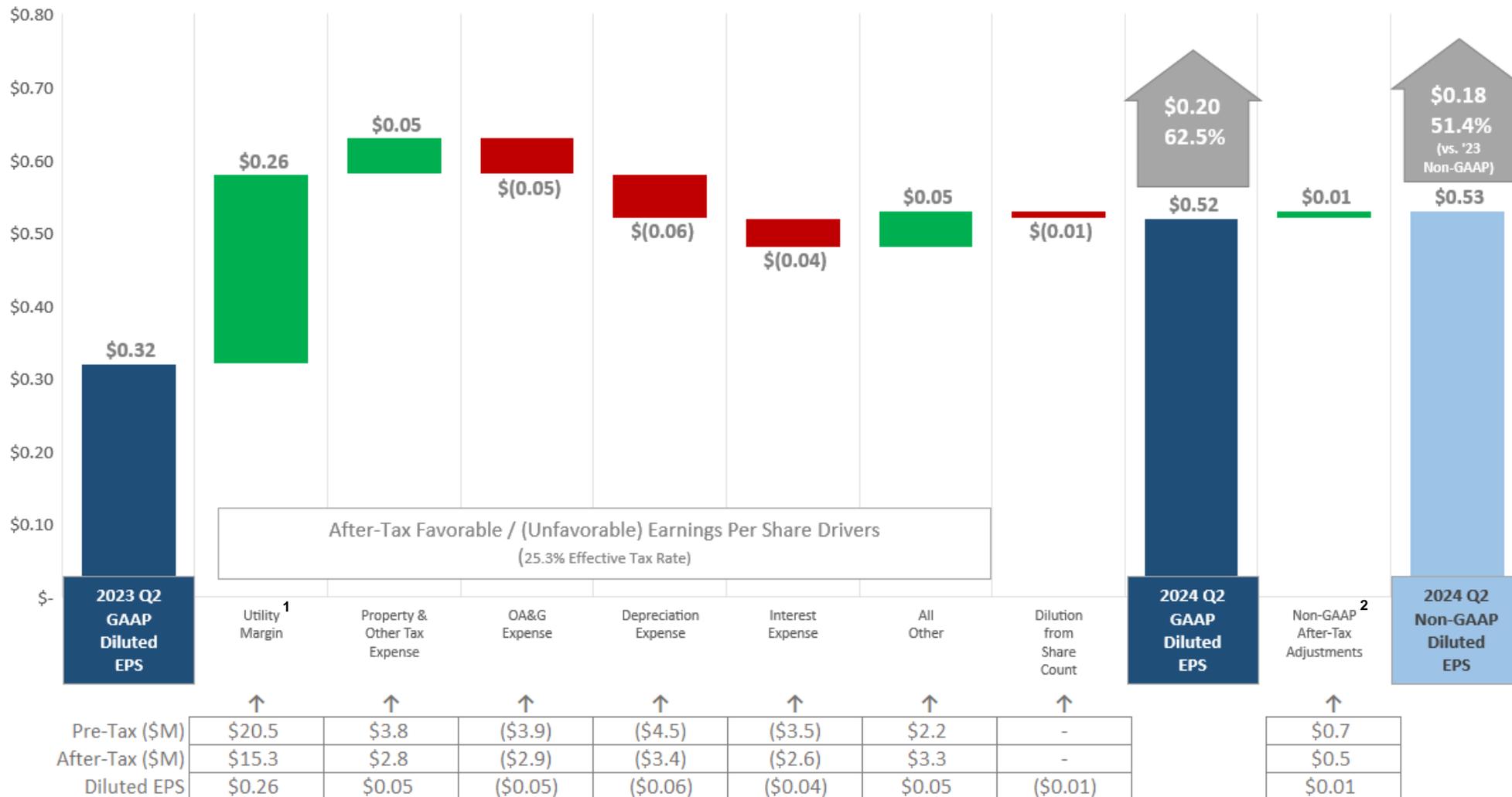
Note: 2024 earnings drivers are calculated using a 25.3% effective tax rate. The discrete income tax adjustments included to the left reflect anticipated changes in discrete tax items (such as amortization of removals, tax repairs and meter deductions, production tax credits, and other permanent or flow-through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



2024 Second Quarter Earnings

Second Quarter Earnings Drivers

After-tax EPS vs Prior Year



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

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

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

Second Quarter Financial Results

(in millions except per share amounts)

	Three Months Ended June 30,			
	2024	2023	Variance	% Variance
Operating Revenues	\$ 319.9	\$ 290.5	\$ 29.4	10.1%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	76.5	67.6	8.9	13.2%
Utility Margin¹	243.4	222.9	20.5	9.2%
Operating Expenses				
Operating and maintenance	57.4	54.8	2.6	4.7%
Administrative and general	31.3	30.0	1.3	4.3%
Property and other taxes	36.3	40.1	(3.8)	(9.5%)
Depreciation and depletion	56.9	52.4	4.5	8.6%
Total Operating Expenses	181.9	177.3	4.6	2.6%
Operating Income	61.6	45.6	16.0	35.1%
Interest expense	(31.9)	(28.4)	(3.5)	(12.3%)
Other income, net	6.2	4.1	2.1	51.2%
Income Before Taxes	35.9	21.3	14.6	68.5%
Income tax expense	(4.2)	(2.2)	(2.0)	(90.9%)
Net Income	\$ 31.7	\$ 19.1	\$ 12.6	66.0%
Effective Tax Rate	11.8%	10.1%	1.70%	
Diluted Shares Outstanding	61.4	59.8	1.6	2.7%
Diluted Earnings Per Share	\$0.52	\$0.32	\$ 0.20	62.5%
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.

Second Quarter 2024 Non-GAAP Earnings

Three Months Ended June 30,												
	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		\$	%		Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) ⁽¹⁾	Unfavorable Weather (Addback)	
	Three Months Ended June 30, 2024				Three Months Ended June 30, 2024			Three Months Ended June 30, 2023			Three Months Ended June 30, 2023	
<i>(in millions)</i>												
Revenues	\$319.9	0.7			\$320.6	\$28.3	9.7%	\$292.3			1.8	\$290.5
Fuel, supply & dir. tx	76.5	-			76.5	8.9	13.2%	67.6			-	67.6
Utility Margin⁽²⁾	243.4	0.7	-	-	244.1	19.4	8.6%	224.7	-	-	1.8	222.9
Op. Expenses												
OG&A Expense	88.6	-	(0.6)	0.2	88.2	3.4	4.0%	84.8	-	-	-	84.8
Prop. & other taxes	36.3	-			36.3	(3.8)	-9.5%	40.1	-	-	-	40.1
Depreciation	56.9	-			56.9	4.5	8.6%	52.4	-	-	-	52.4
Total Op. Exp.	181.9	-	(0.6)	0.2	181.5	4.2	2.4%	177.3	-	-	-	177.3
Op. Income	61.6	0.7	0.6	(0.2)	62.7	15.3	32.3%	47.4	-	-	1.8	45.6
Interest expense	(31.9)	-			(31.9)	(3.5)	-12.3%	(28.4)	-	-	-	(28.4)
Other (Exp.) Inc., net	6.2	-	(0.6)	0.2	5.8	1.7	41.5%	4.1	-	-	-	4.1
Pretax Income	35.9	0.7	-	-	36.6	13.5	58.4%	23.1	-	-	1.8	21.3
Income tax	(4.2)	(0.2)	-	-	(4.4)	(1.7)	-63.0%	(2.7)	-	-	(0.5)	(2.2)
Net Income	\$31.7	0.5	-	-	\$32.2	\$11.8	57.8%	\$20.4	-	-	1.3	\$19.1
<i>ETR</i>	11.8%	25.3%	-	-	12.1%			11.7%	-	-	25.3%	10.1%
Diluted Shares	61.4				61.4	1.6	2.7%	59.8				59.8
Diluted EPS	\$0.52	0.01	-	-	\$0.53	\$0.18	51.4%	\$0.35	-	-	0.03	\$0.32

