



Presentation to:
The Montana Symposium: Energy Future of the West
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What is Public Power?

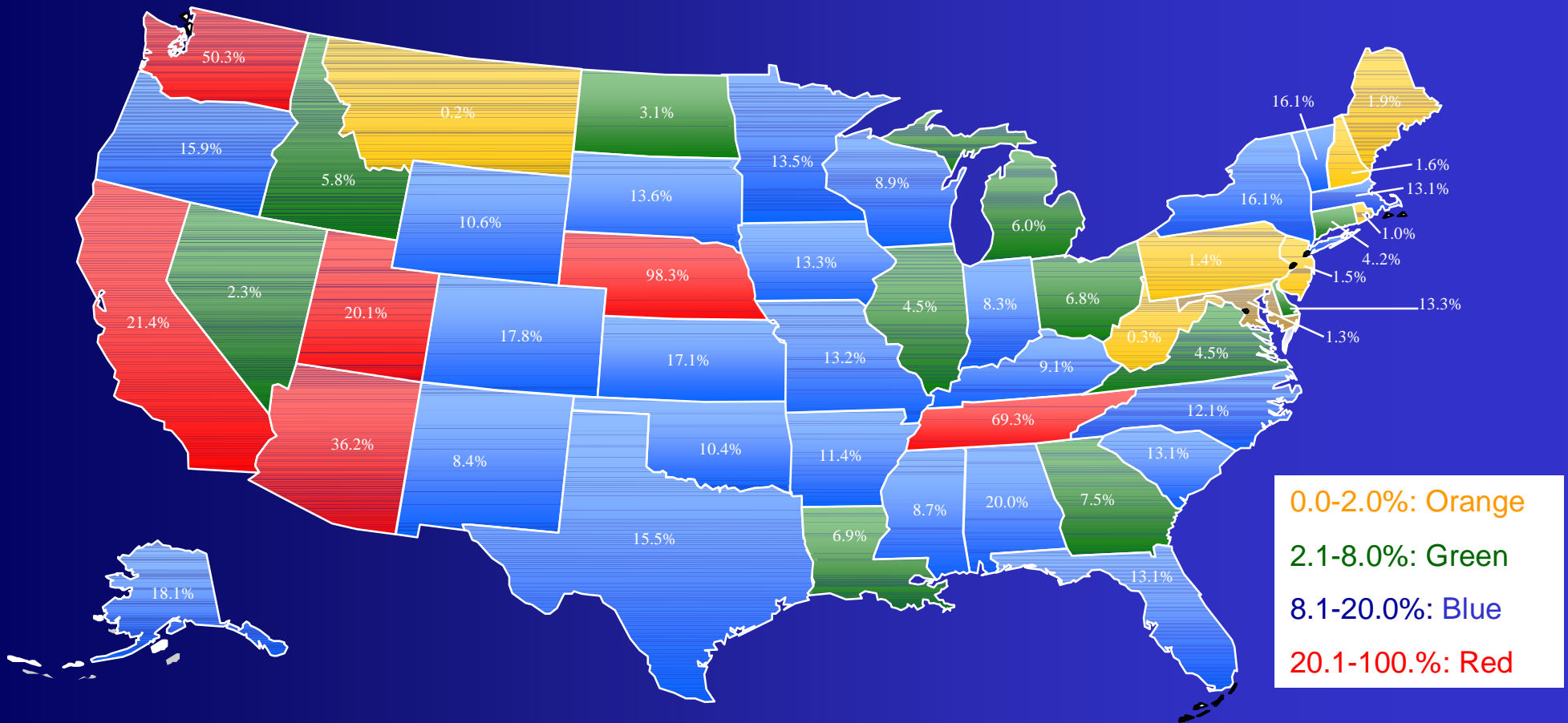
Public Power is **People Like You**

- Public Power provides customer focused, safe, reliable electricity, on a not-for-profit basis, at low cost



Public Power is **All Across the Country**

Public Power Customers as a Percentage of Total Residential Customers



Public Power Benefits its Customers

- **Public Power is able to benefit its customers through:**
 - **A Single Focus**
 - **Local Control and Ownership**
 - **Dependable Customer Service**
 - **Commitment to Reliability**
 - **Low and Stable Rates**
 - **Community Involvement**
 - **Tax-Exempt Funding**



**Montana Public Power
Incorporated**

MPPI Announced Offer on June 30th

Price	<ul style="list-style-type: none">• \$32.50 per share
Consideration	<ul style="list-style-type: none">• Includes assumption of all NorthWestern outstanding debt obligations• Total consideration: approximately \$2 billion (including \$825mm of debt assumed)• 100% cash
Committed Financing	<ul style="list-style-type: none">• Received Citigroup commitment letter in an amount sufficient to consummate the transaction
Key Conditions to Definitive Agreement	<ul style="list-style-type: none">• Customary due diligence• Negotiation of purchase and sale agreement
Key Conditions to Closing	<ul style="list-style-type: none">• Regulatory approvals, including federal and state energy authorities• Satisfaction of conditions precedent to the financing

