

<p style="text-align: center;">Form 5500</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="text-align: center; font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="text-align: center; font-size: large;">2022</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information	
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	<input checked="" type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program <input type="checkbox"/> special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	<input type="checkbox"/>

Part II Basic Plan Information —enter all requested information					
1a Name of plan NORTHWESTERN ENERGY PENSION PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">1b Three-digit plan number (PN) ▶</td> <td style="width:20%; text-align: center;">101</td> </tr> <tr> <td colspan="2">1c Effective date of plan 06/01/1948</td> </tr> </table>	1b Three-digit plan number (PN) ▶	101	1c Effective date of plan 06/01/1948	
1b Three-digit plan number (PN) ▶	101				
1c Effective date of plan 06/01/1948					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NORTHWESTERN CORPORATION NORTHWESTERN ENERGY 11 EAST PARK STREET BUTTE, MT 59701-1711	2b Employer Identification Number (EIN) 46-0172280				
	2c Plan Sponsor's telephone number 605-978-2826				
	2d Business code (see instructions) 221100				

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2023	CHRISTOPHER FORBECK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2023	CRYSTAL LAIL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE		Date	Enter name of individual signing as DFE
	Signature of DFE		

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

<p>3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor</p> <p>EMPLOYEE BENEFITS ADMINISTRATION COMMITTEE CHRISTOPHER FORBECK 3010 WEST 69TH STREET SIOUX FALLS, SD 57108</p>	<p>3b Administrator's EIN 46-0172280</p> <p>3c Administrator's telephone number 605-978-2826</p>																		
<p>4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:</p> <p>a Sponsor's name c Plan Name</p>	<p>4b EIN</p> <p>4d PN</p>																		
<p>5 Total number of participants at the beginning of the plan year</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">5</td> <td style="text-align: right;">1341</td> </tr> </table>	5	1341																
5	1341																		
<p>6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">6a(1)</td> <td style="text-align: right;">451</td> </tr> <tr> <td>6a(2)</td> <td style="text-align: right;">391</td> </tr> <tr> <td>6b</td> <td style="text-align: right;">637</td> </tr> <tr> <td>6c</td> <td style="text-align: right;">256</td> </tr> <tr> <td>6d</td> <td style="text-align: right;">1284</td> </tr> <tr> <td>6e</td> <td style="text-align: right;">43</td> </tr> <tr> <td>6f</td> <td style="text-align: right;">1327</td> </tr> <tr> <td>6g</td> <td></td> </tr> <tr> <td>6h</td> <td style="text-align: right;">0</td> </tr> </table>	6a(1)	451	6a(2)	391	6b	637	6c	256	6d	1284	6e	43	6f	1327	6g		6h	0
6a(1)	451																		
6a(2)	391																		
6b	637																		
6c	256																		
6d	1284																		
6e	43																		
6f	1327																		
6g																			
6h	0																		
<p>6(1) Total number of active participants at the beginning of the plan year</p> <p>6(2) Total number of active participants at the end of the plan year</p> <p>b Retired or separated participants receiving benefits</p> <p>c Other retired or separated participants entitled to future benefits.....</p> <p>d Subtotal. Add lines 6a(2), 6b, and 6c.....</p> <p>e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.</p> <p>f Total. Add lines 6d and 6e</p> <p>g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....</p> <p>h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....</p>	<p>7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)</p>																		
<p>8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 1E 3H</p> <p>b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:</p>																			
<p>9a Plan funding arrangement (check all that apply)</p> <p>(1) <input type="checkbox"/> Insurance</p> <p>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts</p> <p>(3) <input checked="" type="checkbox"/> Trust</p> <p>(4) <input type="checkbox"/> General assets of the sponsor</p>	<p>9b Plan benefit arrangement (check all that apply)</p> <p>(1) <input type="checkbox"/> Insurance</p> <p>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts</p> <p>(3) <input checked="" type="checkbox"/> Trust</p> <p>(4) <input type="checkbox"/> General assets of the sponsor</p>																		
<p>10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)</p>																			
<p>a Pension Schedules</p> <p>(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p>	<p>b General Schedules</p> <p>(1) <input checked="" type="checkbox"/> H (Financial Information)</p> <p>(2) <input type="checkbox"/> I (Financial Information – Small Plan)</p> <p>(3) <input type="checkbox"/> A (Insurance Information)</p> <p>(4) <input type="checkbox"/> C (Service Provider Information)</p> <p>(5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> G (Financial Transaction Schedules)</p>																		

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan NORTHWESTERN ENERGY PENSION PLAN	B Three-digit plan number (PN) ▶	101
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280	

E Type of plan: Single Multiple-A Multiple-B **F** Prior year plan size: 100 or fewer 101-500 More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2022</u>			
2 Assets:			
a Market value.....	2a	544479128	
b Actuarial value	2b	516621137	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	611	249683304	249683304
b For terminated vested participants.....	305	54290429	54290429
c For active participants.....	451	155588309	157617953
d Total	1367	459562042	461591686
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5	5.44 %	
6 Target normal cost			
a Present value of current plan year accruals.....	6a	4691838	
b Expected plan-related expenses	6b	1000000	
c Total (line 6a + line 6b)	6c	5691838	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
	Signature of actuary	Date
	DAREN L. ANDERSON	09/12/2023
	Type or print name of actuary	23-06530
	MERCER	Most recent enrollment number
	Firm name	612-642-8600
	333 SOUTH 7TH STREET, SUITE 1400 MINNEAPOLIS, MN 55402-2427	Telephone number (including area code)
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>5.93</u> %.....	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		12568644
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.60</u> %.....		703844
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		
	c Total available at beginning of current plan year to add to prefunding balance.....		13272488
	d Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding Percentages			
14	Funding target attainment percentage.....	14	111.92 %
15	Adjusted funding target attainment percentage.....	15	109.92 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	106.78 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls		18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
07/14/2023	2000000						
08/11/2023	2500000						
09/12/2023	2500000						
			Totals ▶	18(b)	7000000	18(c)	0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
	a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a 0
	b Contributions made to avoid restrictions adjusted to valuation date.	19b 0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.	19c 6425204
20	Quarterly contributions and liquidity shortfalls:	
	a Did the plan have a "funding shortfall" for the prior year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
		(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:	1st segment: 4.75 %	2nd segment: 5.18 %	3rd segment: 5.92 %	<input type="checkbox"/> N/A, full yield curve used
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b Applicable month (enter code)..... **21b** 4

22 Weighted average retirement age **22** 62

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years.....	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c).....	31a	5691838
b Excess assets, if applicable, but not greater than line 31a	31b	5691838

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....	34	0
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	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....			0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....			6425204

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	6425204
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0
40 Unpaid minimum required contributions for all years.....	40	0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

**SCHEDULE D
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan NORTHWESTERN ENERGY PENSION PLAN	B Three-digit plan number (PN) ▶ 101
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: NORTHWESTERN ENERGY MASTER RETIREME		
b Name of sponsor of entity listed in (a): THE NORTHERN TRUST COMPANY		
c EIN-PN 20-8276648-104	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 388349017
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)
(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

a Plan name	
b Name of plan sponsor	c EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A Name of plan NORTHWESTERN ENERGY PENSION PLAN	B Three-digit plan number (PN) ► 101
C Plan sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1) 7000000	7000000
(2) Participant contributions.....	1b(2)	
(3) Other.....	1b(3) 639600	0
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	
(2) U.S. Government securities.....	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred.....	1c(3)(A)	
(B) All other.....	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred.....	1c(4)(A)	
(B) Common.....	1c(4)(B)	
(5) Partnership/joint venture interests.....	1c(5)	
(6) Real estate (other than employer real property).....	1c(6)	
(7) Loans (other than to participants).....	1c(7)	
(8) Participant loans.....	1c(8)	
(9) Value of interest in common/collective trusts.....	1c(9)	
(10) Value of interest in pooled separate accounts.....	1c(10)	
(11) Value of interest in master trust investment accounts.....	1c(11) 537292991	388349017
(12) Value of interest in 103-12 investment entities.....	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	
(15) Other.....	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	544932591	395349017

Liabilities

g Benefit claims payable.....	1g	205831	0
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	205831	0

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	544726760	395349017
---	----	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	7000000	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		7000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-131278261
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-124278261
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	24179556	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		24179556
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	919926	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		919926
j Total expenses. Add all expense amounts in column (b) and enter total	2j		25099482
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-149377743
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EIDE BAILLY LLP

(2) EIN: 45-0250958

d The opinion of an independent qualified public accountant is **not attached** because:

(1) This form is filed for a CCT, PSA, or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b	X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c	X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d	X	
e Was this plan covered by a fidelity bond?.....	4e	X	10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f	X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g	X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h	X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i	X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j	X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X	
l Has the plan failed to provide any benefit when due under the plan?	4l	X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 476628.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan NORTHWESTERN ENERGY PENSION PLAN	B Three-digit plan number (PN) ▶	101
C Plan sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	
---	--

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 35-1561860

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	2
---	---

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a	
b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
b The corresponding number for the second preceding plan year.....	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: 43 % Investment-Grade Debt: 46 % High-Yield Debt: 4 % Real Estate: 7 % Other: %

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

*2022 NorthWestern
Energy Pension Plan*

*Financial Statements for the Years Ended
December 31, 2022 and 2021, and
Independent Auditor's Report*

NORTHWESTERN ENERGY PENSION PLAN

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Independent Auditor's Report

The Plan Administrator and Participants of
NorthWestern Energy Pension Plan
Sioux Falls, South Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of NorthWestern Energy Pension Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of NorthWestern Energy Pension Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 11 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NorthWestern Energy Pension Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NorthWestern Energy Pension Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NorthWestern Energy Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NorthWestern Energy Pension Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Eide Bailly LLP

Billings, Montana
October 5, 2023

NORTHWESTERN ENERGY PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets:		
Investments at fair value held in the Master Trust (Notes 2 and 8)	\$ 388,349,017	\$ 537,292,991
Employer contribution receivable (Note 1)	7,000,000	7,000,000
Annuity premium true-up refund receivable (Note 4)	-	639,600
Investments held in 401(h) account of the Master Trust (Notes 8 and 9)	-	-
Total Assets	<u>395,349,017</u>	<u>544,932,591</u>
Liabilities:		
Benefit payment payable (Note 2).....	-	(205,831)
Total Liabilities	<u>-</u>	<u>(205,831)</u>
Net Assets Available For Benefits	<u>\$ 395,349,017</u>	<u>\$ 544,726,760</u>

See notes to financial statements.

