



# NorthWestern Energy – Energy Overview



BBER – January & February 2026

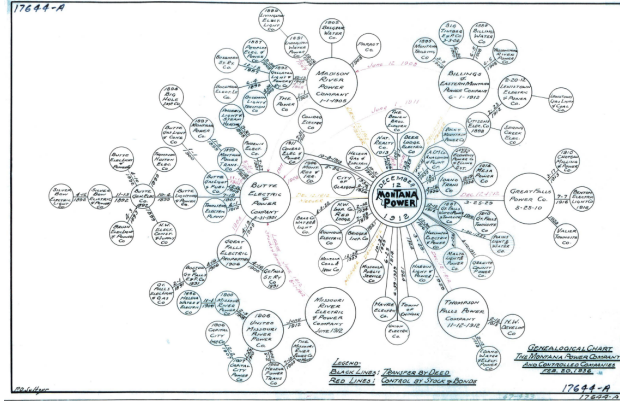


## Today's Topics

- NWE / Black Hills Merger
- Colstrip – NWE Adding More Generation Capacity
- Data Centers – Benefit for Existing Customers
- Affordability and Reliability

# A Long History of Consolidation

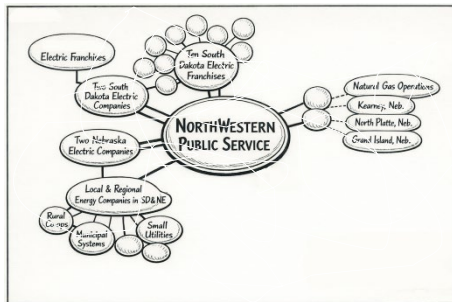
Founded in 1912.



+



Founded in 1923.



Formed in 2002.

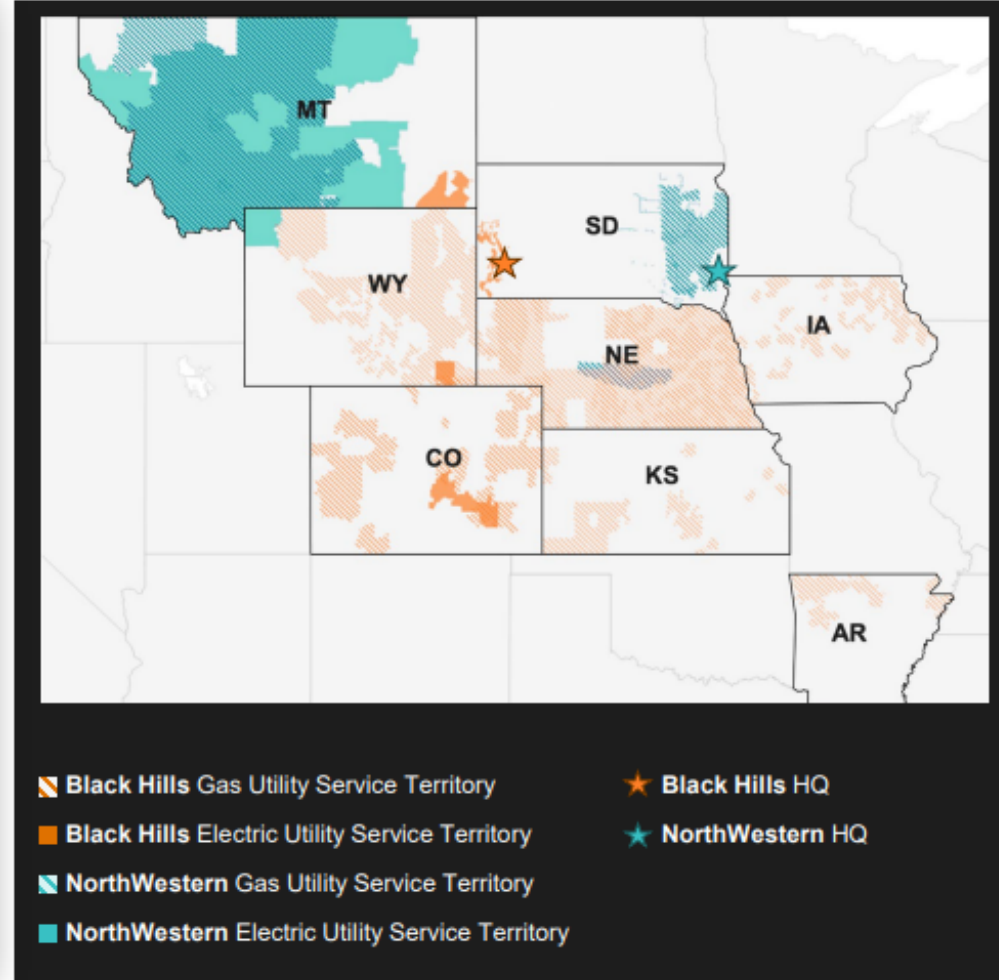


NorthWestern Energy itself is the product of a century of consolidation. Hundreds of local utilities ultimately converged into two regional leaders that combined in 2002 following the acquisition of Montana Power by NorthWestern Public Service.

The proposed merger with Black Hills is simply the next step to building a bigger, stronger, and more resilient utility capable of meeting today's growing energy needs.