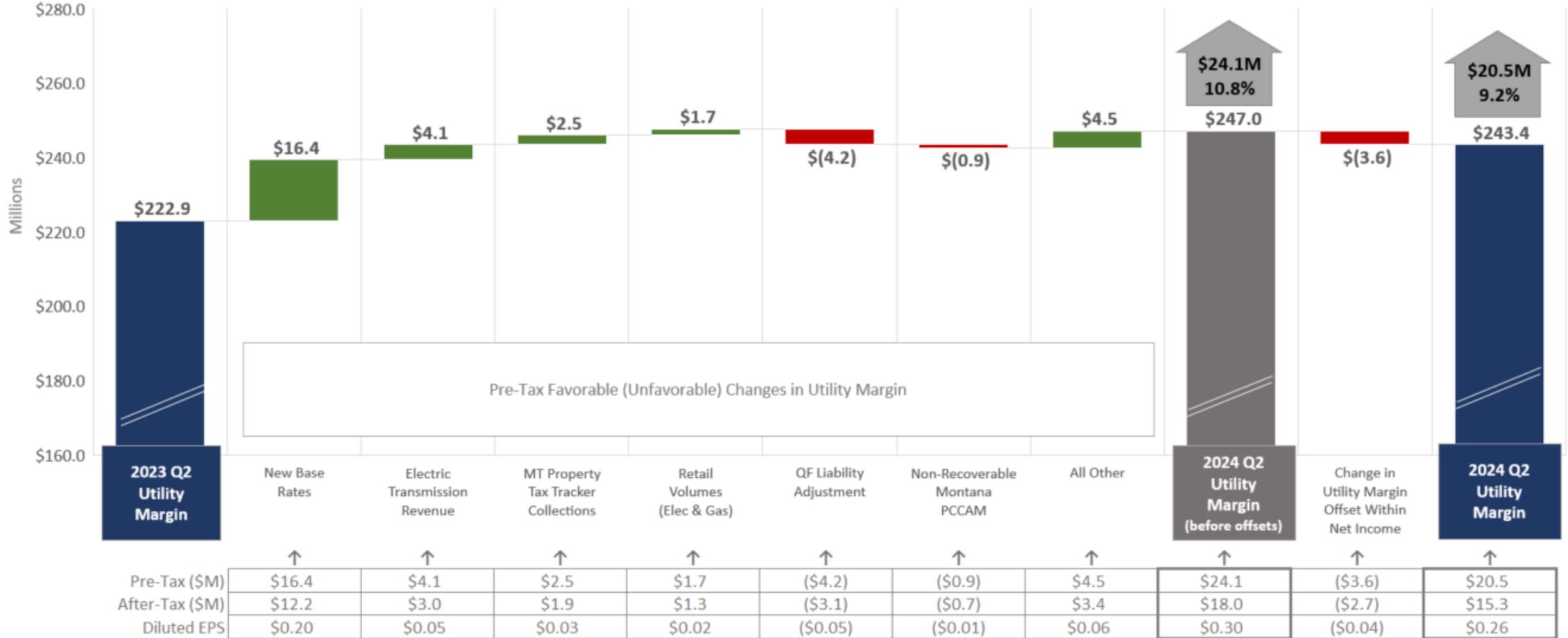
We estimate weather to be a \$0.7 million pre-tax detriment as compared to normal and a \$1.1 million benefit as compared to second quarter 2023.

(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.

Second Quarter Utility Margin Bridge

Pre-tax Millions vs. Prior Year



\$24.1 million or 10.8% increase in Utility Margin items that impact Net Income

Utility Margin (Q2)

(dollars in millions)

	Three Months Ended June 30,			
	2024	2023	Variance	
Electric	\$ 199.2	\$ 186.9	\$ 12.3	6.6%
Natural Gas	44.2	36.0	8.2	22.8%
Total Utility Margin¹	\$ 243.4	\$ 222.9	\$ 20.5	9.2%

Increase in utility margin due to the following factors:

\$ 16.4	Base rates
4.1	Transmission revenue due to market conditions
2.5	Montana property tax tracker collections
1.1	Natural gas retail volumes
0.8	Montana natural gas transportation
0.6	Electric retail volumes
(4.2)	Qualifying Facility (QF) liability adjustment
(0.9)	Non-recoverable Montana electric supply costs
3.7	Other
\$ 24.1	Change in Utility Margin <u>Impacting</u> Net Income
\$ (3.8)	Property & other taxes recovered in revenue, offset in property & other taxes
(0.8)	Production tax credits, offset in income tax expense
1.0	Operating expenses recovered in revenue, offset in operating & maintenance expense
\$ (3.6)	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 20.5	Increase in Utility Margin

Operating Expenses (Q2)

(dollars in millions)

	Three Months Ended June 30,			
	2024	2023	Variance	
Operating & maintenance	\$ 57.4	\$ 54.8	\$ 2.6	4.7%
Administrative & general	31.3	30.0	1.3	4.3%
Property and other taxes	36.3	40.1	(3.8)	(9.5)%
Depreciation and depletion	56.9	52.4	4.5	8.6%
Operating Expenses	\$ 181.9	\$ 177.3	\$ 4.6	2.6%

Increase in operating expenses due to the following factors:

\$ 4.5	Depreciation expense due to plant additions and higher depreciation rates
2.0	Electric generation maintenance
1.8	Labor and benefits ⁽¹⁾
0.5	Insurance expense
0.4	Technology implementation and maintenance expenses
(0.5)	Uncollectible accounts
(1.9)	Other
\$ 6.8	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ (3.8)	Property and other taxes recovered in trackers, offset in revenue
0.7	Pension and other postretirement benefits, offset in other income ⁽¹⁾
1.0	Operating and maintenance expenses recovered in trackers, offset in revenue
(0.1)	Deferred compensation, offset in other income
\$ (2.2)	Change in Operating Expense Items <u>Offset Within</u> Net Income
\$ 4.6	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 (Q2)

(dollars in millions)

Three Months Ended June 30,

	2024	2023	Variance	
Operating Income	\$ 61.6	\$ 45.6	\$ 16.0	35.1%
Interest expense	(31.9)	(28.4)	(3.5)	(12.3)%
Other income, net	6.2	4.1	2.1	51.2%
Income Before Taxes	35.9	21.3	14.6	68.5%
Income tax expense	(4.2)	(2.2)	(2.0)	(90.9)%
Net Income	\$ 31.7	\$ 19.1	\$ 12.6	66.0%

\$3.5 million increase in interest expense was primarily due to higher borrowings and interest rates, partly offset by lower interest on our revolving credit facilities and higher capitalization of Allowance for Funds Used During Construction (AFUDC).

