
Overlooking Billings, Montana

2023 First Quarter Earnings Webcast

April 28, 2023

NorthWestern Energy

Delivering a Bright Future

Presenting Today

Brian Bird
President & CEO

Crystal Lail
Vice President & CFO

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.

First Quarter

✓ Regulatory execution

- Reached constructive multi-party settlement in Montana rate review (currently pending commission approval)
- Received final approval necessary for holding company formation

✓ Safely executed on capital plan

- Nearly $150 million invested during the first quarter on track for a targeted $510 million capital plan for 2023.
- Continue to expect Yellowstone County Generating Station to be ready to serve our customers during 2024.

✓ Driving reliability and affordability

- Announced agreement with Avista to transfer its Colstrip ownership: 222 megawatts, effective December 31, 2025

✓ Strong and growing service territories.

- Overall 1.4% customer growth (vs first quarter 2022)
- Lowest unemployment rates in the nation

  SD #1, NE #2 and MT #4

  (US Bureau of Labor Statistics, April 21, 2023)

NorthWestern recognized with the **EEI Emergency Response Award** in January 2023 for storm recovery in both Montana and South Dakota during 2022.

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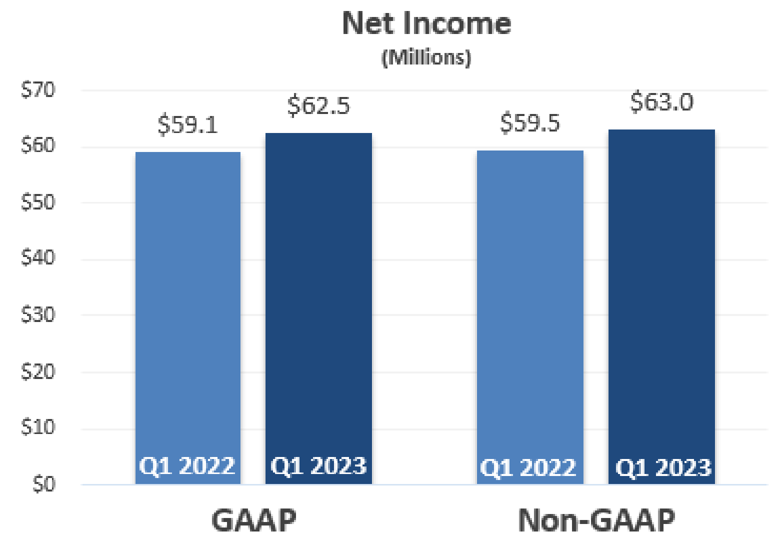
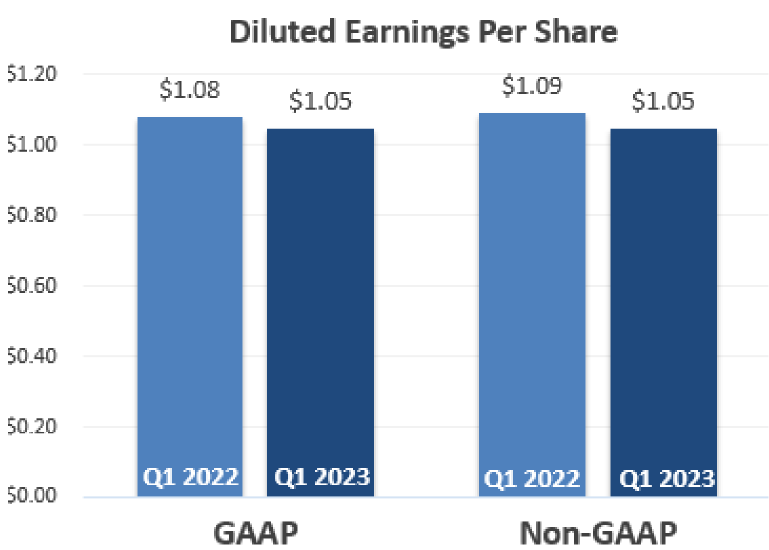
First Quarter 2023 Financial Results



First Quarter Net Income vs Prior Period

- GAAP: ↑ $3.4 Million (or 5.8%)
- Non-GAAP*: ↑ $3.5 Million (or 5.9%)



First Quarter EPS vs Prior Period

- GAAP: ↓ $0.03 (or 2.8%)
- Non-GAAP*: ↓ $0.04 (or 2.9%)

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*See slide 7 and *"Non-GAAP Financial Measures"* slide in the appendix for additional detail on this measure.

First Quarter Financial Results

(in millions except per share amounts)

	Three Months Ended March 31,			
	2023	2022	Variance	% Variance
Operating Revenues	$ 454.5	$ 394.5	$ 60.0	15.2%
Fuel, purchased supply & direct transmission expense (exclusive of depreciation and depletion)	165.5	135.1	30.4	22.5%
Utility Margin	**289.0**	**259.4**	**29.6**	**11.4%**
Operating Expenses				
Operating and maintenance	55.9	52.8	3.1	5.9%
Administrative and general	34.7	31.6	3.1	9.8%
Property and other taxes	49.2	46.9	2.3	4.9%
Depreciation and depletion	53.2	48.9	4.3	8.8%
Total Operating Expenses	**193.0**	**180.2**	**12.8**	**7.1%**
Operating Income	**96.0**	**79.2**	**16.8**	**21.2%**
Interest expense	(28.0)	(23.7)	(4.3)	(18.1%)
Other income, net	4.7	4.7	-	(0.0%)
Income Before Taxes	**72.7**	**60.2**	**12.5**	**20.8%**
Income tax expense	(10.2)	(1.1)	(9.1)	(827.3%)
Net Income	**$ 62.5**	**$ 59.1**	**$ 3.4**	**5.8%**
Effective Tax Rate	14.0%	1.8%	12.3%	
Diluted Shares Outstanding	59.8	54.8	5.0	9.1%
Diluted Earnings Per Share	$1.05	$ 1.08	$ (0.03)	(2.8%)
Dividends Paid per Common Share	$ 0.64	$ 0.63	$ 0.01	1.6%

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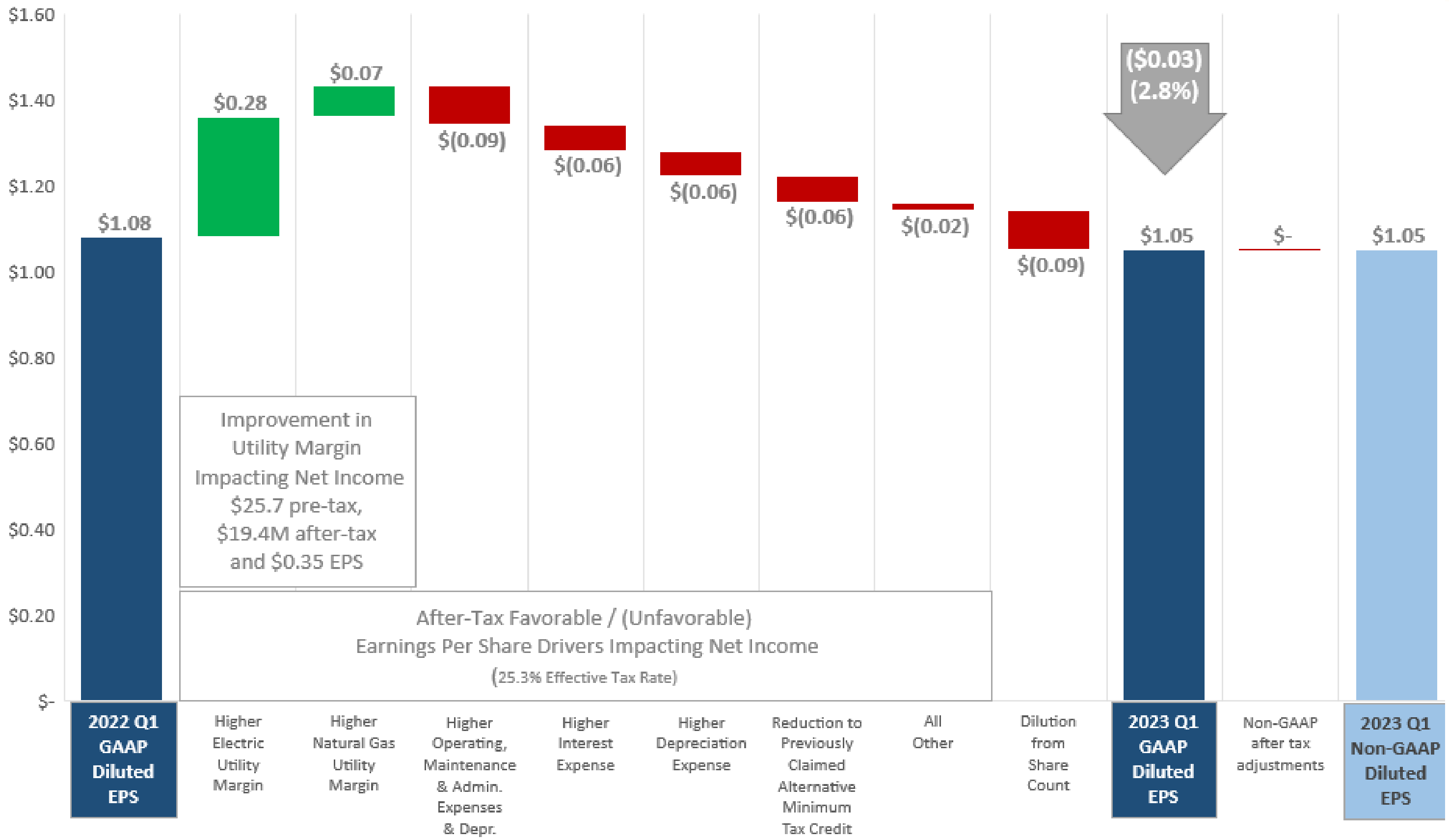
(1) Utility Margin is a non-GAAP Measure See appendix slide titled "Explaining Utility Margin" for additional disclosure.

