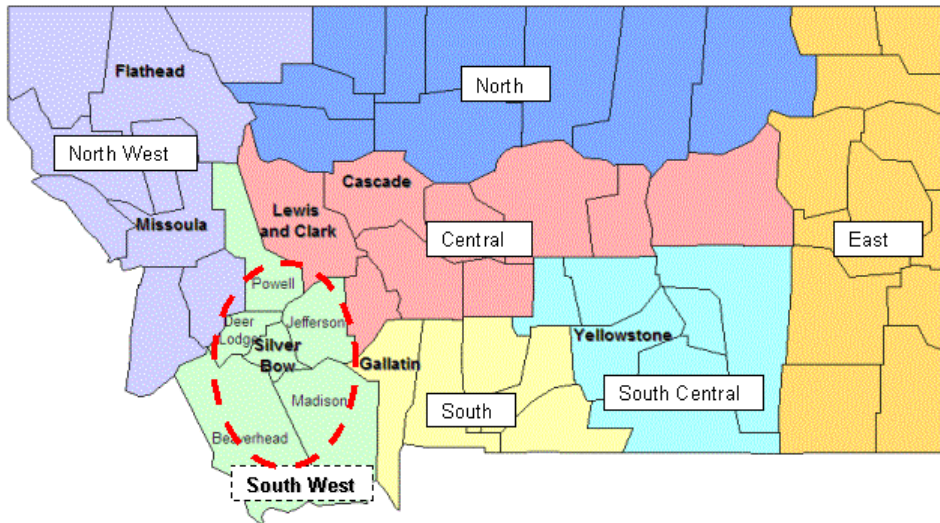


Southwest MT and Silver Bow County



Recent Performance and Outlook Our People, Jobs, and Earnings

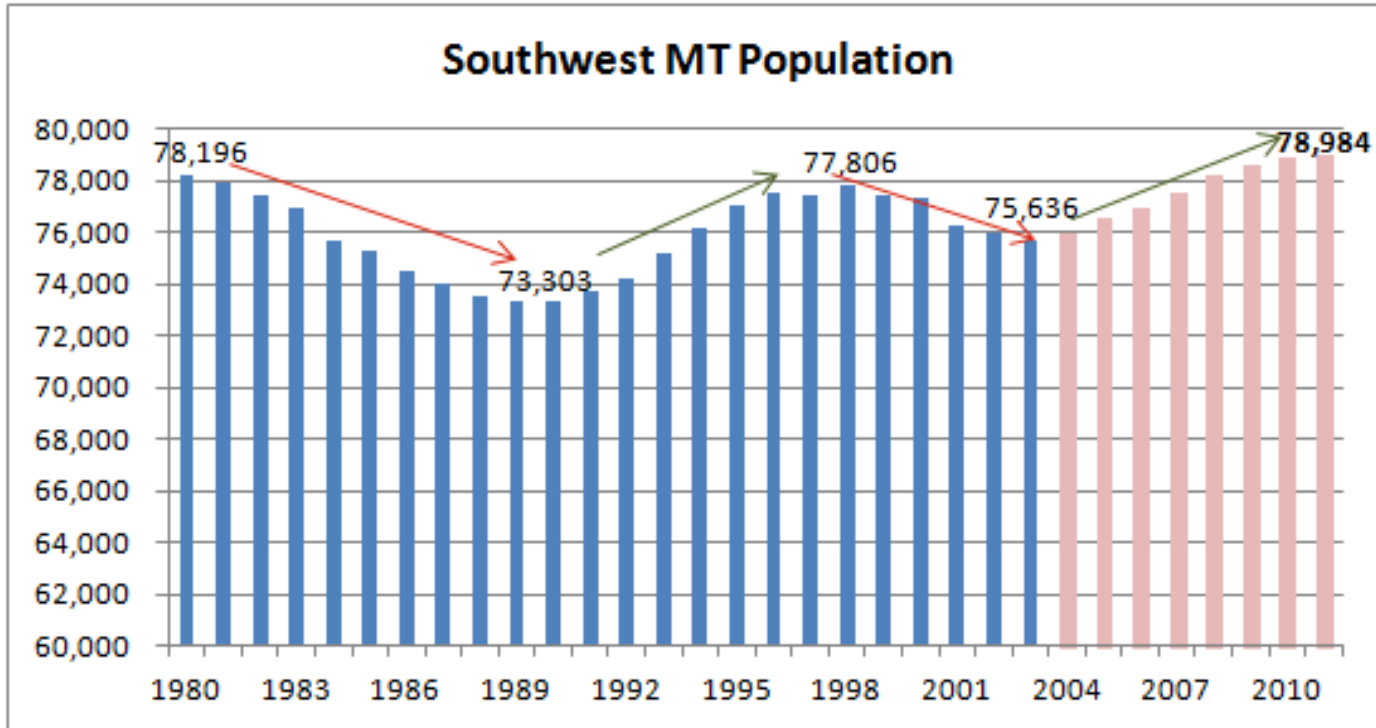
Outlook Seminar – February 7, 2013

John Kasperick - Economist – Director FP&A
NorthWestern Energy

Our People: Census Population and Demographics...