\$2.1 million increase in other income, net was primarily due to higher capitalization of AFUDC and a decrease in the non-service component of pension expense.

\$2.0 million increase in income tax expense was primarily due to higher pre-tax income.

Tax Reconciliation (Q2)

(in millions)

	Three Months Ended June 30,				
	2024		2023		Variance
Income Before Income Taxes	\$35.9		\$21.3		14.6
Income tax calculated at federal statutory rate	7.5	21.0%	4.5	21.0%	3.0
<u>Permanent or flow through adjustments:</u>					
State income tax, net of federal provisions	-	0.1%	0.3	1.3%	(0.3)
Flow-through repairs deductions	(3.0)	(8.5%)	(1.7)	(8.0%)	(1.3)
Production tax credits	(2.0)	(5.6%)	(1.1)	(5.4%)	(0.9)
Amortization of excess deferred income tax	(0.2)	(0.5%)	(0.2)	(1.1%)	-
Plant and depreciation flow-through items	1.1	3.0%	0.2	0.9%	0.9
Other, net	0.8	2.3%	0.1	1.4%	0.7
Sub-total	(3.3)	(9.2%)	(2.4)	(10.9%)	(0.9)
Income Tax Expense	\$ 4.2		\$ 2.1		\$ 2.1

Segment Results (Q2)

(in thousands)

Three Months Ended June 30, 2024	Electric	Gas	Other	Total
Operating revenues	\$ 260,134	\$ 59,795	\$ -	\$ 319,929
Fuel, purchased supply & direct transmission*	60,887	15,593	-	76,480
Utility margin ¹	199,247	44,202	-	243,449
Operating and maintenance	43,467	13,900	-	57,367
Administrative and general	23,294	7,821	166	31,281
Property and other taxes	28,006	8,251	(1)	36,256
Depreciation & depletion	47,546	9,387		56,933
Operating income (loss)	56,934	4,843	(165)	61,612
Interest expense	(23,298)	(7,147)	(1,430)	(31,875)
Other income	4,031	927	1,202	6,160
Income tax (expense) benefit	(3,891)	304	(656)	(4,243)
Net income (loss)	\$ 33,776	\$ (1,073)	\$ (1,049)	\$ 31,654

Three Months Ended June 30, 2023	Electric	Gas	Other	Total
Operating revenues	\$ 229,266	\$ 61,236	\$ -	\$ 290,502
Fuel, purchased supply & direct transmission*	42,363	25,215	-	67,578
Utility margin ¹	186,903	36,021	-	222,924
Operating and maintenance	41,368	13,472	-	54,840
Administrative and general	21,635	8,321	(1)	29,955
Property and other taxes	31,022	9,104	3	40,129
Depreciation & depletion	43,319	9,061	-	52,380
Operating income (loss)	49,559	(3,937)	(2)	45,620
Interest expense	(21,724)	(4,490)	(2,197)	(28,411)
Other income (expense)	2,954	1,144	(36)	4,062
Income tax (expense) benefit	(3,515)	(373)	1,741	(2,147)
Net income (loss)	\$ 27,274	\$ (7,656)	\$ (494)	\$ 19,124

* 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 (Q2)

Three Months Ended June 30,

	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 86,028	\$ 83,840	\$ 2,188	2.6 %	582	568	327,655	321,820
South Dakota	15,392	15,686	(294)	(1.9) %	117	135	51,340	51,162
Residential	101,420	99,526	1,894	1.9 %	699	703	378,995	372,982
Montana	99,655	101,919	(2,264)	(2.2) %	756	759	75,602	74,234
South Dakota	26,356	25,134	1,222	4.9 %	259	266	13,083	12,985
Commercial	126,011	127,053	(1,042)	(0.8) %	1,015	1,025	88,685	87,219
Industrial	11,282	10,722	560	5.2 %	739	644	80	78
Other	8,550	8,732	(182)	(2.1) %	36	33	6,460	6,388
Total Retail Electric	247,263	246,033	1,230	0.5 %	2,489	2,405	474,220	466,667
Regulatory amortization	(10,904)	(36,254)	25,350	(69.9) %				
Transmission	22,436	18,352	4,084	22.3 %				
Wholesale and other	1,339	1,135	204	18.0 %				
Total Revenues	260,134	229,266	30,868	13.5 %				
Total fuel, purchased supply & direct transmission expense*	60,887	42,363	18,524	43.7 %				
Utility Margin¹	199,247	186,903	12,344	6.6 %				

* 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 (Q2)

Three Months Ended June 30,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 18,921	\$ 17,589	\$ 1,332	7.6 %	2,224	1,864	185,449	183,669
South Dakota	5,894	8,375	(2,481)	(29.6) %	568	703	42,440	41,914
Nebraska	3,798	7,457	(3,659)	(49.1) %	438	508	37,889	37,711
Residential	28,613	33,421	(4,808)	(14.4) %	3,230	3,075	265,778	263,294
Montana	10,743	9,918	825	8.3 %	1,301	1,147	26,160	25,714
South Dakota	3,754	5,505	(1,751)	(31.8) %	600	675	7,354	7,217
Nebraska	1,969	4,665	(2,696)	(57.8) %	333	387	5,044	5,004
Commercial	16,466	20,088	(3,622)	(18.0) %	2,234	2,209	38,558	37,935
Industrial	169	160	9	5.6 %	23	19	237	232
Other	292	326	(34)	(10.4) %	44	43	196	188
Total Retail Electric	\$ 45,540	\$ 53,995	\$ (8,455)	(15.7) %	5,531	5,346	304,769	301,649
Regulatory amortization	3,735	(3,369)	7,104	210.9 %				
Wholesale and other	10,520	10,610	(90)	(0.8) %				
Total Revenues	\$ 59,795	\$ 61,236	\$ (1,441)	(2.4) %				
Total fuel, purchased supply & direct transmission expense*	\$ 15,593	\$ 25,215	\$ (9,622)	(38.2) %				
Utility Margin¹	\$ 44,202	\$ 36,021	\$ 8,181	22.7 %				

* 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.