NORTHWESTERN ENERGY PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2022	Year Ended December 31, 2021
Investment (loss)/income from Plan interest in Master Trust (Notes 2, 8 and 10)	\$ (131,278,261)	\$ 35,526,463
Company contributions (Note 1)	7,000,000	13,312,351
Benefits paid to plan participants (Note 2)	(24,179,556)	(30,584,299)
Non-participating single premium buy-out group annuity separate account contract (Note 4).....	639,600	(93,487,667)
(Accrual reversal)/accrued annuity premium true-up refund for the group annuity separate account contract (Note 4).....	(639,600)	639,600
Payment of plan expenses (Note 1)	(919,926)	(1,617,896)
Net Decrease In Plan Assets	(149,377,743)	(76,211,448)
Net Assets Available For Benefits-		
Beginning of year	<u>544,726,760</u>	<u>620,938,208</u>
Net Assets Available For Benefits-		
End of year	<u>\$ 395,349,017</u>	<u>\$ 544,726,760</u>

See notes to financial statements.

NORTHWESTERN ENERGY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN

The following description of the NorthWestern Energy Pension Plan (the “Plan”) is provided for general informational purposes only. Participants should refer to the plan document for more complete information.

General—The Plan is a noncontributory, defined benefit pension plan covering substantially all NorthWestern Corporation (the “Company”) employees who began their employment in Montana and were hired before October 3, 2008. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Effective January 1, 1998, the Plan was amended and restated to change the basis for determining participant benefits from a final average pay formula to a cash balance formula.

Funding Policy— The Company contributes amounts as necessary, based on actuarial calculations to comply with the minimum and maximum funding requirements of ERISA. The Plan had a receivable of \$7,000,000 as of December 31, 2022 and 2021, respectively. The Company’s funding of the Plan met the minimum funding requirements of ERISA as of December 31, 2022 and 2021.

Eligibility, Vesting, and Benefits— As of October 3, 2008, the Plan was closed to new entrants. All participants as of October 3, 2008 are fully vested. The Plan was amended effective November 18, 2014 to allow participation for certain employees hired under the terms of a purchase and sale agreement to acquire hydroelectric generating facilities. Those participating in the Plan as a result of the November 18, 2014 amendment are fully vested.

Under the Plan, a participant’s individual account continues to grow annually through the calculation and accumulation of basic and additional pay credits and an annual interest credit. The basic and additional pay credits applied to a participant’s account are based on total points and eligible earnings. Total points are determined by adding the participant’s attained age and completed years of service as of the beginning of the plan year. The basic pay credit is applied as a percentage of eligible earnings ranging from 3% for those participants with accumulated points less than 32 to 12% for those with 75 points or more. Participants with 35 or more years of service receive a 5% basic pay credit. Certain participants covered under collective bargaining unit agreements receive an additional 2% basic pay credit applied to their account balance. The Plan also provides for additional pay credits on earnings in excess of one-half of the social security wage base, which is applied as a percentage of eligible earnings. These additional credits range from 1.5% for those participants with accumulated points less than 32 up to 6% for those with 75 points or more, subject to a cap at 35 years of service. The annual interest credit is fixed at 6% for all participants and is applied to a participant’s account balance at the beginning of the year. A participant who is vested under the Plan can retire at age 50. A participant’s account balance is converted to a monthly annuity at retirement. The Plan’s payment options allow for a single life or 50%, 75% or 100% joint and survivor annuity with and without post-retirement death benefits.

Death and Disability—The Plan provides for a pre-retirement death benefit of the greater of (a) 100% of the account balance or (b) the present value of the 100% joint and survivor annuity that would have been payable if the participant retired and elected that form of payment prior to death. If a participant is married at the time of death, the spouse can elect a lump sum payment of the account balance within 180 days or choose to defer the benefit and receive a single life annuity at the time the participant would have been eligible to retire. If the participant is not married at the time of death, the beneficiary will receive a lump sum payment of the account balance.

A disabled participant continues to accrue benefits under the Plan until he or she is no longer disabled, terminates, or retires. The Plan eliminated the plan administrator's discretion in the determination of a disabled participant and established that the general benefit claims procedures under the Plan shall also apply to disability benefit claims. Basic and additional pay credits and interest credits continue to be applied to the account balance, subject to the Plan's provisions. The eligible earnings for a disabled participant are determined based on the rate of pay and regularly scheduled hours in effect at the time of disability.

Plan Expenses— Certain plan administrative expenses, Pension Benefit Guaranty Corporation ("PBGC") premiums and trust expenses are paid from the plan assets (Notes 8 and 10). All other expenses are paid by the Company.

Plan Administration— The Company's Board of Directors has appointed the Employee Benefits Administration Committee ("EBAC") as the named fiduciary and administrator of the Plan. The EBAC is responsible for managing Plan assets. Assets are held in the NorthWestern Energy Master Retirement Trust ("Master Trust") of which The Northern Trust Company is the trustee (Note 8 and 10). Mercer Investment Management is the Plan's investment advisor and co-fiduciary for the management of assets held in the Master Trust. Mercer is the Plan's actuary.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting— The financial statements are prepared under the accrual method of accounting.

Use of Estimates— The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition— Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 8 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes gains and losses on investments bought and sold as well as held during the year.

The fair value of the Plan's interest in the Master Trust is based upon the beginning of the year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions for benefit payments, PBGC premiums, investment manager and trustee fees and allocated administrative expenses (Note 8).

Payment of Benefits— Retirement benefits are recorded when paid. However, there is an accrued benefit payable at December 31, 2021 in the amount of \$205,831 related to a co-beneficiary benefit payment not being able to be paid until January 11, 2022 due to delay in submitting necessary election paperwork.

Subsequent Events— Events subsequent to December 31, 2022, have been evaluated to their potential impact to the Plan financial statements through October 5, 2023, the date of issuance. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements, as of December 31, 2022.

3. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarially computed present value of accumulated plan benefits is based on current levels of compensation and years of service for active participants and levels of compensation and years of service upon termination for other, principally retired, participants. The amounts are adjusted to reflect the probability of payment (by means of events such as death, withdrawal, or retirement) and the time value of money (through discounts for interest) and are presented below as of January 1, 2022, the date of the most recent actuarial valuation.

Actuarial present value of accumulated plan benefits:

	<u>2022</u>	<u>2021</u>
Vested benefits		
Participants currently receiving benefits	\$ 273,916,062	\$ 334,918,294
Other participants	<u>254,835,276</u>	<u>278,360,493</u>
Total vested benefits.....	<u>\$ 528,751,338</u>	<u>\$ 613,278,787</u>
Nonvested benefits (Note 1).....	<u>-</u>	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 528,751,338</u>	<u>\$ 613,278,787</u>

The changes in the actuarial present value of accumulated plan benefits for the Plan for the year ended January 1, 2022, are as follows:

	<u>2022</u>
Actuarial present value of accumulated plan benefits at beginning of period.....	\$ 613,278,787
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial loss	21,179,735
Increase for interest due to decrease in discount period.....	24,882,903
Benefits paid	(30,584,299)
Other changes (B)	(92,848,067)
Change in actuarial assumptions (A).....	<u>(7,157,721)</u>
Total actuarial present value of accumulated plan benefits at end of period	<u>\$ 528,751,338</u>

- (A) Change in actuarial assumptions consist of an decrease of \$5,946,993 due to the increase in the interest rate used for the assumed rate of return from 4.17% to 4.26% and an decrease of \$1,210,728 for updates to actuarial assumptions for retirement and withdrawal rates, forms of payments and spousal age differences which resulted from an experience study completed in October 2022.
- (B) On December 1, 2021, an annuity purchase was completed (Note 4). The liability associated with these participants as of January 1, 2021 is \$89,240,042. The amount shown above under other changes is the amount of the annuity purchase (initial purchase price of \$93,487,667 made on December 8, 2021 less a premium refund of \$639,600 received on June 13, 2022).

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2022. Had the valuation been performed as of December 31 there would be no material differences.

The principal actuarial assumptions used in these determinations for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Funding method	Traditional Unit Credit	Traditional Unit Credit
Mortality before and after retirement	Pri-2012 Separate Annuitant/Non-Annuitant with Contingent Survivor Adjustments for Current Survivors with Generational Mortality Improvements Using the MP-2021 Projection Scale, with No Collar Adjustments	Pri-2012 Separate Annuitant/Non-Annuitant with Contingent Survivor Adjustments for Current Survivors with Generational Mortality Improvements Using the MP-2021 Projection Scale, with No Collar Adjustments
Assumed rate of return	4.26%	4.17%
Commencement age of deferred benefit	Age 63	Age 63
Retirement age	Various with 100% at 70	Various with 100% at 70

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. PLAN AMENDMENTS

On May 21, 2020, the Plan was amended and restated effective January 1, 2020 to incorporate all amendments adopted since the Plan was last restated on January 1, 2016 including administrative provisions, legal compliance provisions under the Pension Protection Act of 2006, the SECURE Act of 2020 and other recent changes in law.

On December 1, 2021, the Plan was amended to purchase a group annuity contract for participants or their designated beneficiary, survivor or alternate payee that had commenced monthly benefit payments on or before September 1, 2021 and for whom all benefits in payment status for that designated distributee were in total \$1,500 or less per month. The annuity contract provides for the continued payment of the designated distributee's pension benefit in the same form that was in effect under the Plan immediately before the annuity purchase, including any beneficiary designation and survivor benefit. The designated distributee's pension benefit shall not be subject to the suspension of benefits provisions of the Plan applicable to participants who resume employment with the Company or affiliate. The benefits under the annuity contract shall be legally enforceable by the sole choice of the individual against the insurance company that is issuing the contract. Effective January 1, 2022, the Plan shall have no further obligation to make any payment with respect to any pension benefit of the designated distributee, including with respect to any survivor, alternate payee, beneficiary, or other person claiming by or through the designated distributee.