| 2011 Census Estimate Data - U.S. Census Bureau | | | | | | | | |
|---|-------------------|-------------------|------------------|----------------|---------------|-------------------|---------------|----------------|
| | Beaverhead | Deer Lodge | Jefferson | Madison | Powell | Silver Bow | SW MT | MT |
| Population, 2011 estimate | 9,198 | 9,299 | 11,381 | 7,660 | 7,063 | 34,383 | 78,984 | 998,199 |
| Population, 2010 census | 9,246 | 9,298 | 11,406 | 7,691 | 7,027 | 34,200 | 78,868 | 989,415 |
| Population, 2000 census | 9,202 | 9,417 | 10,049 | 6,851 | 7,180 | 34,606 | 77,305 | 902,195 |
| Population, percent change, 2010 to 2011 | -0.5% | 0.0% | -0.2% | -0.4% | 0.5% | 0.5% | 0.1% | 0.9% |
| Population, percent change, 2000 to 2010 | 0.5% | -1.3% | 13.5% | 12.3% | -2.1% | -1.2% | 2.0% | 9.7% |
| Persons under 18 years, percent, 2011 | 19.2% | 18.7% | 22.0% | 16.9% | 16.8% | 20.8% | 20.3% | 22.3% |
| Persons 65 years and over, percent, 2011 | 17.2% | 19.6% | 15.1% | 21.7% | 16.8% | 16.4% | 16.9% | 15.2% |
| Female persons, percent, 2011 | 48.9% | 47.4% | 49.1% | 48.2% | 38.8% | 49.3% | 48.0% | 49.8% |
| Sex Ratio (M:F) | 104.5 | 111.0 | 103.7 | 107.5 | 157.7 | 102.8 | 108.5 | 100.8 |
| Median Age 2000 | 37.6 | 42.3 | 40.2 | 43.4 | 39.7 | 38.9 | 39.8 | 37.5 |
| Median Age 2010 | 42.0 | 46.0 | 46.2 | 49.8 | 45.1 | 41.3 | 43.8 | 39.8 |
| White persons, percent, 2011 | 95.3% | 93.3% | 95.7% | 97.2% | 92.3% | 94.8% | 94.8% | 89.9% |
| American Indian and Alaska Native persons, percent | 1.6% | 3.3% | 1.6% | 0.6% | 4.5% | 2.1% | 2.2% | 6.4% |
| Persons of Hispanic or Latino origin, percent, 2011 | 3.9% | 3.0% | 2.1% | 2.6% | 1.9% | 3.7% | 3.1% | 3.1% |
| High school graduates, percent of persons age 25+ | 92.8% | 85.8% | 93.6% | 93.3% | 90.6% | 90.2% | 90.8% | 91.4% |
| Bachelor's degree or higher, pct of persons age 25+ | 30.9% | 18.5% | 33.5% | 33.2% | 19.7% | 22.5% | 25.4% | 28.2% |
| Homeownership rate, 2007-2011 | 62.7% | 70.6% | 85.1% | 71.2% | 74.1% | 65.5% | 69.7% | 68.9% |
| Median value of owner-occupied housing units | \$182,200 | \$105,700 | \$234,700 | \$250,300 | \$119,500 | \$120,700 | \$162,247 | \$179,900 |
| Persons below poverty level, percent | 13.8% | 20.9% | 7.9% | 10.8% | 13.9% | 16.4% | 14.6% | 14.6% |
| Persons per household, 2007-2011 | 2.12 | 2.14 | 2.43 | 2.00 | 2.40 | 2.19 | 2.31 | 2.36 |
| Median Household Income 2007-2011 | \$ 41,226 | \$ 34,095 | \$ 59,284 | \$ 45,242 | \$ 41,347 | \$ 40,030 | \$ 42,773 | \$ 45,324 |

Our People: Census Population and Demographics...



2004-2011

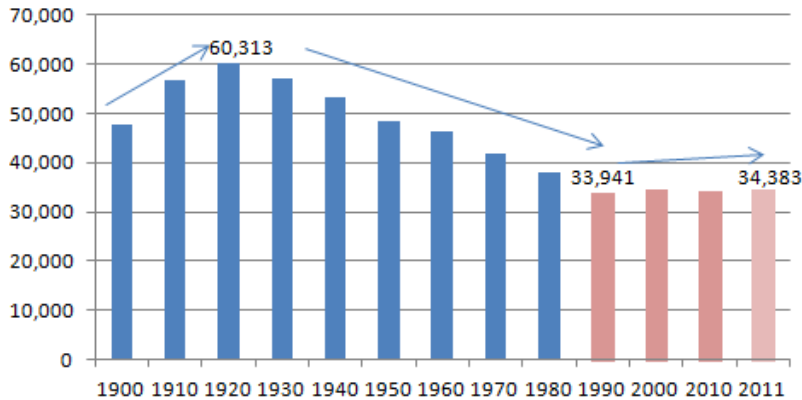
- 8 Consecutive years of growth in SW MT.
- Averaged 0.5% per year.
- Added 3,348 people.
- Longest consecutive growth over past 30-years.
- Population in 2010-11 higher than Anaconda Copper Company days.

| Population Estimates - US Bureau of Census | | | | | | Growth |
|--|---------|---------|---------|---------|---------|---------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2007-11 |
| Powell | 7,117 | 7,036 | 7,093 | 7,031 | 7,063 | -0.8% |
| Madison | 7,560 | 7,674 | 7,674 | 7,698 | 7,660 | 1.3% |
| Beaverhead | 9,028 | 9,166 | 9,200 | 9,256 | 9,198 | 1.9% |
| Deer Lodge | 9,264 | 9,351 | 9,260 | 9,297 | 9,299 | 0.4% |
| Jefferson | 11,040 | 11,203 | 11,364 | 11,419 | 11,381 | 3.1% |
| Silver Bow | 33,489 | 33,812 | 34,008 | 34,233 | 34,383 | 2.7% |
| SW MT | 77,498 | 78,242 | 78,599 | 78,934 | 78,984 | 1.9% |
| Montana | 964,706 | 976,415 | 983,982 | 990,958 | 998,199 | 3.5% |