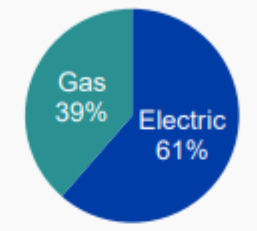
# NWE / BKH Merger – Across Eight Contiguous States

	Black Hills	NorthWestern	Combined
2024 Rate Base (\$bn)	\$6.0	\$5.4	\$11.4
Jurisdictions <sup>(1)</sup>	8 + FERC	3 + FERC	8 + FERC
Total Customers (mm)	1.35	0.79	2.14
Electric T&D (miles)	9k	29k	38k
Gas T&D (miles)	49k	10k	59k
Owned Generation GW <sup>(2)</sup>	1.4	1.5	2.9
Employees (000s)	2.8	1.6	4.4

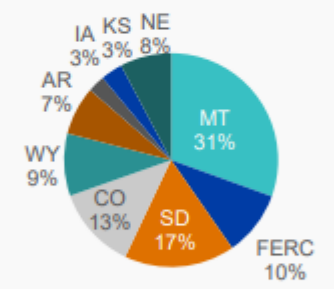


## Business Mix

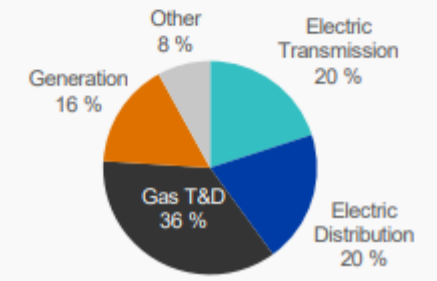
Gas vs. Electric Rate Base



Rate Base by Jurisdiction



Base Capital Plan Breakdown



Note: Numbers may not sum due to rounding  
 (1) Eight states plus FERC  
 (2) Net owned nameplate capacity, does not include PPAs

# NWE / BKH Merger - Benefits Stakeholders

## **Increases Scale Position and Growth**

Increases the combined company target EPS growth rate to 5-7%, supported by the doubling of each company's rate base to total of ~\$11 bn with significant growth opportunities

## **Expands Investment Opportunity**

Leverages enhanced resources to make strategic investments that foster economic development, including addressing the growing demand for energy, including from data centers

## **Substantial Long-Term Value for Customers**

Bringing together two complementary teams focused on reliability and exceptional customer service to deliver even greater value.

## **Strengthens Balance Sheet**

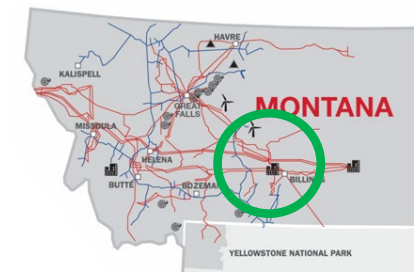
Strong and predictable cash flows support a customer-focused capital investment program while producing high-quality, investment-grade credit metrics

## **Enhances Business Diversity**

Delivering energy to more than 2.1 mm customers across multiple contiguous jurisdictions, served by a highly skilled workforce focused on safety and reliability

Strategic combination represents a highly attractive value creation opportunity for both companies.

# Colstrip – Transaction Overview



	<b><u>Avista</u></b>
<b>Announcement:</b>	<b>January 2023</b>
<b>Effective Date:</b>	<b>December 31, 2025</b>
<b>Capacity:</b>	<b>222 MW</b> (111 MW each of units 3 & 4)
<b>Acquisition Price:</b>	<b>\$0.0</b>
<b>Status Update:</b>	Filed a temporary PCCAM tariff waiver request with the MPSC in August 2025 that would provide a near-term cost-recovery mechanism that is expected to largely offset the ~\$18.0 million of incremental annual operating costs resulting from the transfer. The waiver was temporarily granted in January 2026.

	<b><u>Puget</u></b>
	<b>July 2024</b>
	<b>December 31, 2025</b>
	<b>370 MW</b> (185 MW each of units 3 & 4)
	<b>\$0.0</b>
	Signed contract in November 2025 to sell electricity through late 2027. Revenue from the contract is expected to largely offset the ~\$30 million of incremental operating costs resulting from the transfer. Filed with FERC for cost-based rates in October 2025 with approval expected during the first quarter of 2026.

**NorthWestern’s acquisition of Avista and Puget’s 592 MW of additional Colstrip capacity:**

- Avista interests advance our regulated portfolio to resource adequacy and increase facility ownership from 15% to 30%
- Puget interests moves ownership from 30% to 55% which provides the ability to determine strategic direction and investment decisions at the facility
- Combined interests support the integration of large-load customers, delivering substantial benefits to our customers, communities, and investors

The acquisitions are 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 close 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.

# Data Centers – Overview and Process



## Data Center Request

- Load & Location
- Supply Potential
- Customer/Developer Required Timing

Queue Count: 7

## High-Level Assessment

- Viability Assessment
- Southwest Power Pool Screening
- High Level Cost Estimate

Queue Count: 7

## Letter of Intent (LOI)

- Supply Development Estimates
- Development Agreement Negotiations

Queue Count: 2

## Development Agreement

- Development Deposit to Fund Studies:
  - Montana: System Impact Study & Facility Study
  - South Dakota: Southwest Power Pool Delivery Point Network Study

Queue Count: 1

## Energy Service Agreement (ESA)

- Regulatory Approvals (as needed)
- Contract Signing
- Business Development Handoff

Queue Count: 0

## Construction

- Project Management Assignment
- Construction Kick-Off
- Supply Development
- Generation Build Process

Queue Count: 0

NorthWestern is designing its large-load tariff structure to ensure data center customers fully cover their own costs and there will be strong security and departure protections so existing customers aren't exposed to financial risk.

# Data Centers – Stakeholder Benefits



**No Cost Shifting:** Data centers will cover the costs of their needed infrastructure through an approved tariff. Large industrial customers in the state already subsidize residential customers (don't see it any differently for data centers).