On December 2, 2021, Pacific Life Insurance Company, was selected as the annuitant insurer and on December 8, 2021 \$93,487,667 was paid from Plan assets to purchase a non-participating single premium buy-out group annuity separate account contract to cover the 1061 participants that qualified under the December 1st plan amendment. Subsequently, on June 13, 2022, the Plan received an annuity premium true-up refund of \$639,600 from the insurer. This amount is reflected in the Statements of Net Assets Available for Benefits as an annuity premium true-up refund receivable at December 31, 2021 and in the Statements of Changes in Net Assets Available for Benefits at December 31, 2022 as an accrued annuity premium true-up refund for the group annuity separate account contract.

5. TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Plan Sponsor by letter dated November 9, 2020, that the terms of the Plan satisfy the qualification requirements under Code Section 401(a). The Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that may not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

6. RISK AND UNCERTAINTIES

The Plan invests in various investment funds. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

7. PROVISIONS IN THE EVENT OF PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA. The PBGC may also terminate the Plan by action pursuant to the provisions of ERISA.

In the event of termination of the Plan, an actuary shall make an actuarial valuation of the assets and liabilities of the Plan as of the date of its termination. After payment of all administrative charges and taxes that may be imposed upon the Plan by such termination, the remaining Plan assets would be distributed, as prescribed by ERISA and as outlined in the Plan document, to provide the following benefits in the order indicated:

- a. Benefits payable as a retirement annuity, as defined.
- b. Other benefits which are payable under the Plan and guaranteed under the termination insurance provisions of ERISA.
- c. Other vested benefits which are payable under the Plan.
- d. Other benefits which are payable under the Plan.

If the assets available are not sufficient to satisfy in full the benefits in any one category above, the assets shall be allocated pro rata within each category to the exclusion of succeeding categories. Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

8. FINANCIAL STATEMENTS FOR THE MASTER TRUST AND FAIR VALUE MEASUREMENT

The Plan’s assets, including its 401(h) account to provide health benefits (Note 9), are held in the Master Trust, which was established for the investment of the assets of the Plan and other Company sponsored retirement plans. Each participating plan has an undivided interest in the Master Trust. The value of the Plan’s interest in the Master Trust is determined by allocating the Master Trust’s total assets and investment income based on the Plan’s units of participation at December 31 and the yearly average, respectively. The number of units owned by each plan is a function of employer contributions and benefit payments throughout the year. As of December 31, 2022 and 2021, the Plan’s assets accounted for 88.0% and 88.8%, respectively, of the assets held in the Master Trust. Assets held in the Master Trust are invested in various common-collective trust (“CCT”) portfolios sponsored by Mercer Trust Company, in accordance with the Plan’s investment policy.

The following are net assets for the Master Trust for the years ended December 31, 2022 and 2021.

	<u>December 31, 2022</u>	
	Master Trust	Plan’s Interest in Master Trust
	Balance	Balance
Investments held in common-collective trust funds.....	\$ 441,535,979	\$ 388,692,147
Total investments at fair value	441,535,979	388,692,147
Accrued interest and dividends receivable	3,402	1,233
Total receivables	3,402	1,233
Total assets.....	441,539,381	388,693,380
Administrative expenses payable.....	(400,863)	(344,363)
Total liabilities	(400,863)	(344,363)
Total Master Trust Investments	<u>\$ 441,138,518</u>	<u>\$ 388,349,017</u>
	<u>December 31, 2021</u>	
	Master Trust	Plan’s Interest in Master Trust
	Balance	Balance
Investments held in common-collective trust funds.....	\$ 605,499,171	\$ 537,871,157
Total investments at fair value	605,499,171	537,871,157
Accrued interest and dividends receivable	18	17
Total receivables	18	17
Total assets.....	605,499,189	537,871,174
Administrative expenses payable.....	(649,647)	(578,183)
Total liabilities	(649,647)	(578,183)
Total Master Trust Investments	<u>\$ 604,849,542</u>	<u>\$ 537,292,991</u>

The following are changes in net assets for the Master Trust for the years ended December 31, 2022 and 2021.

	Year Ended	
	December 31, 2022	
Changes in Net Assets:	Master Trust	Plan's
	Investment	Interest in
	Income	Master Trust
	Income	Investment
	Income	Income
Net depreciation in fair value of investments	\$ (143,002,245)	\$ (130,440,140)
Interest and dividend income.....	22,015	10,922
Total trust investment loss	<u>(142,980,230)</u>	<u>(130,429,218)</u>
Trust expenses (Note 1 and 10):		
Investment management fees	(869,970)	(751,491)
Trustee fees	<u>(119,851)</u>	<u>(97,552)</u>
Total trust expense	<u>(989,821)</u>	<u>(849,043)</u>
Total Master Trust Investment Loss.....	<u>\$ (143,970,051)</u>	<u>\$ (131,278,261)</u>

	Year Ended	
	December 31, 2021	
Changes in Net Assets:	Master Trust	Plan's
	Investment	Interest in
	Income	Master Trust
	Income	Investment
	Income	Income
Net appreciation in fair value of investments	\$ 37,569,588	\$ 37,073,844
Interest and dividend income.....	1,933	864
Total trust investment income.....	<u>37,571,521</u>	<u>37,074,708</u>
Trust expenses (Note 1 and 10):		
Investment management fees	(1,607,307)	(1,418,248)
Trustee fees	<u>(155,271)</u>	<u>(129,997)</u>
Total trust expense	<u>(1,762,578)</u>	<u>(1,548,245)</u>
Total Master Trust Investment Income	<u>\$ 35,808,943</u>	<u>\$ 35,526,463</u>

Investments are reflected in the Plan financial statements at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Measuring fair value requires the use of market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, corroborated by market data, or generally unobservable. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Plan assets held in the Master Trust have been invested in CCT funds, which trade at net asset value (NAV) per share practical expedient of the fund. These funds are not categorized within the fair value hierarchy are invested in equity and fixed income securities. The following is a description of the valuation methodologies used for these assets.

CCT funds: Valued at the unit NAV of a CCT fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the CCT fund, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidation will be carried out in an orderly business manner. The trustee may also assess the Plan a redemption fee which will be deducted from the redemption proceeds and paid to the applicable fund.

The following tables set forth by level, within the fair value hierarchy, the Master Trust assets at fair value:

Assets at Fair Value as of December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments measured at net asset value as a practical expedient	\$ —	\$ —	\$ —	\$ 441,535,979
Total investments held in Master Trust	\$ —	\$ —	\$ —	\$ 441,535,979

Assets at Fair Value as of December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments measured at net asset value as a practical expedient	\$ —	\$ —	\$ —	\$ 605,499,171
Total investments held in Master Trust	\$ —	\$ —	\$ —	\$ 605,499,171

Fair Value of Investments that Calculate Net Asset Value

The following tables summarize investments measured at fair value based on NAV per share as of December 31, 2022 and 2021, respectively.

Investments at NAV:	December 31, 2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Common Collective Trust Funds:				
Short Term Investment Fund	\$ 669,995	N/A	Daily	1 Day
Active Long Corporate Fixed Income Fund	119,922,699	N/A	Daily	15 Days(A)
Active Intermediate Credit Fixed Income Fund	13,805,081	N/A	Daily	15 Days(A)
Core Passive Fixed Income Fund	-	N/A	Daily	15 Days(A)
Emerging Markets Equity Fund	25,497,842	N/A	Daily	15 Days(A)
Global Low Volatility Equity Fund	21,777,609	N/A	Daily	15 Days(A)
Intermediate US Gov't Bond Index Fixed Income Fund	6,854,642	N/A	Daily	15 Days(A)
Long STRIPS Fixed Income Fund	29,215,587	N/A	Daily	15 Days(A)
Non-US Core Equity Fund	42,686,250	N/A	Daily	15 Days(A)
Opportunistic Fixed Income Fund	21,331,969	N/A	Daily	15 Days(A)
Passive Long Gov't Fixed Income (fna Long Duration Passive Fixed Income Fund)	36,588,709	N/A	Daily	15 Days(A)
Ultra Long Duration Fixed Income Fund	13,605,222	N/A	Daily	15 Days(A)
			Calendar Quarter	
US Core Real Estate Fixed Income Fund	25,491,580	-	Ends	100 Days
US Large Cap Core Passive Equity Fund	26,862,190	N/A	Daily	15 Days(A)

US Large Cap Equity Fund	39,916,192	N/A	Daily	15 Days(A)
US Small/Mid-Cap Equity Fund	16,826,645	N/A	Daily	15 Days(A)
World Gov't Bond Ex-US Index Fund	483,767	N/A	Daily	15 Days(A)

Total investments at NAV \$ **441,535,979**

(A) - The fund does not have any redemption restrictions. This is the recommended investment advisor notification period as funds are redeemable daily.

December 31, 2021

Investments at NAV:

	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Common Collective Trust Funds:				
Short Term Investment Fund	\$ 870,400	N/A	Daily	1 Day
Active Long Corporate Fixed Income Fund	259,678,110	N/A	Daily	15 Days (A)
Active Intermediate Credit Fixed Income Fund	36,046,874	N/A	Daily	15 Days (A)
Core Passive Fixed Income Fund	21,663,001	N/A	Daily	15 Days (A)
Emerging Markets Equity Fund	35,844,418	N/A	Daily	15 Days (A)
Global Low Volatility Equity Fund	35,261,668	N/A	Daily	15 Days (A)
Intermediate US Gov't Bond Index Fixed Income Fund	8,592,602	N/A	Daily	15 Days (A)
Long STRIPS Fixed Income Fund	-	N/A	Daily	15 Days (A)
Non-US Core Equity Fund	54,306,614	N/A	Daily	15 Days (A)
Opportunistic Fixed Income Fund	-	N/A	Daily	15 Days (A)
Passive Long Gov't Fixed Income Fund (fna Long Duration Passive Fixed Income Fund)	23,855,016	N/A	Daily	15 Days (A)
Ultra Long Duration Fixed Income Fund	-	N/A	Daily	15 Days (A)
			Calendar Quarter	100 Days
US Core Real Estate Fixed Income Fund	-	-	Ends	Days
US Large Cap Core Passive Equity Fund	34,250,814	N/A	Daily	15 Days (A)
US Large Cap Equity Fund	50,792,584	N/A	Daily	15 Days (A)
US Small/Mid-Cap Equity Fund	22,723,977	N/A	Daily	15 Days (A)
World Gov't Bond Ex-US Index Fund	21,613,093	N/A	Daily	15 Days (A)

Total investments at NAV \$ **605,499,171**

(A) - The fund does not have any redemption restrictions. This is the recommended investment advisor notification period as funds are redeemable daily.