First Quarter EPS Bridge

After-tax Earnings Per Share



Pre-Tax ($M)	$20.7	$5.0	($6.6)	($4.3)	($4.3)	$0.0	$2.0	-	($3.6)
After-Tax ($M)	$15.5	$3.7	($4.9)	($3.2)	($3.2)	($3.2)	($1.2)	-	$0.5
Diluted EPS	$0.28	$0.07	($0.09)	($0.06)	($0.06)	($0.06)	($0.02)	($0.09)	$0.00

Solid improvement in first quarter net income but offset by dilution from higher outstanding share count.

See slide 7 and *"Non-GAAP Financial Measures"* slide in the appendix for additional detail on this measure.

First Quarter Non-GAAP Earnings

	Three Months Ended March 31,												
	GAAP	Non-GAAP Adjustments				Non-GAAP	Non-GAAP Variance		Non-GAAP	Non-GAAP Adjustments			GAAP
(in millions)	Three Months Ended March 31, 2023	Favorable Weather	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Non-employee Deferred Compensation	Add Back Reduction related to Previously Claimed AMT Credit	Three Months Ended March 31, 2023	Variance $	Variance %	Three Months Ended March 31, 2022	Non-employee Deferred Compensation	Move Pension Expense to OG&A (disaggregated with ASU 2017-07) (1)	Unfavorable Weather	Three Months Ended March 31, 2022
Revenues	$454.5	(3.6)				$450.9	$55.9	14.2%	$395.0			0.5	$394.5
Fuel, supply & dir. tx	165.5					165.5	30.4	22.5%	135.1				135.1
Utility Margin (2)	**289.0**	**(3.6)**	-	-	-	**285.4**	**25.5**	**9.8%**	**259.9**	-	-	**0.5**	**259.4**
Op. Expenses													
OG&A Expense	90.6		(0.8)	0.1		89.9	6.3	7.5%	83.6	(0.2)	(0.6)		84.4
Prop. & other taxes	49.2					49.2	2.3	4.9%	46.9				46.9
Depreciation	53.2					53.2	4.3	8.8%	48.9				48.9
Total Op. Exp.	**193.0**	-	**(0.8)**	**0.1**	-	**192.3**	**12.9**	**7.2%**	**179.4**	**(0.2)**	**(0.6)**	-	**180.2**
Op. Income	**96.0**	**(3.6)**	**0.8**	**(0.1)**	-	**93.1**	**12.6**	**15.7%**	**80.5**	**0.2**	**0.6**	**0.5**	**79.2**
Interest expense	(28.0)					(28.0)	(4.3)	-18.1%	(23.7)				(23.7)
Other (Exp.) Inc., net	4.7		(0.8)	0.1		4.0	0.1	2.6%	3.9	(0.2)	(0.6)		4.7
Pretax Income	**72.7**	**(3.6)**	-	-	-	**69.1**	**8.4**	**13.8%**	**60.7**	-	-	**0.5**	**60.2**
Income tax	(10.2)	0.9	-	-	3.2	(6.1)	(4.9)	-399.5%	(1.2)	-	-	(0.1)	(1.1)
Net Income	**$62.5**	**(2.7)**	-	-	**3.2**	**$63.0**	**$3.5**	**5.9%**	**$59.5**	-	-	**0.4**	**$59.1**
ETR	14.0%	25.3%	-	-	-	8.8%			2.0%	-	-	25.3%	1.8%
Diluted Shares	59.8					59.8	5.0	9.1%	54.8				54.8
Diluted EPS	**$1.05**	(0.05)	-	-	0.05	$1.05	($0.04)	-3.7%	$1.09	-	-	0.01	**$1.08**

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

(1) As a result of the adoption of Accounting Standard Update 2017-07 in March 2018, pension and other employee benefit expense is now disaggregated on the GAAP income statement with portions now recorded in both OG&A expense and Other (Expense) Income lines. To facilitate better understanding of trends in year-over-year comparisons, the non-GAAP adjustment above re-aggregates the expense in OG&A - as it was historically presented prior to the ASU 2017-07 (with no impact to net income or earnings per share).
(2) Utility Margin is a non-GAAP Measure See the slide titled "Explaining Utility Margin" for additional disclosure.

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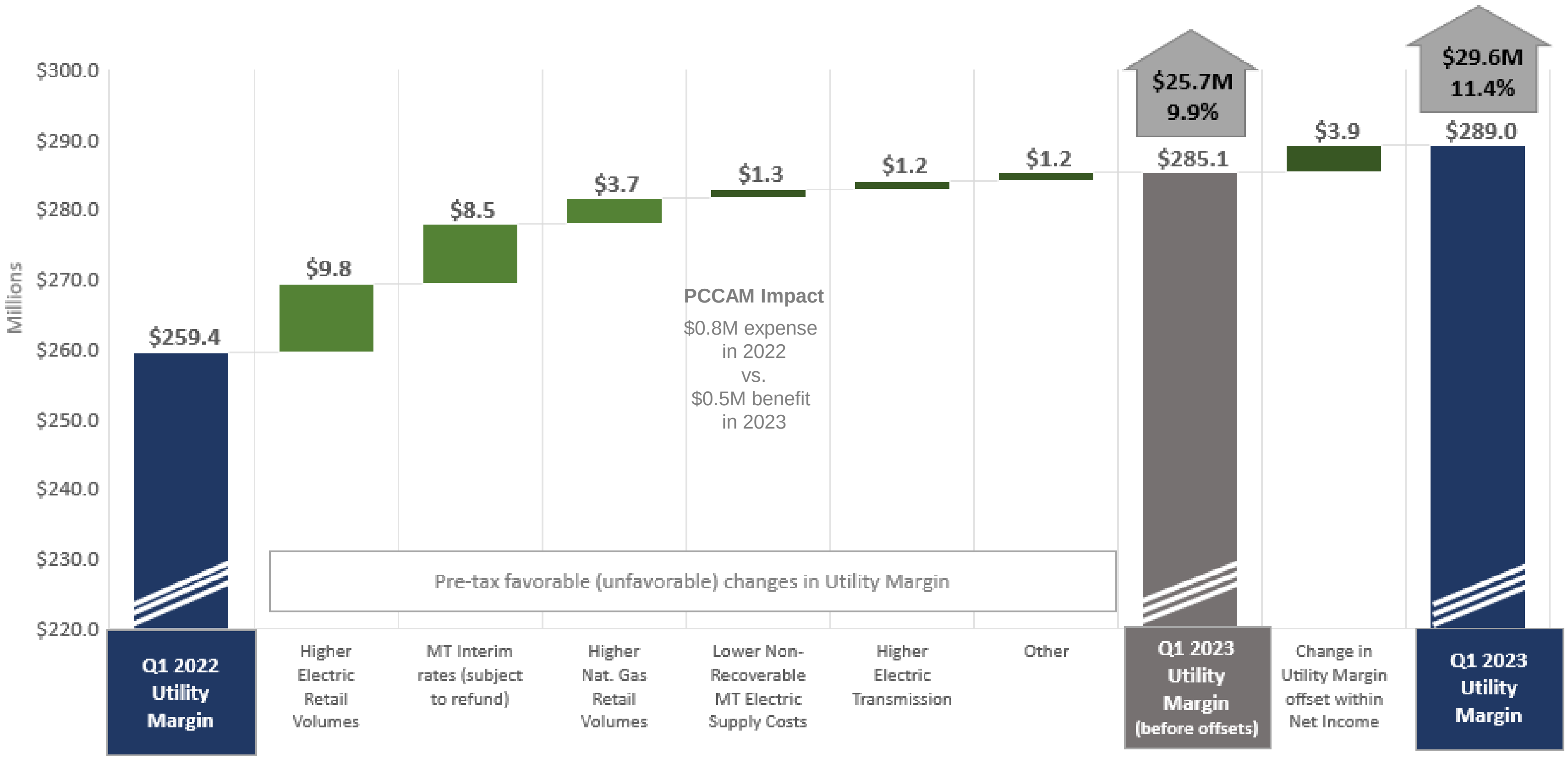
First Quarter Utility Margin Bridge

Pre-tax Millions



	↑	↑	↑	↑	↑	↑
Pre-Tax ($M)	$9.8	$8.5	$3.7	$1.3	$1.2	$1.2
After-Tax ($M)	$7.3	$6.3	$2.8	$1.0	$0.9	$0.9
Diluted EPS	$0.13	$0.11	$0.05	$0.02	$0.02	$0.02

$25.7 Million or 9.9% increase in Utility Margin due to items that impact Net Income.

NOTE: Utility Margin is a non-GAAP Measure See appendix slide titled "Explaining Utility Margin" for additional disclosure.