2024 Year-to-Date Earnings

Year-to-Date 2024 Non-GAAP Earnings

Six Months Ended June 30,															
	GAAP	Non-GAAP Adjustments					Non GAAP	Non-GAAP Variance		Non GAAP	Non-GAAP Adjustments				GAAP
		Six Months Ended June 30, 2024	Unfavorable Weather (Addback)	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) ⁽¹⁾	Deferred Compensation	Impairment of Alternative Energy Storage Investment		Community Renewable Energy Project Penalty (not tax deductible)	Six Months Ended June 30, 2024		\$	%	Six Months Ended June 30, 2023	Add Back Reduction Related to Previously Claimed AMT Credit	
(in millions)															
Revenues	\$795.3	1.9	-	-	-	-	\$797.2	\$53.9	7.3%	\$743.3	-	-	-	(1.8)	\$745.1
Fuel, supply & dir. tx	251.2	-	-	-	-	-	251.2	18.1	7.8%	233.1	-	-	-	-	233.1
Utility Margin ⁽²⁾	544.1	1.9	-	-	-	-	546.0	35.8	7.0%	510.2	-	-	-	(1.8)	512.0
Op. Expenses															
OG&A Expense	183.3	-	(0.6)	0.1	(2.2)	-	180.6	5.9	3.4%	174.7	-	0.1	(0.8)	-	175.4
Prop. & other taxes	83.4	-	-	-	-	-	83.4	(5.9)	-6.6%	89.3	-	-	-	-	89.3
Depreciation	113.7	-	-	-	-	-	113.7	8.1	7.7%	105.6	-	-	-	-	105.6
Total Op. Exp.	380.3	-	(0.6)	0.1	(2.2)	-	377.6	8.0	2.2%	369.6	-	0.1	(0.8)	-	370.3
Op. Income	163.7	1.9	0.6	(0.1)	2.2	-	168.3	27.7	19.7%	140.6	-	(0.1)	0.8	(1.8)	141.7
Interest expense	(62.9)	-	-	-	-	-	(62.9)	(6.5)	-11.5%	(56.4)	-	-	-	-	(56.4)
Other (Exp.) Inc., net	10.5	-	(0.6)	0.1	2.5	(2.3)	10.2	2.1	25.9%	8.1	-	0.1	(0.8)	-	8.8
Pretax Income	111.3	1.9	-	-	4.7	(2.3)	115.6	23.3	25.2%	92.3	-	-	-	(1.8)	94.1
Income tax	(14.6)	(0.5)	-	-	(1.2)	-	(16.2)	(7.4)	-84.1%	(8.8)	3.2	-	-	0.5	(12.4)
Net Income	\$96.7	1.4	-	-	3.5	(2.3)	\$99.3	\$15.8	18.9%	\$83.5	3.2	-	-	(1.4)	\$81.7
ETR	13.1%	25.3%	-	-	25.3%	0.0%	14.1%			9.5%	-	-	-	25.3%	13.2%
Diluted Shares	61.3	-	-	-	-	-	61.3	1.5	2.5%	59.8	-	-	-	-	59.8
Diluted EPS	\$1.58	0.02	-	-	0.06	(0.04)	\$1.62	\$0.22	15.7%	\$1.40	0.05	-	-	(0.02)	\$1.37

For the six months ended June 30, we estimate weather to be a \$1.9 million pre-tax detriment as compared to normal and a \$3.7 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.

(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.

Year-to-Date Financial Results

(in millions except per share amounts)

	Six Months Ended June 30,			
	2024	2023	Variance	% Variance
Operating Revenues	\$ 795.3	\$ 745.1	\$ 50.2	6.7%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	251.2	233.1	18.1	7.8%
Utility Margin¹	544.1	512.0	32.1	6.3%
Operating Expenses				
Operating and maintenance	111.5	110.7	0.8	0.7%
Administrative and general	71.7	64.7	7.0	10.8%
Property and other taxes	83.4	89.3	(5.9)	(6.6%)
Depreciation and depletion	113.7	105.6	8.1	7.7%
Total Operating Expenses	380.3	370.3	10.0	2.7%
Operating Income	163.7	141.7	22.0	15.5%
Interest expense	(62.9)	(56.4)	(6.5)	(11.5%)
Other income, net	10.5	8.8	1.7	19.3%
Income Before Taxes	111.3	94.0	17.2	18.3%
Income tax (expense) benefit	(14.6)	(12.4)	(2.2)	17.7%
Net Income	\$ 96.7	\$ 81.7	\$ 15.0	18.4%
Effective Tax Rate	13.1%	13.2%	(0.1%)	
Diluted Average Shares Outstanding	61.3	59.8	1.5	2.5%
Diluted Earnings Per Share	\$1.58	\$1.37	\$0.21	15.4%
Dividends Paid per Common Share	\$1.30	\$1.28	\$ 0.02	1.6%

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

Utility Margin (YTD)

(dollars in millions)

Six Months Ended June 30,

	2024	2023	Variance	
Electric	\$ 427.1	\$ 404.1	\$ 23.0	5.7%
Natural Gas	117.0	107.9	9.1	8.4%
Total Utility Margin	\$ 544.1	\$ 512.0	\$ 32.1	6.3%

Increase in utility margin due to the following factors:

\$ 36.2	Base rates
7.6	Transmission revenue due to market conditions
3.4	Montana property tax tracker collections
1.0	Montana natural gas transportation
(4.4)	Non-recoverable Montana electric supply costs
(4.2)	QF liability adjustment
(2.6)	Electric retail volumes
(2.4)	Natural gas retail volumes
3.6	Other
\$ 38.2	Change in Utility Margin <u>Impacting</u> Net Income
\$ (6.2)	Property & other taxes recovered in revenue, offset in property & other taxes
(1.3)	Revenue from higher production tax credits, offset in income tax expense
1.4	Operating expenses recovered in revenue, offset in operating & maintenance expense
\$ (6.1)	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 32.1	Increase in Utility Margin

Operating Expenses (YTD)

(dollars in millions)

Six Months Ended June 30,

	2024	2023	Variance	
Operating & maintenance	\$ 111.5	\$ 110.7	\$ 0.8	0.7%
Administrative & general	71.7	64.7	7.0	10.8%
Property and other taxes	83.4	89.3	(5.9)	(6.6)%
Depreciation and depletion	113.7	105.6	8.1	7.7%
Operating Expenses	\$ 380.3	\$ 370.3	\$ 10.0	2.7%

Increase in operating expenses due to the following factors:

\$ 8.1	Depreciation expense due to plant additions
3.4	Labor and benefits ⁽¹⁾
2.4	Litigation outcome (Pacific Northwest Solar)
2.2	Non-cash impairment of alternative energy storage investment
1.0	Insurance expense
0.6	Technology implementation and maintenance expenses
0.3	Property and other taxes not recoverable within trackers
(1.0)	Uncollectible accounts
(0.6)	Electric generation maintenance
(1.5)	Other
\$ 14.9	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ (6.2)	Property and other taxes recovered in trackers, offset in revenue
(0.2)	Pension and other postretirement benefits, offset in other income ⁽¹⁾
1.4	Operating and maintenance expenses recovered in trackers, offset in revenue
0.1	Deferred compensation, offset in other income
\$ (4.9)	Change in Operating Expense Items <u>Offset Within</u> Net Income
\$ 10.0	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 (YTD)