9. 401(H) ACCOUNT

A separate account is maintained for the net assets related to the retiree welfare benefit component (401(h)), which is used to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with the Code Section 401(h). Investments in the 401(h) account which are held in the Master Trust may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. The related obligations for welfare benefits are not included in the statements of net assets available for benefits or the statements of changes in net assets available for benefits. Plan participants do not contribute to the 401(h) account. During 2015, all assets in the 401(h) account were used to pay retiree welfare benefits. Employer contributions or qualified transfers to the 401(h) account are determined annually by the Plan actuary and are at the discretion of the Company.

There are no reconciling items in the reconciliation of net assets available for pension benefits or changes in net assets per the financial statements to the Form 5500 as a result of the funded status of the 401(h) account.

10. PARTY-IN-INTEREST TRANSACTIONS

Transactions that relate to funds managed by The Northern Trust Company and Mercer Investment Management are considered exempt party-in-interest transactions. Fees paid to parties-in-interest totaled \$849,043 and \$1,548,245 for 2022 and 2021, respectively, and are netted in investment income from the Plan's interest in the Master Trust (Note 8).

11. INFORMATION CERTIFIED BY THE TRUSTEE

In accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator has received certification from The Northern Trust Company, the Plan's trustee, as to the accuracy and completeness of the financial information of the Plan. The following information contained in the financial statements has been certified by the trustee:

- Investment balances
- Investment purchases and sales
- Dividend and interest income
- Net realized and unrealized gain (loss) on investments.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except to compare such information to related information in the financial statements.

12. RECONCILIATION TO FORM 5500

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500:

	YEAR ENDED DECEMBER 31, 2022		
	<u>Amounts Per Financial Statements</u>	<u>Adjustments</u>	<u>Amounts per Form 5500</u>
Statement of Changes in Net Assets Available for Benefits:			
Non-participating single premium buy-out group annuity separate account contract	639,600	(639,600)	-
Reversal of accrued annuity premium true-up refund for the group annuity separate account contract	(639,600)	639,600	-

* * * * *

Schedule SB, line 26b — Schedule of Projection of Expected Benefit Payments

Plan year	Active participants	Terminated vested participants	Retired participants and beneficiaries receiving payments	Total
2022	2,195,869	3,747,403	21,330,496	27,273,768
2023	3,597,907	2,696,717	21,068,463	27,363,087
2024	4,931,116	2,970,773	20,793,934	28,695,823
2025	6,129,134	3,126,602	20,503,295	29,759,030
2026	7,291,661	3,296,387	20,193,816	30,781,864
2027	8,211,212	3,357,539	19,861,048	31,429,799
2028	9,084,099	3,381,979	19,486,821	31,952,898
2029	9,833,266	3,444,376	19,114,616	32,392,258
2030	10,468,474	3,510,396	18,703,395	32,682,265
2031	11,121,332	3,626,994	18,249,122	32,997,448
2032	11,575,000	3,685,278	17,780,749	33,041,028
2033	12,007,998	3,708,457	17,258,368	32,974,822
2034	12,463,728	3,835,180	16,657,937	32,956,845
2035	12,716,960	3,807,922	16,039,749	32,564,630
2036	12,933,589	3,949,427	15,369,828	32,252,844
2037	13,047,805	3,978,452	14,658,598	31,684,855
2038	13,156,102	3,933,743	13,907,172	30,997,017
2039	13,243,399	3,838,991	13,117,837	30,200,227
2040	13,276,208	3,732,267	12,294,221	29,302,695
2041	13,295,060	3,682,053	11,441,467	28,418,580
2042	13,271,189	3,564,907	10,566,281	27,402,377
2043	13,226,358	3,434,102	9,676,887	26,337,347
2044	13,140,518	3,393,505	8,782,851	25,316,873
2045	12,986,612	3,308,578	7,894,713	24,189,903
2046	12,729,451	3,164,751	7,023,497	22,917,699
2047	12,414,666	3,118,205	6,180,203	21,713,074
2048	12,059,237	2,934,926	5,375,308	20,369,472
2049	11,643,243	2,746,409	4,618,287	19,007,939
2050	11,169,429	2,556,568	3,917,197	17,643,193
2051	10,633,800	2,368,099	3,278,294	16,280,193
2052	10,048,020	2,183,112	2,705,723	14,936,855
2053	9,429,134	2,003,862	2,201,341	13,634,337
2054	8,801,704	1,831,760	1,764,740	12,398,204
2055	8,177,991	1,669,081	1,393,459	11,240,530
2056	7,563,255	1,516,416	1,083,328	10,162,999
2057	6,963,162	1,373,348	828,930	9,165,440
2058	6,384,294	1,240,958	624,053	8,249,306
2059	5,831,651	1,119,138	462,127	7,412,916

Schedule SB, line 26b — Schedule of Projection of Expected Benefit Payments

Plan year	Active participants	Terminated vested participants	Retired participants and beneficiaries receiving payments	Total
2060	5,307,759	1,006,112	336,548	6,650,419
2061	4,814,408	903,130	240,986	5,958,525
2062	4,352,701	808,560	169,643	5,330,904
2063	3,922,694	721,753	117,389	4,761,836
2064	3,523,909	642,110	79,840	4,245,859
2065	3,155,150	569,122	53,362	3,777,634
2066	2,814,838	502,361	35,040	3,352,239
2067	2,501,110	441,429	22,598	2,965,137
2068	2,212,165	385,949	14,307	2,612,421
2069	1,946,381	335,549	8,887	2,290,817
2070	1,702,329	289,860	5,414	1,997,603
2071	1,478,820	248,543	3,233	1,730,596

NorthWestern Energy
EIN: 46-0172280
Labor Union Listing
FORM 5500

<u>No.</u>	<u>Labor Union Group (Montana)</u>	<u>L-M</u>
1.	IBEW Local Union No. 44 – Wires and Pipes Agreement	050-681
2.	United Steel Workers Local 11-493	022-560
3.	Teamsters Local Union No. 2	001-364
4.	Members Only Agreement between NorthWestern Energy and IBEW Local Union No. 44 – Butte Machinists	050-681
5.	UA Plumbers & Pipe Fitters Local Unions No. 41 & 459	021-752, 039-109
6.	Kalispell Hourly Gas	*
7.	IBEW Local Union No. 44 - Hydro Agreement	050-681

*This bargaining unit has not filed for an L-M number.

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial assumption changes since prior valuation

- The expense component of normal cost increased from \$1,700,000 to \$1,000,000 to reflect our expectations for the current plan year.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions for January 1, 2022 funding valuation**

Discount rate sponsor elections		
• Segment rates or full yield curve	Segment	
• Look-back months	4	
	Stabilized	Nonstabilized
• First 5 years	4.75%	1.07%
• Next 15 years	5.18%	2.68%
• Over 20 years	5.92%	3.36%
Mortality sponsor elections		
• Healthy and Disabled participants	Section 430(h)(3) prescribed separate static annuitant and non-annuitant mortality tables for 2022. These tables are based on the RP-2014 mortality tables backed off to 2006 and projected with mortality improvements based on the IRS methodology and projection scale MP-2020.	
Cash balance plans		
• Interest accumulation rate	6%(plan provision)	
• Whipsaw calculations	No	
• Annuity conversion		
— Mortality table	1983 GAM unisex mortality (plan provision)	
— Interest rate basis	6.00% (plan provision)	
Other economic assumptions		
• Salary increases	See tables of sample rates	
• Social Security wage base	3.00% per year	
• Inflation	2.20% per year	
• Expected investment return	4.95% for 2020 and 4.65% for 2021 and 4.65% for 2022.	
• Expenses	Expected administrative expenses of \$1,000,000 added to current year normal cost.	
Demographic assumptions		
• Withdrawal	See table of sample rates.	
• Disability incidence	82% of the 1985 Pension Disability Study – Class 1, sex distinct. See table of sample rates.	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Retirement age	Attained age	Percentage	
	Under 50	0%	
	50 – 51	3%	
	52 – 57	1%	
	58 – 59	3%	
	60	15%	
	61	10%	
	62 – 63	20%	
	64	25%	
	65	45%	
	66	60%	
	67	50%	
68 – 69	30%		
70 and above	100%		
• Benefit commencement age for			
– Future vested deferred	63		
– Current vested deferred	63, or attained age if later.		
– Future disabilities	65		
• Spouse assumptions			
	Male participants	Female participants	
– Percentage married	80%	80%	
– Spouse age difference	3 years younger	3 years older	
Form of payment			
	Single Life	Life with Cash Refund	75% J&S w/ Pop-up
• Active retirements	50%	5%	45%
• Future vested deferred	50%	5%	45%
• Future disabilities	50%	5%	45%
• Current vested deferred	50%	5%	45%
• Future deaths	A lump sum equal to account balance is assumed to be paid upon death.		
Unpredictable contingent event assumptions	N/A		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Table of sample rates**

Attained age	Percentage					
	Withdrawal		Disability incidence		Salary Increases ¹	
	Union	Non-Union	Male	Female	Union	Non-Union
20	7.80%	11.70%	0.02%	0.02%	8.00%	5.00%
25	5.40	8.10	0.03	0.04	8.00	5.00
30	3.66	5.49	0.04	0.07	2.50	4.50
35	2.61	3.92	0.06	0.11	2.50	4.00
40	2.07	3.11	0.10	0.17	2.00	4.00
45	1.83	2.75	0.17	0.26	2.00	3.00
50	1.68	2.52	0.29	0.44	1.50	3.00
55	1.32	1.98	0.59	0.78	1.50	3.00
60	0.00	0.00	1.03	0.95	0.05	2.50
65	0.00	0.00	1.44	1.11	0.05	2.50

¹Salary increases are not assumed for disabled participants.