Cash Flow

(dollars in millions)

	Three Months Ending March 31, 2023		Three Months Ending March 31, 2022	
Operating Activities				
Net Income	$	62.5	$	59.1
Non-Cash adjustments to net income		43.8		43.3
Changes in working capital		107.8		92.8
Other non-current assets & liabilities		(0.4)		0.5
Cash provided by Operating Activities		**213.7**		**195.7**
Cash used in Investing Activities		**(136.6)**		**(116.1)**
Cash provided by Financing Activities		**(72.5)**		**(67.5)**

	2023		2022	
Cash provided by Operating Activities	**$**	**213.7**	**$**	**195.7**
Less: Changes in working capital		107.8		92.8
Funds from Operations	**$**	**105.9**	**$**	**102.9**
PP&E additions		136.6		115.5
Capital expenditures included in trade accounts payable		12.2		17.2
Total Capital Investment	**$**	**148.8**	**$**	**132.7**

Cash from Operating Activities increased by $18.0 million primarily due to $25.8 million increase in collection of energy supply costs from customers.

Funds from Operations increased by $3.0 million over prior period.

Net Under-Collected Supply Costs
(in millions)

	Beginning (Jan. 1)	Ending (March. 31)	Inflow
2022	$99.1	$76.0	**$23.1**
2023	$115.4	$66.5	**$48.9**
2023 Improvement (less outflow)			**$25.8**

During 2023, we anticipate issuing the remaining $75 million under our At-the-Market equity program.

During the quarter we priced $270 million of First Mortgage Bonds at a fixed rate of 5.57% and ten year terms. We received $220M on March 30 and expect to receive the remaining $50M on May 1, 2023. We also priced an additional $30M of First Mortgage Bonds with a fixed rate of 5.42% and ten year terms on March 29, 2023 and expect to receive the proceeds on May 1, 2023.

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

Montana Rate Review

Interim Rates

The MPSC approved the recommendations of the staff for interim rates, subject to refund, effective October 1, 2022.

Settlement Reached

On April 3rd, NWE and the primary intervenors reached a settlement agreement for electric and natural gas rates and several key provisions including 9.65% and 9.55% ROE for electric and natural gas respectively (with 48% equity capitalization). The settlement was filed with the MPSC for their review.
Final rates, once approved, will be retroactive back to interim effective date of October 1, 2022.

Anticipated Next Steps

- April 18, 2023 Hearing concluded
- May – June post-hearing briefs
- July commission work session and decision

	Revenue Component	Rebuttal Revenue Request			Interim Granted Effective Oct. 1 2022 Subject to refund			Settlement		
		El.	N.G.	Total	El.	N.G.	Total	El.	N.G.	Total
	Base Rates - owned electric gen., natual gas production / storage, transmission & dist.	**\$90.6**	**\$22.4**	**\$113.0**	**\$29.4**	**\$1.7**	**\$31.1**	**\$67.4**	**\$14.1**	**\$81.5**
Flow-Through	**PCCAM** - Power Cost & Credit Adjustment Mechanism	\$69.7	n/a	\$69.7	\$61.1	n/a	\$61.1	\$69.7	n/a	\$69.7
Flow-Through	**Property Tax** (tracker true-up) [1]	\$14.5	\$4.2	\$18.7	\$10.8	\$2.9	\$13.7	\$14.5	\$4.2	\$18.7
	Total	**\$174.8**	**\$26.6**	**\$201.4**	**\$101.3**	**\$4.6**	**\$105.9**	**\$151.6**	**\$18.3**	**\$169.9**

1.) While our requested interim property tax base increases were denied from interim rates, these rates went into effect on January 1, 2023, as part of our 2023 property tax tracker period true-up.

Requested base rate increase supports over a billion dollars invested in Montana critical infrastructure - since our last rate reviews - while keeping operating costs below the rate of inflation.
(Test years: 2015 nat. gas and 2017 electric)

Financial Outlook

✓ **2023 earnings guidance is expected to be provided following an outcome in our pending Montana rate review**

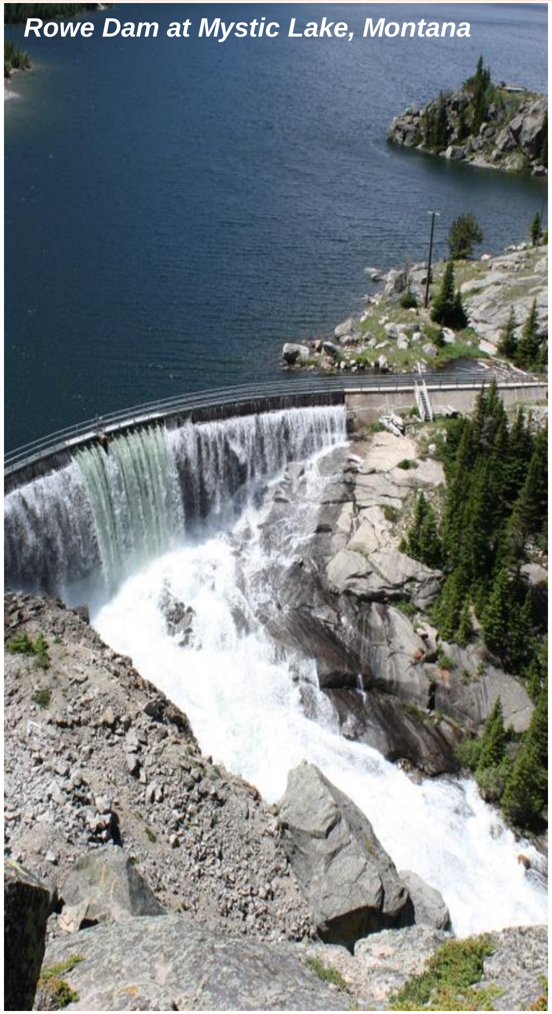
✓ **Anticipate requesting general rate review in South Dakota** (2022 Test Year)

✓ **$510 million capital plan for 2023** (inclusive of $80 million of investment specific to Yellowstone County Generating Station)

✓ **Long-term growth targets remain;**
3-6% EPS and 4-5% rate base

✓ **2023 annualized dividend of $2.56 is expected to be above targeted 60-70% payout ratio.** Over the longer-term, we expect to maintain a dividend payout ratio within a targeted 60-70% range

✓ **Financing plans are intended to maintain current credit ratings** (targeting FFO to debt ratio greater than 14%)


Rowe Dam at Mystic Lake, Montana

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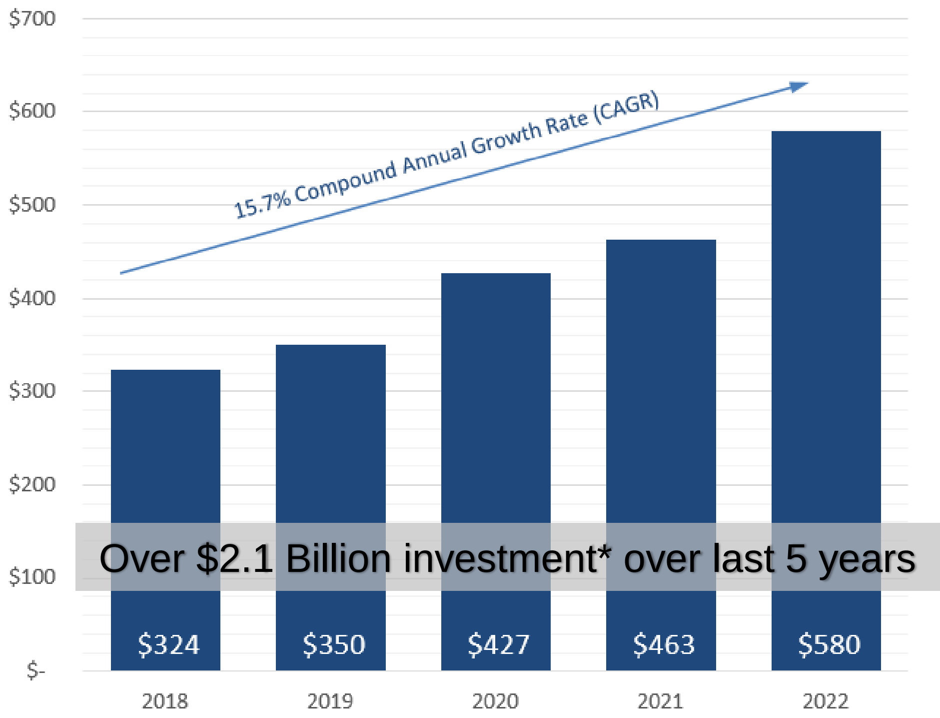
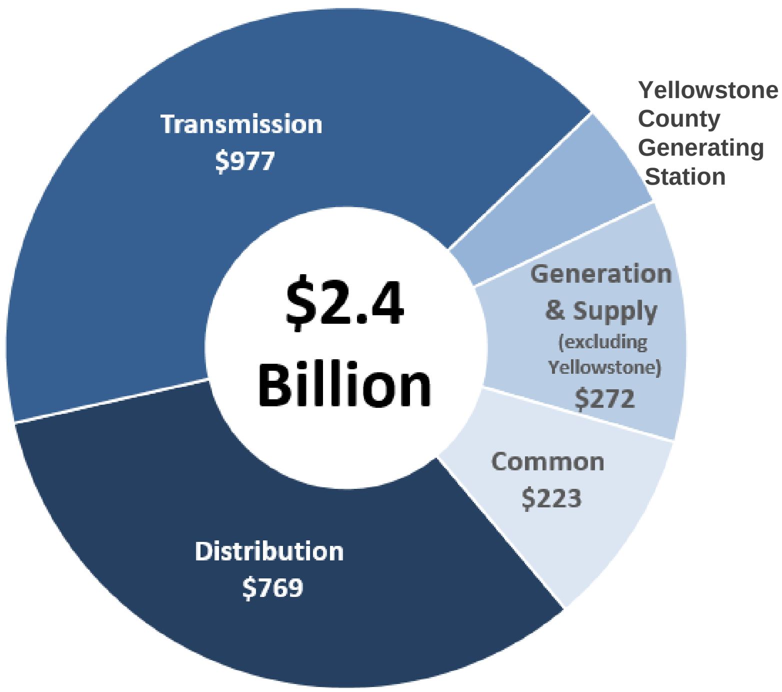
Capital Investment

($millions, unless stated otherwise)

5 Year History of Capital Investment



5 Year Forecast of Capital Investment



$2.4 billion of forecasted low-risk capital investment opportunity…

- Capital investment addresses generation and transmission capacity constraints, grid modernization and renewable energy integration. This does not include any incremental opportunities related to additional supply investment.
- This sustainable level of capex is expected to drive an annualized **rate base growth of approximately 4%-5%.**
- We expect to finance this capital with a combination of cash flows from operations, first mortgage bonds and equity issuances.