(dollars in millions)

Six Months Ended June 30,

	2024	2023	Variance	
Operating Income	\$ 163.7	\$ 141.7	\$ 22.0	15.5%
Interest expense	(62.9)	(56.4)	(6.5)	(11.5)%
Other income, net	10.5	8.8	1.7	19.3%
Income Before Taxes	111.3	94.0	17.2	18.3%
Income tax expense	(14.6)	(12.4)	(2.2)	17.7%
Net Income	\$ 96.7	\$ 81.7	\$ 15.0	18.4%

\$6.5 million increase in interest expenses was primarily due to higher borrowings and interest rates partly offset by lower interest on our revolving credit facilities and higher capitalization of AFUDC.

\$1.7 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 and higher capitalization of AFUDC, partly offset by a \$2.5 million non-cash impairment of an alternative energy storage equity investment and an increase in the non-service component of pension expense.

\$2.2 million increase in income tax expense was primarily due to higher pre-tax income and plant and depreciation flow-through items.

Tax Reconciliation (YTD)

	Six Months Ended June 30,				
	2024		2023		Variance
Income Before Income Taxes	\$111.3		\$94.0		\$17.3
Income tax calculated at federal statutory rate	23.4	21.0%	19.7	21.0%	3.7
<u>Permanent or flow through adjustments:</u>					
State income taxes, net of federal provisions	0.7	0.6%	1.2	1.3%	(0.5)
Flow-through repairs deductions	(9.2)	(8.3%)	(7.6)	(8.0%)	(1.6)
Production tax credits	(5.0)	(4.5%)	(4.3)	(4.6%)	(0.7)
Amortization of excess deferred income tax	(0.6)	(0.5%)	(1.0)	(1.1%)	0.4
Reduction to previously claimed alternative minimum tax credit	-	-	3.2	3.4%	(3.2)
Plant and depreciation flow-through items	4.1	3.7%	0.9	0.9%	3.2
Share-based compensation	0.3	0.3%	0.4	0.4%	(0.1)
Other, net	0.9	0.8%	(0.1)	(0.1%)	1.0
Sub-total	(8.8)	(7.9%)	(7.3)	(7.8%)	(1.5)
Income Tax Expense	\$ 14.6		\$ 12.4		\$ 2.2

Segment Results (YTD)

(in thousands)

Six Months Ended June 30, 2024	Electric	Gas	Other	Total
Operating revenues	\$ 603,320	\$ 191,951	\$ -	\$ 795,271
Fuel, purchased supply & direct transmission*	176,228	74,973	-	251,201
Utility margin ¹	427,092	116,978	-	544,070
Operating and maintenance	83,766	27,783	-	111,549
Administrative and general	51,213	17,867	2,646	71,726
Property and other taxes	64,306	19,120	1	83,427
Depreciation & depletion	94,850	18,826	-	113,676
Operating income (loss)	132,957	33,382	(2,647)	163,692
Interest expense	(47,955)	(13,396)	(1,503)	(62,854)
Other income (expense)	9,492	1,981	(994)	10,479
Income tax expense	(11,174)	(2,869)	(534)	(14,577)
Net income (loss)	\$ 83,320	\$ 19,098	\$ (5,678)	\$ 96,740

Six Months Ended June 30, 2023	Electric	Gas	Other	Total
Operating revenues	\$ 524,574	\$ 220,470	\$ -	\$ 745,044
Fuel, purchased supply & direct transmission*	120,497	112,573	-	233,070
Utility margin ¹	404,077	107,897	-	511,974
Operating and maintenance	83,781	26,920	-	110,701
Administrative and general	46,603	18,087	13	64,703
Property and other taxes	69,273	20,002	5	89,280
Depreciation & depletion	87,217	18,411	-	105,628
Operating Income (loss)	117,203	24,477	(18)	141,662
Interest expense	(40,284)	(7,741)	(8,394)	(56,419)
Other income (expense)	6,320	2,559	(80)	8,799
Income tax expense	(10,143)	(139)	(2,106)	(12,388)
Net income (loss)	\$ 73,096	\$ 19,156	\$ (10,598)	\$ 81,654

* 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 (YTD)

Six Months Ended June 30,

	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 203,391	\$ 209,302	\$ (5,911)	(2.8) %	1,429	1,439	326,986	321,278
South Dakota	34,702	35,457	(755)	(2.1) %	290	330	51,396	51,218
Residential	238,093	244,759	(6,666)	(2.7) %	1,719	1,769	378,382	372,496
Montana	201,158	214,532	(13,374)	(6.2) %	1,580	1,610	75,639	74,249
South Dakota	54,128	50,262	3,866	7.7 %	546	545	13,047	12,964
Commercial	255,286	264,794	(9,508)	(3.6) %	2,126	2,155	88,686	87,213
Industrial	22,951	22,563	388	1.7 %	1,464	1,270	80	79
Other	13,366	13,986	(620)	(4.4) %	49	48	5,689	5,623
Total Retail Electric	529,696	546,102	(16,406)	(3.0) %	5,358	5,242	472,837	465,411
Regulatory amortization	25,442	(61,551)	86,993	(141.3) %				
Transmission	44,824	37,245	7,579	20.3 %				
Wholesale and other	3,358	2,778	580	20.9 %				
Total Revenues	603,320	524,574	78,746	15.0 %				
Total fuel, purchased supply & direct transmission expense*	176,228	120,497	55,731	46.3 %				
Utility Margin¹	\$ 427,092	\$ 404,077	\$ 23,015	5.7 %				

* 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 (YTD)

Six Months Ended June 30,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 67,511	\$ 84,471	\$ (16,960)	(20.1) %	8,482	8,381	185,332	183,583
South Dakota	19,499	28,310	(8,811)	(31.1) %	2,005	2,455	42,521	42,032
Nebraska	14,315	27,970	(13,655)	(48.8) %	1,669	1,915	37,970	37,838
Residential	101,325	140,751	(39,426)	(28.0) %	12,156	12,751	265,823	263,453
Montana	35,826	46,257	(10,431)	(22.6) %	4,698	4,834	26,121	25,690
South Dakota	13,021	19,791	(6,770)	(34.2) %	1,914	2,177	7,362	7,235
Nebraska	8,188	17,828	(9,640)	(54.1) %	1,192	1,386	5,063	5,040
Commercial	57,035	83,876	(26,841)	(32.0) %	7,804	8,397	38,546	37,965
Industrial	588	889	(301)	(33.9) %	83	94	237	232
Other	868	1,122	(254)	(22.6) %	133	136	196	188
Total Retail Electric	\$ 159,816	\$ 226,638	\$ (66,822)	(29.5) %	20,176	21,378	304,802	301,838
Regulatory amortization	10,661	(28,770)	39,431	(137.1) %				
Wholesale and other	21,474	22,602	(1,128)	(5.0) %				
Total Revenues	\$ 191,951	\$ 220,470	\$ (28,519)	(12.9) %				
Total fuel, purchased supply & direct transmission expense*	\$ 74,973	\$ 112,573	\$ (37,600)	(33.4) %				
Utility Margin¹	\$ 116,978	\$ 107,897	\$ 9,081	8.4 %				

* 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.

