



2024 Third Quarter Earnings Webcast October 30, 2024

8-K October 30, 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

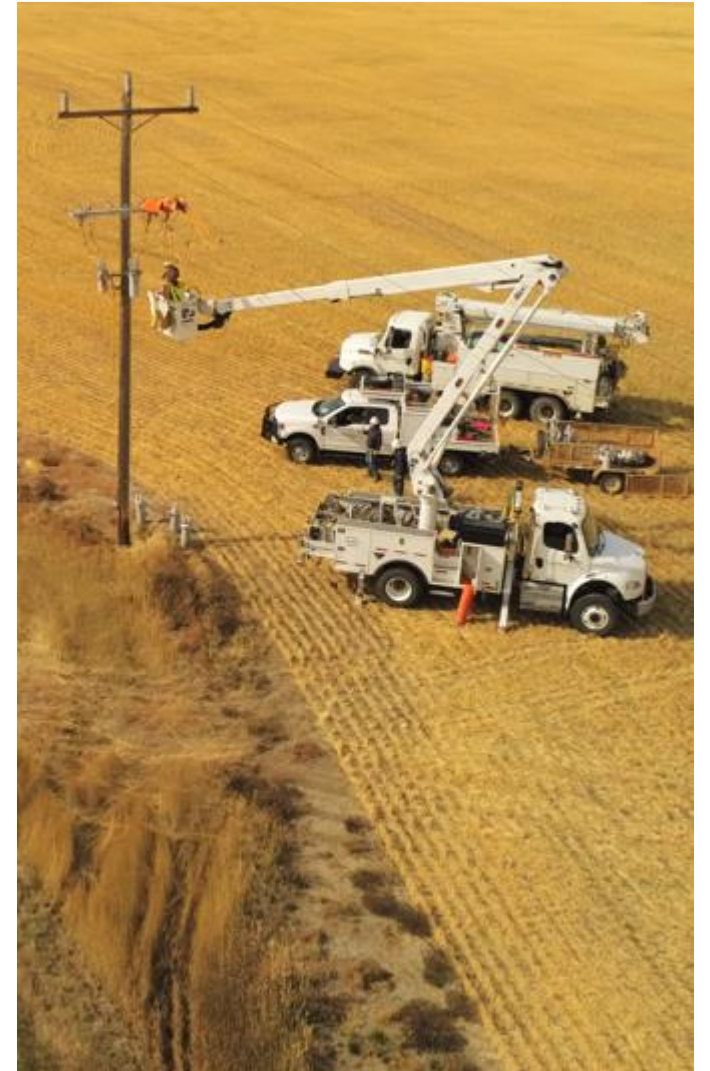
Forward Looking Statements

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.

Recent Highlights

- **Reported GAAP diluted EPS of \$0.76**
 - Non-GAAP diluted EPS of \$0.65¹
- **Revising 2024 non-GAAP EPS guidance to \$3.32 - \$3.47 in light of delay in Montana interim rates**
- **Reaffirming long-term (5 year) rate base and earnings per share growth rates targets of 4% - 6%²**
- **Dividend Declared: \$0.65 per share payable December 31, 2024 to shareholders of record as of December 13, 2024**
- **Yellowstone County Generating Station began serving customers in October**
- **In August 2024, U.S. DOE awarded \$700M Grid Resilience and Innovation Partnership (GRIP) Grant to North Plains Connector Consortium project, including \$70M earmarked for Colstrip Transmission System upgrades**



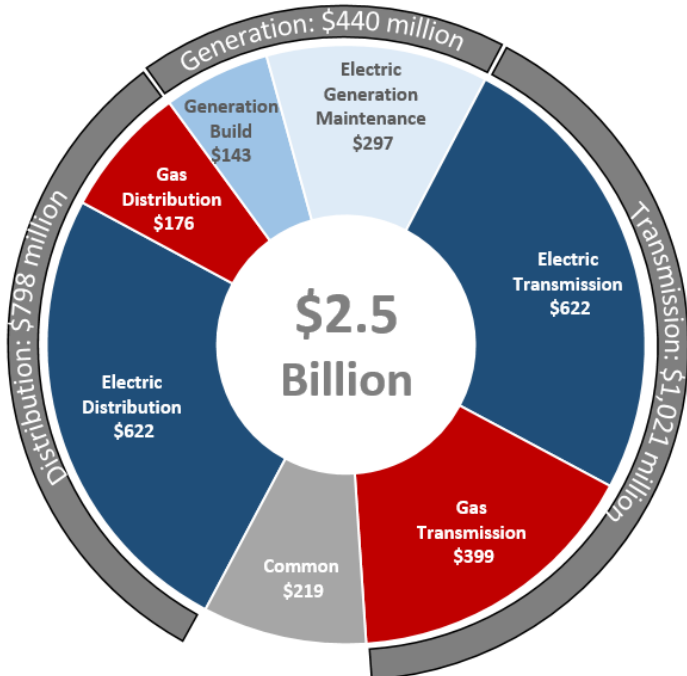
The NorthWestern Value Proposition

~5% Dividend Yield

Base Capital Plan:
4%-6% EPS Growth

Incremental Opportunities:
6% + EPS Growth

2024-2028 Capital Investment
(\$ Millions)



- ✓ **FERC Transmission**
- ✓ **Incremental generating capacity**
(subject to successful resource procurement bids)
- ✓ **Qualifying Facility and / or Power Purchase Agreement buyouts**
- ✓ **Electrification supporting economic development**

9%-11% Total Growth

11%+ Total Growth

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.



Q3 Financial Results

Third Quarter Financial Results

(in millions except per share amounts)

	Three Months Ended September 30,			
	2024	2023	Variance	% Variance
Operating Revenues	\$345.2	\$321.1	\$24.1	7.5%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	87.9	88.9	(1.0)	(1.1%)
Utility Margin¹	257.3	232.2	25.1	10.8%
Operating Expenses				
Operating and maintenance	55.9	53.2	2.7	5.1%
Administrative and general	34.9	29.4	5.5	18.7%
Property and other taxes	41.6	41.8	(0.2)	(0.5%)
Depreciation and depletion	57.0	52.2	4.8	9.2%
Total Operating Expenses	189.4	176.6	12.8	7.2%
Operating Income	67.9	55.6	12.3	22.1%
Interest expense	(33.4)	(28.7)	(4.7)	(16.4%)
Other income, net	9.1	4.1	5.0	122.0%
Income Before Taxes	43.7	31.0	12.7	41.0%
Income tax benefit (expense)	3.2	(1.7)	4.9	288.2%
Net Income	\$46.8	\$29.3	\$17.5	59.7%
Effective Tax Rate	(7.3%)	5.5%	(12.8%)	
Diluted Shares Outstanding	61.4	60.5	0.9	1.5%
Diluted Earnings Per Share	\$0.76	\$0.48	\$0.28	58.3%
Dividends Paid per Common Share	\$0.65	\$0.64	\$0.01	1.6%

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

Note: Subtotal variances may exist due to rounding.

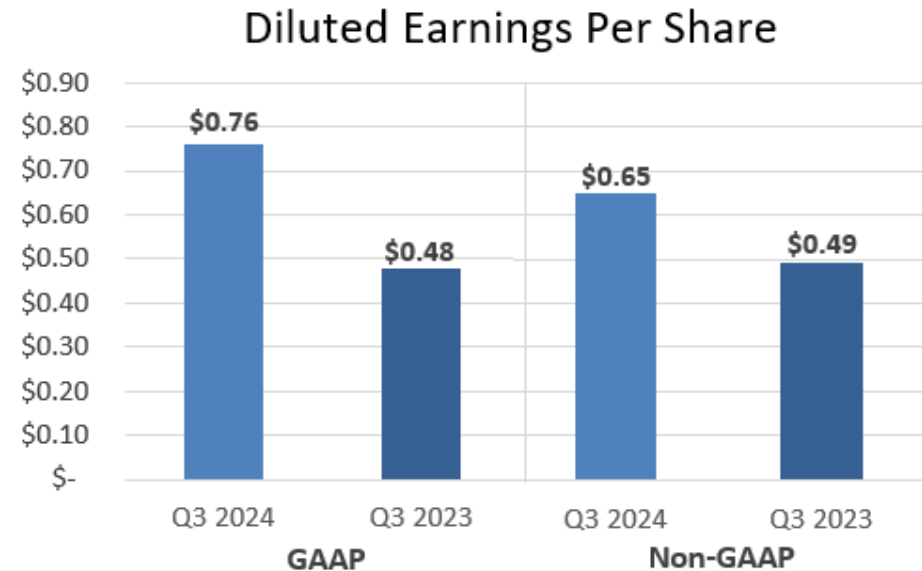
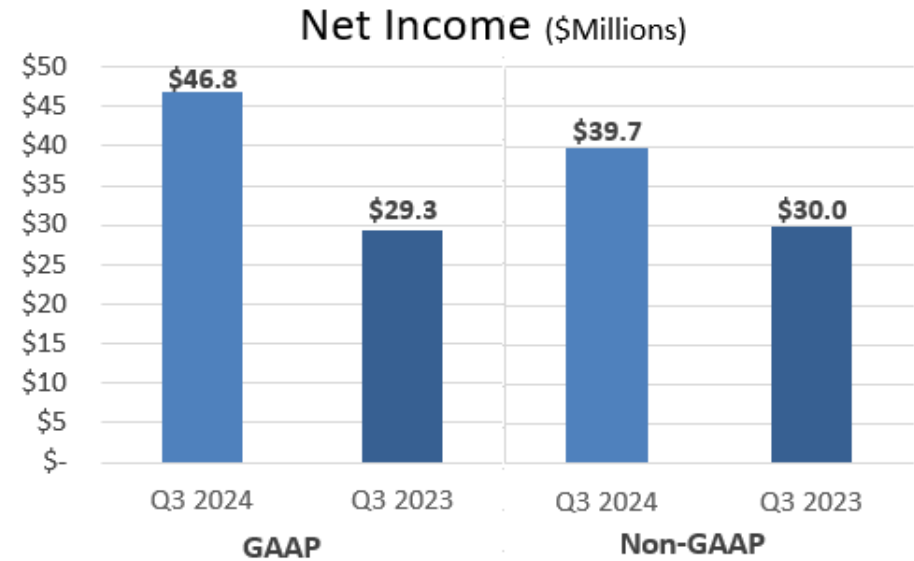
Third Quarter 2024 Financial Results

Third Quarter Net Income vs Prior Period

- GAAP: ↑ 17.5 million or 59.7%
- Non-GAAP¹: ↑ 9.7 million or 32.4%

Third Quarter EPS vs Prior Period

- GAAP: ↑ \$0.28 or 58.3%
- Non-GAAP¹: ↑ \$0.16 or 32.7%



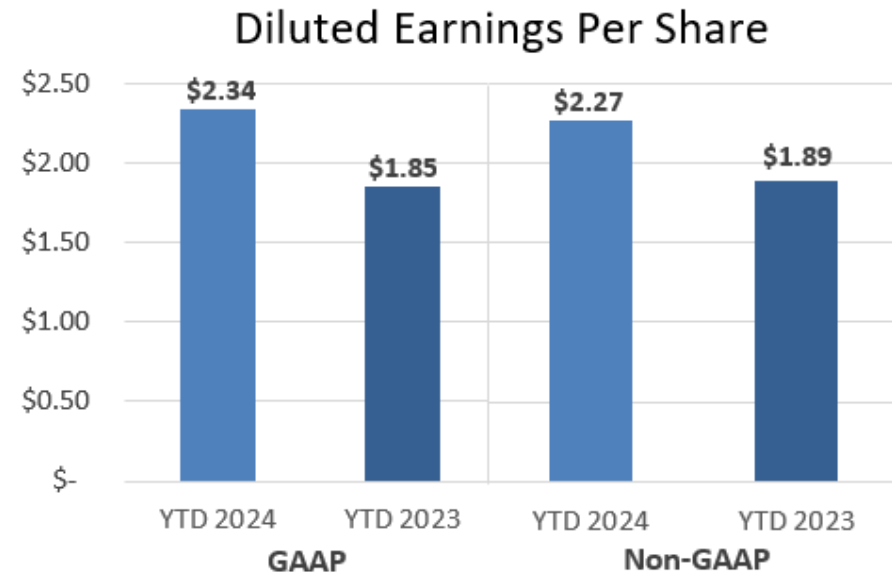
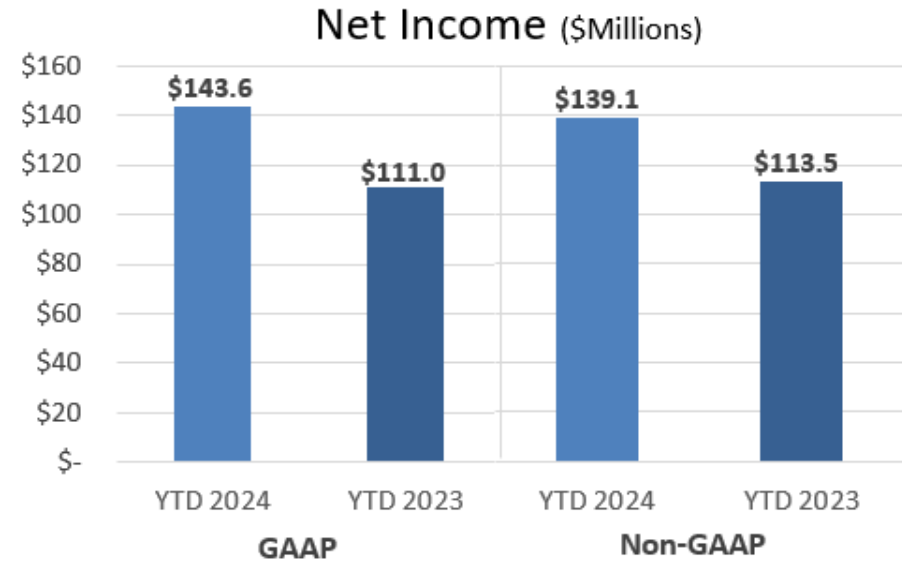
Year-to-Date 2024 Financial Results