**Revenue Stability / Downward Pressure on Rates:** Large-load customers provide a steady and predictable revenue stream, helping stabilize all customers. More electricity across the same existing wires allows our fixed costs to be spread over more kilowatt hours putting downward pressure on rates.



**Local Community Benefits:** Large-load customers bring jobs and infrastructure investments, benefiting the local economy. Plus, these projects often come with corporate social responsibility initiatives that enhance local communities, such as educational programs or environmental projects.



**Grid Efficiency:** High-consumption customers can help utilities optimize their grid usage, improving overall system efficiency and reliability.



**Renewable Energy Integration:** Data centers and similar customers often invest in renewable energy or partner with utilities for green power, advancing sustainability goals.



**Strengthened Utility Financials:** Increased revenues from large customers can support broader infrastructure upgrades and innovation, benefiting all customer classes.

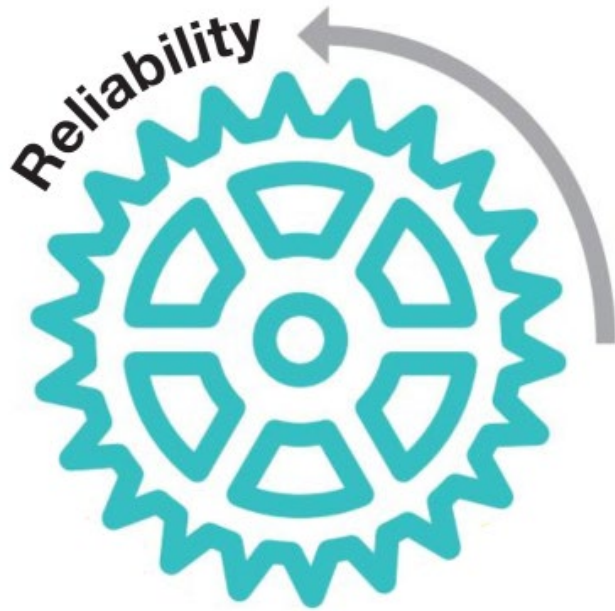


**Increased Property Tax Revenue:** Large-load customers, like data centers, contribute significantly to local property tax bases through their substantial infrastructure investments, providing funds for schools, public services, and community development.



**Environmental Fit:** Operational concerns like water usage are naturally mitigated thanks to Montana's low ambient temperatures and closed-loop cooling systems.

# Reliability



Our electric reliability is better than our industry peers, which is significant considering our rural and dispersed service territory.



We had outstanding years on the reliability front in 2023, 2024 and 2025. In fact, since we began tracking outage data in 2010, 2023 was the best performance on record. Our SAIDI scores typically have our electric reliability in the 1<sup>st</sup> or 2<sup>nd</sup> quartiles among other utilities. In 2025, our customers, on average, were served with uninterrupted power 99.981% of the time\*.

Meanwhile, our natural gas operations rarely have outages and thus have availability nearly 100% of the time.

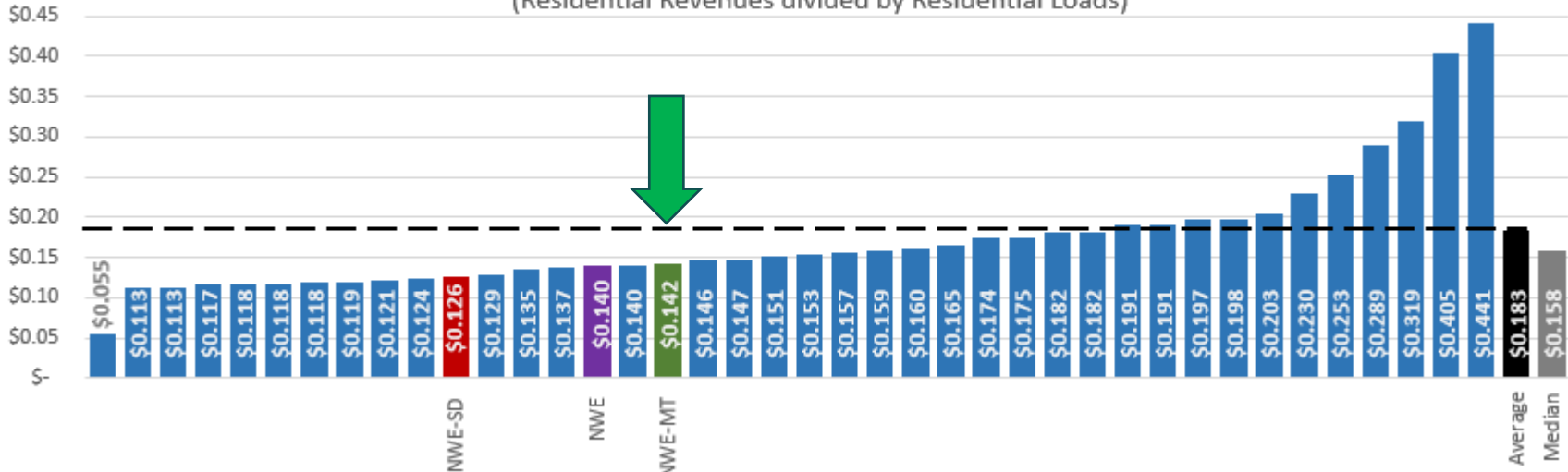
	<u>2023</u>	<u>2024</u>	<u>2025</u>
SAIDI* Minutes	88.8	95.2	99.5
Uninterrupted Power Availability	99.983%	99.982%	99.981%

\* System Average Interruption Duration Index (SAIDI) is the total number of minutes interruption the average customer experiences. This is based on normal operating conditions and excludes planned outages, Major Event Days, and Catastrophic events.

