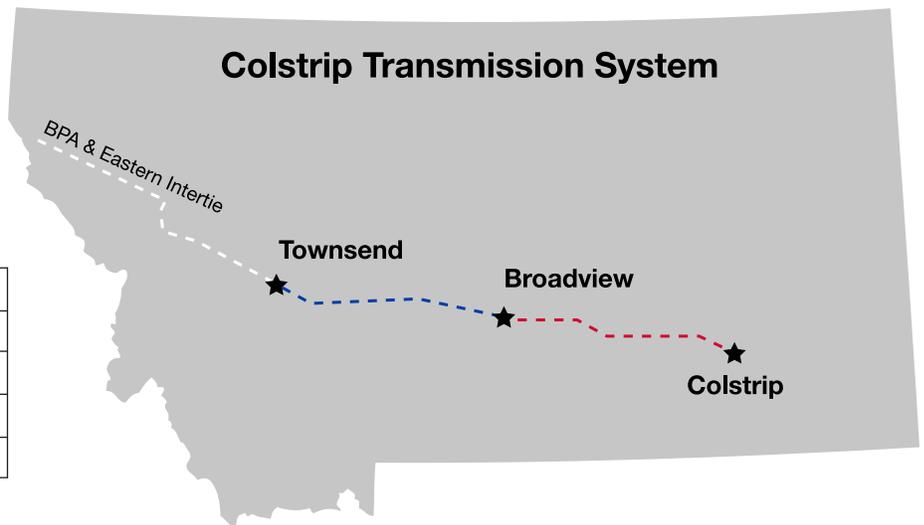


Colstrip Transmission System

The Energy Backbone of Montana

| System Owners | ----- | ----- |
|---------------------|-------|-------|
| NorthWestern Energy | 36.4% | 24.3% |
| Puget Sounds Energy | 33% | 39.3% |
| Portland General | 13.6% | 16.2% |
| Avista Corp. | 10.2% | 12.1% |
| PacificCorp. | 6.8% | 8.1% |



» The Colstrip Transmission System:

- Is a highly reliable, 250 mile 500 kilovolt alternating current line running from Colstrip to Townsend;
- Provides a very strong east – west path across the state with which we reliably serve all of our Montana customers.
- The 500 kV system effectively ties together the lower transmission voltage systems in the state at three substations – Colstrip, Broadview and Garrison.
- Is the backbone of energy transfer for residential, commercial and industrial customers in Montana;
- Provides the greatest access to and from the regional market during periods of critical need;
 - This capability is especially important as additional Montana generation is slated to be shuttered.
- Is a bridge to renewables in the western markets as local thermal resources are being closed;
- Provides future reliability, optionality and security in a quickly changing energy landscape.

» Why we are concerned:

- NorthWestern operates, but the system is jointly owned by other Colstrip power plant owners;
- The Line's future viability is currently tied to regulations and decisions in other Pacific Northwest states that are not being made in the best interest of Montanans.

» SB 331 helps by providing:

- An opportunity to purchase other's ownership, starting with Puget Sound Energy, at depreciated book value;
- A path to put Montanans back in control of their energy future.



» Electric Transmission Planning Study

NorthWestern Energy studied several scenarios to determine the critical role of the 500 kV transmission line from Colstrip in the reliable operation of the Montana transmission system used to deliver energy to industrial, retail and residential customers. The Colstrip Transmission System is especially important as additional Montana generation is slated to be shuttered.

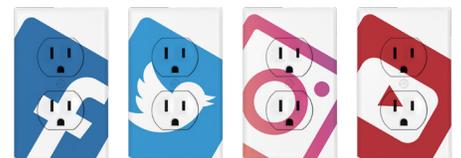
That 250 mile line, which runs west from Colstrip, interconnects with the Bonneville Power Administration's Eastern Intertie at Townsend, providing access to markets and energy supply in the West at the most critical times. The Colstrip Transmission System is jointly owned by the multiple owners of the Colstrip Power Plant.

NorthWestern Energy is a 10 percent owner in Colstrip generation and is currently a 31 percent owner in the transmission line. The study confirms that if the transmission line is decommissioned, NorthWestern Energy will have to make significant investments to handle peak customer energy needs, and to import enough energy from the West to provide reliable service to Montana customers. These investments would likely far exceed the depreciated costs of the entire Colstrip Transmission System – including

the portion of the system owned by the other Colstrip participants.

Additional ownership of the Colstrip Power Plant provides NorthWestern Energy the opportunity to purchase additional ownership of the Colstrip Transmission System and to influence that asset's future, preserving its functionality so that it can continue to serve Montana customers' energy demands.

Read the complete study online at:
NorthWesternEnergy.com/ColstripTransmission



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