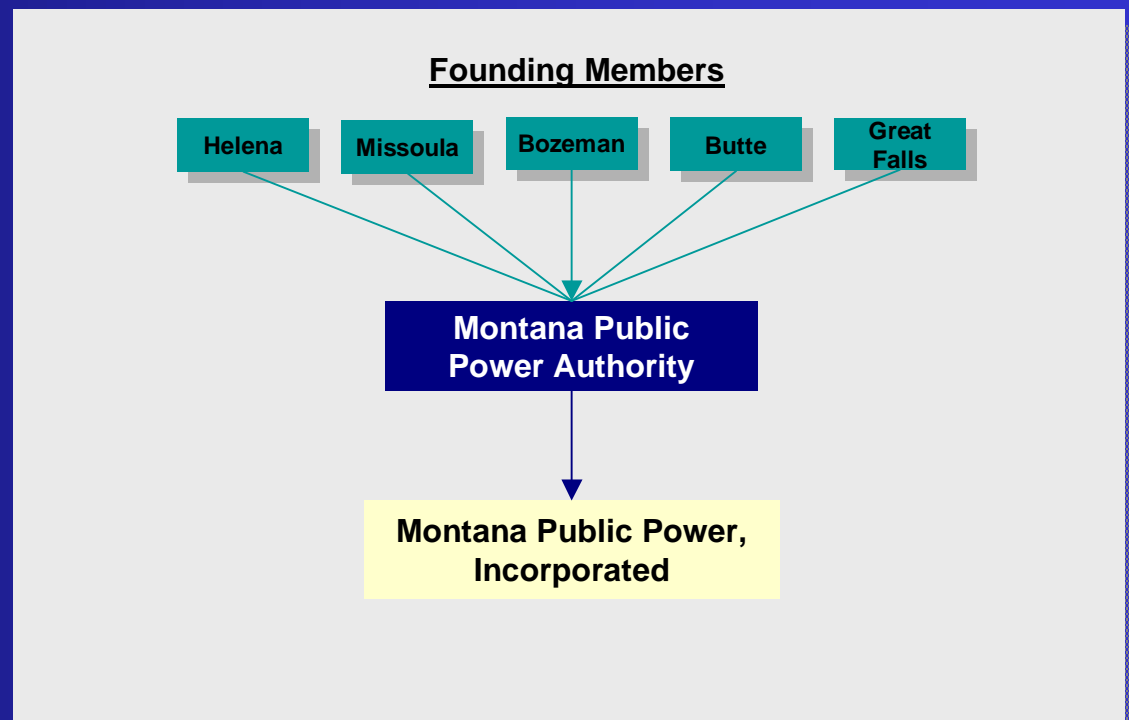
Acquisition Will Benefit Consumers

- **Rates will be the same as, or less than, they would have otherwise been under NorthWestern's ownership**
 - **Since MPPI is not a for-profit entity, it will not have to focus on generating returns for its shareholders**
- **Reliability of utility services expected to improve**
 - **MPPI intends to spend more on maintenance and capital improvement than NorthWestern**
 - **MPPI will not divert its attention from its core utility business**

Bringing the Utility under Local Control Would Remove the Cloud of Uncertainty and Provide Stability to Customers

Montana Utility Will Be Under Local Control

- The cities of Bozeman, Great Falls, Helena and Missoula, Montana, and the consolidated city/county government of Butte-Silver Bow, Montana, all local governments with self governmental powers, formed the Montana Public Power Authority (the “Authority”)
- The Authority caused Montana Public Power, Incorporated, a Montana nonprofit corporation (“MPPI”) to be formed with the Authority as its sole member



Strongly Committed to Our Communities

- **Corporate headquarters will be returned to Butte**
- **MPPI will continue payment of property taxes**
- **Retain cashflow in local economy**
- **MPPI will remain under PSC regulation**
 - **All current low income programs will remain in place**
 - **All current conservation and renewable energy programs will remain in place**
- **Governor of Montana has stated his support for public ownership of NorthWestern**
- **In a series of public surveys and polls, a substantial majority of Montanans indicated their support for public ownership of NorthWestern**

MPPI will be more responsive to community issues than any out-of-state, for-profit corporation

Northwestern Employees to be Retained

- **Safeguard local jobs - MPPI will retain substantially all of NorthWestern's existing workforce**
- **MPPI will sit down with NorthWestern's current management to discuss their potential role in the future of the utility**
 - **Guiding operations for MPPI initially will be Bill Mayben. Mr. Mayben has 35 years of utility experience, the last seven of which were as CEO of the Nebraska Public Power District (the only state wide public power utility in the country)**
- **MPPI will honor all union and labor contracts**
- **MPPI intends to maintain NorthWestern's current benefit and compensation programs**
- **MPPI intends to fully fund NorthWestern's current pension obligations**

Initial Operations – MPPI and SDPC Will Remain Integrated

- **South Dakota Power will be purchasing the non-Montana assets immediately following the close of the transaction**
- **MPPI has developed a strong working relationship with its counterpart in South Dakota**
- **The principal terms of the sale to South Dakota Power have already been agreed upon**
- **South Dakota is just as committed to this transaction as MPPI**
- **The systems will be operated together for an interim period to assure continuity of operations and service**

Governance

- **MPPA was created by the municipalities Bozeman, Butte, Great Falls, Helena and Missoula, each has one vote**
- **As part of regulatory review MPPI will propose an expanded governance structure to ensure that all residents of the service territory are represented**
- **Following acquisition MPPI will request from the legislature a statutory framework for public power**

Summary

- **Brings Montana control to the local utility system**
- **Offers stability by ensuring long-term, high quality service to customers at reasonable rates**
- **MPPI anticipates a relatively straightforward approval process**
- **MPPI offer is full and fair, real, executable, and clearly in the best interest of NorthWestern customers, communities and shareholders**