Rationale for significant economic assumptions

- **Funding discount rate** – The discount rate is prescribed by the IRS and method is elected by NorthWestern Energy.
- **Funding expense load** – The funding expense load is based on the prior year’s administrative expenses, adjusted for the expected change in PBGC premium.
- **Salary scale** – This assumption is based on an experience study covering the period January 1, 2012 to January 1, 2017 and the expectation that future salary experience and circumstances of the employer will not differ significantly from the period studied.
- **Expected investment return** – The expected rate of return on plan assets is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting’s Capital Market Outlook for the Plan’s target asset mix adjusted for active management, net of an adjustment for active management and for trading expenses assumed to be paid from plan assets, rounded to the nearest multiple of 5 basis points.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Rationale for significant demographic assumptions**

- **Funding mortality** – Prescribed by the IRS and based on NorthWestern Energy’s election.
- **Retirement incidence** – The retirement rates are based on an experience analysis covering the period January 1, 2012 to January 1, 2017 with the expectation is that the future retirement patterns and circumstances of the employer will not differ significantly from the period studied.
- **Withdrawal incidence** – The termination rates are based on an experience analysis covering the period January 1, 2012 to January 1, 2017 with the expectation is that the future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.
- **Disability incidence** – Since the plan is not sufficiently large to generate credible disability incidence experience, this assumption is based on the Conference of Consulting Actuaries 1985 Pension Disability Study Class 1 rates. Class 1 rates were selected as they were most representative of NorthWestern’s work force. The 82% factor was used to reflect that recovery rates are not employed in the rates.
- **Form of payment** – The assumption is based on an analysis completed in 2009 and in 2017 and the expectation that future election patterns will not differ significantly from the period studied.

Actuarial methods for funding**Asset methods**

The asset valuation method is an average of the adjusted market value for each year during the last two years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as required by IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan’s eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Minimum funding methods**

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides disability benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

*2022 NorthWestern
Energy Pension Plan*

*Financial Statements for the Years Ended
December 31, 2022 and 2021, and
Independent Auditor's Report*

NORTHWESTERN ENERGY PENSION PLAN

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Independent Auditor's Report

The Plan Administrator and Participants of
NorthWestern Energy Pension Plan
Sioux Falls, South Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of NorthWestern Energy Pension Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of NorthWestern Energy Pension Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 11 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NorthWestern Energy Pension Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NorthWestern Energy Pension Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NorthWestern Energy Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NorthWestern Energy Pension Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Eide Bailly LLP

Billings, Montana
October 5, 2023

NORTHWESTERN ENERGY PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets:		
Investments at fair value held in the Master Trust (Notes 2 and 8)	\$ 388,349,017	\$ 537,292,991
Employer contribution receivable (Note 1)	7,000,000	7,000,000
Annuity premium true-up refund receivable (Note 4)	-	639,600
Investments held in 401(h) account of the Master Trust (Notes 8 and 9)	-	-
Total Assets	<u>395,349,017</u>	<u>544,932,591</u>
Liabilities:		
Benefit payment payable (Note 2).....	-	(205,831)
Total Liabilities	<u>-</u>	<u>(205,831)</u>
Net Assets Available For Benefits	<u>\$ 395,349,017</u>	<u>\$ 544,726,760</u>

See notes to financial statements.

NORTHWESTERN ENERGY PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2022	Year Ended December 31, 2021
Investment (loss)/income from Plan interest in Master Trust (Notes 2, 8 and 10)	\$ (131,278,261)	\$ 35,526,463
Company contributions (Note 1)	7,000,000	13,312,351
Benefits paid to plan participants (Note 2)	(24,179,556)	(30,584,299)
Non-participating single premium buy-out group annuity separate account contract (Note 4).....	639,600	(93,487,667)
(Accrual reversal)/accrued annuity premium true-up refund for the group annuity separate account contract (Note 4).....	(639,600)	639,600
Payment of plan expenses (Note 1)	(919,926)	(1,617,896)
Net Decrease In Plan Assets	<u>(149,377,743)</u>	<u>(76,211,448)</u>
Net Assets Available For Benefits-		
Beginning of year	<u>544,726,760</u>	<u>620,938,208</u>
Net Assets Available For Benefits-		
End of year	<u>\$ 395,349,017</u>	<u>\$ 544,726,760</u>

See notes to financial statements.

NORTHWESTERN ENERGY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF PLAN

The following description of the NorthWestern Energy Pension Plan (the “Plan”) is provided for general informational purposes only. Participants should refer to the plan document for more complete information.

General—The Plan is a noncontributory, defined benefit pension plan covering substantially all NorthWestern Corporation (the “Company”) employees who began their employment in Montana and were hired before October 3, 2008. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Effective January 1, 1998, the Plan was amended and restated to change the basis for determining participant benefits from a final average pay formula to a cash balance formula.

Funding Policy— The Company contributes amounts as necessary, based on actuarial calculations to comply with the minimum and maximum funding requirements of ERISA. The Plan had a receivable of \$7,000,000 as of December 31, 2022 and 2021, respectively. The Company’s funding of the Plan met the minimum funding requirements of ERISA as of December 31, 2022 and 2021.

Eligibility, Vesting, and Benefits— As of October 3, 2008, the Plan was closed to new entrants. All participants as of October 3, 2008 are fully vested. The Plan was amended effective November 18, 2014 to allow participation for certain employees hired under the terms of a purchase and sale agreement to acquire hydroelectric generating facilities. Those participating in the Plan as a result of the November 18, 2014 amendment are fully vested.

Under the Plan, a participant’s individual account continues to grow annually through the calculation and accumulation of basic and additional pay credits and an annual interest credit. The basic and additional pay credits applied to a participant’s account are based on total points and eligible earnings. Total points are determined by adding the participant’s attained age and completed years of service as of the beginning of the plan year. The basic pay credit is applied as a percentage of eligible earnings ranging from 3% for those participants with accumulated points less than 32 to 12% for those with 75 points or more. Participants with 35 or more years of service receive a 5% basic pay credit. Certain participants covered under collective bargaining unit agreements receive an additional 2% basic pay credit applied to their account balance. The Plan also provides for additional pay credits on earnings in excess of one-half of the social security wage base, which is applied as a percentage of eligible earnings. These additional credits range from 1.5% for those participants with accumulated points less than 32 up to 6% for those with 75 points or more, subject to a cap at 35 years of service. The annual interest credit is fixed at 6% for all participants and is applied to a participant’s account balance at the beginning of the year. A participant who is vested under the Plan can retire at age 50. A participant’s account balance is converted to a monthly annuity at retirement. The Plan’s payment options allow for a single life or 50%, 75% or 100% joint and survivor annuity with and without post-retirement death benefits.

Death and Disability—The Plan provides for a pre-retirement death benefit of the greater of (a) 100% of the account balance or (b) the present value of the 100% joint and survivor annuity that would have been payable if the participant retired and elected that form of payment prior to death. If a participant is married at the time of death, the spouse can elect a lump sum payment of the account balance within 180 days or choose to defer the benefit and receive a single life annuity at the time the participant would have been eligible to retire. If the participant is not married at the time of death, the beneficiary will receive a lump sum payment of the account balance.

A disabled participant continues to accrue benefits under the Plan until he or she is no longer disabled, terminates, or retires. The Plan eliminated the plan administrator's discretion in the determination of a disabled participant and established that the general benefit claims procedures under the Plan shall also apply to disability benefit claims. Basic and additional pay credits and interest credits continue to be applied to the account balance, subject to the Plan's provisions. The eligible earnings for a disabled participant are determined based on the rate of pay and regularly scheduled hours in effect at the time of disability.

Plan Expenses— Certain plan administrative expenses, Pension Benefit Guaranty Corporation ("PBGC") premiums and trust expenses are paid from the plan assets (Notes 8 and 10). All other expenses are paid by the Company.

Plan Administration— The Company's Board of Directors has appointed the Employee Benefits Administration Committee ("EBAC") as the named fiduciary and administrator of the Plan. The EBAC is responsible for managing Plan assets. Assets are held in the NorthWestern Energy Master Retirement Trust ("Master Trust") of which The Northern Trust Company is the trustee (Note 8 and 10). Mercer Investment Management is the Plan's investment advisor and co-fiduciary for the management of assets held in the Master Trust. Mercer is the Plan's actuary.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting— The financial statements are prepared under the accrual method of accounting.

Use of Estimates— The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition— Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 8 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes gains and losses on investments bought and sold as well as held during the year.

The fair value of the Plan's interest in the Master Trust is based upon the beginning of the year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions for benefit payments, PBGC premiums, investment manager and trustee fees and allocated administrative expenses (Note 8).

Payment of Benefits— Retirement benefits are recorded when paid. However, there is an accrued benefit payable at December 31, 2021 in the amount of \$205,831 related to a co-beneficiary benefit payment not being able to be paid until January 11, 2022 due to delay in submitting necessary election paperwork.

Subsequent Events— Events subsequent to December 31, 2022, have been evaluated to their potential impact to the Plan financial statements through October 5, 2023, the date of issuance. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements, as of December 31, 2022.

3. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarially computed present value of accumulated plan benefits is based on current levels of compensation and years of service for active participants and levels of compensation and years of service upon termination for other, principally retired, participants. The amounts are adjusted to reflect the probability of payment (by means of events such as death, withdrawal, or retirement) and the time value of money (through discounts for interest) and are presented below as of January 1, 2022, the date of the most recent actuarial valuation.