* Historical Capital Investment includes property, plant and equipment additions, acquisitions and capital expenditures included in accounts payable.

Supply Update

✓Electric Supply Resource Additions

South Dakota: 58 megawatt Bob Glanzer Generating Station place in service in May 2022 completed under budget with a total cost of $83.1 million

Montana: 175 megawatt Yellowstone County Generating Station

- Construction began in April 2022 with total investment of approximately $275 million ($174.7 million invested through the first quarter 2023)
- Current schedule anticipates commercial operation during 2024*

✓Integrated Resource Plans

South Dakota: Filed in September 2022, the plan identifies 43 megawatts as retire and replace candidates with potential for competitive solicitation during 2023-2024

Montana: Expect to submit an integrated resource plan to the MPSC by the end of April 2023.

The recently completed 58-megawatt Bob Glanzer Generating Station in Huron, South Dakota, provides on-demand resources to support the variability of wind and solar projects coming onto our system and the grid in our region and help serve our customers during extended periods of peak demand.

** On October 21, 2021, the Montana Environmental Information Center (MEIC) and the Sierra Club filed a lawsuit in Montana State Court, against the Montana Department of Environmental Quality (MDEQ) and NorthWestern, alleging that the environmental analysis conducted by MDEQ prior to issuance of the Yellowstone County Generating Station's air quality construction permit was inadequate. The Montana District Court judge held oral argument on June 20, 2022. On April 4, 2023, the Montana District Court issued an order finding MDEQ's environmental analysis was deficient in not addressing exterior lighting and greenhouse gases. The Court remanded it back to MDEQ to address the deficiencies and vacated the air quality permit pending that remand. As a result of the vacatur of the permit, we are required to stop construction and will not be able to recommence construction until the permit is reissued. On April 14, 2023, following entry of final judgment, we filed a Motion to Stay the order vacating the air quality permit pending appeal. On April 17, 2023, we filed a notice of appeal with the Montana Supreme Court. This lawsuit, as well as additional legal challenges related to the Yellowstone County Generating Station, could delay the project timing and increase costs. At this time, we still expect the plan to be operational by the end of 2024.*

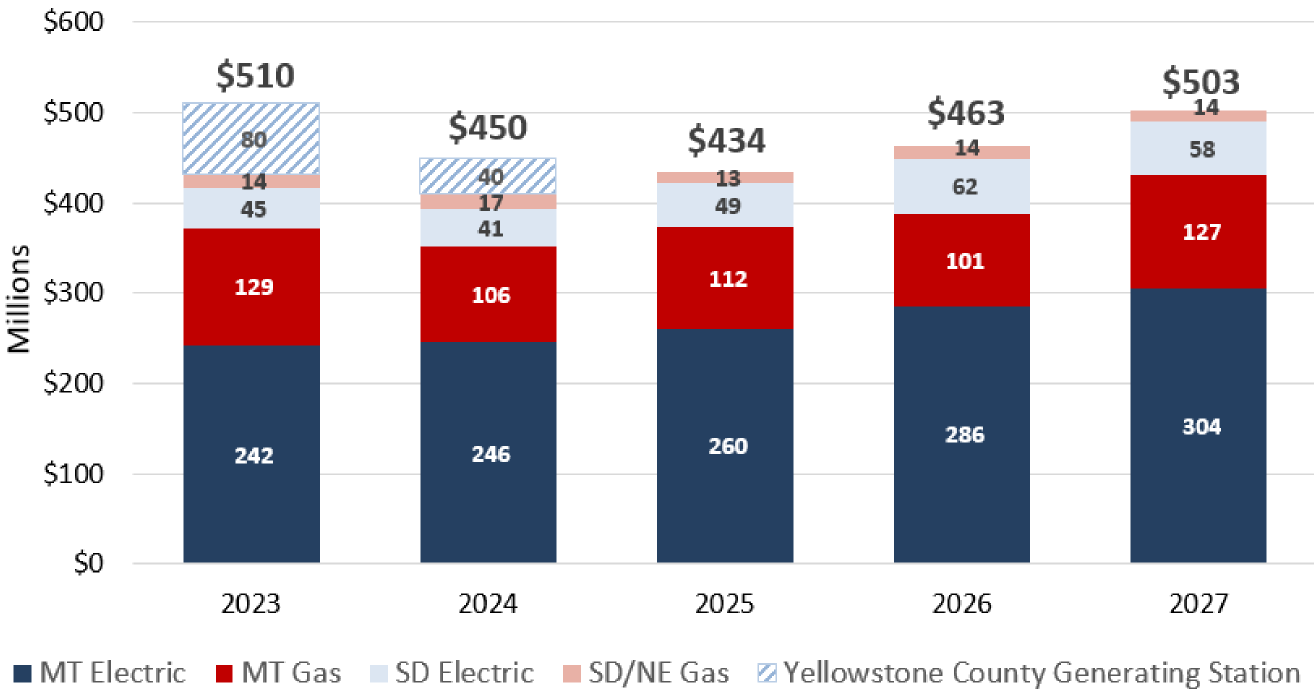
Conclusion

- Pure Electric & Gas Utility
- Solid Utility Foundation
- Best Practices Corporate Governance
- Attractive Future Growth Prospects
- Strong Earnings & Cash Flows

Appendix

Appendix

Regulated Utility Five-Year Capital Forecast



$ Millions	***2023***	***2024***	***2025***	***2026***	***2027***
Electric	367	327	309	348	363
Natural Gas	143	123	125	115	140
Total Capital Forecast	**$510**	**450**	**$434**	**$463**	**$503**

Electric Supply Resource Plans - Our energy resource plans identify portfolio resource requirements including potential investments. Included within our projections is approximately **$120.0 million (in 2023 and 2024) of capital to complete construction of the 175 MW Yellowstone County Generating Station** to be on line in 2024.

Distribution and Transmission Modernization and Maintenance - The primary goals of our infrastructure investments are to reverse the trend in aging infrastructure, maintain reliability, proactively manage safety, build capacity into the system, and prepare our network for the adoption of new technologies. We are taking a proactive and pragmatic approach to replacing these assets while also evaluating the implementation of additional technologies to prepare the overall system for smart grid applications. Beginning in 2021, and continuing through 2025, we are installing **automated metering infrastructure in Montana at a total cost of approximately $112.0 million, of which, $66.1 million remains and is reflected in the five year capital forecast**.

$2.4 billion of highly-executable and low-risk capital investment

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Montana Rate Review

Capital Structure & Rate Base	Rebuttal Request			Settlement		
	El.	*N.G.*	*Total*	*El.*	*N.G.*	*Total*
Current ROE	9.65%	9.55%				
Current Equity Ratio	49.38%	46.79%				
Proposed ROE	10.60%	10.60%		9.65%	9.55%	
Proposed Equity Ratio	48.02%	48.02%		48.02%	48.02%	
Rate Base ($Millions)	$2,842	$583	$3,426	$2,842	$583	$3,426

Revenue Component	Rebuttal Revenue Request			Interim Granted Effective Oct.1 2022 Subject to refund			Settlement		
	El.	*N.G.*	*Total*	*El.*	*N.G.*	*Total*	*El.*	*N.G.*	*Total*
Base Rates - owned electric gen., natural gas production / storage, transmission & dist.	**$90.6**	**$22.4**	**$113.0**	**$29.4**	**$1.7**	**$31.1**	**$67.4**	**$14.1**	**$81.5**
Flow-Through: **PCCAM** - Power Cost & Credit Adjustment Mechanism	$69.7	n/a	$69.7	$61.1	n/a	$61.1	$69.7	n/a	$69.7
Flow-Through: **Property Tax** (tracker true-up) [1]	$14.5	$4.2	$18.7	$10.8	$2.9	$13.7	$14.5	$4.2	$18.7
Total	**$174.8**	**$26.6**	**$201.4**	**$101.3**	**$4.6**	**$105.9**	**$151.6**	**$18.3**	**$169.9**

1.) While our requested interim property tax base increases were denied from interim rates, these rates went into effect on January 1, 2023, as part of our 2023 property tax tracker period true-up.

Approximately 42% of the requested total electric and natural gas revenue increase is driven by flow-through costs including market power purchases and property taxes. 49% is driven by capital investment to ensure the safety and reliability of the energy system.