Year-to-Date Net Income vs Prior Period

- GAAP: ↑ 32.6 million or 29.4%
- Non-GAAP¹: ↑ 25.6 million or 22.6%

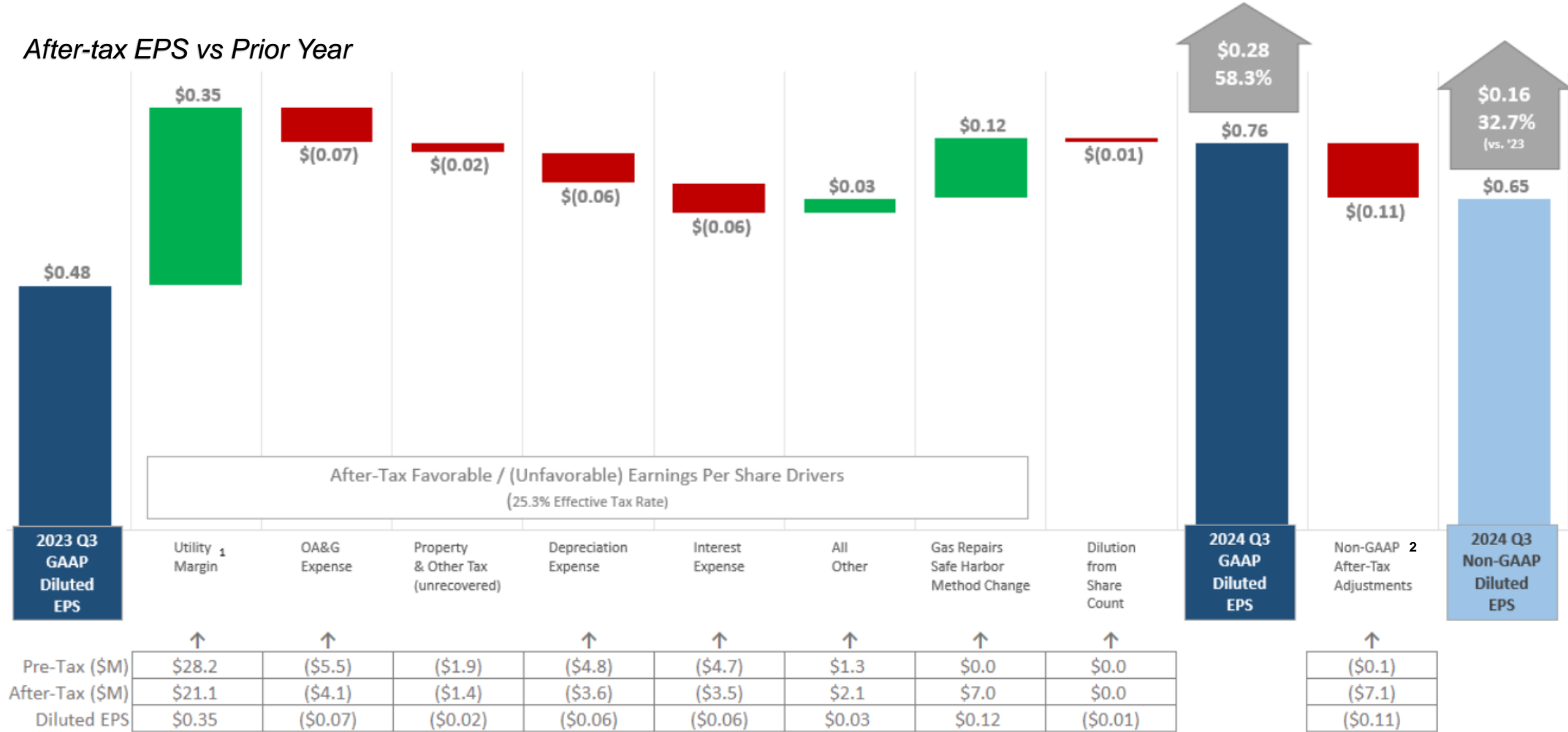
Year-to-Date EPS vs Prior Period

- GAAP: ↑ \$0.49 or 26.5%
- Non-GAAP¹: ↑ \$0.38 or 20.1%



Third Quarter Earnings Drivers

After-tax EPS vs Prior Year

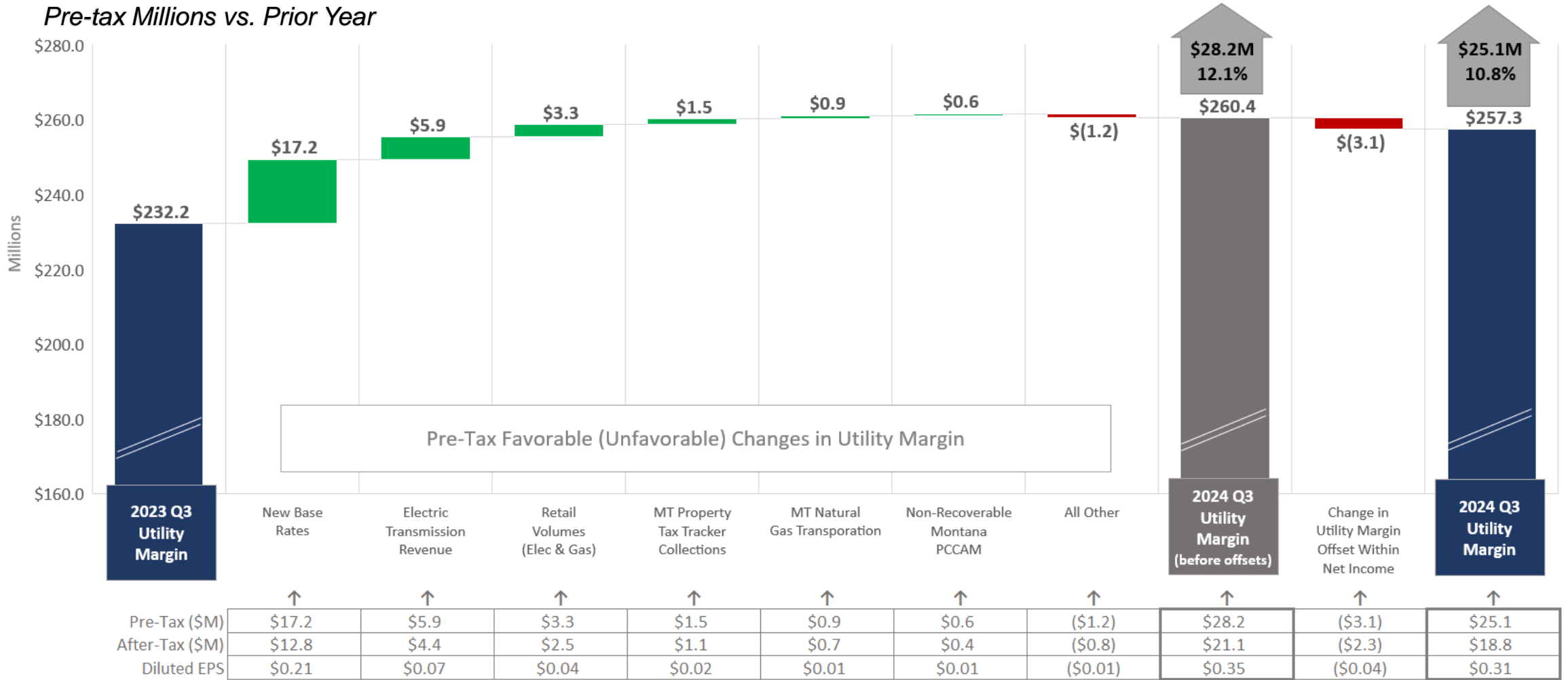


Increase in diluted EPS primarily due to rate relief, transmission revenues, and a tax benefit, offset by higher operating and interest expense.

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure.
 2.) See "Third Quarter 2024 Non-GAAP Earnings" below and "Non-GAAP Financial Measures" in appendix.

Third Quarter Utility Margin Bridge

Pre-tax Millions vs. Prior Year



\$28.2 million or 12.1% increase in Utility Margin items that impact Net Income

Third Quarter 2024 Non-GAAP Earnings

Three Months Ended September 30,																			
	GAAP	Non-GAAP Adjustments						Non GAAP	Non-GAAP Variance		Non-GAAP Adjustments						Non GAAP	GAAP	
		Unfavorable Weather (Addback)	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Deferred Compensation	Partial Recovery from Previously Impaired Alternative Energy Storage Investment	Natural Gas Repairs Safe Harbor Method Change	Variance \$		Variance %	Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Unfavorable Weather (Addback)	Variance \$	Variance %					
	Three Months Ended Sept. 30, 2024																Three Months Ended Sept. 30, 2024	Three Months Ended Sept. 30, 2023	Three Months Ended Sept. 30, 2023
<i>(in millions)</i>																			
Revenues	\$345.2	0.4	-	-	-	-	\$345.6	\$23.6	7.3%	\$322.0	-	-	0.9	\$321.1					
Fuel, supply & dir. tx	87.9	-	-	-	-	-	87.9	(1.0)	-1.1%	88.9	-	-	-	88.9					
Utility Margin (2)	257.3	0.4	-	-	-	-	257.7	24.6	10.6%	233.1	-	-	0.9	232.2					
Op. Expenses																			
OG&A Expense	90.8	-	(0.6)	(2.3)	0.5	-	88.4	5.1	6.1%	83.3	0.6	0.1	-	82.6					
Prop. & other taxes	41.6	-	-	-	-	-	41.6	(0.2)	-0.5%	41.8	-	-	-	41.8					
Depreciation	57.0	-	-	-	-	-	57.0	4.8	9.2%	52.2	-	-	-	52.2					
Total Op. Exp.	189.4	-	(0.6)	(2.3)	0.5	-	187.0	9.7	5.5%	177.3	0.6	-	-	176.6					
Op. Income	67.9	0.4	0.6	2.3	(0.5)	-	70.7	14.9	26.7%	55.8	(0.6)	-	0.9	55.6					
Interest expense	(33.4)	-	-	-	-	-	(33.4)	(4.7)	-16.4%	(28.7)	-	-	-	(28.7)					
Other Inc., net	9.1	-	(0.6)	(2.3)	-	-	6.2	1.4	29.2%	4.8	0.6	0.1	-	4.1					
Pretax Income	43.7	0.4	-	-	(0.5)	-	43.6	11.7	36.7%	31.9	-	-	0.9	31.0					
Income tax	3.2	(0.1)	-	-	0.1	(7.0)	(3.8)	(1.9)	-100.0%	(1.9)	-	-	(0.2)	(1.7)					
Net Income	\$46.8	0.3	-	-	(0.4)	(7.0)	\$39.7	\$9.7	32.4%	\$30.0	-	-	0.7	\$29.3					
<i>ETR</i>	-7.3%	25.3%	-	-	25.3%	-	8.7%			6.0%	-	-	25.3%	5.5%					
Diluted Shares	61.4						61.4	0.9	1.5%	60.5				60.5					
Diluted EPS	\$0.76	0.01	-	-	(0.01)	(0.11)	\$0.65	\$0.16	32.7%	\$0.49	-	-	0.01	\$0.48					

Note: Subtotal variances may exist due to rounding.