# Affordability – NWE vs EEI Utilities Residential & Commercial Rates

Residential Electric Rate - EEI Investor Owned Utilities - 2024

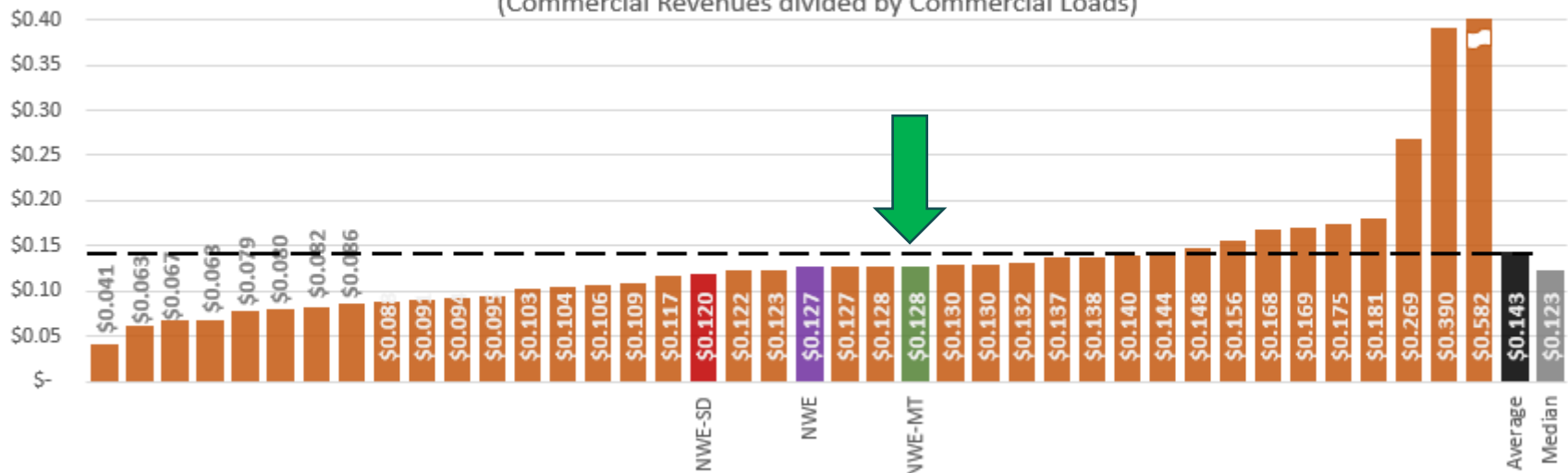
(Residential Revenues divided by Residential Loads)



Source: S&P Global, FERC Form 1 - page 300 and EIA Form 861 Sales to the Ultimate Customer

Commercial Electric Rate - EEI Investor Owned Utilities - 2024

(Commercial Revenues divided by Commercial Loads)



Source: S&P Global, FERC Form 1 - page 300 and EIA Form 861 Sales to the Ultimate Customer

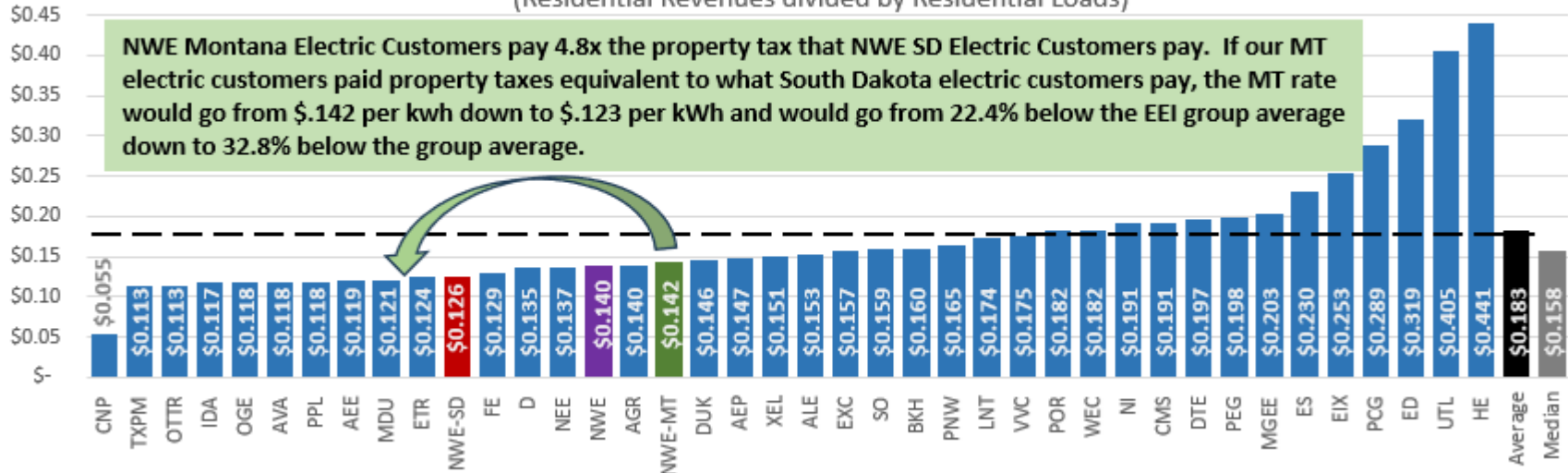
Versus the 37 Edison Electric Institute (EEI) member utilities (investor-owned electric utilities), NWE's residential electric rates per kWh are 22.4% lower than the average and 10.1% lower than the median for 2024, while our commercial rates are 10.5% lower than the average.