Appendix Rate Base & Authorized Return Summary

Estimate as of 12/31/2022

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)	April 2019 (4)	$ 2,030.1	$ 2,675.8	6.92%	9.65%	49.38%
Montana - Colstrip Unit 4	April 2019	$ 304.0	$ 271.3	8.25%	10.00%	50.00%
Montana natural gas delivery and production (2)	September 2017 (4)	$ 430.2	$ 643.3	6.96%	9.55%	46.79%
Total Montana		$ 2,764.3	$ 3,590.4			
South Dakota electric (3)	December 2015	$ 557.3	$ 799.6	7.24%	n/a	n/a
South Dakota natural gas (3)	December 2011	$ 65.9	$ 97.8	7.80%	n/a	n/a
Total South Dakota		$ 623.2	$ 897.4			
Nebraska natural gas (3)	December 2007	$ 24.3	$ 49.9	8.49%	10.40%	n/a
Total NorthWestern Energy		**$ 3,411.8**	**$ 4,537.7**			

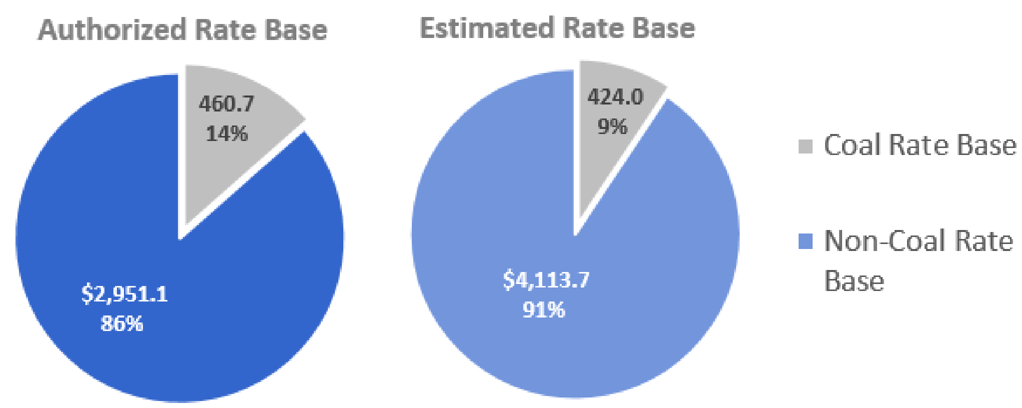
(1) The revenue requirement associated with the FERC regulated portion of Montana electric transmission and ancillary services are included as revenue credits to our MPSC jurisdictional customers. Therefore, we do not separately reflect FERC authorized rate base or authorized returns.

(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 August 8, 2022, we filed a Montana electric and natural gas rate review filing (2021 test year) requesting an increase to our authorized rate base, return on equity, and equity level in our capital structure. We expect a final order regarding this rate review in 2023.

Coal Generation Rate Base as a percentage of Total 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.

Colstrip Transaction Overview

NorthWestern Energy executed an agreement with Avista Corporation (Exit Agreement) for the transfer of Avista's ownership interests in Colstrip Units 3 and 4.

- **Effective date of transfer: December 31, 2025**
- Generating capacity: 222 MW
  (bringing our total ownership to 444 MW)
- **Transfer price: $0.00**
- NorthWestern will be responsible for operational and capital costs beginning January 1, 2026.
  - The agreement does not require approval by the Montana Public Service Commission (MPSC). We expect to work with the MPSC in a future docket for cost recovery in 2026.
  - NorthWestern will have the right to exercise Avista's vote with respect to capital expenditures[1] between now and 2025 with Avista responsible for its pro rata share[2].
- Avista will retain its existing environmental and decommissioning obligations through life of plant.
- Under the Colstrip Ownership & Operating Agreement, each of the owners will have a 90-day period in which to evaluate the transaction between NorthWestern and Avista to determine whether to exercise their respective right of first refusal.
- We expect to file our Montana Integrated Resource Plan during the first quarter 2023. This transaction is expected to satisfy our capacity needs in Montana for at least the next 5 years.

1. Avista retains the vote related to remediation activities.
2. Avista bears its current project share (15%) costs through 2025, other than "Enhancement Work Costs" for which it bears a time-based pro-rata share. Enhancement Work Costs are costs that are not performed on a least-costs basis or are intended to extend the life of the facility beyond 2025. See the Exit Agreement for additional detail.

Appendix

Facility Ownership Overview

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

	Current Colstrip Ownership Structure (megawatts)		Announced Sep. 12, 2022 — 2026 Exit Agreement: 185 MW of both Units 3 & 4 transfer from Puget Sound → Talen		Executed Jan. 16, 2023 — 2026 Exit Agreement: 111 MW of both Units 3 & 4 transfer from Avista → NorthWestern	
	Unit 3	**Unit 4**	**Unit 3**	**Unit 4**	**Unit 3**	**Unit 4**
Avista	111	111	111	111		
NorthWestern		222		222	111	333
PacifiCorp	74	74	74	74	74	74
Portland	148	148	148	148	148	148
Puget	185	185				
Talen	222		407	185	407	185
Total	**740**	**740**	**740**	**740**	**740**	**740**

NorthWestern is actively working with the other owners to resolve outstanding issues, including the associated pending legal proceedings. Additionally, the owners intend to pursue a mutually beneficial reallocation (swap) of megawatts between the two units that would ideally provide NorthWestern with a controlling (> 370 megawatts) share of Unit 4.

Why Colstrip?

Reliable

- **Existing resource, ready to serve our Montana customers**. Avoids lengthy planning, permitting and construction of a new facility that would stretch in-service beyond 2026.
- Reduces reliance on imported power and volatile markets, providing increased energy independence.
- In-state and on-system asset mitigating the transmission constraints we experience importing capacity.
- Adds critical long-duration, 24/7 on-demand generation necessary for balancing our existing portfolio.

Affordable

- **222 MW of capacity with no upfront capital costs and stable operating costs going forward.**
  - Equivalent new build would cost in excess of $500 million.
  - Incremental operating costs are known and reasonable. Resulting variable generation costs represent a 90%+ discount to market prices incurred during December's polar vortex.
- In addition to no upfront capital, low and stably priced mine-mouth coal supply costs.

Sustainable

- **We remain committed to our net zero goal by 2050.** This additional capacity, with a remaining life of up to 20 years, helps bridge the interim gap and will likely lead to less carbon post 2040.
- Yellowstone County Generating Station is potentially our last natural gas resource addition in Montana.
- Partners are committed to evaluate non-carbon long-duration alternative resources for the site.
- Keeps the existing plant open and retains its highly skilled jobs vital to the Colstrip community.
- Protects existing ownership interests with an ultimate goal of majority ownership of Unit 4.

NorthWestern Energy executed an agreement with Avista Corporation for the transfer of Avista's ownership interests in Colstrip Units 3 & 4.

- Effective date of transfer: 12/31/2025
- Generating capacity: 222 MW
- **Transfer price: $0.00**

Why Colstrip?

Reduces Risk

- We are in a supply capacity crisis due to lack of resource adequacy, with approx. 40% of our customers' peak needs on the market. This transaction will reduce our need to import expensive capacity during critical times.
- Establishes clarity regarding operations past 2025 Washington state legislation deadline.
- Reduces PCCAM risk sharing for customers and shareholders.

Bill Headroom

- Stable pricing reduces impact of market volatility and high energy prices on customers.

Aligned with 'All of the Above' energy transition in Montana

- Supports our generating portfolio that is nearly 60% carbon-free today.
- Provides future opportunity at the site while supporting economic development in Montana.
- Agreement considers the appropriate balance of reliability, affordability and sustainability.

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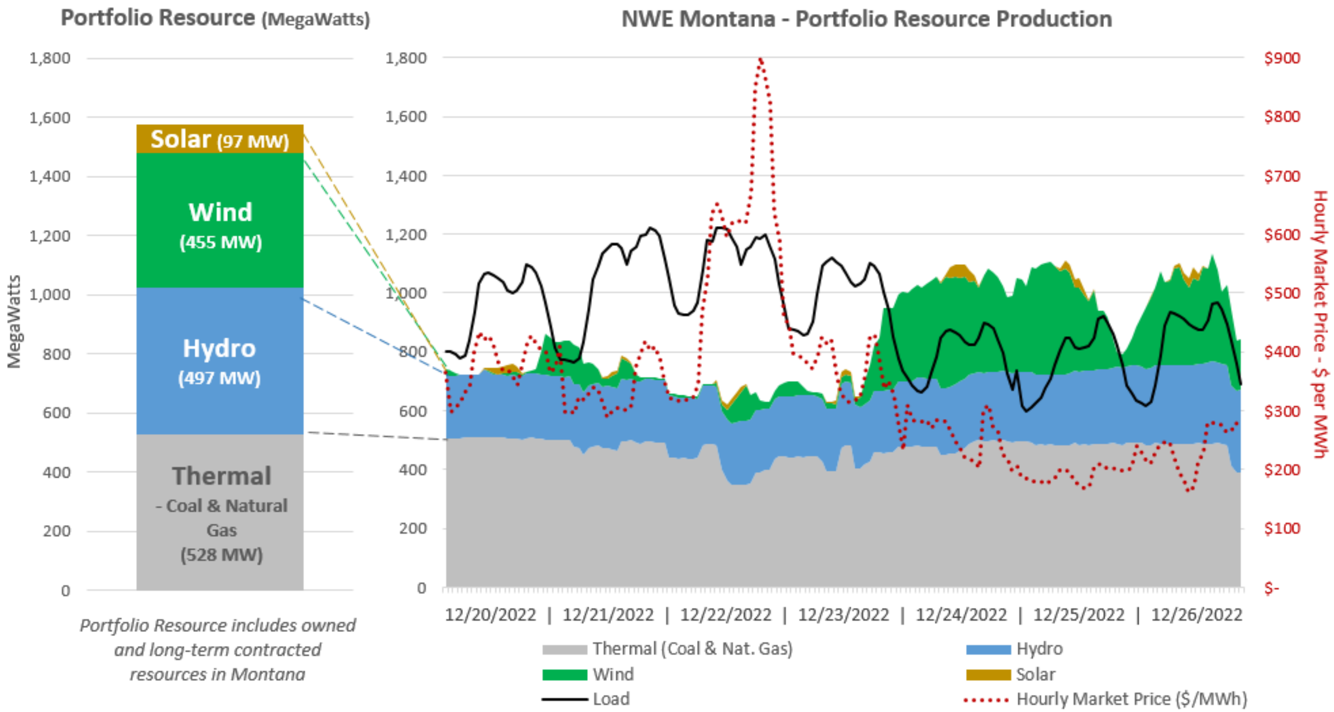
Appendix