We estimate weather to be a \$0.4 million pre-tax detriment as compared to normal and a \$0.5 million benefit as compared to third 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).

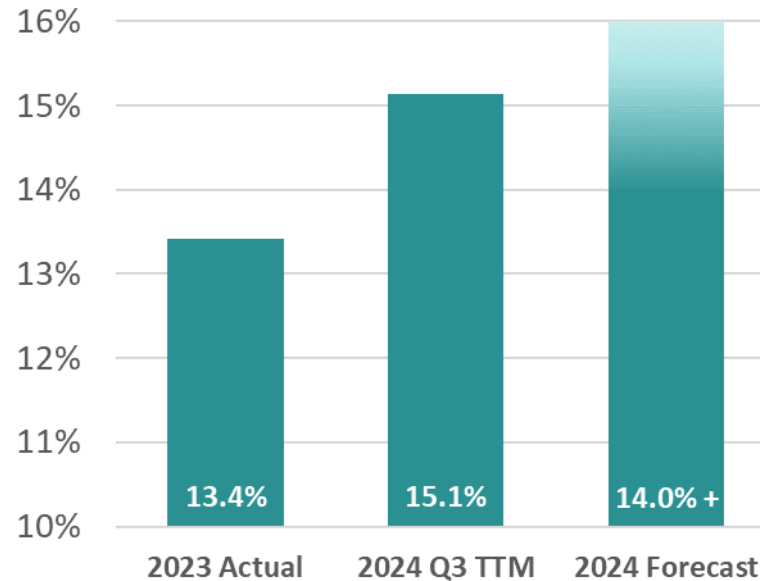
(2) Utility Margin is a non-GAAP Measure. See the slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosures.

Credit, Cash Flow, and Financing Plans

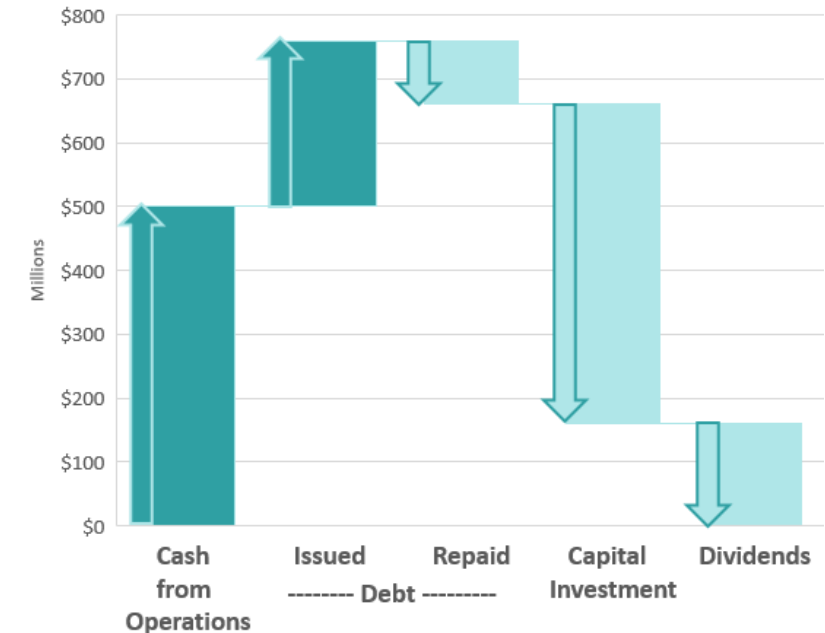
Credit Ratings

		<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.

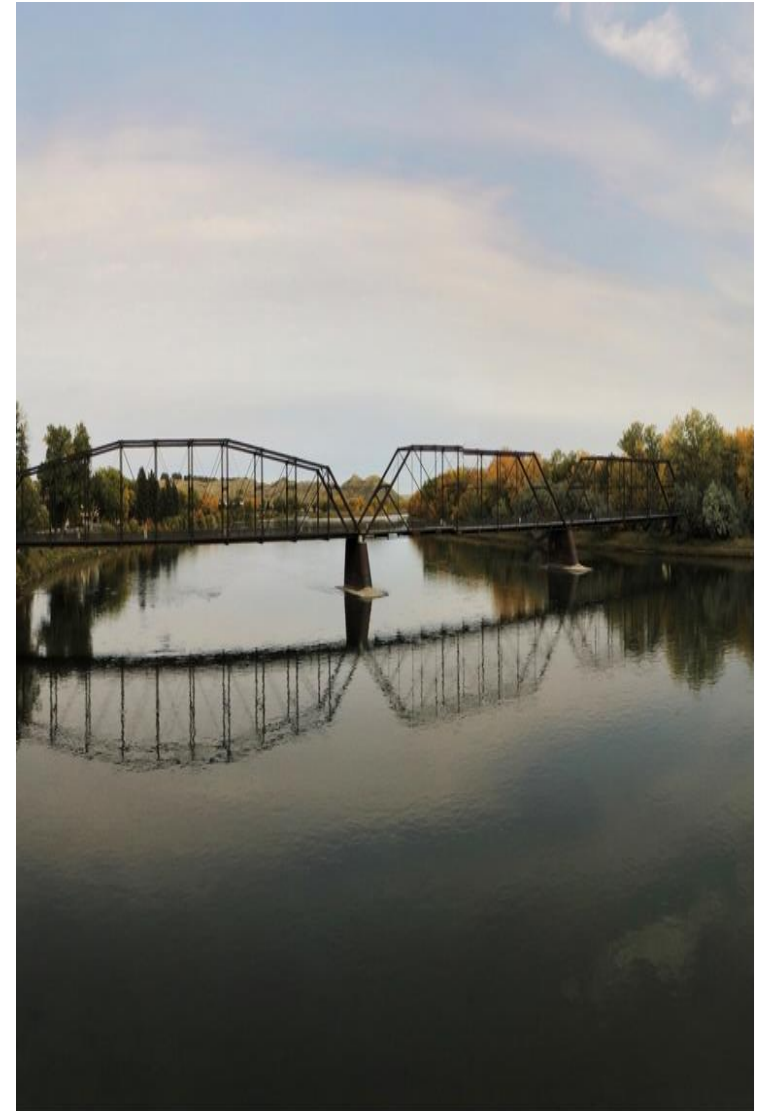
We expect to pay minimal cash taxes into 2028 due to utilization of our NOL's and tax credits.

Financing plans are subject to change.

Strong Growth Outlook

- ✓ **Revised 2024 Non-GAAP EPS Guidance¹ of \$3.32 - \$3.47**
 - Assumes normal weather, Montana interim rates starting in December, an effective tax rate of 9% to 11%, and diluted shares outstanding of 61.4 million.
- ✓ **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 incremental opportunities
- ✓ **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.





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 (\$69.4M 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 (MPSC decision pending) / New Rates May 23, 2025	Requested Interim Rates Oct. 1, 2024 (MPSC decision pending) / New Rates May 23, 2025	Interim rates 180 days from filing. Earliest rate increase would be Dec. 21, 2024	Implemented interim rates Oct. 1, 2024

Key Dates of Montana procedural Schedule

- 12/20/24: Final day for data requests to NWE (with final responses due 1/10/25)
- 1/17/25: Intervenor testimony due
- 3/14/25: NWE rebuttal and cross-intervenor testimony due
- 3/24/25: Final day to file settlements
- 4/22/25: Hearing Commences

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

Conclusion

Pure
Electric &
Gas Utility

Solid Utility
Foundation

Best
Practices
Corporate
Governance

Attractive
Future
Growth
Prospects

Strong
Earnings &
Cash Flows

NorthWestern Energy Group, Inc.

dba: NorthWestern Energy

Ticker: NWE (Nasdaq)

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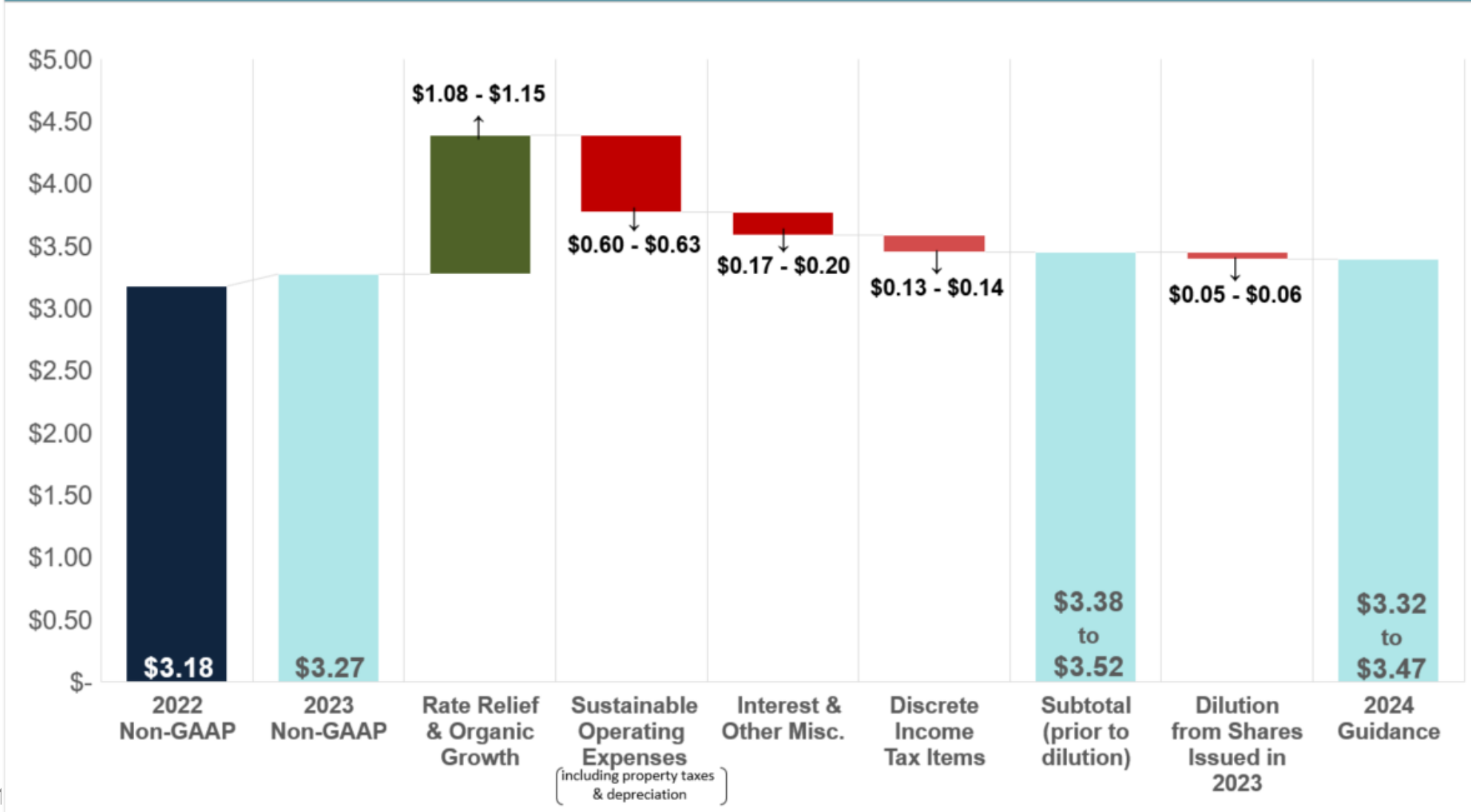
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Appendix:

