



NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

(A direct, wholly-owned subsidiary of NorthWestern Energy Group, Inc.)

Financial Statements

For the Period Ending March 31, 2025

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NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

CONDENSED STATEMENTS OF INCOME

(in thousands)

	Three Months Ended March 31,	
	2025	2024
Revenues		
Electric	\$ 54,044	\$ 48,660
Gas	43,458	43,920
Total Revenues	97,502	92,580
Operating Expenses		
Fuel, purchased supply and direct transmission expense (exclusive of depreciation shown separately below)	46,300	48,748
Operating, administrative and general	17,126	15,766
Property and other taxes	1,983	1,783
Depreciation	12,675	12,149
Total Operating Expenses	78,084	78,446
Operating income	19,418	14,134
Interest expense, net	(6,272)	(6,322)
Other income, net	685	321
Income before income taxes	13,831	8,133
Income tax (expense) benefit	(1,928)	619
Net Income	\$ 11,903	\$ 8,752

See Notes to Condensed Financial Statements

NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Three Months Ended March 31,	
	2025	2024
Net Income	\$ 11,903	\$ 8,752
Other comprehensive income, net of tax:	—	—
Comprehensive Income	\$ 11,903	\$ 8,752

See Notes to Condensed Financial Statements

NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

CONDENSED BALANCE SHEETS

(in thousands)

	As of March 31, 2025	As of December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,036	\$ 1,565
Restricted cash	9,751	9,691
Accounts receivable, net	39,057	37,881
Accounts receivable from related parties	3,719	—
Inventories	32,728	33,434
Regulatory assets	6,347	12,200
Prepaid expenses and other	12,030	12,584
Total current assets	105,668	107,355
Property, plant, and equipment, net	1,098,347	1,093,239
Goodwill	93,779	93,779
Regulatory assets	96,403	96,991
Other noncurrent assets	10,298	10,250
Total Assets	\$ 1,404,495	\$ 1,401,614
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ —	\$ 63,991
Accounts payable	18,171	27,846
Accounts payable to related parties	—	1,432
Accrued expenses	30,707	38,595
Regulatory liabilities	14,373	17,155
Total current liabilities	63,251	149,019
Long-term debt	567,268	488,195
Deferred income taxes	39,585	29,788
Noncurrent regulatory liabilities	112,301	110,514
Other noncurrent liabilities	31,812	32,090
Total Liabilities	814,217	809,606
Commitments and Contingencies (Note 4)		
Shareholders' Equity:		
Common stock, par value \$0.01	0	0
Paid-in capital	581,359	580,992
Retained earnings	8,090	10,187
Accumulated other comprehensive income	829	829
Total Shareholders' Equity	590,278	592,008
Total Liabilities and Shareholders' Equity	\$ 1,404,495	\$ 1,401,614

See Notes to Condensed Financial Statements

NORTHWESTERN ENERGY PUBLIC SERVICE CORPORATION

CONDENSED STATEMENTS OF CASH FLOWS

(in thousands)

	Three Months Ended March 31,	
	2025	2024
OPERATING ACTIVITIES:		
Net Income	\$ 11,903	\$ 8,752
Adjustments to reconcile net income to cash provided by operations:		
Depreciation	12,675	12,149
Amortization of debt issuance costs, discount and deferred hedge gain	256	229
Stock-based compensation costs	368	245
Equity portion of allowance for funds used during construction	(214)	(188)
Deferred income taxes	1,214	(160)
Changes in current assets and liabilities:		
Accounts receivable	(6,327)	2,245
Inventories	706	2,080
Other current assets	554	(165)
Accounts payable	(6,989)	(3,964)
Accrued expenses	(7,904)	4,205
Regulatory assets	5,853	(3,202)
Regulatory liabilities	(2,782)	(4,880)
Other noncurrent assets and liabilities	8,458	105
Cash Provided by Operating Activities	17,771	17,451
INVESTING ACTIVITIES:		
Property, plant, and equipment additions	(18,240)	(13,270)
Cash Used in Investing Activities	(18,240)	(13,270)
FINANCING ACTIVITIES:		
Cash contribution from NorthWestern Corporation	—	253
Cash dividends to parent	(14,000)	—
Issuance of long-term debt	—	40,000
Line of credit issuances (repayments), net	15,000	(43,000)
Financing costs	—	(201)
Cash Provided by (Used in) Financing Activities	1,000	(2,948)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	531	1,233
Cash, Cash Equivalents, and Restricted Cash, beginning of period	11,256	—
Cash, Cash Equivalents, and Restricted Cash, end of period	\$ 11,787	\$ 1,233
Supplemental Cash Flow Information:		
Cash (received) paid during the period for:		
Production tax credits ⁽¹⁾	(8,255)	—
Interest	5,650	2,907
Significant non-cash transactions:		
Capital expenditures included in accounts payable	1,154	1,307

(1) Proceeds from production tax credits transferred are included in cash provided by operating activities within the Condensed Consolidated Statement of Cash Flows.