December 2022 Polar Vortex



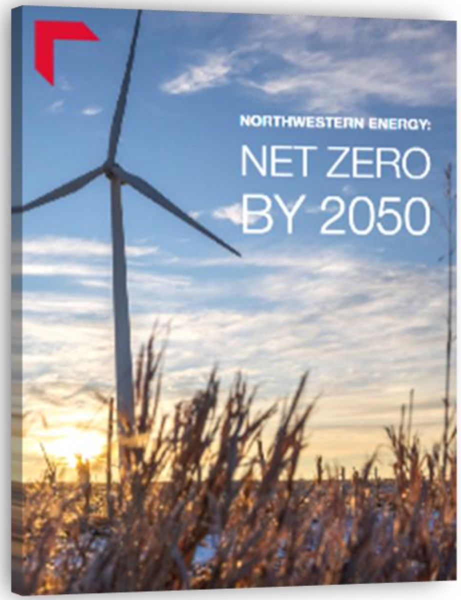
The chart illustrates the actual resource specific contribution of energy, the capacity deficit we faced, and the market price of power during the late December 2022 multi-day cold weather event in Montana.
As a result of our capacity deficit, we were reliant upon the high and volatile power market a majority of the time to meet customer demand.

Estimated Cost Benefit of Existing 222 MW Colstrip Ownership vs. Market Purchases (Millions)

	Existing 222 MW of Colstrip				Colstrip Cost	Estimated Market Cost	
	MWh	Variable +	Fixed =	Total	vs. Market	Total	Avg. $ Per Mwh
Dec. 20-26	35,580	$0.8	$1.4	**$2.2**	**($9.8)**	**$12.0**	$336.14
Dec. 21-23	15,467	$0.4	$0.5	**$0.9**	**($5.7)**	**$6.6**	$427.64

Colstrip costs significantly lower than market

Our Net-Zero Vision



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

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

Utility Margin
(1st Quarter)

(dollars in millions)

	Three Months Ended March 31,			
	2023	2022	Variance	
Electric	$ 217.2	$ 194.1	$ 23.1	11.9%
Natural Gas	71.8	65.3	6.5	10.0%
Total Utility Margin (1)	**$ 289.0**	**$ 259.4**	**$ 29.6**	**11.4%**

Increase in utility margin due to the following factors:

$ 9.8	Electric retail volumes
8.5	Montana interim rates
3.7	Natural gas retail volumes
1.3	Lower non-recoverable Montana electric supply costs
1.2	Higher transmission revenue (higher demand from market conditions)
1.2	Other
$ 25.7	**Change in Utility Margin Impacting Net Income**
$ 2.6	Higher property taxes recovered in revenue, offset in property tax expense
1.7	Higher production tax credits, offset in income tax expense
(0.3)	Lower operating expenses recovered in revenue, offset in O&M expense
(0.1)	Lower production taxes recovered in revenue, offset in property & other tax expense
$ 3.9	**Change in Utility Margin Offset Within Net Income**
$ 29.6	**Increase in Utility Margin**

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

Appendix

Operating Expenses
(1st Quarter)

(dollars in millions)

	Three Months Ended March 31,			
	2023	2022	Variance	
Operating & maintenance	$ 55.9	$ 52.8	$ 3.1	5.9%
Administrative & general	34.7	31.6	$6.2 — 3.1	9.8%
Property and other taxes	49.2	46.9	2.3	4.9%
Depreciation and depletion	53.2	48.9	4.3	8.8%
Operating Expenses	**$ 193.0**	**$ 180.2**	**$ 12.8**	**7.1%**

Increase in operating expenses due to the following factors:

$ 4.3	Higher depreciation due to plant additions
3.4	Higher electric generation facilities expense
3.1	Higher labor and benefits (1)
0.6	Higher insurance expense
0.3	Higher uncollectible accounts expenses
(0.4)	Lower technology implementation and maintenance expense
(0.2)	Lower property and other taxes
(0.4)	Other miscellaneous
$ 10.7	**Change in Operating Expense Items Impacting Net Income**
$ 2.5	Higher property and other taxes recovered in trackers, offset in revenue
0.2	Higher pension and other postretirement benefits, offset in other income
(0.3)	Lower non-employee directors deferred compensation, offset in other income (1)
(0.3)	Lower operating and maintenance expenses recovered in trackers, offset in revenue
$ 2.1	**Change in Operating Expense Items Offset Within 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.

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Operating to Net Income
(1st Quarter)

(dollars in millions)

	Three Months Ended March 31,			
	2023	2022	Variance	
Operating Income	**$ 96.0**	**$ 79.2**	**$ 16.8**	**21.2%**
Interest expense	(28.0)	(23.7)	(4.3)	(18.1%)
Other income, net	4.7	4.7	0.0	0.0%
Income Before Taxes	**72.7**	**60.2**	**12.5**	**20.8%**
Income tax expense	(10.2)	(1.1)	(9.1)	(827.3%)
Net Income	**$ 62.5**	**$ 59.1**	**$ 3.4**	**5.8%**

$4.3 million increase in interest expenses was primarily due to higher interest rates on borrowings under our revolving credit facilities, partly offset by higher capitalization of AFUDC.

Other income, net was flat, however we did see a decrease in the value of deferred shares held in trust for non-employee directors deferred compensation (which is offset in operating expense) and this decrease was offset by a decrease in the non-service cost component of pension expense.

$9.1 million increase in income tax expense was primarily due higher pre-tax income and lower flow-through benefits.

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Tax Reconciliation
(1st Quarter)

(in millions)	Three Months Ended March 31,				
	2023		2022		Variance
Income Before Income Taxes	**$72.7**		**$60.2**		**$12.5**
Income tax calculated at federal statutory rate	15.3	21.0%	12.6	21.0%	2.7
Permanent or flow through adjustments:					
State income taxes, net of federal provisions	1.0	1.4%	0.4	0.7%	0.6
Flow - through repairs deductions	(5.8)	(8.0%)	(6.8)	(11.3%)	1.0
Production tax credits	(3.2)	(4.4%)	(3.8)	(6.4%)	0.6
Amortization of excess deferred income taxes	(0.8)	(1.1%)	(0.4)	(0.7%)	(0.4)
Reduction to previously claimed alternative minimum tax credit	3.2	4.4%	-	-	3.2
Plant and depreciation of flow-through items	0.7	0.9%	(0.3)	(0.4%)	1.0
Share-based compensation	0.4	0.5%	(0.3)	(0.4%)	0.7
Other, net	(0.6)	(0.5%)	(0.3)	(0.7%)	(0.3)
Sub-total	(5.1)	(6.9%)	(11.5)	(19.2%)	6.4
Income Tax Expense	**$ 10.2**	**14.1%**	**$ 1.1**	**1.8%**	**$ 9.1**

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Appendix

Segment Results
(1st Quarter)

(in thousands)

Three Months Ending March 31, 2023	Electric	Gas	Other	Total
Operating revenues	$ 295,308	$ 159,234	$ -	$ 454,542
Fuel, purchased supply & direct transmission*	78,134	87,358	-	165,492
Utility margin [(1)]	217,174	71,876	-	289,050
Operating and maintenance	42,413	13,448	-	55,861
Administrative and general	24,968	9,766	14	34,748
Property and other taxes	38,251	10,898	2	49,151
Depreciation & depletion	43,898	9,350		53,248
Operating income	67,644	28,414	(16)	96,042
Interest expense	(18,560)	(3,251)	(6,197)	(28,008)
Other income	3,366	1,415	(44)	4,737
Income tax (expense) benefit	(6,628)	234	(3,847)	(10,241)
Net income (loss)	$ 45,822	$ 26,812	$ (10,104)	$ 62,530

Three Months Ending March 31, 2022	Electric	Gas	Other	Total
Operating revenues	$ 271,727	$ 122,755	$ -	$ 394,482
Fuel, purchased supply & direct transmission*	77,623	57,450	-	135,073
Utility margin [(1)]	194,104	65,305	-	259,409
Operating and maintenance	39,501	13,293	-	52,794
Administrative and general	22,737	8,652	255	31,644
Property and other taxes	36,425	10,423	2	46,850
Depreciation & depletion	40,424	8,481	-	48,905
Operating income	55,017	24,456	(257)	79,216
Interest expense	(18,969)	(3,390)	(1,357)	(23,716)
Other income (expense)	2,982	1,530	209	4,721
Income tax (expense) benefit	(994)	(1,382)	1,265	(1,111)
Net income (loss)	$ 38,036	$ 21,214	$ (140)	$ 59,110