2024 Earnings Bridge

Revised Earnings Per Share Bridge
2023 Non-GAAP to 2024 Estimate

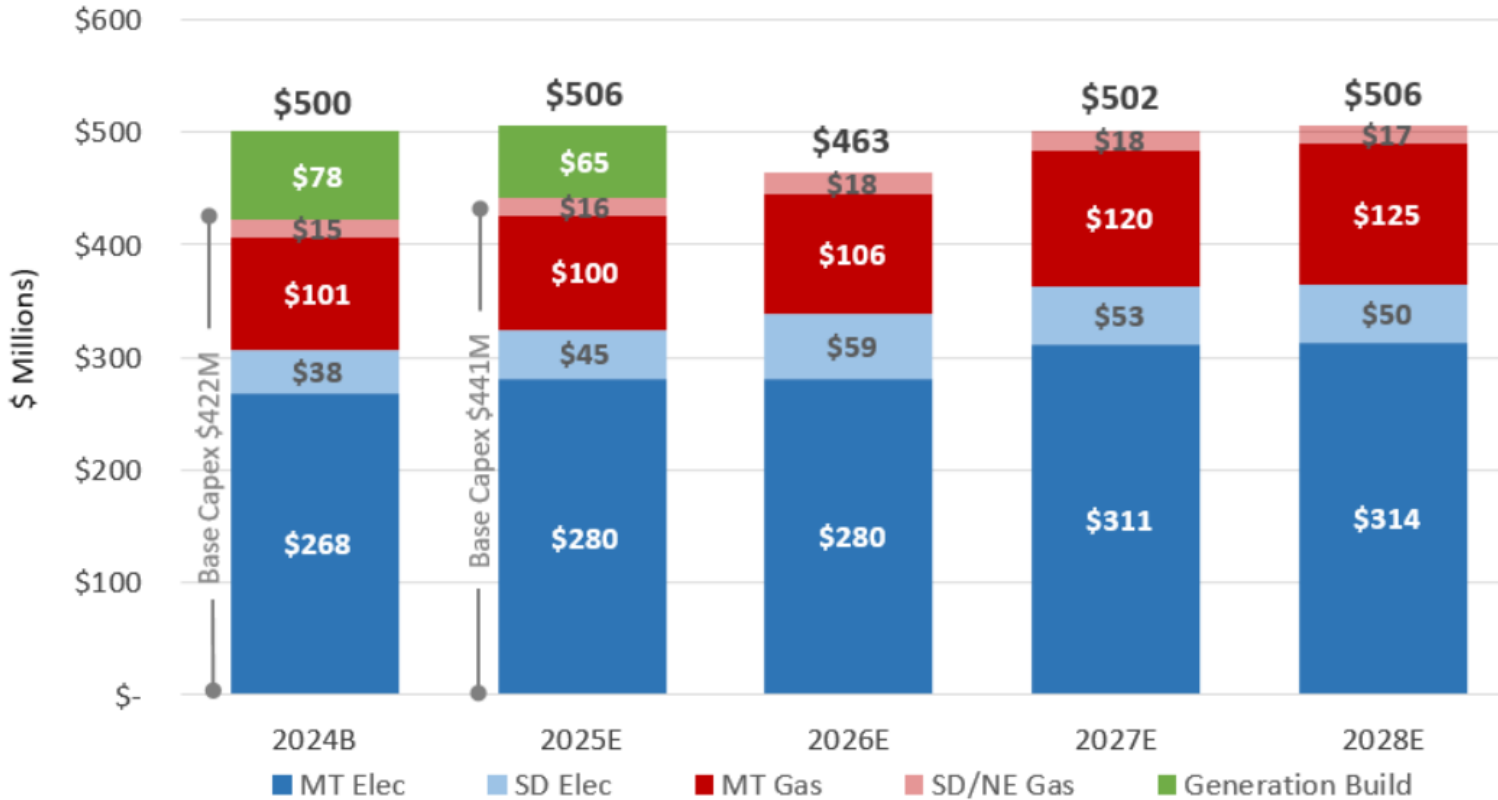


Revising 2024 Non-GAAP EPS guidance in light of delay in Montana interim rates

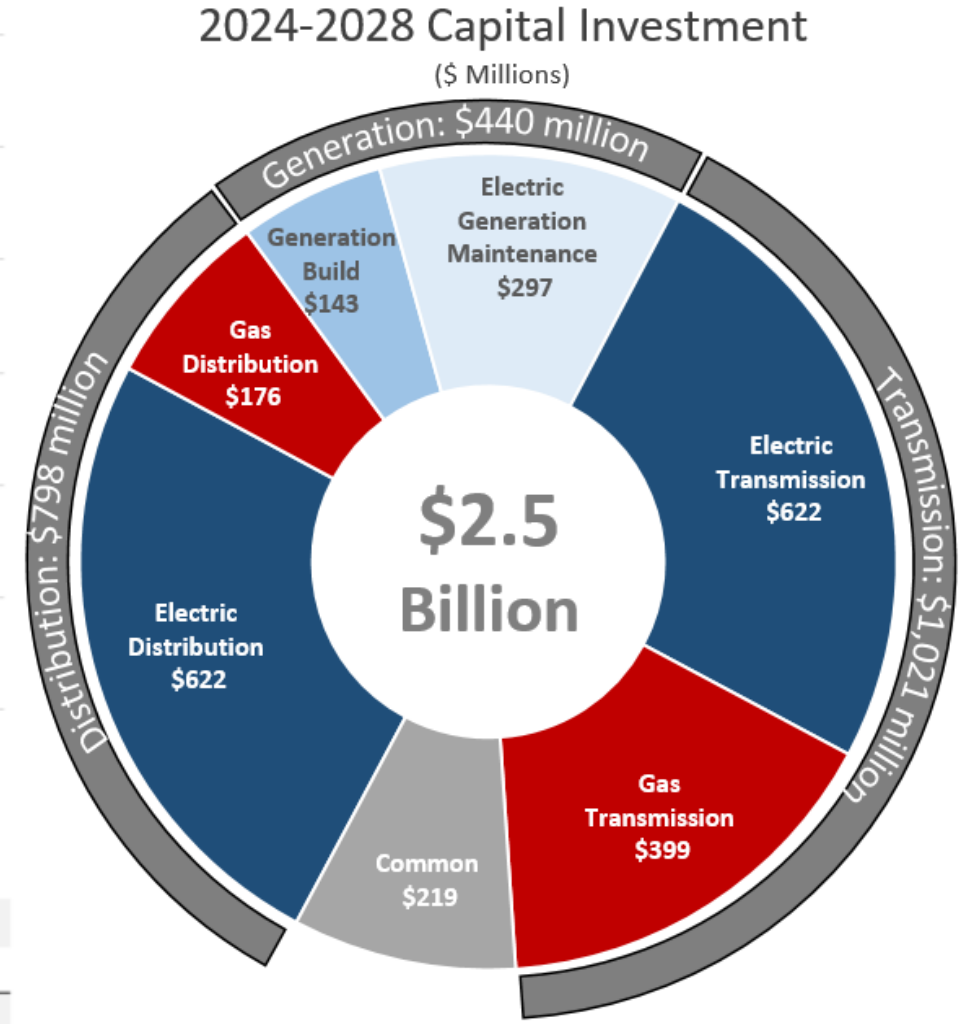
This guidance range is based upon, but not limited to, the following major assumptions:

- Normal weather in our service territories;
- Interim rates in Montana in December 2024
- An effective income tax rate of approximately 9%-11%; and
- Diluted average shares outstanding of approximately 61.4 million.

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	\$ 2,565.5	\$ 2,874.8	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.

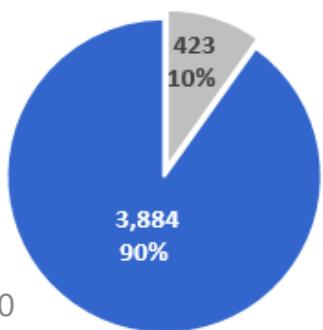
(2) The Montana gas revenue requirement includes a step down which approximates annual depletion of our natural gas production assets included in rate base.

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

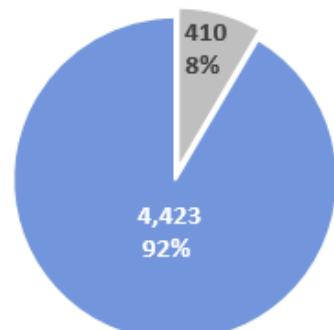
(4) On June 15, 2023, we filed a South Dakota electric rate review filing (2022 test year) with the South Dakota Public Utility Commission

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 9 -14% of earnings from its jointly owned coal generation rate base.



Third Quarter Appendix

Utility Margin (Q3)

(dollars in millions)

	Three Months Ended September 30,			
	2024	2023	Variance	
Electric	\$ 225.7	\$ 202.0	\$ 23.7	11.7%
Natural Gas	31.6	30.2	1.4	4.6%
Total Utility Margin¹	\$ 257.3	\$ 232.2	\$ 25.1	10.8%

Increase in utility margin due to the following factors:

\$ 17.2	Base rates
5.9	Transmission revenue due to market conditions and rates
3.6	Electric retail volumes
1.5	Montana property tax tracker collections
0.9	Montana natural gas transportation
0.6	Non-recoverable Montana electric supply costs
(0.3)	Natural gas retail volumes
(1.2)	Other
\$ 28.2	Change in Utility Margin <u>Impacting</u> Net Income
\$ (2.0)	Property & other taxes recovered in revenue, offset in property & other taxes
(0.9)	Operating expenses recovered in revenue, offset in operating & maintenance expense
(0.2)	Production tax credits, offset in income tax expense
\$ (3.1)	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 25.1	Increase in Utility Margin

Operating Expenses (Q3)

(dollars in millions)

Three Months Ended September 30,

	2024	2023	Variance	
Operating & maintenance	\$ 55.9	\$ 53.2	\$ 2.7	5.1%
Administrative & general	34.9	29.4	5.5	18.7%
Property and other taxes	41.6	41.8	(0.2)	(0.5)%
Depreciation and depletion	57.0	52.2	4.8	9.2%
Operating Expenses	\$ 189.4	\$ 176.6	\$ 12.8	7.2%

Increase in operating expenses due to the following factors:

\$ 4.8	Depreciation expense due to plant additions and higher depreciation rates
3.4	Insurance expense, primarily due to increased wildfire risk premiums
3.0	Labor and benefits ⁽¹⁾
1.9	Electric generation maintenance
1.9	Property and other taxes not recoverable within trackers
(0.1)	Technology implementation and maintenance expenses
(0.5)	Partial recovery from previously impaired alternative energy storage investment
(1.1)	Uncollectible accounts
(1.1)	Other
\$ 12.2	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ (2.0)	Property and other taxes recovered in trackers, offset in revenue
(0.9)	Operating and maintenance expenses recovered in trackers, offset in revenue
2.8	Deferred compensation, offset in other income
0.7	Pension and other postretirement benefits, offset in other income ⁽¹⁾
\$ 0.6	Change in Operating Expense Items <u>Offset Within</u> Net Income
\$ 12.8	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 (Q3)

(dollars in millions)

Three Months Ended September 30,

	2024	2023	Variance	
Operating Income	\$ 67.9	\$ 55.6	\$ 12.3	22.1%
Interest expense	(33.4)	(28.7)	(4.7)	(16.4)%
Other income, net	9.1	4.1	5.0	122.0%
Income Before Taxes	43.7	31.0	12.7	41.0%
Income tax benefit (expense)	3.2	(1.7)	4.9	288.2%
Net Income	\$ 46.8	\$ 29.3	\$ 17.5	59.7%

\$4.7 million increase in interest expense was primarily due to higher borrowings and interest rates, partly offset by higher capitalization of Allowance for Funds Used During Construction (AFUDC).

\$5.0 million increase in other income, net was primarily due to higher capitalization of AFUDC, a decrease in the non-service component of pension expense, and an increase in the value of deferred shares held in trust for deferred compensation.

\$4.9 million increase in income tax benefit was primarily due to a natural gas safe harbor tax repairs accounting method change offset by higher pre-tax income.