*Electric rates are calculated by taking the respective retail revenues for residential and commercial customers divided by the respective electric kilowatt hours distributed to the residential and commercial customer classes.*

# Affordability – Property Taxes Impacting Affordability

Residential Electric Rate - EEI Investor Owned Utilities - 2024

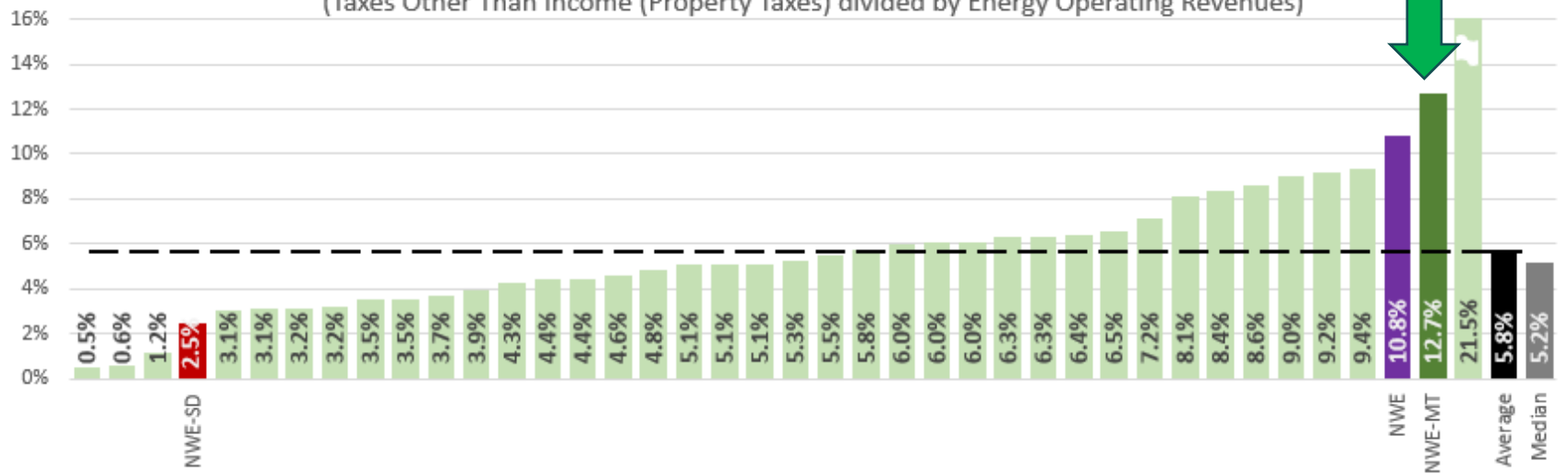
(Residential Revenues divided by Residential Loads)



Source: S&P Global, FERC Form 1 - page 300 and EIA Form 861 Sales to the Ultimate Customer

Property Taxes as Percentage of Revenue - EEI Investor Owned Utilities - 2024

(Taxes Other Than Income (Property Taxes) divided by Energy Operating Revenues)



Source: S&P Global IQ - FERC Form 1 and Company Financial Statements

Versus the 37 EEI member utilities, NWE's residential electric rates per kWh are lower than the average and the median of the group for 2024 all while NWE is paying 2.2 times the EEI group average percentage of property taxes to retail energy revenues for our Montana customers.

Basically, our retail rates for all classes of Montana customers would be significantly lower than the EEI group average if we paid property taxes at the same level as the average EEI utility.

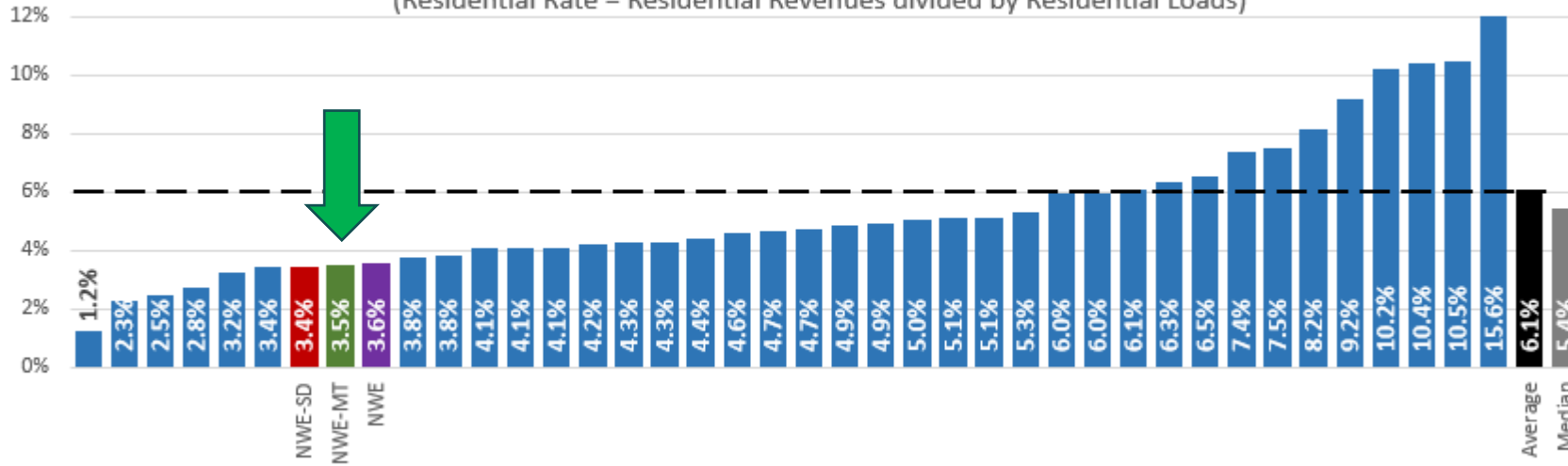
NWE pays more property taxes in Montana than we pay our employees in Montana.