Actuarial present value of accumulated plan benefits:

	<u>2022</u>	<u>2021</u>
Vested benefits		
Participants currently receiving benefits	\$ 273,916,062	\$ 334,918,294
Other participants	<u>254,835,276</u>	<u>278,360,493</u>
Total vested benefits.....	<u>\$ 528,751,338</u>	<u>\$ 613,278,787</u>
Nonvested benefits (Note 1).....	<u>-</u>	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 528,751,338</u>	<u>\$ 613,278,787</u>

The changes in the actuarial present value of accumulated plan benefits for the Plan for the year ended January 1, 2022, are as follows:

	<u>2022</u>
Actuarial present value of accumulated plan benefits at beginning of period.....	\$ 613,278,787
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial loss	21,179,735
Increase for interest due to decrease in discount period.....	24,882,903
Benefits paid	(30,584,299)
Other changes (B)	(92,848,067)
Change in actuarial assumptions (A).....	<u>(7,157,721)</u>
Total actuarial present value of accumulated plan benefits at end of period	<u>\$ 528,751,338</u>

- (A) Change in actuarial assumptions consist of an decrease of \$5,946,993 due to the increase in the interest rate used for the assumed rate of return from 4.17% to 4.26% and an decrease of \$1,210,728 for updates to actuarial assumptions for retirement and withdrawal rates, forms of payments and spousal age differences which resulted from an experience study completed in October 2022.
- (B) On December 1, 2021, an annuity purchase was completed (Note 4). The liability associated with these participants as of January 1, 2021 is \$89,240,042. The amount shown above under other changes is the amount of the annuity purchase (initial purchase price of \$93,487,667 made on December 8, 2021 less a premium refund of \$639,600 received on June 13, 2022).

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2022. Had the valuation been performed as of December 31 there would be no material differences.

The principal actuarial assumptions used in these determinations for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Funding method	Traditional Unit Credit	Traditional Unit Credit
Mortality before and after retirement	Pri-2012 Separate Annuitant/Non-Annuitant with Contingent Survivor Adjustments for Current Survivors with Generational Mortality Improvements Using the MP-2021 Projection Scale, with No Collar Adjustments	Pri-2012 Separate Annuitant/Non-Annuitant with Contingent Survivor Adjustments for Current Survivors with Generational Mortality Improvements Using the MP-2021 Projection Scale, with No Collar Adjustments
Assumed rate of return	4.26%	4.17%
Commencement age of deferred benefit	Age 63	Age 63
Retirement age	Various with 100% at 70	Various with 100% at 70

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. PLAN AMENDMENTS

On May 21, 2020, the Plan was amended and restated effective January 1, 2020 to incorporate all amendments adopted since the Plan was last restated on January 1, 2016 including administrative provisions, legal compliance provisions under the Pension Protection Act of 2006, the SECURE Act of 2020 and other recent changes in law.

On December 1, 2021, the Plan was amended to purchase a group annuity contract for participants or their designated beneficiary, survivor or alternate payee that had commenced monthly benefit payments on or before September 1, 2021 and for whom all benefits in payment status for that designated distributee were in total \$1,500 or less per month. The annuity contract provides for the continued payment of the designated distributee's pension benefit in the same form that was in effect under the Plan immediately before the annuity purchase, including any beneficiary designation and survivor benefit. The designated distributee's pension benefit shall not be subject to the suspension of benefits provisions of the Plan applicable to participants who resume employment with the Company or affiliate. The benefits under the annuity contract shall be legally enforceable by the sole choice of the individual against the insurance company that is issuing the contract. Effective January 1, 2022, the Plan shall have no further obligation to make any payment with respect to any pension benefit of the designated distributee, including with respect to any survivor, alternate payee, beneficiary, or other person claiming by or through the designated distributee.

On December 2, 2021, Pacific Life Insurance Company, was selected as the annuitant insurer and on December 8, 2021 \$93,487,667 was paid from Plan assets to purchase a non-participating single premium buy-out group annuity separate account contract to cover the 1061 participants that qualified under the December 1st plan amendment. Subsequently, on June 13, 2022, the Plan received an annuity premium true-up refund of \$639,600 from the insurer. This amount is reflected in the Statements of Net Assets Available for Benefits as an annuity premium true-up refund receivable at December 31, 2021 and in the Statements of Changes in Net Assets Available for Benefits at December 31, 2022 as an accrued annuity premium true-up refund for the group annuity separate account contract.

5. TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Plan Sponsor by letter dated November 9, 2020, that the terms of the Plan satisfy the qualification requirements under Code Section 401(a). The Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that may not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

6. RISK AND UNCERTAINTIES

The Plan invests in various investment funds. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

7. PROVISIONS IN THE EVENT OF PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA. The PBGC may also terminate the Plan by action pursuant to the provisions of ERISA.

In the event of termination of the Plan, an actuary shall make an actuarial valuation of the assets and liabilities of the Plan as of the date of its termination. After payment of all administrative charges and taxes that may be imposed upon the Plan by such termination, the remaining Plan assets would be distributed, as prescribed by ERISA and as outlined in the Plan document, to provide the following benefits in the order indicated:

- a. Benefits payable as a retirement annuity, as defined.
- b. Other benefits which are payable under the Plan and guaranteed under the termination insurance provisions of ERISA.
- c. Other vested benefits which are payable under the Plan.
- d. Other benefits which are payable under the Plan.

If the assets available are not sufficient to satisfy in full the benefits in any one category above, the assets shall be allocated pro rata within each category to the exclusion of succeeding categories. Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

8. FINANCIAL STATEMENTS FOR THE MASTER TRUST AND FAIR VALUE MEASUREMENT

The Plan's assets, including its 401(h) account to provide health benefits (Note 9), are held in the Master Trust, which was established for the investment of the assets of the Plan and other Company sponsored retirement plans. Each participating plan has an undivided interest in the Master Trust. The value of the Plan's interest in the Master Trust is determined by allocating the Master Trust's total assets and investment income based on the Plan's units of participation at December 31 and the yearly average, respectively. The number of units owned by each plan is a function of employer contributions and benefit payments throughout the year. As of December 31, 2022 and 2021, the Plan's assets accounted for 88.0% and 88.8%, respectively, of the assets held in the Master Trust. Assets held in the Master Trust are invested in various common-collective trust ("CCT") portfolios sponsored by Mercer Trust Company, in accordance with the Plan's investment policy.

The following are net assets for the Master Trust for the years ended December 31, 2022 and 2021.

	December 31, 2022	
	Master Trust	Plan's
	Balance	Interest in
		Master Trust
		Balance
Investments held in common-collective trust funds.....	\$ 441,535,979	\$ 388,692,147
Total investments at fair value	441,535,979	388,692,147
Accrued interest and dividends receivable	3,402	1,233
Total receivables	3,402	1,233
Total assets.....	441,539,381	388,693,380
Administrative expenses payable.....	(400,863)	(344,363)
Total liabilities	(400,863)	(344,363)
Total Master Trust Investments	<u>\$ 441,138,518</u>	<u>\$ 388,349,017</u>

	December 31, 2021	
	Master Trust	Plan's
	Balance	Interest in
		Master Trust
		Balance
Investments held in common-collective trust funds.....	\$ 605,499,171	\$ 537,871,157
Total investments at fair value	605,499,171	537,871,157
Accrued interest and dividends receivable	18	17
Total receivables	18	17
Total assets.....	605,499,189	537,871,174
Administrative expenses payable.....	(649,647)	(578,183)
Total liabilities	(649,647)	(578,183)
Total Master Trust Investments	<u>\$ 604,849,542</u>	<u>\$ 537,292,991</u>

The following are changes in net assets for the Master Trust for the years ended December 31, 2022 and 2021.

	Year Ended December 31, 2022	
	Master Trust Investment Income	Plan's Interest in Master Trust Investment Income
Changes in Net Assets:		
Net depreciation in fair value of investments	\$ (143,002,245)	\$ (130,440,140)
Interest and dividend income.....	22,015	10,922
Total trust investment loss	<u>(142,980,230)</u>	<u>(130,429,218)</u>
Trust expenses (Note 1 and 10):		
Investment management fees	(869,970)	(751,491)
Trustee fees	<u>(119,851)</u>	<u>(97,552)</u>
Total trust expense	<u>(989,821)</u>	<u>(849,043)</u>
Total Master Trust Investment Loss.....	<u>\$ (143,970,051)</u>	<u>\$ (131,278,261)</u>

	Year Ended December 31, 2021	
	Master Trust Investment Income	Plan's Interest in Master Trust Investment Income
Changes in Net Assets:		
Net appreciation in fair value of investments	\$ 37,569,588	\$ 37,073,844
Interest and dividend income.....	1,933	864
Total trust investment income.....	<u>37,571,521</u>	<u>37,074,708</u>
Trust expenses (Note 1 and 10):		
Investment management fees	(1,607,307)	(1,418,248)
Trustee fees	<u>(155,271)</u>	<u>(129,997)</u>
Total trust expense	<u>(1,762,578)</u>	<u>(1,548,245)</u>
Total Master Trust Investment Income	<u>\$ 35,808,943</u>	<u>\$ 35,526,463</u>

Investments are reflected in the Plan financial statements at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Measuring fair value requires the use of market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, corroborated by market data, or generally unobservable. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Plan assets held in the Master Trust have been invested in CCT funds, which trade at net asset value (NAV) per share practical expedient of the fund. These funds are not categorized within the fair value hierarchy are invested in equity and fixed income securities. The following is a description of the valuation methodologies used for these assets.

CCT funds: Valued at the unit NAV of a CCT fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the CCT fund, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidation will be carried out in an orderly business manner. The trustee may also assess the Plan a redemption fee which will be deducted from the redemption proceeds and paid to the applicable fund.

The following tables set forth by level, within the fair value hierarchy, the Master Trust assets at fair value:

Assets at Fair Value as of December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments measured at net asset value as a practical expedient	\$ —	\$ —	\$ —	\$ 441,535,979
Total investments held in Master Trust	\$ —	\$ —	\$ —	\$ 441,535,979

Assets at Fair Value as of December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments measured at net asset value as a practical expedient	\$ —	\$ —	\$ —	\$ 605,499,171
Total investments held in Master Trust	\$ —	\$ —	\$ —	\$ 605,499,171

Fair Value of Investments that Calculate Net Asset Value

The following tables summarize investments measured at fair value based on NAV per share as of December 31, 2022 and 2021, respectively.