See Notes to Condensed Financial Statements

NORTHWESTERN PUBLIC SERVICE CORPORATION
CONDENSED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

(in thousands)

	Number of Common Shares	Number of Treasury Shares	Common Stock	Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at December 31, 2023	0	—	\$ 0	\$ —	\$ —	\$ —	\$ —	\$ 0
Net income	—	—	—	—	—	8,752	—	8,752
Stock based compensation	—	—	—	245	—	—	—	245
Contribution from Northwestern Corporation	0	—	0	580,200	—	—	325	580,525
Balance at March 31, 2024	0	—	\$ 0	\$ 580,445	\$ —	\$ 8,752	\$ 325	\$ 589,522
Balance at December 31, 2024	0	—	\$ 0	\$ 580,992	\$ —	\$ 10,187	\$ 829	\$ 592,008
Net income	—	—	—	—	—	11,903	—	11,903
Stock based compensation	—	—	—	367	—	—	—	367
Dividends on common stock	—	—	—	—	—	(14,000)	—	(14,000)
Balance at March 31, 2025	0	—	\$ 0	\$ 581,359	\$ —	\$ 8,090	\$ 829	\$ 590,278

See Notes to Condensed Financial Statements

NOTES TO CONDENSED FINANCIAL STATEMENTS

(1) Nature of Operations and Basis of Consolidation

Northwestern Energy Public Service Corporation (NWE Public Service), a direct wholly-owned subsidiary of NorthWestern Energy Group, Inc., doing business as NorthWestern Energy, provides electricity and / or natural gas to approximately 159,100 customers in South Dakota and Nebraska. We have generated and distributed electricity in South Dakota and distributed natural gas in South Dakota and Nebraska since 1923.

The Condensed Financial Statements (Financial Statements) for the periods included herein have been prepared by NWE Public Service (NorthWestern, we, or us) in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information. Accordingly, the interim Financial Statements do not include all of the information and note disclosures required by GAAP for complete financial statements. The preparation of financial statements in conformity with the interim reporting guidance under GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results could differ from those estimates. Events occurring subsequent to March 31, 2025, have been evaluated as to their potential impact to the Financial Statements through the date of issuance.

Holding Company Reorganization

On January 1, 2024, NorthWestern Energy Group, Inc. completed the second and final phase of the holding company reorganization. NW Corp contributed the assets and liabilities of its South Dakota and Nebraska regulated utilities to NWE Public Service, and then distributed its equity interest in NWE Public Service and certain other subsidiaries to NorthWestern Energy Group, Inc., resulting in NW Corp owning and operating the Montana regulated utility and NWE Public Service owning and operating the Nebraska and South Dakota utilities, each as a direct subsidiary of NorthWestern Energy Group, Inc.

(2) Regulatory Matters

Nebraska Natural Gas Rate Review

In April 2025, we reached a settlement agreement with certain parties for a base rate annual revenue increase of \$2.4 million. This settlement agreement is subject to approval by the Nebraska Public Service Commission (NPSC). Interim rates, which have reflected an annual revenue increase of \$2.3 million, will remain in effect on a refundable basis until the NPSC issues a final order.

(3) Financing Activities

On April 2, 2025, NWE Public Service priced \$100.0 million aggregate principal amount of South Dakota First Mortgage Bonds at a fixed interest rate of 5.49 percent maturing on May 1, 2035. We expect to complete the issuance and sale of these bonds on May 1, 2025. The proceeds will be utilized to redeem all 64.0 million of NWE Public Service's 5.01 percent South Dakota First Mortgage Bonds due on May 1, 2025, and for other general corporate purposes.

As of March 31, 2025, we had \$64.0 million of South Dakota First Mortgage Bonds maturing within the next twelve months. As evidenced by the financing activities discussed above, as we had the intent and ability to refinance these on a long-term basis we have excluded these balances from current liabilities within the Condensed Consolidated Balance Sheets as of March 31, 2025.

(4) Employee Benefit Plans

Pension and Other Postretirement Benefit Plans

We sponsor and/or contribute to pension and postretirement health care and life insurance benefit plans for eligible employees. We did not contribute to our pension plans during the three months ended March 31, 2025. We do not expect to contribute additional amounts to our pension plans during the remainder of 2025.

ENVIRONMENTAL LIABILITIES AND REGULATION

Environmental Protection Agency (EPA) Rules

On April 25, 2024, the EPA released final rules related to greenhouse gas (GHG) emission standards (GHG Rules) for existing coal-fired facilities and new coal and natural gas-fired facilities as well as final rules strengthening the MATS requirements (MATS Rules). The final MATS and GHG Rules require compliance as early as 2027 and 2032, respectively.

Previous efforts by the EPA were met with extensive litigation, and this time is no different. We, along with many other utilities, electric cooperatives, organizations, and states, have petitioned for judicial review of the GHG and MATS Rules with the U.S. Court of Appeals for the D.C. Circuit. The United States Supreme Court denied the multiple stay requests related to the MATS Rule and the GHG Rule. The litigation on the merits continues for both the MATS and GHG rules in the D.C. Circuit Court of Appeals, and the cases could be decided in 2025. On April 8, 2025, President Trump issued a proclamation, "Regulatory Relief for Certain Stationary Sources to Promote American Energy," exempting certain coal plants, including Big Stone Plant and Coyote Plant, from compliance with the MATS Rule through July 8, 2029. If the MATS Rules and GHG Rules are fully implemented, it would result in additional material compliance costs. We will continue working with federal and state regulatory authorities, other utilities, and stakeholders to seek relief from the MATS and GHG regulations that, in our view, disproportionately impact customers in our region.

These GHG Rules and MATS Rules as well as future additional environmental requirements - federal or state - could cause us to incur material costs of compliance, increase our costs of procuring electricity, decrease transmission revenue and impact cost recovery. Technology to efficiently capture, remove and/or sequester such GHG emissions or hazardous air pollutants may not be available within a timeframe consistent with the implementation of any such requirements.

LEGAL PROCEEDINGS

Other Legal Proceedings

We are subject to various other legal proceedings, governmental audits and claims that arise in the ordinary course of business. In our opinion, the amount of ultimate liability with respect to these actions will not materially affect our financial position, results of operations, or cash flows.