*Electric rates are calculated by taking the retail revenues for residential customers divided by the electric kilowatt hours distributed to residential customers.*

# Affordability – Increase in Rates Last Five Years

**Residential Electric Rate Increase - 5-Year 2019-2024 CAGR for EEI Investor Owned Utilities**

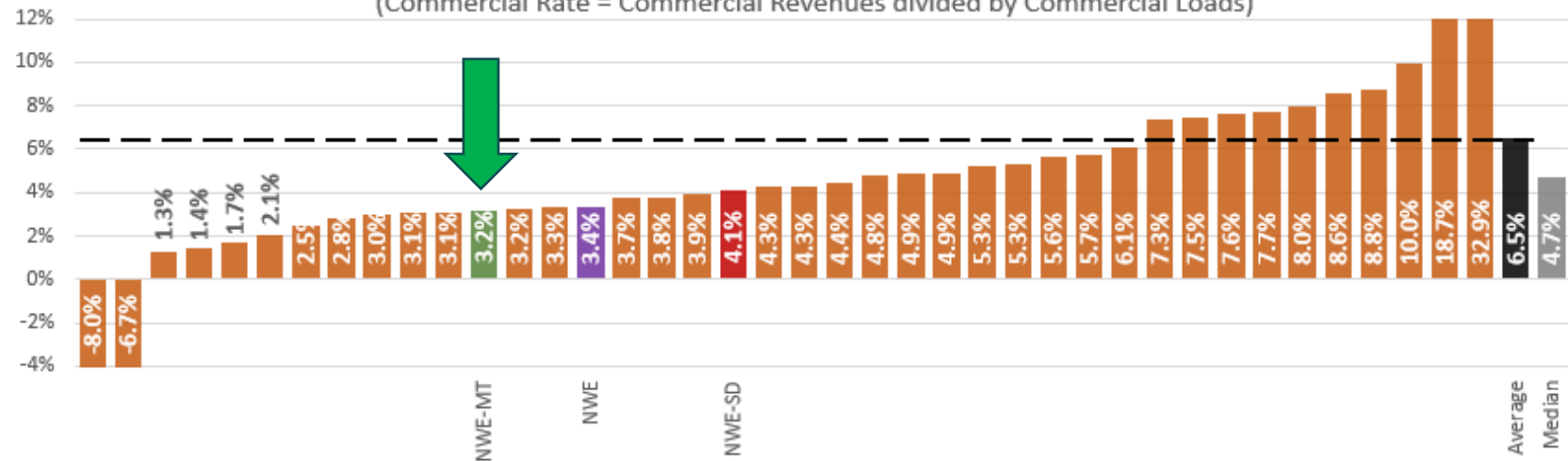
(Residential Rate = Residential Revenues divided by Residential Loads)



Source: S&P Global, FERC Form 1 - page 300 and EIA Form 861 Sales to the Ultimate Customer

**Commercial Electric Rate Increase - 5-Year 2019-2024 CAGR for EEI Investor Owned Utilities**

(Commercial Rate = Commercial Revenues divided by Commercial Loads)