Investments at NAV:	December 31, 2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Common Collective Trust Funds:				
Short Term Investment Fund	\$ 669,995	N/A	Daily	1 Day
Active Long Corporate Fixed Income Fund	119,922,699	N/A	Daily	15 Days(A)
Active Intermediate Credit Fixed Income Fund	13,805,081	N/A	Daily	15 Days(A)
Core Passive Fixed Income Fund	-	N/A	Daily	15 Days(A)
Emerging Markets Equity Fund	25,497,842	N/A	Daily	15 Days(A)
Global Low Volatility Equity Fund	21,777,609	N/A	Daily	15 Days(A)
Intermediate US Gov't Bond Index Fixed Income Fund	6,854,642	N/A	Daily	15 Days(A)
Long STRIPS Fixed Income Fund	29,215,587	N/A	Daily	15 Days(A)
Non-US Core Equity Fund	42,686,250	N/A	Daily	15 Days(A)
Opportunistic Fixed Income Fund	21,331,969	N/A	Daily	15 Days(A)
Passive Long Gov't Fixed Income (fna Long Duration Passive Fixed Income Fund)	36,588,709	N/A	Daily	15 Days(A)
Ultra Long Duration Fixed Income Fund	13,605,222	N/A	Daily	15 Days(A)
			Calendar Quarter	
US Core Real Estate Fixed Income Fund	25,491,580	-	Ends	100 Days
US Large Cap Core Passive Equity Fund	26,862,190	N/A	Daily	15 Days(A)

US Large Cap Equity Fund	39,916,192	N/A	Daily	15 Days(A)
US Small/Mid-Cap Equity Fund	16,826,645	N/A	Daily	15 Days(A)
World Gov't Bond Ex-US Index Fund	483,767	N/A	Daily	15 Days(A)

Total investments at NAV \$ **441,535,979**

(A) - The fund does not have any redemption restrictions. This is the recommended investment advisor notification period as funds are redeemable daily.

December 31, 2021

Investments at NAV:

	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Common Collective Trust Funds:				
Short Term Investment Fund	\$ 870,400	N/A	Daily	1 Day
Active Long Corporate Fixed Income Fund	259,678,110	N/A	Daily	15 Days (A)
Active Intermediate Credit Fixed Income Fund	36,046,874	N/A	Daily	15 Days (A)
Core Passive Fixed Income Fund	21,663,001	N/A	Daily	15 Days (A)
Emerging Markets Equity Fund	35,844,418	N/A	Daily	15 Days (A)
Global Low Volatility Equity Fund	35,261,668	N/A	Daily	15 Days (A)
Intermediate US Gov't Bond Index Fixed Income Fund	8,592,602	N/A	Daily	15 Days (A)
Long STRIPS Fixed Income Fund	-	N/A	Daily	15 Days (A)
Non-US Core Equity Fund	54,306,614	N/A	Daily	15 Days (A)
Opportunistic Fixed Income Fund	-	N/A	Daily	15 Days (A)
Passive Long Gov't Fixed Income Fund (fna Long Duration Passive Fixed Income Fund)	23,855,016	N/A	Daily	15 Days (A)
Ultra Long Duration Fixed Income Fund	-	N/A	Daily	15 Days (A)
			Calendar Quarter	100 Days
US Core Real Estate Fixed Income Fund	-	-	Ends	Days
US Large Cap Core Passive Equity Fund	34,250,814	N/A	Daily	15 Days (A)
US Large Cap Equity Fund	50,792,584	N/A	Daily	15 Days (A)
US Small/Mid-Cap Equity Fund	22,723,977	N/A	Daily	15 Days (A)
World Gov't Bond Ex-US Index Fund	21,613,093	N/A	Daily	15 Days (A)

Total investments at NAV \$ **605,499,171**

(A) - The fund does not have any redemption restrictions. This is the recommended investment advisor notification period as funds are redeemable daily.

9. 401(H) ACCOUNT

A separate account is maintained for the net assets related to the retiree welfare benefit component (401(h)), which is used to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with the Code Section 401(h). Investments in the 401(h) account which are held in the Master Trust may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. The related obligations for welfare benefits are not included in the statements of net assets available for benefits or the statements of changes in net assets available for benefits. Plan participants do not contribute to the 401(h) account. During 2015, all assets in the 401(h) account were used to pay retiree welfare benefits. Employer contributions or qualified transfers to the 401(h) account are determined annually by the Plan actuary and are at the discretion of the Company.

There are no reconciling items in the reconciliation of net assets available for pension benefits or changes in net assets per the financial statements to the Form 5500 as a result of the funded status of the 401(h) account.

10. PARTY-IN-INTEREST TRANSACTIONS

Transactions that relate to funds managed by The Northern Trust Company and Mercer Investment Management are considered exempt party-in-interest transactions. Fees paid to parties-in-interest totaled \$849,043 and \$1,548,245 for 2022 and 2021, respectively, and are netted in investment income from the Plan's interest in the Master Trust (Note 8).

11. INFORMATION CERTIFIED BY THE TRUSTEE

In accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator has received certification from The Northern Trust Company, the Plan's trustee, as to the accuracy and completeness of the financial information of the Plan. The following information contained in the financial statements has been certified by the trustee:

- Investment balances
- Investment purchases and sales
- Dividend and interest income
- Net realized and unrealized gain (loss) on investments.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except to compare such information to related information in the financial statements.

12. RECONCILIATION TO FORM 5500

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500:

	YEAR ENDED DECEMBER 31, 2022		
	<u>Amounts Per Financial Statements</u>	<u>Adjustments</u>	<u>Amounts per Form 5500</u>
Statement of Changes in Net Assets Available for Benefits:			
Non-participating single premium buy-out group annuity separate account contract	639,600	(639,600)	-
Reversal of accrued annuity premium true-up refund for the group annuity separate account contract	(639,600)	639,600	-

* * * * *

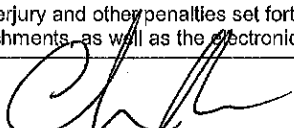
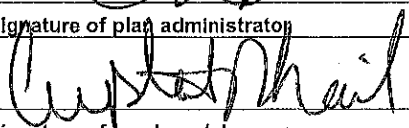
Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I Annual Report Identification Information				
For calendar plan year 2022 or fiscal plan year beginning		01/01/2022	and ending	12/31/2022
A This return/report is for:	<input type="checkbox"/> a multiemployer plan	<input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)		<input type="checkbox"/> a DFE (specify) _____
	<input checked="" type="checkbox"/> a single-employer plan			
B This return/report is:	<input type="checkbox"/> the first return/report	<input type="checkbox"/> the final return/report		
	<input type="checkbox"/> an amended return/report	<input type="checkbox"/> a short plan year return/report (less than 12 months)		
C If the plan is a collectively-bargained plan, check here:				<input checked="" type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558	<input type="checkbox"/> automatic extension	<input type="checkbox"/> the DFVC program	
	<input type="checkbox"/> special extension (enter description)			
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here:	<input type="checkbox"/>			

Part II Basic Plan Information—enter all requested information			
1a Name of plan NorthWestern Energy Pension Plan	1b Three-digit plan number (PN) ▶	101	
	1c Effective date of plan	06/01/1948	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NorthWestern Corporation NorthWestern Energy 11 East Park Street Butte MT 59701-1711	2b Employer Identification Number (EIN)	46-0172280	
	2c Plan Sponsor's telephone number (605) 978-2826		
	2d Business code (see instructions)	221100	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		10/6/23	Christopher Forbeck
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/6/2023	Crystal Lail
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Employee Benefits Administration Committee Christopher Forbeck 3010 West 69th Street Sioux Falls SD 57108	3b Administrator's EIN 46-0172280 3c Administrator's telephone number (605) 978-2826
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1,341
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2), 6b, and 6c..... e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e..... g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 451 6a(2) 391 6b 637 6c 256 6d 1,284 6e 43 6f 1,327 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 1E 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information - Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan NORTHWESTERN ENERGY PENSION PLAN		B Three-digit plan number (PN) ▶	101
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NORTHWESTERN CORPORATION		D Employer Identification Number (EIN) 46-0172280	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2022</u>			
2 Assets:			
a Market value	2a	544,479,128	
b Actuarial value	2b	516,621,137	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	611	249,683,304	249,683,304
b For terminated vested participants	305	54,290,429	54,290,429
c For active participants	451	155,588,309	157,617,953
d Total	1,367	459,562,042	461,591,686
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.44%	
6 Target normal cost			
a Present value of current plan year accruals	6a	4,691,838	
b Expected plan-related expenses	6b	1,000,000	
c Total (line 6a + line 6b)	6c	5,691,838	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>DAREN L ANDERSON</u> Signature of actuary	<u>9/12/2023</u> Date
DAREN L. ANDERSON	Type or print name of actuary	2306530 Most recent enrollment number
MERCER	Firm name	612-642-8896 Telephone number (including area code)
333 SOUTH 7TH STREET, SUITE 1400	Address of the firm	
MINNEAPOLIS MN 55402-2427	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2022
v. 220413

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment: 4.75 %	2nd segment: 5.18 %	3rd segment: 5.92 %	<input type="checkbox"/> N/A, full yield curve used
------------------------	------------------------	------------------------	---

b Applicable month (enter code) **21b** 4

22 Weighted average retirement age **22** 62

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c) **31a** 5,691,838

b Excess assets, if applicable, but not greater than line 31a **31b** 5,691,838

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).... **34** 0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35) **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 6,425,204

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36) **38a** 6,425,204

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances..... **38b**

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0

40 Unpaid minimum required contributions for all years **40** 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

Schedule SB, line 26a — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34				1							1
35–39				12	12						24
40–44				24	27	9					60
45–49				11	16	13	7	1			48
50–54				11	9	23	18	9			70
55–59		1	1	8	11	12	16	34	21	4	108
60–64			1	9	8	11	5	19	28	34	115
65–69				1	1	3	1	2	5	11	24
70 & up									1		1
Total		1	2	77	84	71	47	65	55	49	451

In each cell, the number is the count of active participants for each age/service combination. Average pay and average count is not shown for plans with less than 1,000 active participants.