Tax Reconciliation (Q3)

(in millions)

	Three Months Ended September 30,				
	2024		2023		Variance
Income Before Income Taxes	\$43.7		\$31.0		12.7
Income tax calculated at federal statutory rate	9.2	21.0%	6.5	21.0%	2.7
<u>Permanent or flow-through adjustments:</u>					
State income tax, net of federal provisions	0.1	0.1%	0.1	0.4%	-
Gas repairs safe harbor method change	(7.0)	(16.0%)	-	-	(7.0)
Flow-through repairs deductions	(4.6)	(10.5%)	(4.2)	(13.5%)	(0.4)
Production tax credits	(2.4)	(5.6%)	(1.3)	(4.1%)	(1.1)
Amortization of excess deferred income tax	(0.2)	(0.5%)	(0.3)	(1.0%)	0.1
Income tax return to accrual adjustment	-	-	0.4	1.3%	(0.4)
Plant and depreciation flow-through items	1.8	4.2%	0.4	1.2%	1.4
Other, net	(0.1)	-	0.1	0.2%	(0.2)
Sub-total	<u>(12.4)</u>	<u>(28.3%)</u>	<u>(4.8)</u>	<u>(15.5%)</u>	<u>(7.6)</u>
Income Tax (Benefit) Expense	<u>\$ (3.2)</u>		<u>\$ 1.7</u>		<u>\$ (4.9)</u>

Segment Results (Q3)

(in thousands)

Three Months Ended September 30, 2024	Electric	Gas	Other	Total
Operating revenues	\$ 306,478	\$ 38,683	\$ -	\$ 345,161
Fuel, purchased supply & direct transmission*	80,761	7,127	-	87,888
Utility margin ¹	225,717	31,556	-	257,273
Operating and maintenance	42,491	13,375	-	55,866
Administrative and general	24,892	9,887	145	34,924
Property and other taxes	32,251	9,345	-	41,596
Depreciation & depletion	47,540	9,414	-	56,954
Operating income (loss)	78,543	(10,465)	(145)	67,933
Interest expense	(24,188)	(7,537)	(1,672)	(33,397)
Other income	6,057	3,017	42	9,116
Income tax (expense) benefit	(7,635)	9,734	1,068	3,167
Net income (loss)	\$ 52,777	\$ (5,251)	\$ (707)	\$ 46,819
Three Months Ended September 30, 2023	Electric	Gas	Other	Total
Operating revenues	\$ 280,030	\$ 41,060	\$ -	\$ 321,090
Fuel, purchased supply & direct transmission*	77,995	10,948	-	88,943
Utility margin ¹	202,035	30,112	-	232,147
Operating and maintenance	39,990	13,250	-	53,240
Administrative and general	20,682	8,249	424	29,355
Property and other taxes	33,740	9,574	(1,551)	41,763
Depreciation & depletion	43,230	8,929	-	52,159
Operating income (loss)	64,393	(9,890)	1,127	55,630
Interest expense	(21,300)	(4,426)	(2,999)	(28,725)
Other income (expense)	3,380	1,328	(581)	4,127
Income tax (expense) benefit	(3,223)	(41)	1,567	(1,697)
Net income (loss)	\$ 43,250	\$ (13,029)	\$ (886)	\$ 29,335

* 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 (Q3)

Three Months Ended September 30,

	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 100,737	\$ 96,812	\$ 3,925	4.1 %	685	664	328,962	322,832
South Dakota	19,062	17,951	1,111	6.2 %	145	151	51,393	51,236
Residential	119,799	114,763	5,036	4.4 %	830	815	380,355	374,068
Montana	109,655	110,100	(445)	(0.4) %	830	825	75,857	74,385
South Dakota	30,053	27,474	2,579	9.4 %	288	289	13,115	12,989
Commercial	139,708	137,574	2,134	1.6 %	1,118	1,114	88,972	87,374
Industrial	11,852	11,423	429	3.8 %	726	691	80	79
Other	14,071	13,243	828	6.3 %	82	71	8,274	8,204
Total Retail Electric	285,430	277,003	8,427	3.0 %	2,756	2,691	477,681	469,725
Regulatory amortization	(6,805)	(18,534)	11,729	(63.3) %				
Transmission	25,750	19,847	5,903	29.7 %				
Wholesale and other	2,103	1,714	389	22.7 %				
Total Revenues	306,478	280,030	26,448	9.4 %				
Total fuel, purchased supply & direct transmission expense*	80,761	77,995	2,766	3.5 %				
Utility Margin¹	225,717	202,035	23,682	11.7 %				

* 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 (Q3)

Three Months Ended September 30,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 8,422	\$ 9,603	\$ (1,181)	(12.3) %	739	825	185,578	183,586
South Dakota	1,745	1,987	(242)	(12.2) %	108	102	42,389	41,821
Nebraska	1,791	2,251	(460)	(20.4) %	143	138	37,834	37,580
Residential	11,958	13,841	(1,883)	(13.6) %	990	1,065	265,801	262,987
Montana	6,190	6,136	54	0.9 %	609	622	26,094	25,657
South Dakota	1,262	1,498	(236)	(15.8) %	225	208	7,336	7,184
Nebraska	795	1,291	(496)	(38.4) %	134	142	5,009	4,970
Commercial	8,247	8,925	(678)	(7.6) %	968	972	38,439	37,811
Industrial	115	106	9	8.5 %	15	13	238	231
Other	169	160	9	5.6 %	23	19	196	191
Total Retail Electric	\$ 20,489	\$ 23,032	\$ (2,543)	(11.0) %	1,996	2,069	304,674	301,220
Regulatory amortization	8,025	7,458	567	(7.6) %				
Wholesale and other	10,169	10,570	(401)	(3.8) %				
Total Revenues	\$ 38,683	\$ 41,060	\$ (2,377)	(5.8) %				
Total fuel, purchased supply & direct transmission expense*	\$ 7,127	\$ 10,948	\$ (3,821)	(34.9) %				
Utility Margin¹	\$ 31,556	\$ 30,112	\$ 1,444	4.8 %				

* 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 Appendix

Year-to-Date Financial Results

(in millions except per share amounts)

	Nine Months Ended September 30,			
	2024	2023	Variance	% Variance
Operating Revenues	\$1,140.4	\$1,066.1	\$74.3	7.0%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	339.1	322.0	17.1	5.3%
Utility Margin ¹	801.3	744.1	57.2	7.7%
Operating Expenses				
Operating and maintenance	167.4	163.9	3.5	2.1%
Administrative and general	106.7	94.1	12.6	13.4%
Property and other taxes	125.0	131.0	(6.0)	(4.6%)
Depreciation and depletion	170.6	157.8	12.8	8.1%
Total Operating Expenses	569.7	546.8	22.9	4.2%
Operating Income	231.6	197.3	34.3	17.4%
Interest expense	(96.3)	(85.1)	(11.2)	(13.2%)
Other income, net	19.6	12.9	6.7	51.9%
Income Before Taxes	155.0	125.1	29.9	23.9%
Income tax expense	(11.4)	(14.1)	2.7	19.1%
Net Income	\$143.6	\$111.0	\$32.6	29.4%
Effective Tax Rate	7.4%	11.3%	(3.9%)	
Diluted Average Shares Outstanding	61.4	60.0	1.4	2.3%
Diluted Earnings Per Share	\$2.34	\$1.85	\$0.49	26.5%
Dividends Paid per Common Share	\$1.95	\$1.92	\$ 0.03	1.6%

1.) Utility Margin is a non-GAAP Measure. See appendix slide titled "Reconciling Gross Margin to Utility Margin" for additional disclosure. Note: Subtotal variances may exist due to rounding.

Year-to-Date 2024 Non-GAAP Earnings

Nine Months Ended September 30,																	
	GAAP	Non-GAAP Adjustments						Non GAAP	Non-GAAP Variance		Non GAAP	Non-GAAP Adjustments				GAAP	
		Nine Months Ended September 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)		Natural Gas Repairs Safe Harbor Method Change	Nine Months Ended September 30, 2024		\$	%	Nine Months Ended September 30, 2023	Add Back Reduction Related to Previously Claimed AMT Credit		Deferred Compensation
(in millions)																	
Revenues	\$1,140.4	2.3	-	-	-	-	-	\$1,142.7	\$77.5	7.3%	\$1,065.2	-	-	-	(0.9)	\$1,066.1	
Fuel, supply & dir. tx	339.1	-	-	-	-	-	-	339.1	17.1	5.3%	322.0	-	-	-	-	322.0	
Utility Margin (2)	801.3	2.3	-	-	-	-	-	803.6	60.4	8.1%	743.2	-	-	-	(0.9)	744.1	
Op. Expenses																	
OG&A Expense	274.1	-	(1.1)	(2.1)	(1.7)	-	-	269.2	11.0	4.3%	258.2	-	0.8	(0.6)	-	258.0	
Prop. & other taxes	125.0	-	-	-	-	-	-	125.0	(6.0)	-4.6%	131.0	-	-	-	-	131.0	
Depreciation	170.6	-	-	-	-	-	-	170.6	12.8	8.1%	157.8	-	-	-	-	157.8	
Total Op. Exp.	569.7	-	(1.1)	(2.1)	(1.7)	-	-	564.8	17.8	3.3%	547.0	-	0.8	(0.6)	-	546.8	
Op. Income	231.6	2.3	1.1	2.1	1.7	-	-	238.8	42.6	21.7%	196.2	-	(0.8)	0.6	(0.9)	197.3	
Interest expense	(96.3)	-	-	-	-	-	-	(96.3)	(11.2)	-13.2%	(85.1)	-	-	-	-	(85.1)	
Other Inc., net	19.6	-	(1.1)	(2.1)	2.5	(2.3)	-	16.6	3.5	26.7%	13.1	-	0.8	(0.6)	-	12.9	
Pretax Income	155.0	2.3	-	-	4.2	(2.3)	-	159.2	35.0	28.2%	124.2	-	-	-	(0.9)	125.1	
Income tax	(11.4)	(0.6)	-	-	(1.1)	-	(7.0)	(20.1)	(9.4)	-87.9%	(10.7)	3.2	-	-	0.2	(14.1)	
Net Income	\$143.6	1.7	-	-	3.1	(2.3)	(7.0)	\$139.1	\$25.6	22.6%	\$113.5	3.2	-	-	(0.7)	\$111.0	
<i>ETR</i>	7.4%	25.3%	-	-	25.3%	0.0%	-	12.6%			8.6%	-	-	-	25.3%	11.3%	
Diluted Shares	61.4							61.4	1.4	2.3%	60.0					60.0	
Diluted EPS	\$2.34	0.03	-	-	0.05	(0.04)	(0.11)	\$2.27	\$0.38	20.1%	\$1.89	0.05	-	-	(0.01)	\$1.85	

For the nine months ended September 30, we estimate weather to be a \$2.3 million pre-tax detriment as compared to normal and a \$3.2 million detriment as compared to 2023.

The adjusted non-GAAP measures presented in the table reflect significant items that are non-recurring or a variance from normal weather, however they should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

Note: Subtotal variances may exist due to rounding.

- (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.

Utility Margin (YTD)

(dollars in millions)

	Nine Months Ended September 30,			
	2024	2023	Variance	
Electric	\$ 652.8	\$ 606.1	\$ 46.7	7.7%
Natural Gas	148.5	138.0	10.5	7.6%
Total Utility Margin⁽¹⁾	\$ 801.3	\$ 744.1	\$ 57.2	7.7%

Increase in utility margin due to the following factors:

\$ 53.4	Base rates
13.5	Transmission revenue due to market conditions and rates
4.9	Montana property tax tracker collections ⁽²⁾
1.9	Montana natural gas transportation
1.0	Electric retail volumes
(4.2)	QF liability adjustment
(3.8)	Non-recoverable Montana electric supply costs
(2.7)	Natural gas retail volumes
2.4	Other
\$ 66.4	Change in Utility Margin <u>Impacting</u> Net Income
\$ (8.2)	Property & other taxes recovered in revenue, offset in property & other taxes
(1.5)	Production tax credits, offset in income tax expense
0.5	Operating expenses recovered in revenue, offset in operating & maintenance expense
\$ (9.2)	Change in Utility Margin <u>Offset Within</u> Net Income
\$ 57.2	Increase in Utility Margin

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

(2) In the fourth quarter of 2023, upon receiving the final valuation reports from the Montana Department of Revenue, we recorded a significant reduction in property tax expense. Accordingly, we do not anticipate this year-to-date favorable change to Utility Margin to continue on a full year basis.