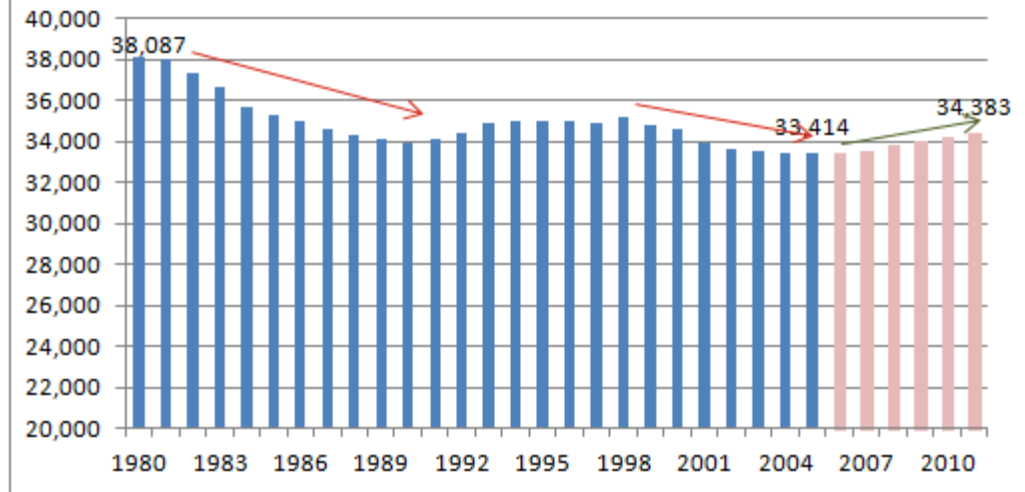
Our People: Census Population and Demographics...

Silver Bow County

Silver Bow County Population



Silver Bow Population



2006-2011

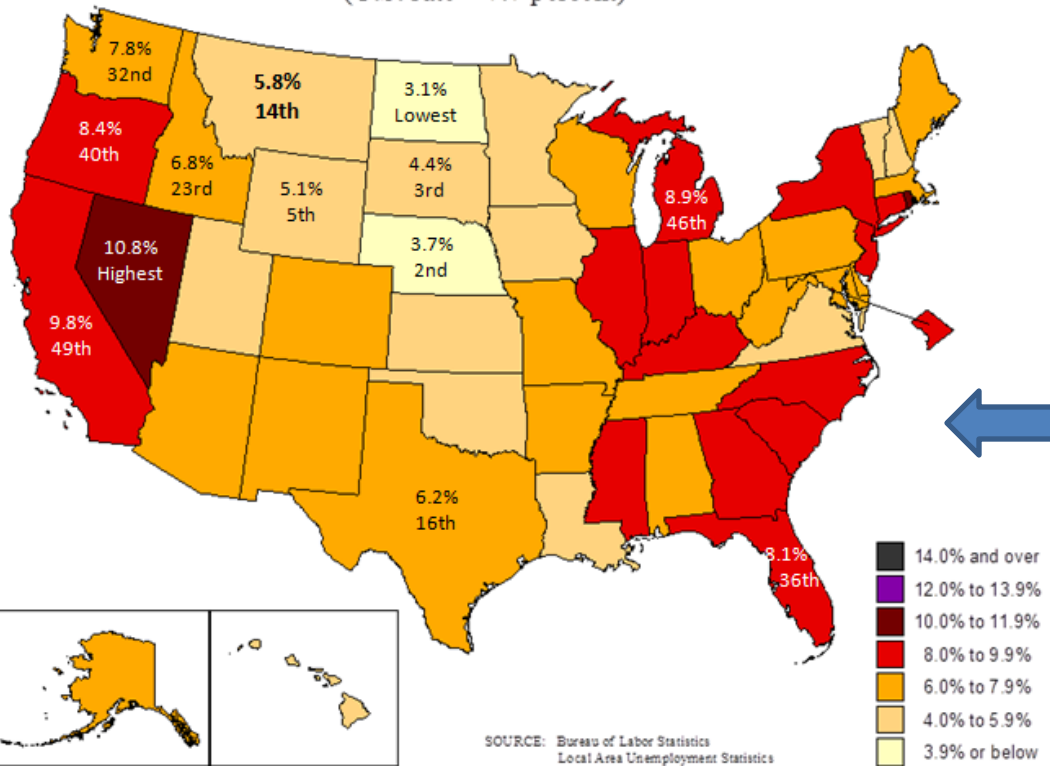
- 6 Consecutive years of growth in Silver Bow County
- Increased 3% or nearly 1,000 people between 2005 and 2011

Our Jobs: Labor Force, Employment, and Unemployment...

State Unemployment Rates – November 2012

Unemployment rates by state, seasonally adjusted, November 2012

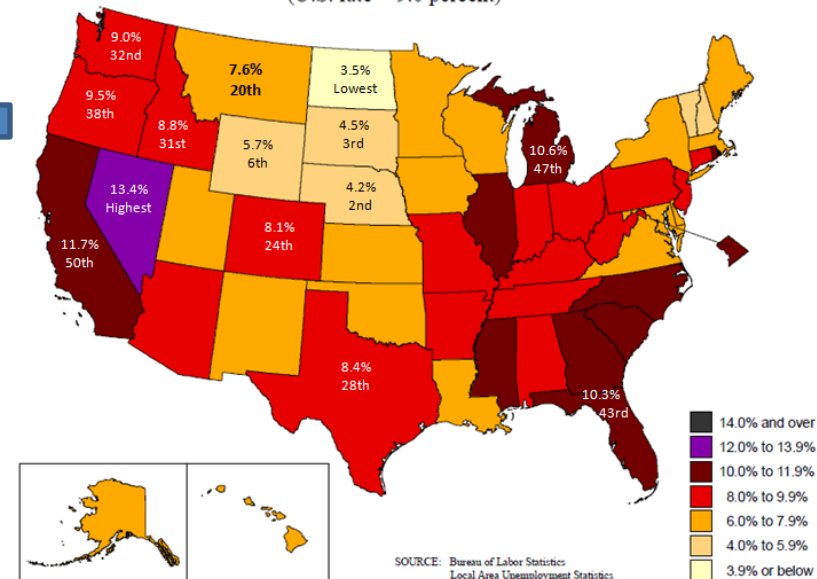
(U.S. rate = 7.7 percent)