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)
	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)	\$1.2			(\$1.8)
'24/'25 Tracker					\$0.0
2024 (Expense) Benefit	(\$3.0)	\$1.2	\$0.0	\$0.0	(\$1.8)
Year-over-Year Variance	(\$3.5)	(\$0.9)			(\$4.4)

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 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.

Appendix

Balance Sheet

(dollars in millions)

	As of June 30, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 6.4	\$ 9.2
Restricted cash	24.6	\$ 16.0
Accounts receivable, net	149.5	\$ 212.3
Inventories	115.0	\$ 114.5
Other current assets	68.6	\$ 55.0
Goodwill	357.6	\$ 357.6
PP&E and other non-current assets	6,992.2	\$ 6,836.1
Total Assets	\$ 7,713.8	\$ 7,600.7
Payables	91.3	124.3
Other current liabilities	280.2	307.3
Total debt & capital leases	2,901.7	2,793.4
Other non-current liabilities	1,633.5	1,590.3
Shareholders' equity	2,807.3	2,785.3
Total Liabilities and Equity	\$ 7,713.8	\$ 7,600.7
Capitalization:		
Total Debt & Capital Leases	2,901.7	2,793.4
Less: Basin Creek Capital Lease	(7.2)	(8.8)
Shareholders' Equity	2,807.3	2,785.3
Total Capitalization	\$ 5,701.7	\$ 5,569.9
Ratio of Debt to Total Capitalization	50.8%	50.0%

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

Year-to-Date Cash Flow

(dollars in millions)	Six Months Ended June 30,	
	2024	2023
Operating Activities		
Net Income	\$ 96.7	\$ 81.7
Non-Cash adjustments to net income	128.1	95.3
Changes in working capital	1.0	124.3
Other noncurrent assets & liabilities	(1.9)	(7.2)
Cash Provided by Operating Activities	223.9	294.1
Cash Used in Investing Activities	(248.3)	(265.8)
Cash Provided by (Used In) Financing Activities	30.2	(26.8)
<hr/>		
Cash Provided by Operating Activities	\$ 223.9	\$ 294.1
Less: Changes in working capital	1.0	124.3
Funds from Operations	\$ 222.9	\$ 169.8
<hr/>		
PP&E additions	247.4	263.4
Capital expenditures included in trade accounts payable	(15.2)	(43.8)
AFUDC Credit	9.4	7.8
Total Capital Investment	\$ 241.6	\$ 227.4

Cash from Operating Activities decreased by \$70.2 million due primarily to significant net cash inflows from recovery of previously under-collected energy supply cost in the prior period, and net cash outflows in 2024 from our January 2024 cold weather event.

Funds from Operations increased by \$53.1 million over prior period.

Net Under-Collected Supply Costs

(in millions)

	Beginning (Jan. 1)	Ending (June 30)	(Outflow) / Inflow
2023	\$115.4	\$30.0	\$85.4
2024	\$7.8	\$14.9	\$(7.1)
2024 Cash Outflow			\$(92.5)

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 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 June 30,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 260.1	\$ 229.3	\$ 59.8	\$ 61.2	\$ 319.9	\$ 290.5
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown)	60.9	42.4	15.6	25.2	76.5	67.6
Less: Operating & maintenance expense	43.5	41.4	13.9	13.5	57.4	54.9
Less: Property and other tax expense	28.0	31.0	8.2	9.1	36.2	40.1
Less: Depreciation and depletion expense	47.6	43.3	9.4	9.1	57.0	52.4
Gross Margin	80.1	71.2	12.7	4.3	92.8	75.5
Plus: Operating & maintenance expense	43.5	41.4	13.9	13.5	57.4	54.9
Plus: Property and other tax expense	28.0	31.0	8.2	9.1	36.2	40.1
Plus: Depreciation and depletion	47.6	43.3	9.4	9.1	57.0	52.4
Utility Margin ⁽¹⁾	\$ 199.2	\$ 186.9	\$ 44.2	\$ 36.0	\$ 243.4	\$ 222.9