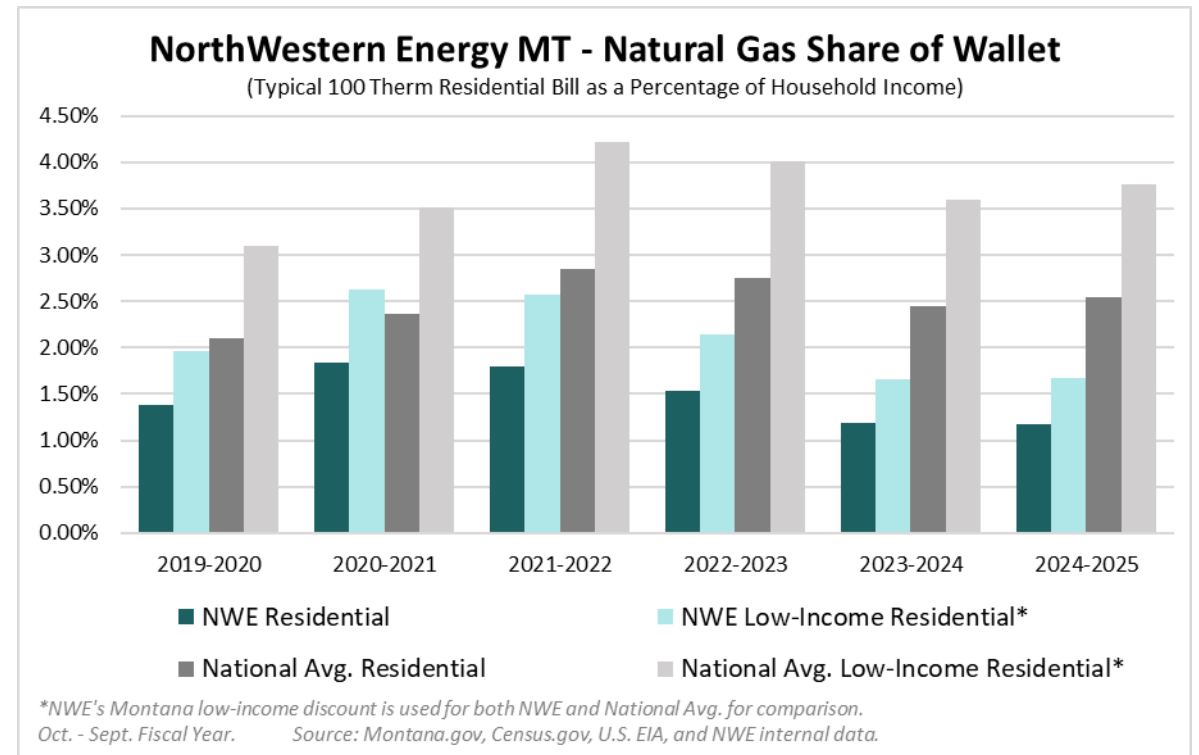
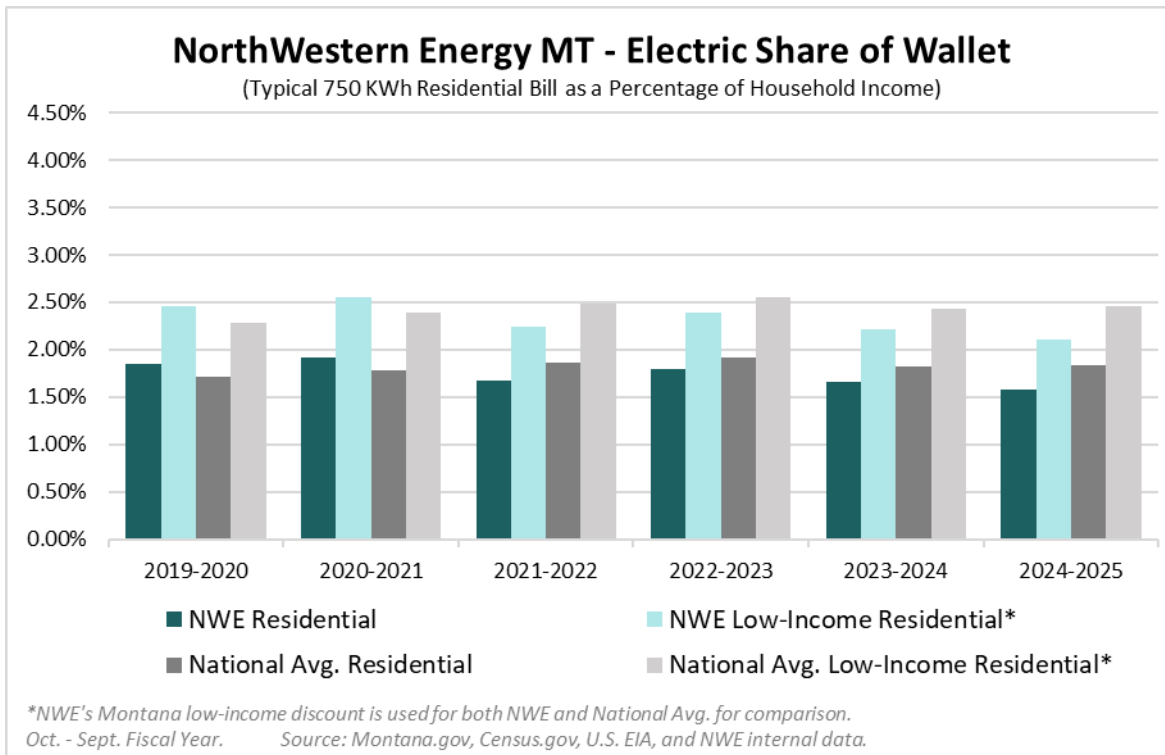
Source: S&P Global, FERC Form 1 - page 300 and EIA Form 861 Sales to the Ultimate Customer

NWE's residential electric rates per kWh have had a Compound Annual Growth Rate (CAGR) of 3.6% (3.5% in Montana) since 2019, while the average of the EEI group is 6.1% and the median is 5.4% since 2019.

For commercial rates, NWE's CAGR was 3.4% (3.2% in Montana) versus the EEI group average of 6.5% and median of 4.7% since 2019.

*Electric rates are calculated by taking the respective retail revenues for residential and commercial customers divided by the respective electric kilowatt hours distributed to each the residential and commercial customer classes.*

# Affordability – Wallet Share



**19'-25' Average Wallet Share:**

	Residential	Low-Income Residential
MT	1.74%	2.33%
Nat. Avg.	1.82%	2.43%

Wallet Share is the percentage of income a customer allocates to a specific product or service category.

**19'-25' Average Wallet Share:**

	Residential	Low-Income Residential
MT	1.49%	2.11%
Nat. Avg.	2.51%	3.70%

# Electricity & Natural Gas – Still a Great Value

Coffee / Latte



\$4 - \$5 per day

Cell Phone Bill Family of 4



\$5 - \$11 per day

McDonald's Big Mac Meal



\$10 - \$12 per meal

Party-Sized Bag of Ruffles



\$7 - \$8 per bag

Heat, Cool, Power, & Protect Your Entire Home



\$5 - \$7 per day  
(Electricity \$3-\$4/day & Natural Gas \$2-\$3/day)

For less than the price of everyday items, electricity and natural gas power, heat, cool, and protect your entire home.