- MT's unemployment rate at 5.8% of the labor force ranked 14th lowest of the 50 states, and well below U.S. Average of 7.7%
- All states saw improvement since last year.

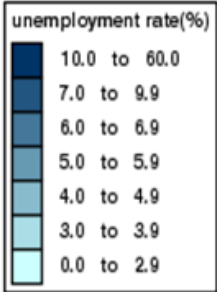
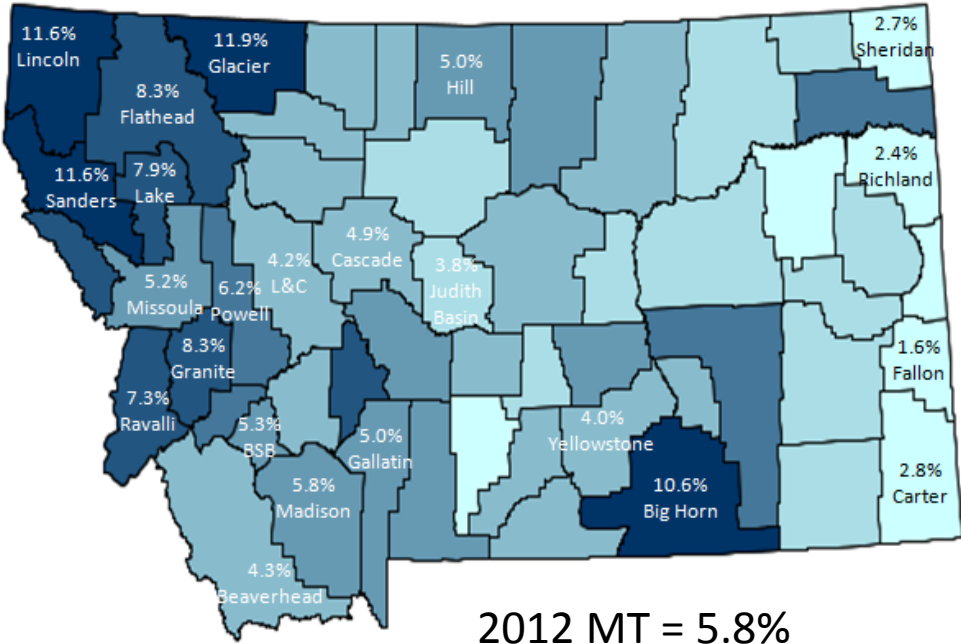
Unemployment rates by state, seasonally adjusted, October 2011

(U.S. rate = 9.0 percent)

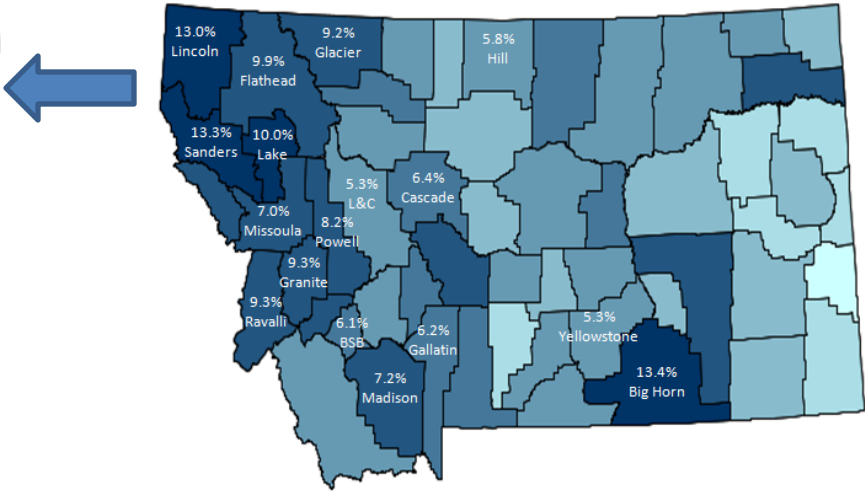


Our Jobs: Labor Force, Employment, and Unemployment...