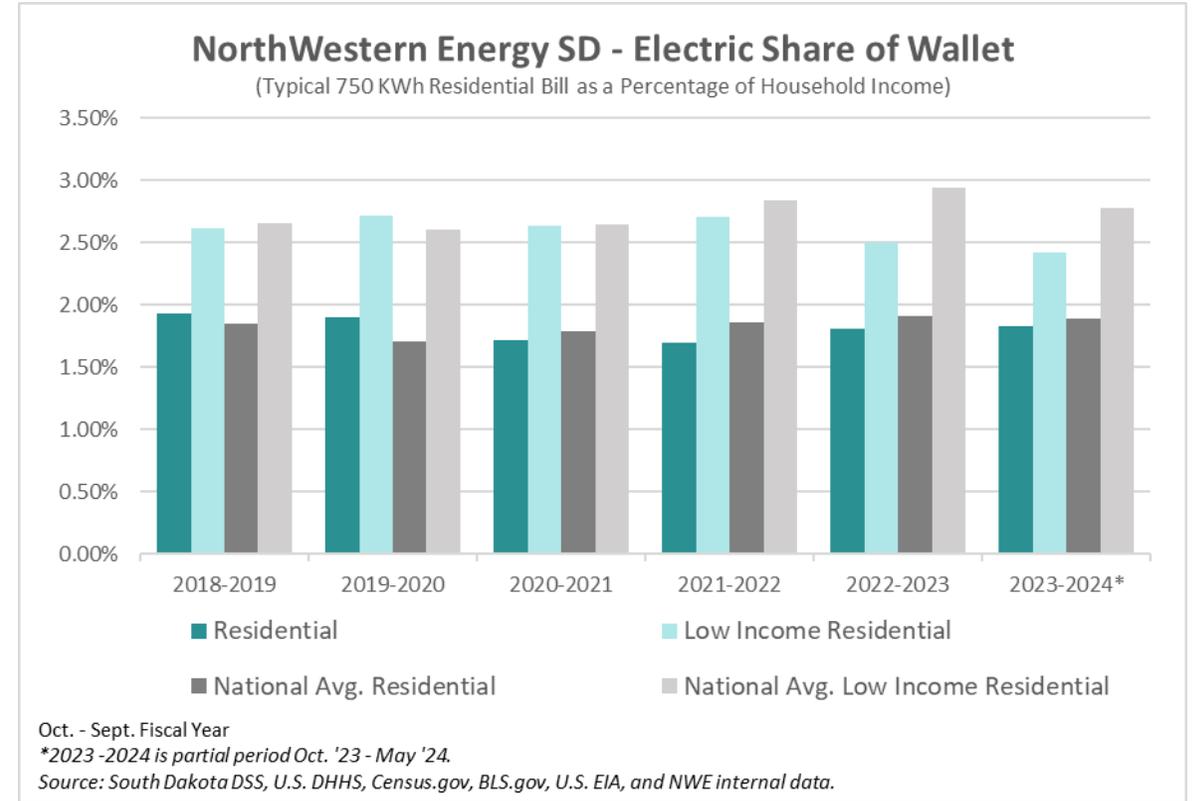
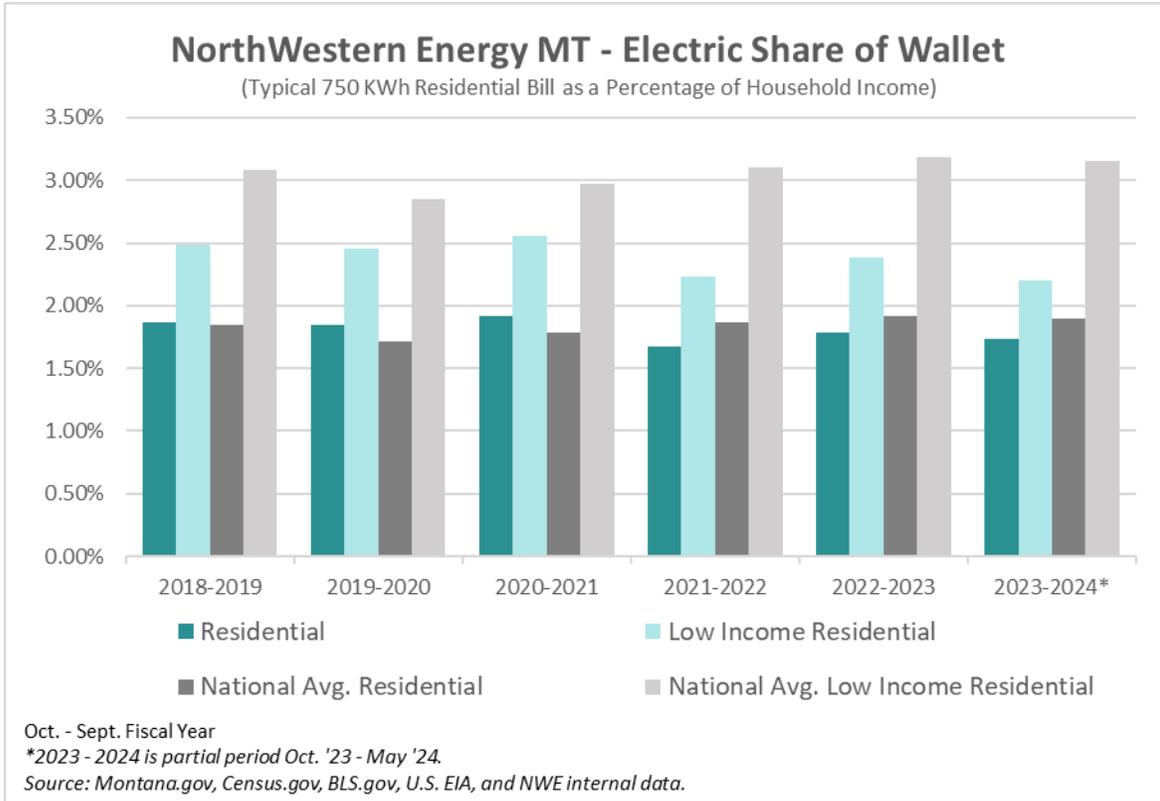
Reconciliation of Gross Margin to Utility Margin for the Six Months Ended June 30,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 603.3	\$ 524.6	\$ 192.0	\$ 220.5	\$ 795.3	\$ 745.1
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown)	176.2	120.5	75.0	112.6	251.2	233.1
Less: Operating & maintenance expense	83.8	83.8	27.8	26.9	111.6	110.7
Less: Property and other tax expense	64.3	69.3	19.1	20.0	83.4	89.3
Less: Depreciation and depletion expense	94.9	87.2	18.8	18.4	113.7	105.6
Gross Margin	184.1	163.8	51.3	42.6	235.4	206.4
Plus: Operating & maintenance expense	83.8	83.8	27.8	26.9	111.6	110.7
Plus: Property and other tax expense	64.3	69.3	19.1	20.0	83.4	89.3
Plus: Depreciation and depletion	94.9	87.2	18.8	18.4	113.7	105.6
Utility Margin ⁽¹⁾	\$ 427.1	\$ 404.1	\$ 117.0	\$ 107.9	\$ 544.1	\$ 512.0

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.

Electric Wallet Share



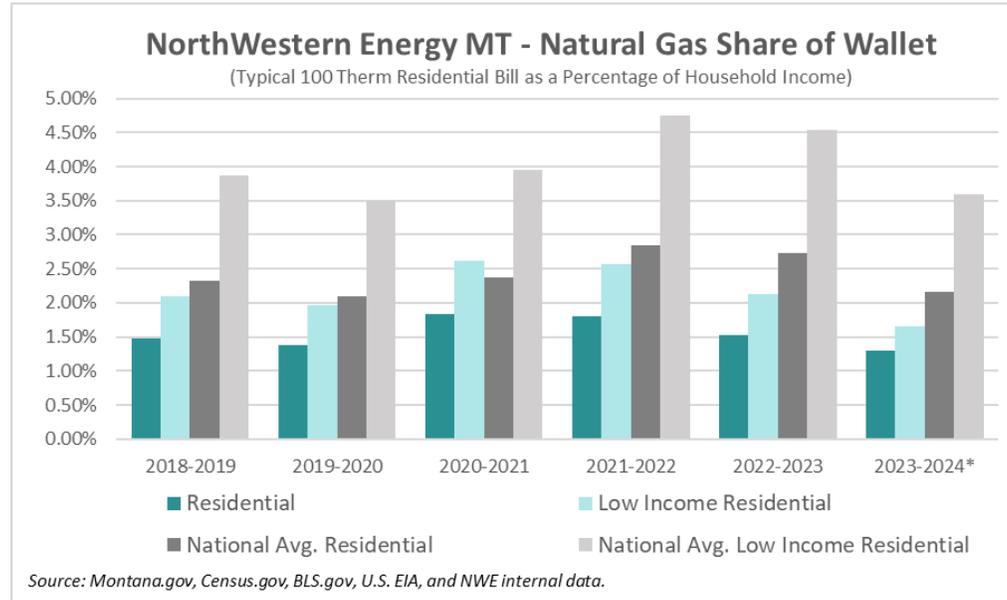
18'-23' Average Wallet Share:

	Residential	Residential Low Income
MT	● 1.82%	● 2.42%
SD	● 1.81%	● 2.64%
Nat. Avg.	1.82%	2.89%

Natural Gas Wallet Share

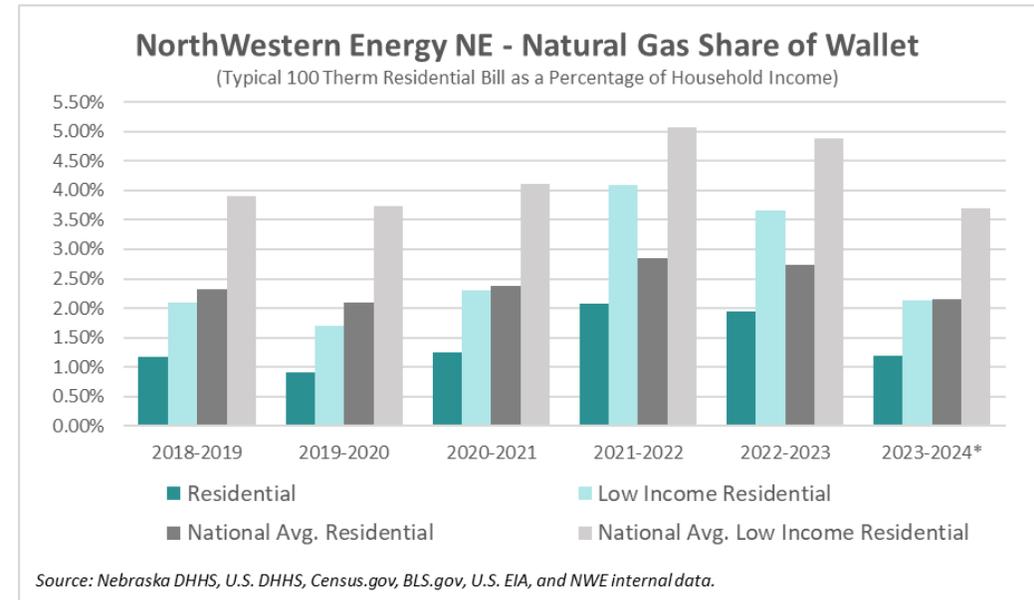
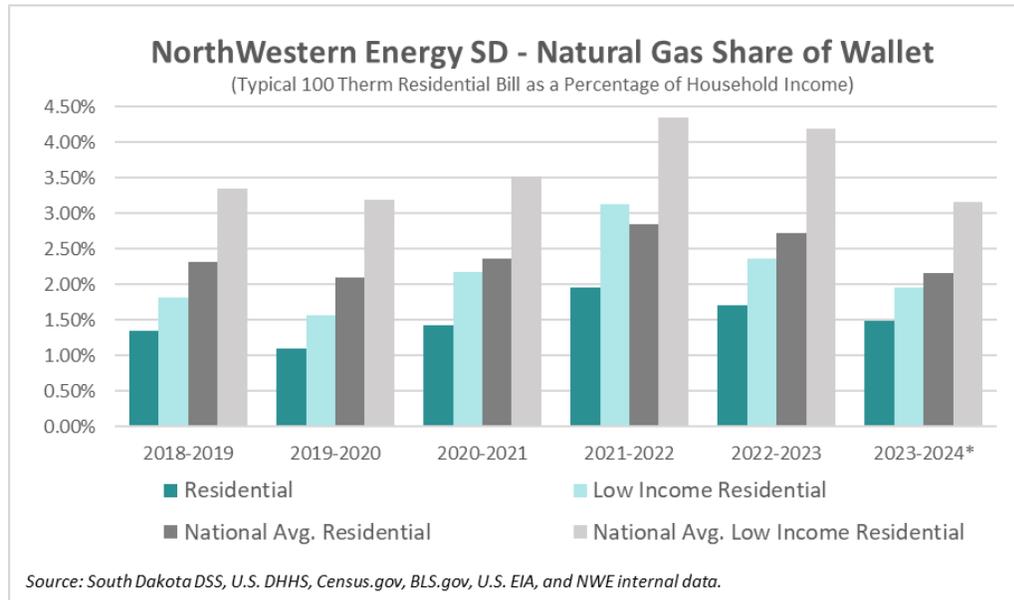
18'-23' Average Wallet Share:

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



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

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



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



Bleu 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. Schroepel

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



Jeanne M. Vold

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

Our Commissioners

Montana Public Service Commission



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

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

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. District 2 – Brad Molner (R) vs Susan Bilo (D) and District 3 – Jeff Welborn (R) vs Leonard Williams (D)

South Dakota Public Utilities Commission



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

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

South Dakota – one commissioner running for re-election

Commissioner Fiegen (R) is running against Forrest Wilson (D) and Gideon Oakes (L) in November

Nebraska Public Service Commission



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

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

Nebraska – two commissioners running to be re-elected

Commissioners Schram (R) and Watermeier (R) are both running 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 (\$ Million)										
GAAP Net Income	\$ 120.7	\$ 151.2	\$ 164.2	\$ 162.7	\$ 197.0	\$ 202.1	\$ 155.2	\$ 186.8	\$ 183.0	\$ 194.1
Non-GAAP Adjustments Taxed at 38.5% ('12-'17) and 25.3% ('18-current):										
Weather	(0.8)	8.1	9.3	(2.1)	(1.0)	(5.5)	7.3	0.8	(6.6)	3.2
Lost revenue recovery related to prior periods	-	-	(8.7)	-	-	-	-	-	-	-
Remove hydro acquisition transaction costs	9.5	-	-	-	-	-	-	-	-	-
Exclude unplanned hydro earnings	(5.4)	-	-	-	-	-	-	-	-	-
Remove benefit of insurance settlement	-	(12.8)	-	-	-	-	-	-	-	-
QF liability adjustment	-	3.8	-	-	(13.1)	-	-	(5.2)	-	-
Electric tracker disallowance of prior period costs	-	-	7.5	-	-	-	7.4	-	-	-
Income tax adjustment	(18.5)	-	(12.5)	-	(12.8)	(22.8)	-	-	-	-
Community Renewable Energy Project Penalty	-	-	-	-	-	-	-	-	2.5	-
Unplanned Equity Dilution from Hydro transaction	-	-	-	-	-	-	-	-	-	-
Previously claimed AMT Credit	-	-	-	-	-	-	-	-	-	3.2
Natural Gas Safe Harbor UTP Benefit	-	-	-	-	-	-	-	-	-	(3.2)
Non-GAAP Net Income	\$ 105.5	\$ 150.3	\$ 159.8	\$ 160.6	\$ 170.1	\$ 173.8	\$ 169.9	\$ 182.4	\$ 178.9	\$ 197.3
Non-GAAP Diluted Earnings Per Share										
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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