# Electricity – Still an Amazing Value over the Century!

## A Dozen Chicken Eggs

1922..... \$0.35  
Today..... \$2.07

up  
591%

## An Electric Range on which to Cook

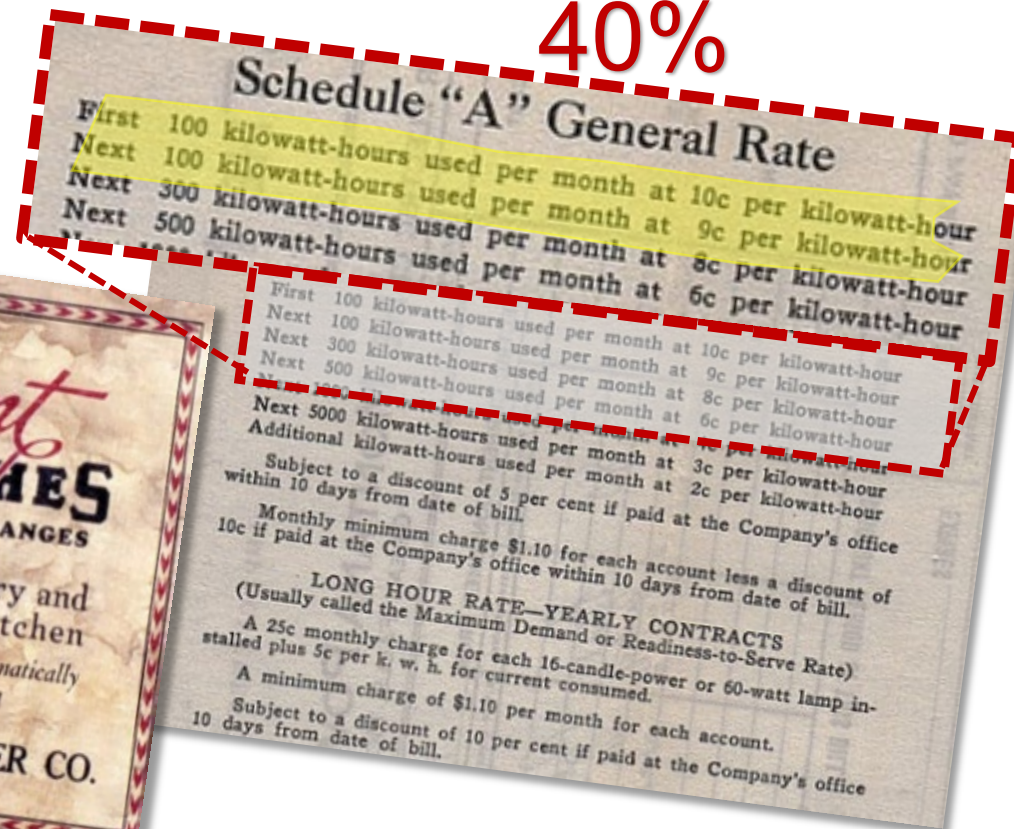
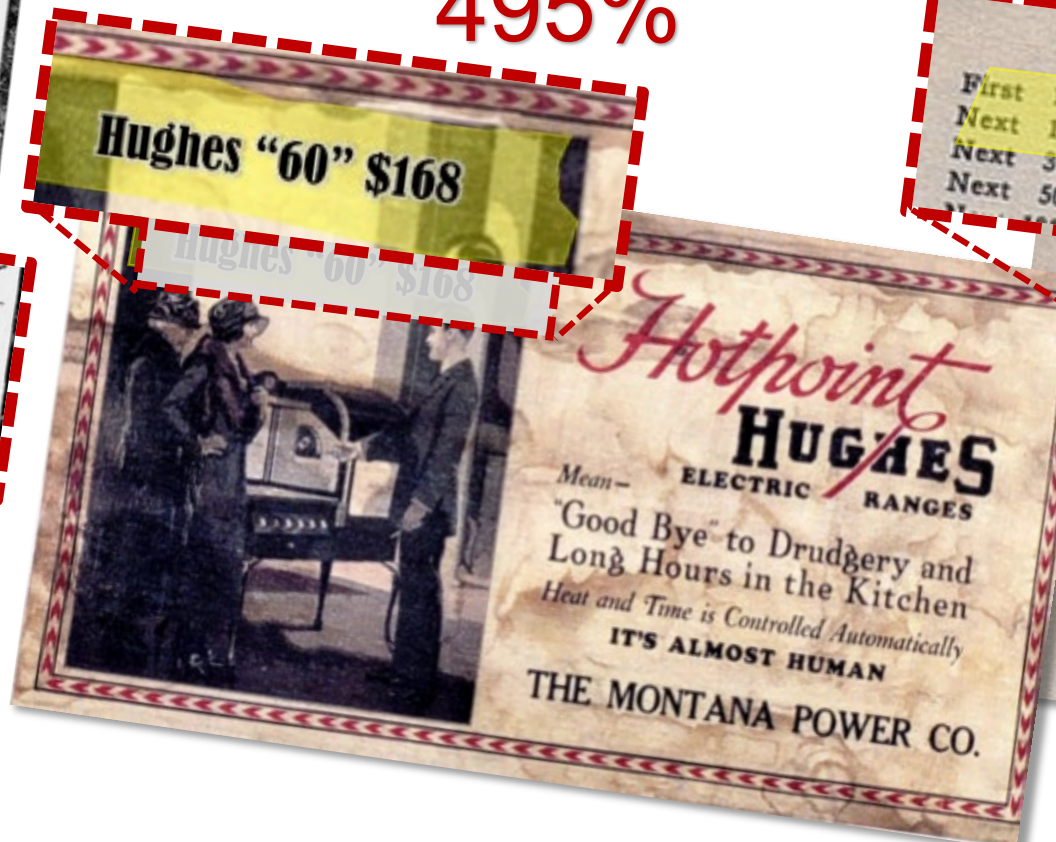
1922..... \$168  
Today...\$1,000

up  
495%

## A kWh of Electricity to Power the Electric Range

1922..... \$0.10  
Today..... \$0.14

up  
40%





Thank you

Questions & Answers