MT Unemployment Rates – November 2012



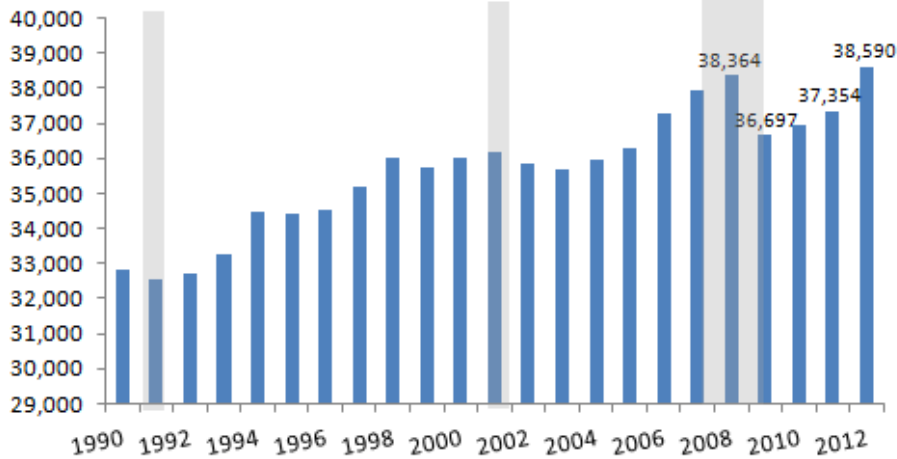
2011 MT = 7.6%



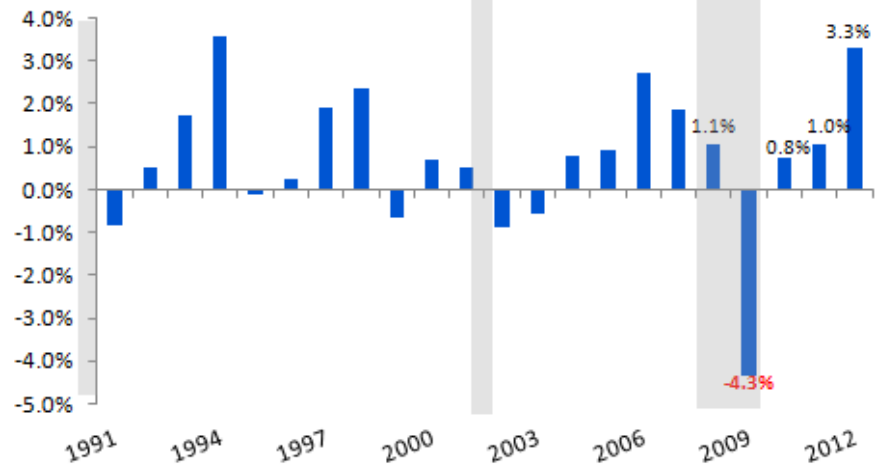
Our Jobs: Labor Force, Employment, and Unemployment...

SW MT Annual Average

SW MT Average Annual Employment



SW MT Average Annual Employment Growth



SW MT Labor Force - Source MT Dept Labor and Industry

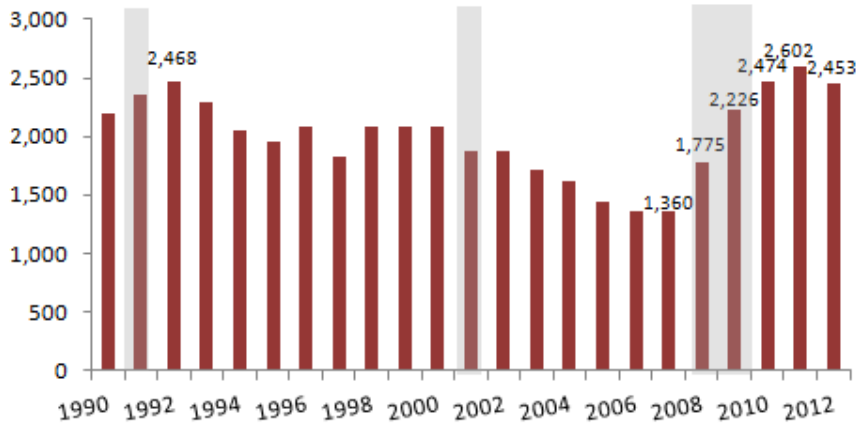
Average Annual Employment (note: 2012 annual average through November)

| | Beaverhead | Deer Lodge | Jefferson | Madison | Powell | Silver Bow | SW MT | MT |
|---------|------------|------------|-----------|---------|--------|------------|--------|---------|
| 2007 | 4,906 | 3,725 | 5,683 | 4,330 | 2,509 | 16,811 | 37,964 | 485,500 |
| 2008 | 4,952 | 3,617 | 5,759 | 4,387 | 2,562 | 17,087 | 38,364 | 486,704 |
| 2009 | 4,895 | 3,631 | 5,642 | 3,934 | 2,466 | 16,129 | 36,697 | 465,911 |
| 2010 | 4,860 | 3,756 | 5,526 | 3,700 | 2,525 | 16,606 | 36,973 | 465,615 |
| 2011 | 4,867 | 3,752 | 5,616 | 3,861 | 2,570 | 16,688 | 37,354 | 469,891 |
| 2012 | 5,061 | 3,950 | 5,849 | 3,815 | 2,691 | 17,224 | 38,590 | 478,198 |
| 2007-10 | -0.9% | 0.8% | -2.8% | -14.5% | 0.6% | -1.2% | -2.6% | -4.1% |
| 2010-11 | 0.1% | -0.1% | 1.6% | 4.4% | 1.8% | 0.5% | 1.0% | 0.9% |
| 2011-12 | 4.0% | 5.3% | 4.1% | -1.2% | 4.7% | 3.2% | 3.3% | 1.8% |

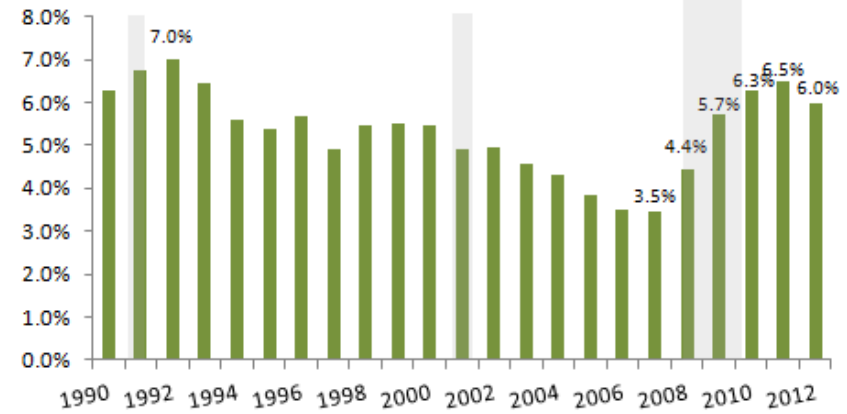
Our Jobs: Labor Force, Employment, and Unemployment...