Operating Expenses (YTD)

(dollars in millions)

Nine Months Ended September 30,

	2024	2023	Variance	
Operating & maintenance	\$ 167.4	\$ 163.9	\$ 3.5	2.1%
Administrative & general	106.7	94.1	12.6	13.4%
Property and other taxes	125.0	131.0	(6.0)	(4.6)%
Depreciation and depletion	170.6	157.8	12.8	8.1%
Operating Expenses	\$ 569.7	\$ 546.8	\$ 22.9	4.2%

Increase in operating expenses due to the following factors:

\$ 12.8	Depreciation expense due to plant additions and higher depreciation rates
6.4	Labor and benefits ⁽¹⁾
4.4	Insurance expense, primarily due to increased wildfire risk premiums
2.4	Litigation outcome (Pacific Northwest Solar)
2.2	Property and other taxes not recoverable within trackers
1.7	Non-cash impairment of alternative energy storage investment
1.3	Electric generation maintenance
0.5	Technology implementation and maintenance expenses
(2.1)	Uncollectible accounts
(2.4)	Other
\$ 27.2	Change in Operating Expense Items <u>Impacting</u> Net Income
\$ (8.2)	Property and other taxes recovered in trackers, offset in revenue
2.9	Deferred compensation, offset in other income
0.5	Pension and other postretirement benefits, offset in other income ⁽¹⁾
0.5	Operating and maintenance expenses recovered in trackers, offset in revenue
\$ (4.3)	Change in Operating Expense Items <u>Offset Within</u> Net Income
\$ 22.9	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)

Nine Months Ended September 30,

	2024	2023	Variance	
Operating Income	\$ 231.6	\$ 197.3	\$ 34.3	17.4%
Interest expense	(96.3)	(85.1)	(11.2)	(13.2)%
Other income, net	19.6	12.9	6.7	51.9%
Income Before Taxes	155.0	125.1	29.9	23.9%
Income tax expense	(11.4)	(14.1)	2.7	(19.1)%
Net Income	\$ 143.6	\$ 111.0	\$ 32.6	29.4%

\$11.2 million increase in interest expense was primarily due to higher borrowings and interest rates partly offset by higher capitalization of AFUDC.

\$6.7 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, higher capitalization of AFUDC, a decrease in the non-service component of pension expense, and an increase in the value of deferred shares held in trust for deferred compensation, partly offset by a \$2.5 million non-cash impairment of an alternative energy storage equity investment.

\$2.7 million decrease in income tax expense was primarily due to a natural gas safe harbor tax repairs accounting method change and other increased flow-through benefits offset by higher pre-tax income.

Tax Reconciliation (YTD)

	<u>Nine Months Ended September 30,</u>				
	<u>2024</u>		<u>2023</u>		<u>Variance</u>
Income Before Income Taxes	\$155.0		\$125.1		\$29.9
Income tax calculated at federal statutory rate	32.5	21.0%	26.3	21.0%	6.2
<u>Permanent or flow-through adjustments:</u>					
State income taxes, net of federal provisions	0.7	0.5%	1.4	1.1%	(0.7)
Flow-through repairs deductions	(13.8)	(8.9%)	(11.7)	(9.4%)	(2.1)
Production tax credits	(7.4)	(4.8%)	(5.6)	(4.5%)	(1.8)
Gas repairs safe harbor method change	(7.0)	(4.5%)	-	-	(7.0)
Amortization of excess deferred income tax	(0.8)	(0.5%)	(1.4)	(1.1%)	0.6
Reduction to previously claimed alternative minimum tax credit	-	-	3.2	2.5%	(3.2)
Income tax return to accrual adjustment	-	-	0.4	0.3%	(0.4)
Plant and depreciation flow-through items	6.0	3.8%	1.2	1.0%	4.8
Share-based compensation	0.3	0.2%	0.4	0.3%	(0.1)
Other, net	0.9	0.6%	(0.1)	0.1%	1.0
Sub-total	(21.1)	(13.6%)	(12.2)	(9.7%)	(8.9)
Income Tax Expense	\$ 11.4		\$ 14.1		\$ (2.7)
		7.4%		11.3%	

Segment Results (YTD)

(in thousands)

Nine Months Ended September 30, 2024	Electric	Gas	Other	Total
Operating revenues	\$ 909,798	\$ 230,634	\$ -	\$ 1,140,432
Fuel, purchased supply & direct transmission*	256,989	82,100	-	339,089
Utility margin ¹	652,809	148,534	-	801,343
Operating and maintenance	126,257	41,158	-	167,415
Administrative and general	76,105	27,754	2,791	106,650
Property and other taxes	96,557	28,465	1	125,023
Depreciation & depletion	142,390	28,240	-	170,630
Operating income (loss)	211,500	22,917	(2,792)	231,625
Interest expense	(72,143)	(20,933)	(3,175)	(96,251)
Other income (expense)	15,549	4,998	(952)	19,595
Income tax (expense) benefit	(18,809)	6,865	534	(11,410)
Net income (loss)	\$ 136,097	\$ 13,847	\$ (6,385)	\$ 143,559
Nine Months Ended September 30, 2023	Electric	Gas	Other	Total
Operating revenues	\$ 804,604	\$ 261,530	\$ -	\$ 1,066,134
Fuel, purchased supply & direct transmission*	198,492	123,521	-	322,013
Utility margin ¹	606,112	138,009	-	744,121
Operating and maintenance	123,771	40,170	-	163,941
Administrative and general	67,285	26,336	437	94,058
Property and other taxes	103,013	29,576	(1,546)	131,043
Depreciation & depletion	130,447	27,340	-	157,787
Operating Income (loss)	181,596	14,587	1,109	197,292
Interest expense	(61,584)	(12,167)	(11,393)	(85,144)
Other income (expense)	9,700	3,887	(661)	12,926
Income tax expense	(13,366)	(180)	(539)	(14,085)
Net income (loss)	\$ 116,346	\$ 6,127	\$ (11,484)	\$ 110,989

* 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)

	Nine Months Ended September 30,							
	Revenues		Change		Megawatt Hours (MWH)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 304,128	\$ 306,114	\$ (1,986)	(0.6) %	2,114	2,103	327,644	321,797
South Dakota	53,764	53,408	356	0.7 %	435	481	51,395	51,224
Residential	357,892	359,522	(1,630)	(0.5) %	2,549	2,584	379,039	373,021
Montana	310,813	324,632	(13,819)	(4.3) %	2,410	2,435	75,712	74,294
South Dakota	84,182	77,736	6,446	8.3 %	834	834	13,070	12,972
Commercial	394,995	402,368	(7,373)	(1.8) %	3,244	3,269	88,782	87,266
Industrial	34,803	33,986	817	2.4 %	2,190	1,961	80	79
Other	27,437	27,229	208	0.8 %	131	119	6,552	6,483
Total Retail Electric	815,127	823,105	(7,978)	(1.0) %	8,114	7,933	474,453	466,849
Regulatory amortization	18,637	(80,085)	98,722	(123.3) %				
Transmission	70,573	57,092	13,481	23.6 %				
Wholesale and other	5,461	4,492	969	21.6 %				
Total Revenues	909,798	804,604	105,194	13.1 %				
Total fuel, purchased supply & direct transmission expense*	256,989	198,492	58,497	29.5 %				
Utility Margin¹	\$ 652,809	\$ 606,112	\$ 46,697	7.7 %				

* 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)

Nine Months Ended September 30,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2024	2023	\$	%	2024	2023	2024	2023
	(in thousands)							
Montana	\$ 75,933	\$ 94,074	\$ (18,141)	(19.3) %	9,220	9,206	185,412	183,584
South Dakota	21,244	30,297	(9,053)	(29.9) %	2,113	2,557	42,477	41,962
Nebraska	16,106	30,221	(14,115)	(46.7) %	1,812	2,053	37,924	37,752
Residential	113,283	154,592	(41,309)	(26.7) %	13,145	13,816	265,813	263,298
Montana	42,016	52,393	(10,377)	(19.8) %	5,307	5,456	26,112	25,679
South Dakota	14,283	21,289	(7,006)	(32.9) %	2,139	2,385	7,353	7,218
Nebraska	8,982	19,119	(10,137)	(53.0) %	1,328	1,528	5,045	5,017
Commercial	65,281	92,801	(27,520)	(29.7) %	8,774	9,369	38,510	37,914
Industrial	703	995	(292)	(29.3) %	98	107	237	231
Other	1,036	1,282	(246)	(19.2) %	156	155	196	189
Total Retail Electric	\$ 180,303	\$ 249,670	\$ (69,367)	(27.8) %	22,173	23,447	304,756	301,632
Regulatory amortization	18,686	(21,312)	39,998	(187.7) %				
Wholesale and other	31,645	33,172	(1,527)	(4.6) %				
Total Revenues	\$ 230,634	\$ 261,530	\$ (30,896)	(11.8) %				
Total fuel, purchased supply & direct transmission expense*	\$ 82,100	\$ 123,521	\$ (41,421)	(33.5) %				
Utility Margin¹	\$ 148,534	\$ 138,009	\$ 10,525	7.6 %				

* 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.

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			\$0.7		\$0.7
2024 (Expense) Benefit	(\$3.0)	\$1.2	\$0.7	\$0.0	(\$1.1)
Year-over-Year Variance	(\$3.5)	(\$0.9)	\$0.6		(\$3.8)

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 September 30, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 2.5	\$ 9.2
Restricted cash	25.4	16.0
Accounts receivable, net	144.2	212.3
Inventories	121.6	114.5
Other current assets	74.8	55.0
Goodwill	357.6	357.6
PP&E and other non-current assets	7,128.1	6,836.1
Total Assets	\$ 7,854.1	\$ 7,600.7
Payables	93.7	124.3
Current Maturities - debt and leases	403.4	103.3
Other current liabilities	316.1	307.3
Long-term debt & capital leases	2,570.7	2,690.1
Other non-current liabilities	1,653.6	1,590.3
Shareholders' equity	2,816.5	2,785.3
Total Liabilities and Equity	\$ 7,854.1	\$ 7,600.7
Capitalization:		
Short-Term Debt & Short-Term Finance Leases	403.4	103.3
Long-Term Debt & Long-Term Finance Leases	2,570.7	2,690.1
Less: Basin Creek Finance Lease	(6.3)	(8.8)
Shareholders' Equity	2,816.5	2,785.3
Total Capitalization	\$ 5,784.3	\$ 5,569.9
Ratio of Debt to Total Capitalization	51.3%	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)	Nine Months Ended September 30,	
	2024	2023
Operating Activities		
Net Income	\$ 143.6	\$ 111.0
Non-Cash adjustments to net income	175.3	141.1
Changes in working capital	35.9	194.5
Other noncurrent assets & liabilities	(10.9)	(19.6)
Cash Provided by Operating Activities	343.9	427.0
Cash Used in Investing Activities	(405.1)	(411.0)
Cash Provided by (Used In) Financing Activities	63.9	(16.8)
<hr/>		
Cash Provided by Operating Activities	\$ 343.9	\$ 427.0
Less: Changes in working capital	35.9	194.5
Funds from Operations	\$ 308.0	\$ 232.5
<hr/>		
PP&E additions	400.5	407.2
Capital expenditures included in trade accounts payable	(16.4)	(21.4)
AFUDC Credit	15.4	12.5
Total Capital Investment	\$ 399.5	\$ 398.4

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.

Cash from Operating Activities decreased by \$83.1 million primarily due to significant net cash inflows in the prior period from the recovery of previously under-collected energy supply costs, compared to minimal net cash inflows in the current period due to the timely recovery of energy supply costs.

Funds from Operations increased by \$75.5 million over prior period.

Net Under-Collected Supply Costs

(in millions)

	Beginning (Jan. 1)	Ending (Sept. 30)	(Outflow) / Inflow
2023	\$115.4	\$16.6	\$98.8
2024	\$7.8	\$1.8	\$6.0
2024 Decrease in Net Cash Inflows			\$(92.8)

Reconciling Gross Margin to Utility Margin

Reconciliation of Gross Margin to Utility Margin for the Three Months Ended September 30,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 306.5	\$ 280.0	\$ 38.7	\$ 41.1	\$ 345.2	\$ 321.1
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown	80.8	78.0	7.1	10.9	87.9	88.9
Less: Operating & maintenance expense	42.5	40.0	13.4	13.2	55.9	53.2
Less: Property and other tax expense	32.3	33.7	9.3	9.6	41.6	43.3
Less: Depreciation and depletion expense	47.6	43.3	9.4	8.9	57.0	52.2
Gross Margin	103.3	85.0	(0.5)	(1.5)	102.8	83.5
Plus: Operating & maintenance expense	42.5	40.0	13.4	13.2	55.9	53.2
Plus: Property and other tax expense	32.3	33.7	9.3	9.6	41.6	43.3
Plus: Depreciation and depletion	47.6	43.3	9.4	8.9	57.0	52.2
Utility Margin ⁽¹⁾	\$ 225.7	\$ 202.0	\$ 31.6	\$ 30.2	\$ 257.3	\$ 232.2

Reconciliation of Gross Margin to Utility Margin for the Nine Months Ended September 30,

	Electric		Natural Gas		Total	
	2024	2023	2024	2023	2024	2023
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	\$ 909.8	\$ 804.6	\$ 230.6	\$ 261.5	\$ 1,140.4	\$ 1,066.1
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown	257.0	198.5	82.1	123.5	339.1	322.0
Less: Operating & maintenance expense	126.3	123.8	41.1	40.1	167.4	163.9
Less: Property and other tax expense	96.6	103.0	28.4	29.6	125.0	132.6
Less: Depreciation and depletion expense	142.4	130.5	28.2	27.3	170.6	157.8
Gross Margin	287.5	248.8	50.8	41.0	338.3	289.8
Plus: Operating & maintenance expense	126.3	123.8	41.1	40.1	167.4	163.9
Plus: Property and other tax expense	96.6	103.0	28.4	29.6	125.0	132.6
Plus: Depreciation and depletion	142.4	130.5	28.2	27.3	170.6	157.8
Utility Margin ⁽¹⁾	\$ 652.8	\$ 606.1	\$ 148.5	\$ 138.0	\$ 801.3	\$ 744.1

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.