** Direct Transmission expense excludes depreciation and depletion*

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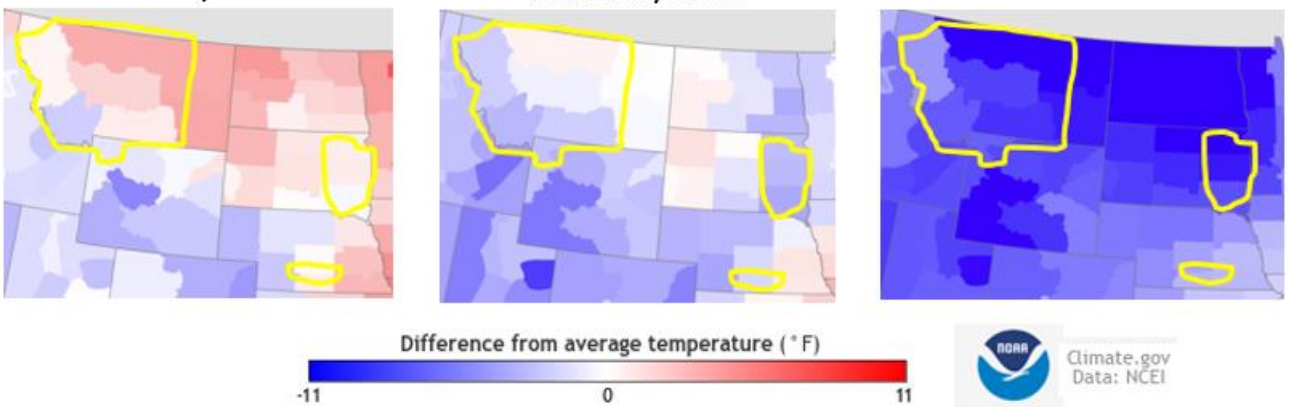
(1) Utility Margin is a non-GAAP Measure See appendix slide titled "Explaining Utility Margin" for additional disclosure.

Weather / Hydro Conditions
(1st Quarter)

Mean Temperature Departures from Average

January 2023 | February 2023 | March 2023

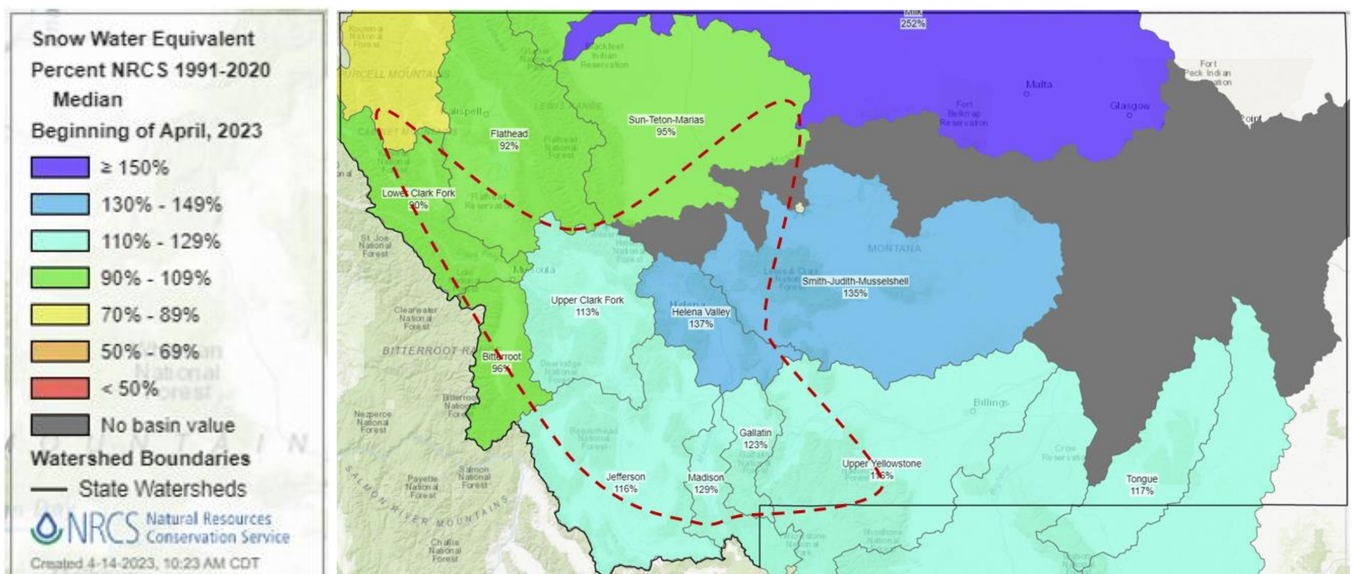


We estimated a $3.6 million pre-tax benefit as compared to normal and a $4.1 million benefit as compared to Q1 2022.

Snow water equivalents generally in line with or above the 30-year medians.

(Missouri, Madison & Clark Fork Rivers and West Rosebud Creek basins)

Snow Water Equivalent Percent to 30-Year Normal



Electric Segment
(1st Quarter)

	Three Months Ended March 31,							
	Revenues		Change		(MWH)		Counts	
	2023	2022	$	%	2023	2022	2023	2022
	(in thousands)							
Montana	$ 125,462	$ 96,952	$ 28,510	29.4 %	871	825	320,739	315,442
South Dakota	19,771	20,430	(659)	(3.2) %	195	189	51,276	51,003
Residential	**145,233**	**117,382**	**27,851**	**23.7 %**	**1,066**	**1,014**	**372,015**	**366,445**
Montana	112,613	86,534	26,079	30.1 %	851	809	74,262	72,619
South Dakota	25,128	27,634	(2,506)	(9.1) %	279	291	12,942	12,814
Commercial	**137,741**	**114,168**	**23,573**	**20.6 %**	**1,130**	**1,100**	**87,204**	**85,433**
Industrial	11,841	9,654	2,187	22.7 %	626	628	78	76
Other	5,254	4,472	782	17.5 %	15	15	4,859	4,783
Total Retail Electric	**$ 300,069**	**$ 245,676**	**$ 54,393**	**22.1 %**	**2,837**	**2,757**	**464,156**	**456,737**
Regulatory amortization	(25,297)	6,541	(31,838)	(486.7) %				
Transmission	18,893	17,691	1,202	6.8 %				
Wholesale and other	1,643	1,819	(176)	(9.7) %				
Total Revenues	**$ 295,308**	**$ 271,727**	**$ 23,581**	**8.7 %**				
Total fuel, purchased supply & direct transmission expense*	78,134	77,623	511	0.7 %				
Utility Margin	**$ 217,174**	**$ 194,104**	**$ 23,070**	**11.9 %**				

** Direct transmission expense is exclusive of depreciation and depletion expense*

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

Appendix

Natural Gas Segment
(1st Quarter)

Three Months Ended March 31,

	Revenues		Change		Dekatherms (Dkt)		Average Customer Counts	
	2023	2022	$	%	2023	2022	2023	2022
	(in thousands)							
Montana	$ 66,882	$ 52,299	$ 14,583	27.9 %	6,517	6,039	183,500	181,464
South Dakota	19,935	19,916	19	0.1 %	1,752	1,749	42,150	41,571
Nebraska	20,513	15,442	5,071	32.8 %	1,407	1,298	37,965	37,811
Residential	**107,330**	**87,657**	**19,673**	**22.4 %**	**9,676**	**9,086**	**263,615**	**260,846**
Montana	36,339	27,050	9,289	34.3 %	3,687	3,259	25,666	25,263
South Dakota	14,286	14,525	(239)	(1.6) %	1,502	1,490	7,252	7,049
Nebraska	13,163	9,227	3,936	42.7 %	999	880	5,076	5,038
Commercial	**63,788**	**50,802**	**12,986**	**25.6 %**	**6,188**	**5,629**	**37,994**	**37,350**
Industrial	729	551	178	32.3 %	75	67	231	230
Other	796	690	106	15.4 %	93	94	188	175
Total Retail Electric	**$ 172,643**	**$ 139,700**	**$ 32,943**	**23.6 %**	**16,032**	**14,876**	**302,028**	**298,601**
Regulatory amortization	(25,401)	(26,570)	1,169	(4.4) %				
Wholesale and other	11,992	9,625	2,367	24.6 %				
Total Revenues	**$ 159,234**	**$ 122,755**	**$ 36,479**	**29.7 %**				
Total fuel, purchased supply & direct transmission expense*	87,358	57,450	29,908	52.1 %				
Utility Margin	**$ 71,876**	**$ 65,305**	**$ 6,571**	**10.1 %**				

** Direct transmission expense is exclusive of depreciation and depletion expense*

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

Appendix

Quarterly PCCAM Impacts

Pre-tax Millions

	Q1	Q2	Q3	Q4	Full Year
'17/'18 Tracker	First full year recorded in Q3		$3.3		$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			($4.0)	($1.6)	($5.6)
2022 (Expense) Benefit	**($0.8)**	**($0.8)**	**($4.0)**	**($1.6)**	**($7.2)**
	Q1	**Q2**	**Q3**	**Q4**	**Year-to-Date**
'22/'23 Tracker	$0.5				$0.5
'23/'24 Tracker					$0.0
2022 (Expense) Benefit	**$0.5**	**$0.0**	**$0.0**	**$0.0**	**$0.5**
Year-over-Year Variance	***$1.3***				***$1.3***

In 2017, the Montana legislature revised the statute regarding our recovery of electric supply costs. In response, the MPSC approved a new design for our electric tracker in 2018, effective July 1, 2017. The revised electric tracker, or PCCAM established a baseline of power supply costs and tracks the differences between the actual costs and revenues. Variances in supply costs above or below the baseline are allocated 90% to customers and 10% to shareholders, with an annual adjustment. From July 2017 to May 2019, the PCCAM also included a "deadband" which required us to absorb the variances within +/- $4.1 million from the base, with 90% of the variance above or below the deadband collected from or refunded to customers. In 2019, the Montana legislature revised the statute effective May 7, 2019, prohibiting a deadband, allowing 100% recovery of QF purchases, and maintaining the 90% / 10% sharing ratio for other purchases.