SW MT Annual Average

SW MT Average Annual Unemployed



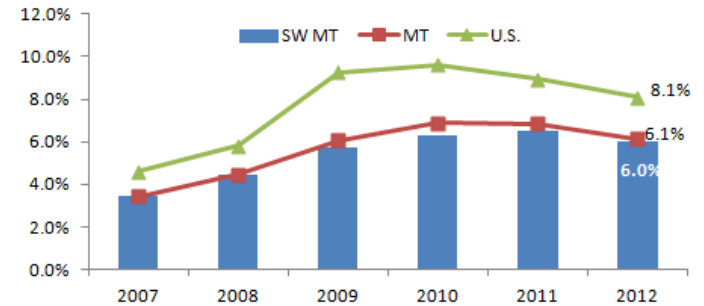
SW MT Average Annual Unemployment Rate



Average Annual Unemployment

| | Beaverhead | Deer Lodge | Jefferson | Madison | Powell | Silver Bow | SW MT | MT |
|---------|------------|------------|-----------|---------|--------|------------|-------|---------|
| 2007 | 135 | 180 | 177 | 123 | 137 | 608 | 1,360 | 17,206 |
| 2008 | 185 | 226 | 244 | 170 | 187 | 763 | 1,775 | 22,759 |
| 2009 | 226 | 262 | 337 | 233 | 216 | 952 | 2,226 | 30,085 |
| 2010 | 278 | 306 | 326 | 280 | 232 | 1,052 | 2,474 | 34,463 |
| 2011 | 295 | 327 | 332 | 285 | 247 | 1,116 | 2,602 | 34,519 |
| 2012 | 269 | 313 | 312 | 249 | 226 | 1,085 | 2,453 | 31,308 |
| 2007-10 | 143 | 126 | 149 | 157 | 95 | 444 | 1,114 | 17,257 |
| 2010-11 | 17 | 21 | 6 | 5 | 15 | 64 | 128 | 56 |
| 2011-12 | (26) | (14) | (20) | (36) | (21) | (31) | (149) | (3,211) |

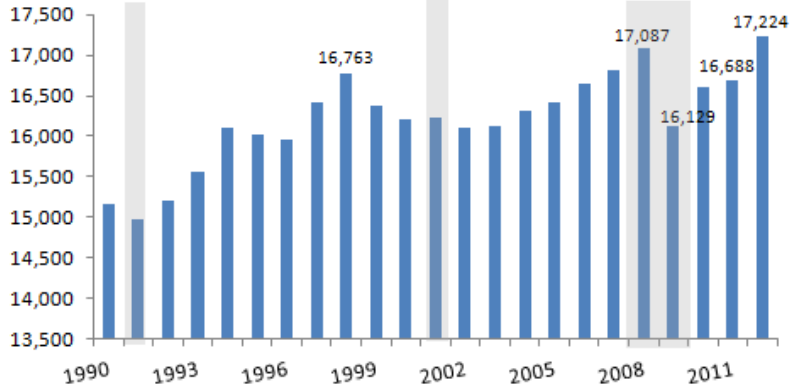
Annual Average U.E Rate



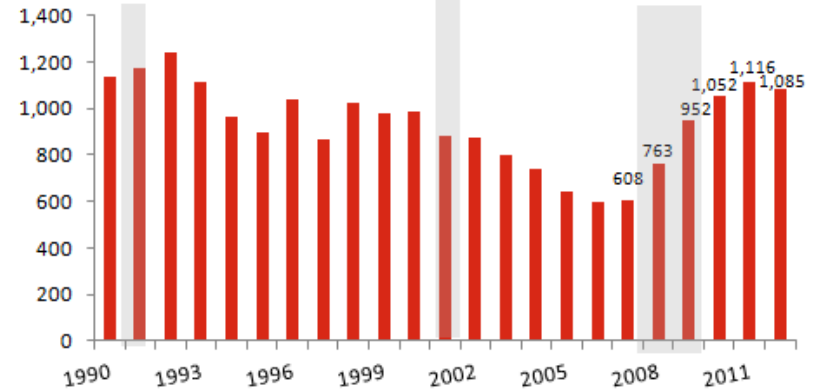
Our Jobs: Labor Force, Employment, and Unemployment...