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.

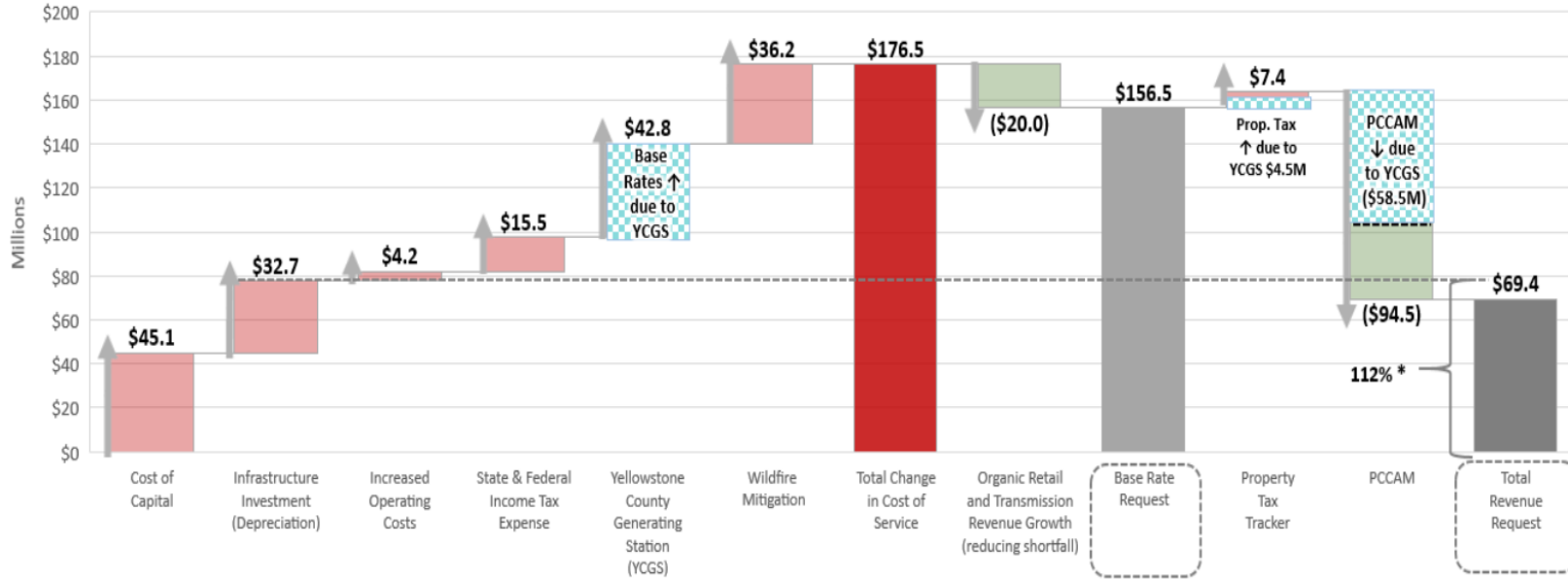
Management also believes the presentation of Adjusted Non-GAAP pre-tax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS is more representative of normal earnings than GAAP pre-tax income, net income and EPS due to the exclusion (or inclusion) of certain impacts that are not reflective 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.



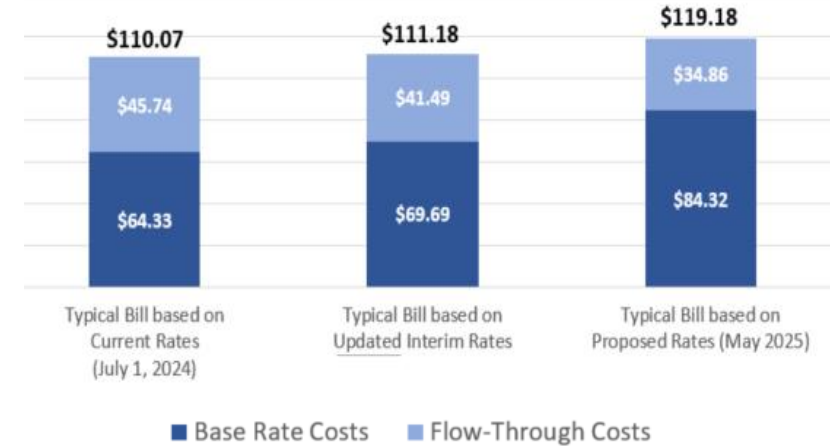
Rate Review Appendix

Montana Electric Rate Review

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

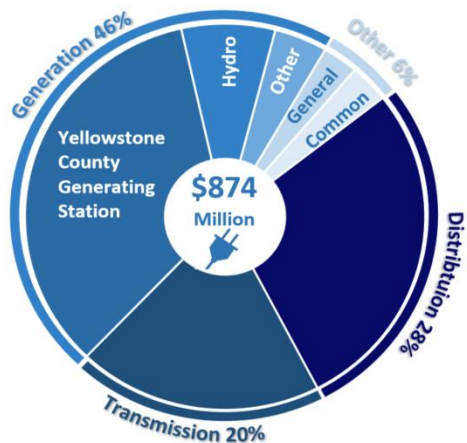


Typical 750 kWh Residential Electric Bill

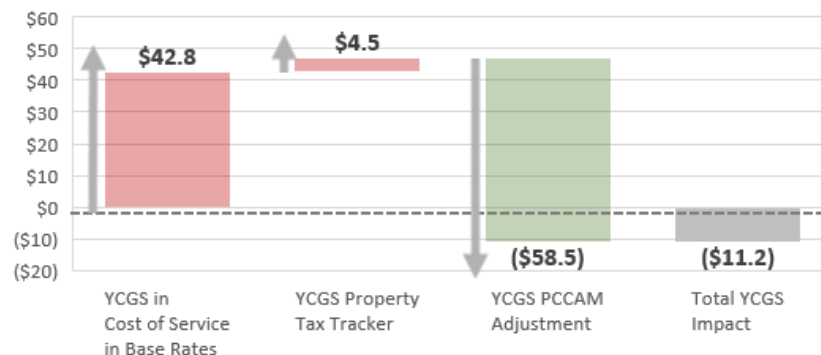


	Base Rates	Flow-Through Costs	Typical Resi. Monthly Bill
Current Rates	\$64.33	\$45.74	\$110.07
Updated Interim Rates	\$69.69	\$41.49	\$111.18
\$ Increase (Decrease)	\$5.36	(\$4.24)	\$1.11
% Increase (Decrease)	8.3%	-9.3%	1.0%

Plant in Service Additions



YCGS Net Customer Impact

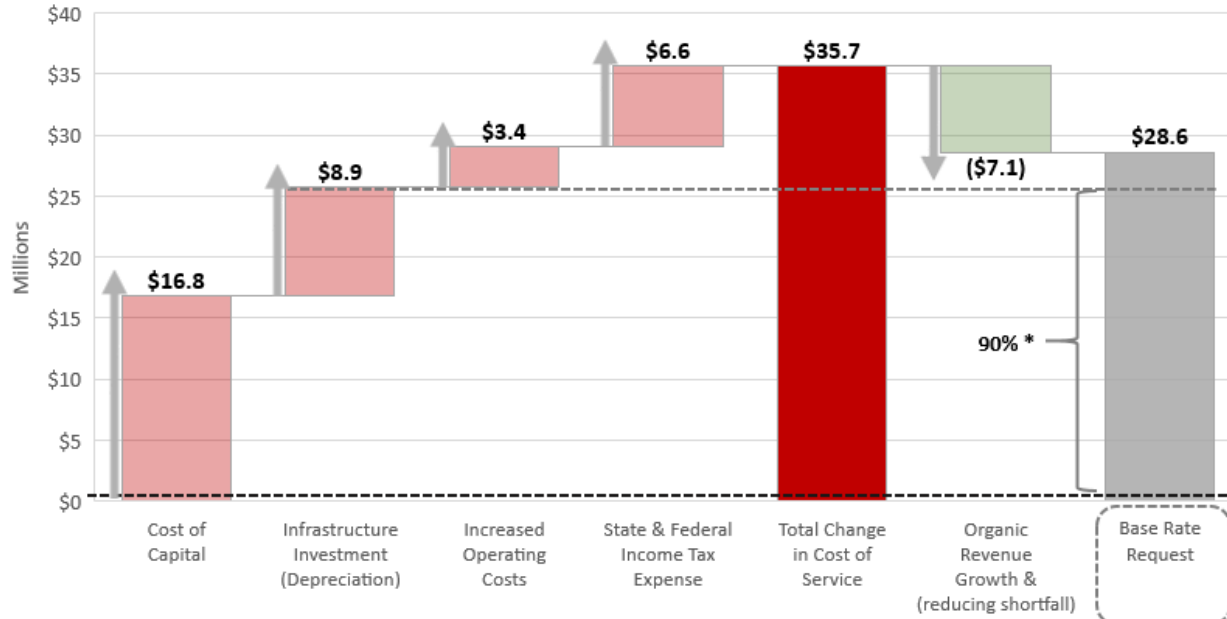


Montana Electric:

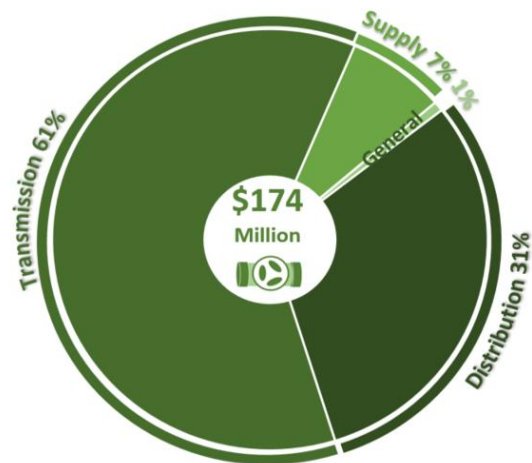
- \$69.4M Net Request
- \$874M Plant-in-Service additions ('23-'24F)
- Operating Costs 1.1% CAGR ('21-'23)
- Typical Residential Bill: 8.3% at full request

Montana Gas Rate Review

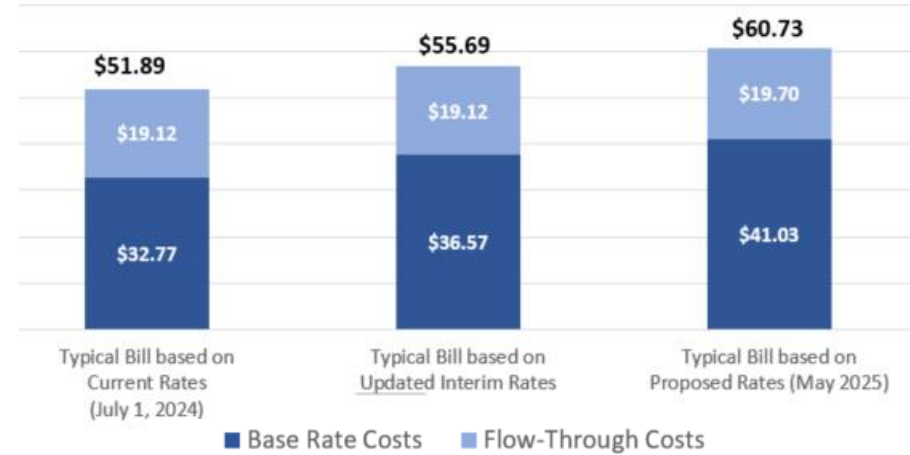
\$28.6 Million Base Rate Increase Requested