Appendix 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**

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)**

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.

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Balance Sheet

(dollars in millions)	As of March 31, 2023	As of December 31, 2022
Cash and cash equivalents	$ 10.7	$ 8.5
Restricted cash	16.4	14.0
Accounts receivable, net	218.7	245.0
Inventories	92.5	107.4
Other current assets	109.9	164.1
Goodwill	357.6	357.6
PP&E and other non-current assets	6,475.1	6,421.4
Total Assets	**$ 7,281.0**	**$ 7,317.8**
Payables	104.8	201.5
Current Maturities - debt and leases	247.5	147.6
Other current liabilities	328.4	271.7
Long-term debt & capital leases	2,348.6	2,483.2
Other non-current liabilities	1,558.7	1,548.6
Shareholders' equity	2,693.0	2,665.2
Total Liabilities and Equity	**$ 7,281.0**	**$ 7,317.8**
Capitalization:		
Short-Term Debt & Short-Term Finance Leases	247.5	147.6
Long-Term Debt & Long-Term Finance Leases	2,348.6	2,483.2
Less: Basin Creek Finance Lease	(11.2)	(11.9)
Shareholders' Equity	2,693.0	2,665.2
Total Capitalization	**$ 5,278.0**	**$ 5,284.1**
Ratio of Debt to Total Capitalization	**49.0%**	**49.6%**

Debt to Total Capitalization down from last year and slightly below our targeted 50% - 55% range.

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Explaining Utility Margin

Reconciliation of Gross Margin to Utility Margin for Quarter Ending March 31,

	Electric		Natural Gas		Total	
	2023	2022	2023	2022	2023	2022
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	$ 295.3	$ 271.7	$ 159.2	$ 122.8	$ 454.5	$ 394.5
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown separately below)	78.1	77.6	87.4	57.5	165.5	135.1
Less: Operating & maintenance expense	42.4	39.5	13.5	13.3	55.9	52.8
Less: Property and other tax expense	38.3	36.4	10.9	10.4	49.2	46.8
Less: Depreciation and depletion expense	43.9	40.4	9.4	8.5	53.3	48.9
Gross Margin	**92.6**	**77.8**	**38.0**	**33.1**	**130.6**	**110.9**
Plus: Operating & maintenance expense	42.4	39.5	13.5	13.3	55.9	52.8
Plus: Property and other tax expense	38.3	36.4	10.9	10.4	49.2	46.8
Plus: Depreciation and depletion	43.9	40.4	9.4	8.5	53.3	48.9
Utility Margin *(1)*	**$ 217.2**	**$ 194.1**	**$ 71.8**	**$ 65.3**	**$ 289.0**	**$ 259.4**

Reconciliation of Gross Margin to Utility Margin Twelve Months Ending December 31,

	Electric		Natural Gas		Total	
	2022	2021	2022	2021	2022	2021
(in millions)						
Reconciliation of gross margin to utility margin						
Operating Revenues	$1,106.5	$1,052.2	$ 371.3	$ 320.1	$1,477.8	$1,372.3
Less: Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown separately below)	324.4	294.8	167.6	130.7	492.0	425.5
Less: Operating & maintenance expense	167.8	156.4	53.6	51.9	221.4	208.3
Less: Property and other tax expense	149.8	134.9	42.7	38.5	192.5	173.4
Less: Depreciation and depletion expense	162.4	154.6	32.6	32.8	195.0	187.4
Gross Margin	**302.1**	**311.5**	**74.8**	**66.2**	**376.9**	**377.7**
Plus: Operating & maintenance expense	167.8	156.4	53.6	51.9	221.4	208.3
Plus: Property and other tax expense	149.8	134.9	42.7	38.5	192.5	173.4
Plus: Depreciation and depletion	162.4	154.6	32.6	32.8	195.0	187.4
Utility Margin *(1)*	**$ 782.1**	**$ 757.4**	**$ 203.7**	**$ 189.4**	**$ 985.8**	**$ 946.8**

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)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Reported GAAP Pre-Tax Income	$ 108.3	$ 110.4	$ 181.2	$ 156.5	$ 176.1	$ 178.3	$ 182.2	$ 144.2	$ 190.2	$ 182.4
Non-GAAP Adjustments to Pre-Tax Income:										
Weather	(3.7)	(1.3)	13.2	15.2	(3.4)	(1.3)	(7.3)	9.8	1.1	(8.9)
Lost revenue recovery related to prior periods	(1.0)	-	-	(14.2)	-	-	-	-	-	-
Remove hydro acquisition transaction costs	6.3	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	$ 109.8	$ 115.8	$ 179.7	$ 169.7	$ 172.7	$ 168.9	$ 174.9	$ 163.9	$ 184.4	$ 176.0

Tax Adjustments to Non-GAAP Items ($ Millio	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GAAP Net Income	$ 94.0	$ 120.7	$ 151.2	$ 164.2	$ 162.7	$ 197.0	$ 202.1	$ 155.2	$ 186.8	$ 183.0
Non-GAAP Adjustments Taxed at 38.5% ('12-'17) and 25.3% ('18-currrent):										
Weather	(2.3)	(0.8)	8.1	9.3	(2.1)	(1.0)	(5.5)	7.3	0.8	(6.6)
Lost revenue recovery related to prior periods	(0.6)	-	-	(8.7)	-	-	-	-	-	-
Remove hydro acquisition transaction costs	3.9	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										
Non-GAAP Net Income	$ 94.9	$ 105.5	$ 150.3	$ 159.8	$ 160.6	$ 170.1	$ 173.8	$ 169.9	$ 182.4	$ 178.9

Non-GAAP Diluted Earnings Per Share	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Diluted Average Shares (Millions)	*38.2*	*40.4*	*47.6*	*48.5*	*48.7*	*50.2*	*50.8*	*50.7*	*51.9*	*56.3*
Reported GAAP Diluted earnings per share	$ 2.46	$ 2.99	$ 3.17	$ 3.39	$ 3.34	$ 3.92	$ 3.98	$ 3.06	$ 3.60	$ 3.25
Non-GAAP Adjustments:										
Weather	(0.05)	(0.02)	0.17	0.19	(0.04)	(0.02)	(0.11)	0.14	0.01	(0.11)
Lost revenue recovery related to prior periods	(0.02)	-	-	(0.18)	-	-	-	-	-	-
Remove hydro acquisition transaction costs	0.11	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)	0.04
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	-	-	-	-	-	-	-	-	-	-
Unplanned Equity Dilution from Hydro transaction	-	0.08	-	-	-	-	-	-	-	-
Non-GAAP Diluted Earnings Per Share	$ 2.50	$ 2.68	$ 3.15	$ 3.30	$ 3.30	$ 3.39	$ 3.42	$ 3.35	$ 3.51	$ 3.18

Non-GAAP Financial Measures

This presentation includes financial information prepared in accordance with GAAP, as well as other financial measures, such as Utility Margin, Adjusted Non-GAAP pretax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS that are considered “non-GAAP financial measures.” Generally, a non-GAAP financial measure is a numerical measure of a company’s financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP.

We define Utility Margin as Operating Revenues less fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion) as presented in our Consolidated Statements of Income. This measure differs from the GAAP definition of Gross Margin due to the exclusion of Operating and maintenance, Property and other taxes, and Depreciation and depletion expenses, which are presented separately in our Consolidated Statements of Income. A reconciliation of Utility Margin to Gross Margin, the most directly comparable GAAP measure, is included in this presentation.

Management believes that Utility Margin provides a useful measure for investors and other financial statement users to analyze our financial performance in that it excludes the effect on total revenues caused by volatility in energy costs and associated regulatory mechanisms. This information is intended to enhance an investor's overall understanding of results. Under our various state regulatory mechanisms, as detailed below, our supply costs are generally collected from customers. In addition, Utility Margin is used by us to determine whether we are collecting the appropriate amount of energy costs from customers to allow recovery of operating costs, as well as to analyze how changes in loads (due to weather, economic or other conditions), rates and other factors impact our results of operations. Our Utility Margin measure may not be comparable to that of other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

Management also believes the presentation of Adjusted Non-GAAP pre-tax income, Adjusted Non-GAAP net income and Adjusted Non-GAAP Diluted EPS is more representative of normal earnings than GAAP pre-tax income, net income and EPS due to the exclusion (or inclusion) of certain impacts that are not reflective of ongoing earnings. The presentation of these non-GAAP measures is intended to supplement investors' understanding of our financial performance and not to replace other GAAP measures as an indicator of actual operating performance. Our measures may not be comparable to other companies' similarly titled measures.

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