Silver Bow County

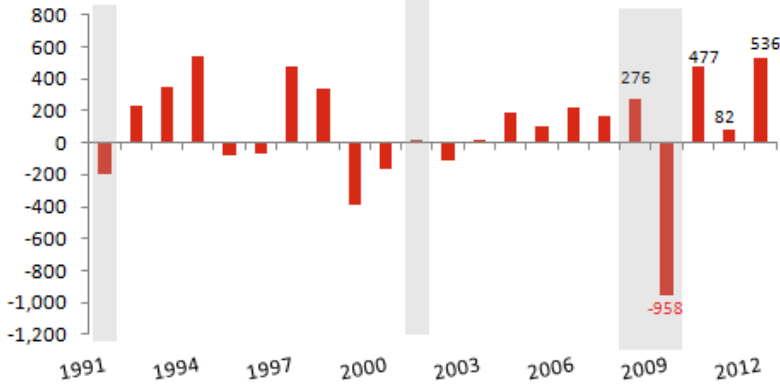
Silver Bow Average Annual Employment



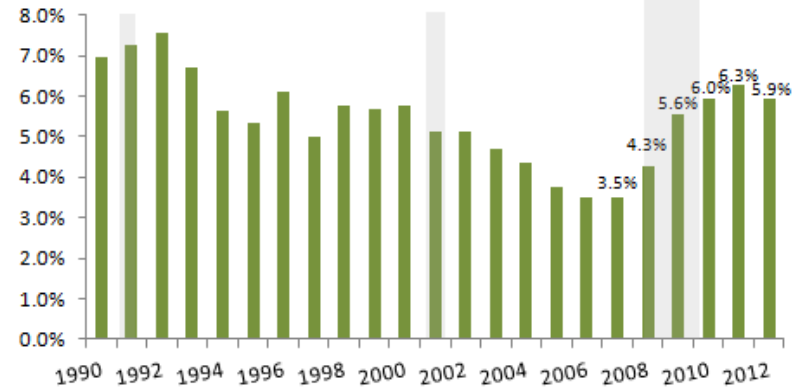
Silver Bow Average Annual Unemployed



Silver Bow Change in # Employed



Silver Bow Average Annual Unemployment Rate



Our Jobs: Labor Force, Employment, and Unemployment...

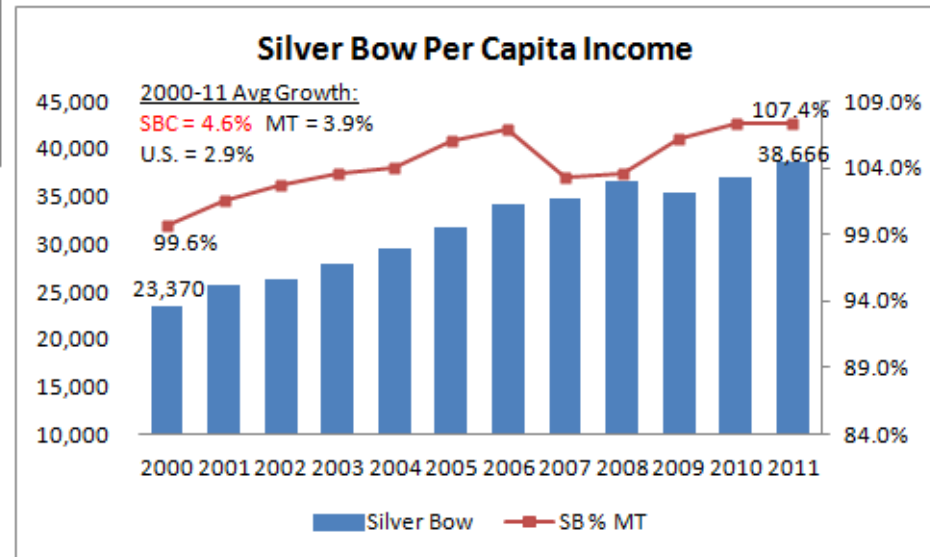
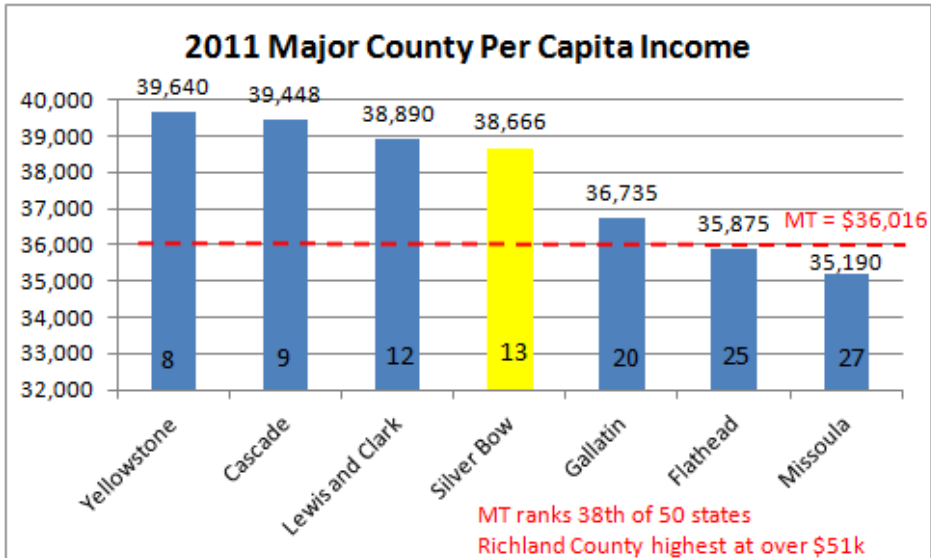
Silver Bow County