Plant in Service Additions



Typical 65 Therm Residential Natural Gas Bill

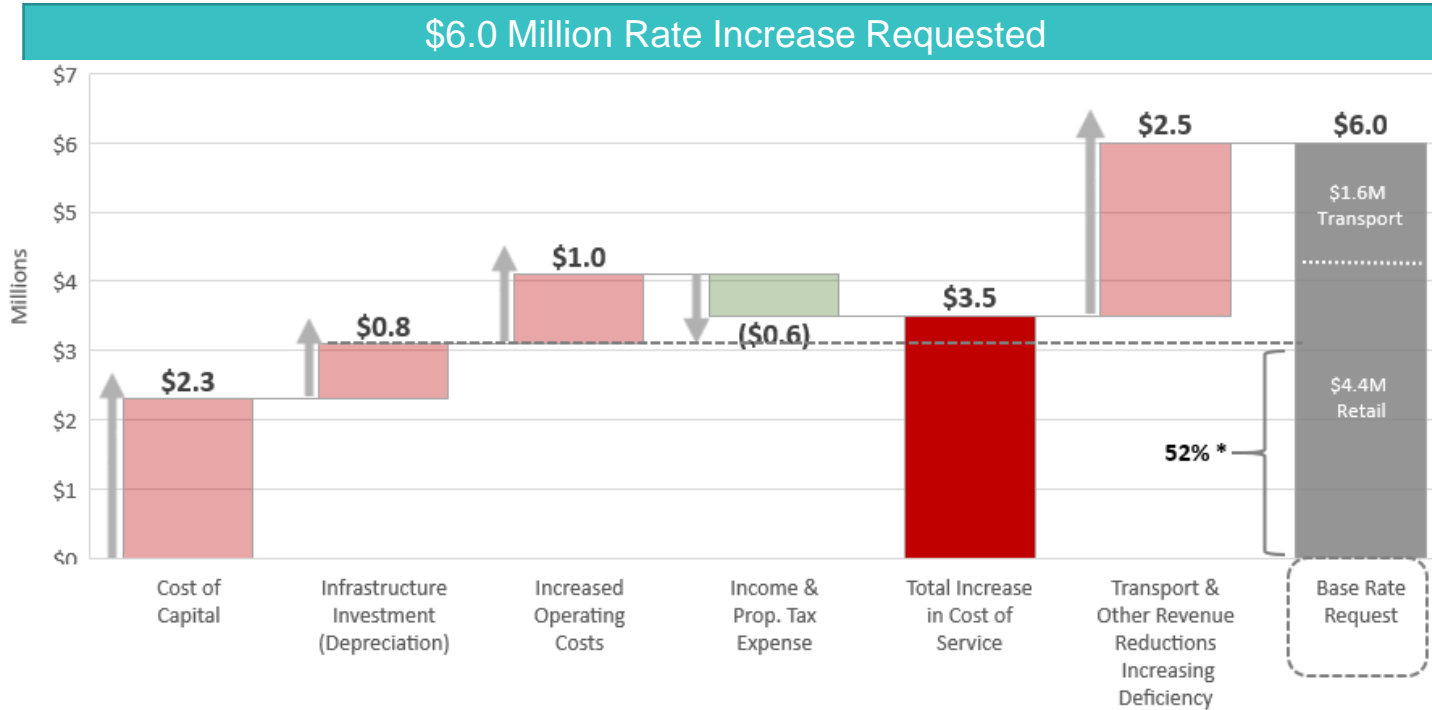


	Base Rates	Flow-Through Costs	Typical Resi. Monthly Bill
Current Rates	\$32.77	\$19.12	\$51.89
Updated Interim Rates	\$36.57	\$19.12	\$55.69
\$ Increase (Decrease)	\$3.81	\$0.00	\$3.81
% Increase (Decrease)	11.6%	0.0%	7.3%

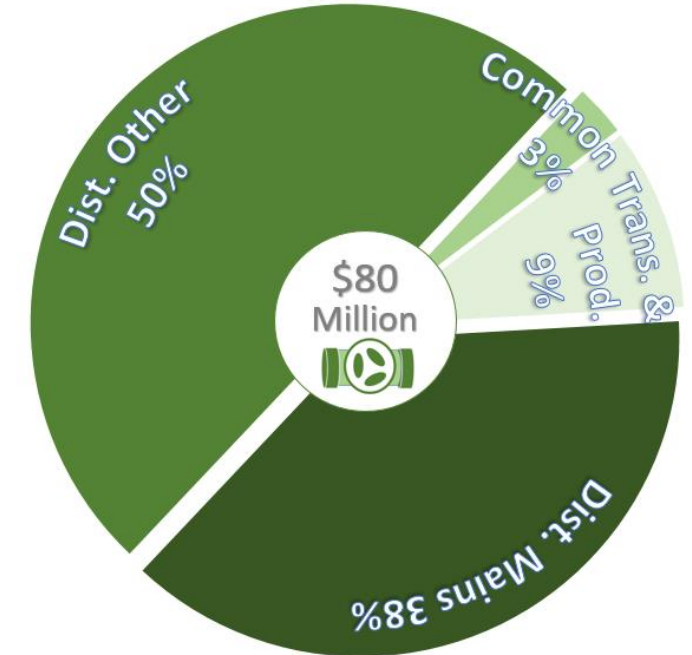
Montana Natural Gas:

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

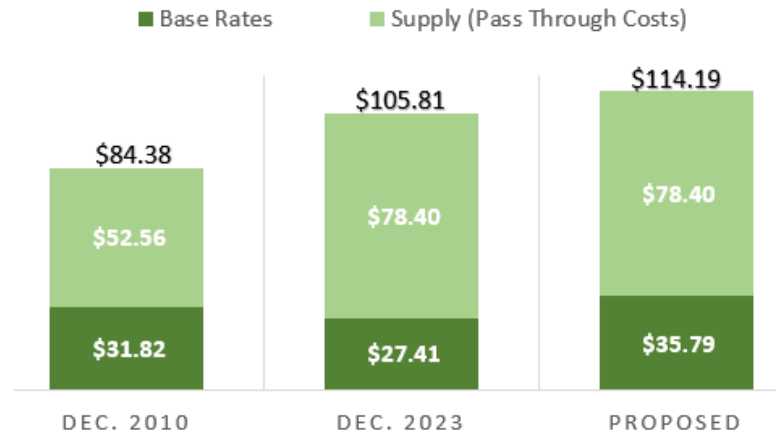
South Dakota Natural Gas Rate Review



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



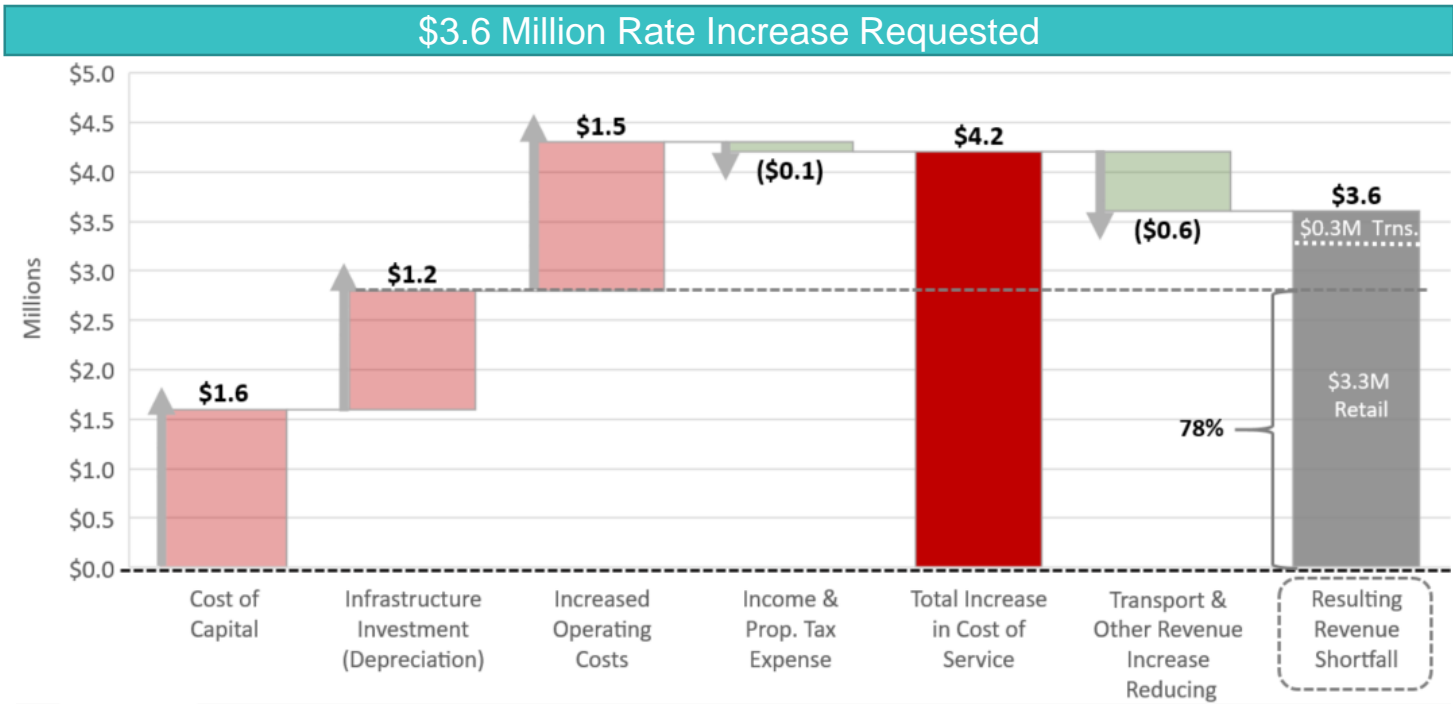
Typical 100 Therm Residential Natural Gas Bill



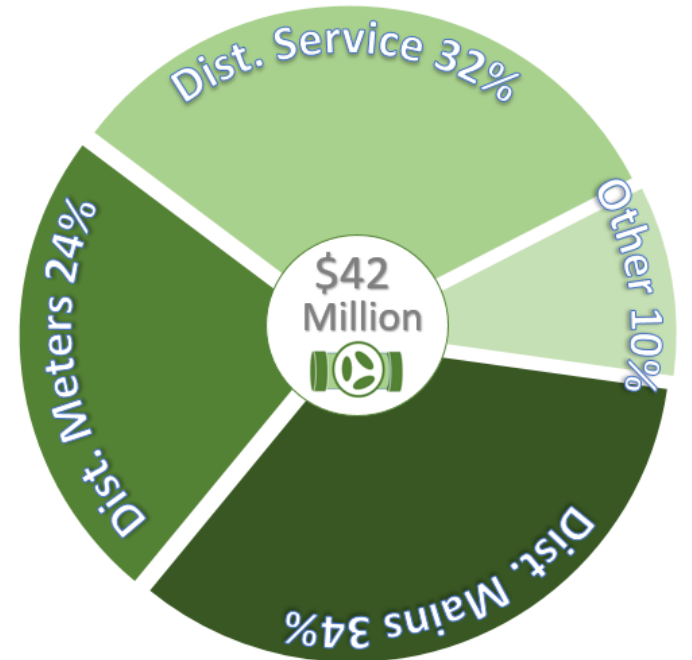
South Dakota Natural Gas:

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

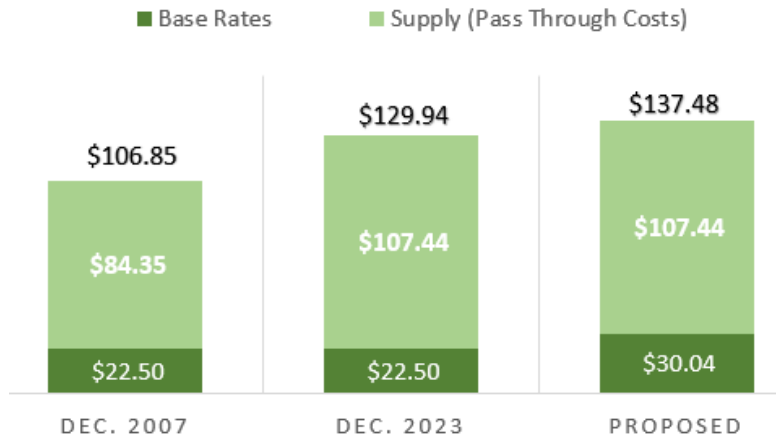
Nebraska Natural Gas Rate Review



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



Typical 100 Therm Residential Natural Gas Bill



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



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