| | Employed | Annual Growth | | | |
|---------------------------------------|---------------|---------------|--------------|--------------|--------------|
| | 2012 | 2001-07 | 2007-10 | 2010-11 | 2011-12 |
| Natural Resources and Mining | 445 | 14.3% | -0.5% | 4.0% | 6.7% |
| Construction | 417 | 5.4% | -8.8% | -11.8% | 18.8% |
| Manufacturing | 596 | 2.9% | 0.6% | -0.3% | -0.2% |
| Goods Producing | 1,458 | 6.2% | -2.7% | -2.4% | 6.8% |
| Wholesale Trade, Transport, Utilities | 1,257 | -0.5% | 0.3% | 5.0% | 1.2% |
| Retail Trade | 2,202 | 0.3% | -1.5% | 1.0% | 1.4% |
| Information | 242 | -2.8% | -2.4% | 4.0% | -22.9% |
| Financial Activities | 445 | 4.2% | -4.3% | 1.8% | -2.2% |
| Professional and Bus Services | 1,209 | 3.2% | -8.0% | -1.5% | -4.1% |
| Education and Health Services | 3,389 | 4.5% | 0.7% | 4.3% | 7.9% |
| Leisure and Hospitality | 2,225 | 1.3% | 0.1% | -0.7% | 3.7% |
| Other Services | 505 | 0.7% | -1.8% | 2.3% | -4.0% |
| Service Producing | 11,474 | 1.9% | -1.4% | 1.9% | 1.9% |
| Federal Government | 274 | -1.1% | -2.5% | 1.5% | -1.8% |
| State Government | 987 | 1.5% | 10.5% | -6.3% | 1.2% |
| Local Government | 1,243 | 0.1% | -0.6% | 0.9% | -1.3% |
| Government | 2,504 | 0.4% | 3.3% | -2.0% | -0.4% |
| Total Covered | 15,436 | 2.0% | -0.8% | 0.8% | 2.0% |

| | 2007-10 | 2010-11 | 2011-12 |
|---------------------------------------|--------------|-------------|------------|
| Natural Resources and Mining | (6) | 16 | 28 |
| Construction | (120) | (47) | 66 |
| Manufacturing | 10 | (2) | (1) |
| Goods Producing | (116) | (33) | 93 |
| Wholesale Trade, Transport, Utilities | 9 | 59 | 15 |
| Retail Trade | (98) | 22 | 31 |
| Information | (23) | 12 | (72) |
| Financial Activities | (62) | 8 | (10) |
| Professional and Bus Services | (345) | (19) | (52) |
| Education and Health Services | 62 | 129 | 247 |
| Leisure and Hospitality | 6 | (16) | 79 |
| Other Services | (29) | 12 | (21) |
| Service Producing | (480) | 207 | 217 |
| Federal Government | (21) | 4 | (5) |
| State Government | 282 | (66) | 12 |
| Local Government | (22) | 11 | (16) |
| Government | 239 | (51) | (9) |
| Total Change | (357) | 123 | 301 |

Our Earnings: Income and Wages...

SW MT and Silver Bow County Per Capita Income



Our Earnings: Income and Wages...

Silver Bow County Average Annual Wages

| 2011 Average Annual Pay by Industry - Silver Bow County and Montana | | | | | |
|---|---------------|---------------|---------------|-------------|----------|
| | SBC | MT | % State | Loc Quo | Industry |
| Natural Resources and Mining | 96,805 | 61,415 | 157.6% | 0.97 | Goods |
| Wholesale Trade, Transport, Utilities | 62,748 | 46,974 | 133.6% | 1.12 | Services |
| Federal Government | 60,081 | 61,288 | 98.0% | 0.58 | Govt |
| Manufacturing | 53,217 | 42,774 | 124.4% | 0.96 | Goods |
| Information | 48,715 | 41,966 | 116.1% | 0.95 | Services |
| State Government | 47,164 | 41,608 | 113.4% | 1.18 | Govt |
| Professional and Bus Services | 43,936 | 40,598 | 108.2% | 0.83 | Services |
| Construction | 40,364 | 42,756 | 94.4% | 0.56 | Goods |
| Local Government | 39,502 | 34,639 | 114.0% | 0.69 | Govt |
| Financial Activities | 37,503 | 44,936 | 83.5% | 0.63 | Services |
| Education and Health Services | 33,208 | 38,370 | 86.5% | 1.41 | Services |
| Retail Trade | 23,296 | 24,663 | 94.5% | 1.12 | Services |
| Other Services | 21,955 | 24,443 | 89.8% | 0.86 | Services |
| Leisure and Hospitality | 13,044 | 15,033 | 86.8% | 1.10 | Services |
| <i>Goods Producing</i> | <i>61,468</i> | <i>47,150</i> | <i>130.4%</i> | <i>0.80</i> | |
| <i>Government</i> | <i>31,815</i> | <i>32,250</i> | <i>98.7%</i> | <i>0.80</i> | |
| <i>Service Producing</i> | <i>44,759</i> | <i>40,990</i> | <i>109.2%</i> | <i>1.09</i> | |
| Total Covered All Industries | 36,880 | 34,595 | 106.6% | | |

Growth and Recovery Continues

Silver Bow County Outlook - Annual Averages

| | Historic Actuals | | | | | | Outlook | | | |
|-------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Total Employment | 16,811 | 17,087 | 16,129 | 16,606 | 16,688 | 17,224 | 17,586 | 17,885 | 18,171 | 18,462 |
| Employment Growth | 0.9% | 1.6% | -5.6% | 3.0% | 0.5% | 3.2% | 2.1% | 1.7% | 1.6% | 1.6% |
| Job Change | 156 | 276 | (958) | 477 | 82 | 536 | 362 | 299 | 286 | 291 |
| Unemployment | 608 | 763 | 952 | 1,052 | 1,116 | 1,085 | 990 | 965 | 920 | 870 |
| Unemployment Rate | 3.5% | 4.3% | 5.6% | 6.0% | 6.3% | 5.9% | 5.3% | 5.1% | 4.8% | 4.5% |
| Unemployed Change | | 155 | 189 | 100 | 64 | (31) | (95) | (25) | (45) | (50) |
| Annual Wage | \$ 33,434 | \$ 34,506 | \$ 35,564 | \$ 35,722 | \$ 36,880 | \$ 37,802 | \$ 38,823 | \$ 39,871 | \$ 41,067 | \$ 42,504 |
| Wage Growth | 5.6% | 3.2% | 3.1% | 0.4% | 3.2% | 2.5% | 2.7% | 2.7% | 3.0% | 3.5% |