Schedule SB, Part V — Summary of Plan Provisions

Summary of major plan provisions

Effective date and plan year	Original plan: June 1, 1948 Restated plan: January 1, 2016 Plan year: Calendar year
Status of the plan	The plan has ongoing benefit accruals except for current participants who elected to participate in the Benefit Restructuring Program. The plan is frozen to new entrants if hired or rehired on or after October 3, 2008. Employees of PPL Montana, LLC (PPL) who accepted an offer of employment with NorthWestern Corporation under the terms of the September 26, 2013 Purchase and Sale Agreement and participated in a defined benefit plan sponsored by PPL as of the closing date (November 18, 2014) became a participant on the closing date.
Significant events that occurred during the year	None
Definitions	
• Eligibility	Completion of 90 days of service. With the exception of the PPL group, the plan is frozen to new entrants effective December 31, 2008.
• Vesting service	One year for each 1,000-hour calendar year. For PPL participants, vesting service includes service recognized by PPL prior to the closing date.
• Pension service	Years and months of employment with the company (plus any prior employment with Entech, Inc.).
• Pensionable earnings	Base pay, straight time, overtime, plus commissions, limited to the IRC 401(a)(17) compensation limit.
• Average compensation	The average of the highest three consecutive calendar years of eligible earnings during the ten-year period ending on the earlier of the participant's termination or retirement date.
• Covered compensation	The average of the Social Security Wage Base for the thirty-five year period ending when the Participant attains Social Security Retirement Age.
• Grandfathered participant	An active participant on the date of cash balance plan adoption that is within five years of eligibility to retire under the Final Average Pay plan. The cash balance plan was adopted on various dates depending on the union; the adoptions took place between 1998 and 1999.

Schedule SB, Part V — Summary of Plan Provisions

Definitions

<ul style="list-style-type: none"> Grandfathered benefit 	<p>A grandfathered participant’s benefit shall not be less than the benefit he would have received had the plan been in effect on the day before the cash balance plan adoption remained in effect for five more years.</p>																																	
<ul style="list-style-type: none"> Cash balance account 	<p>The sum of the Opening balance, Annual allocation and allocated Interest Credits.</p>																																	
<ul style="list-style-type: none"> Opening cash balance account 	<p>On the date of cash balance plan adoption, the initial account balance was determined for each participant eligible for the cash balance plan, assuming the cash balance plan had been in effect since the participant’s date of hire based on estimated past salary schedule.</p>																																	
<ul style="list-style-type: none"> Annual cash balance allocation 	<p>The Participant’s eligible earnings times a percentage from the following table for the first 35 years of vesting service:</p> <table border="1" data-bbox="570 730 1409 1346"> <thead> <tr> <th data-bbox="570 835 813 907">Allocation Points (Age plus Service)</th> <th data-bbox="841 730 1068 835">Basic Contribution Percentage (On all Eligible Earnings)</th> <th data-bbox="1101 730 1393 907">Excess Contribution Percentage (On Eligible Earnings Over ½ of Social Security Wage Base)</th> </tr> </thead> <tbody> <tr> <td data-bbox="570 913 813 951">Under 32</td> <td data-bbox="841 913 1068 951">3.0%</td> <td data-bbox="1101 913 1393 951">1.5%</td> </tr> <tr> <td data-bbox="570 957 813 995">32-39</td> <td data-bbox="841 957 1068 995">4.0%</td> <td data-bbox="1101 957 1393 995">2.0%</td> </tr> <tr> <td data-bbox="570 1001 813 1039">40-44</td> <td data-bbox="841 1001 1068 1039">5.0%</td> <td data-bbox="1101 1001 1393 1039">2.5%</td> </tr> <tr> <td data-bbox="570 1045 813 1083">45-49</td> <td data-bbox="841 1045 1068 1083">6.0%</td> <td data-bbox="1101 1045 1393 1083">3.0%</td> </tr> <tr> <td data-bbox="570 1089 813 1127">50-54</td> <td data-bbox="841 1089 1068 1127">7.0%</td> <td data-bbox="1101 1089 1393 1127">3.5%</td> </tr> <tr> <td data-bbox="570 1134 813 1171">55-59</td> <td data-bbox="841 1134 1068 1171">8.0%</td> <td data-bbox="1101 1134 1393 1171">4.0%</td> </tr> <tr> <td data-bbox="570 1178 813 1215">60-64</td> <td data-bbox="841 1178 1068 1215">9.0%</td> <td data-bbox="1101 1178 1393 1215">4.5%</td> </tr> <tr> <td data-bbox="570 1222 813 1260">65-69</td> <td data-bbox="841 1222 1068 1260">10.0%</td> <td data-bbox="1101 1222 1393 1260">5.0%</td> </tr> <tr> <td data-bbox="570 1266 813 1304">70-74</td> <td data-bbox="841 1266 1068 1304">11.0%</td> <td data-bbox="1101 1266 1393 1304">5.5%</td> </tr> <tr> <td data-bbox="570 1310 813 1348">75+</td> <td data-bbox="841 1310 1068 1348">12.0%</td> <td data-bbox="1101 1310 1393 1348">6.0%</td> </tr> </tbody> </table> <p data-bbox="570 1354 1414 1417">A 5% allocation is credited if participant has 35 or more years of vesting service.</p> <p data-bbox="570 1423 1349 1493">Beginning January 1, 2001, IBEW, UA and Kal Fitters participants negotiated for an additional 2% basic contribution for future years.</p> <p data-bbox="570 1499 1463 1568">For Participants electing to participate in the Benefit Restructuring Program, there are no annual allocations after 2008.</p> <p data-bbox="570 1575 1471 1709">For bargained PPL participants, the above table applies for the first 40 years of vesting service with no allocation after the participant has been credited with 40 years of vesting service. The additional 2% basic contribution will apply.</p>	Allocation Points (Age plus Service)	Basic Contribution Percentage (On all Eligible Earnings)	Excess Contribution Percentage (On Eligible Earnings Over ½ of Social Security Wage Base)	Under 32	3.0%	1.5%	32-39	4.0%	2.0%	40-44	5.0%	2.5%	45-49	6.0%	3.0%	50-54	7.0%	3.5%	55-59	8.0%	4.0%	60-64	9.0%	4.5%	65-69	10.0%	5.0%	70-74	11.0%	5.5%	75+	12.0%	6.0%
Allocation Points (Age plus Service)	Basic Contribution Percentage (On all Eligible Earnings)	Excess Contribution Percentage (On Eligible Earnings Over ½ of Social Security Wage Base)																																
Under 32	3.0%	1.5%																																
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55-59	8.0%	4.0%																																
60-64	9.0%	4.5%																																
65-69	10.0%	5.0%																																
70-74	11.0%	5.5%																																
75+	12.0%	6.0%																																
<ul style="list-style-type: none"> Interest credits 	<p>A participant’s account will be increased with interest until his benefit commencement date at the rate of 6% per year, compounded annually, based on the account balance at the beginning of the year.</p>																																	
<ul style="list-style-type: none"> Conversion of cash balance account to life annuity 	<p>A participant’s accrued benefit payable in a life annuity at benefit commencement date is equal to his account balance accumulated to his benefit commencement date, divided by a life annuity factor based on his</p>																																	

Schedule SB, Part V — Summary of Plan Provisions

	age (in years and completed months), at 6% interest and the 1983 GAM Unisex Mortality Table.
• Gratuitous supplemental cost-of-living increase	Effective July 1, 2000, cumulative cost-of-living increases for retirees who were age 67 or older on July 1, 1996 were included in the plan. These benefits were previously provided outside the plan. An additional 2% increase was granted as of July 1, 2001.
• Normal Retirement Date	The first day of the month coincident with or first following the attainment of age 65.
• Monthly pension benefit	<p>Basic formula for Cash Balance plan: Monthly benefit equal to the accumulated value of the participant's cash balance account divided by a straight life annuity factor based on attained age, a 6% interest rate, and the 1983 GAM Unisex Mortality Table.</p> <p>Basic formula for Final Average Pay plan (there are no active participants accruing benefits under this formula): 0.95% of average earnings not in excess of covered compensation, plus 1.50% of average earnings in excess of covered compensation, multiplied by the number of years of pension service up to a maximum of 35 years. Monthly benefit: the greater of</p> <p>The basic formula, based on pension service and average earnings through December 31, 1993 with pensionable pay for plan years 1989 through 1993 limited to \$200,000 (indexed), plus</p> <p>The basic formula, based on pension service after 1993 (limited to 35 years less pre-1994 pension service), with pensionable pay limited to \$150,000 (indexed) each year; or</p> <p>The basic formula based on all years of pension service, with pensionable pay limited to \$150,000 (indexed) each year.</p>

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement											
• Eligibility	Eligible at Normal Retirement Date.										
• Benefit	Monthly pension benefit determined as of Normal Retirement Date.										
Early retirement											
• Eligibility	Retirement before Normal Retirement Date and on or after both attaining age 50 and completing five years of vesting service.										
• Benefit	<p>Cash Balance plan: Monthly pension benefit determined as of early retirement date.</p> <p>Final Average Pay plan: Monthly pension benefit determined as of early retirement date, reduced 1.50% for each whole number the sum of age and credited service is less than 95. Sample reductions are below:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Age plus credited service total at least</th> <th style="text-align: center;">Reduction Factor</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">80</td> <td style="text-align: center;">22.5%</td> </tr> <tr> <td style="text-align: center;">85</td> <td style="text-align: center;">15.0%</td> </tr> <tr> <td style="text-align: center;">90</td> <td style="text-align: center;">7.5%</td> </tr> <tr> <td style="text-align: center;">95</td> <td style="text-align: center;">0.0%</td> </tr> </tbody> </table> <p>For participants prior to January 1, 1993, the following reduction schedule applies, if it provides a greater benefit: Reduced by 1/4% for each month after age 62 and prior to normal retirement age, and 5/9% for each month prior to age 62. For a member who has reached his 60th birthday with at least 30 years of credited service, there is no reduction between age 62 and age 65.</p>	Age plus credited service total at least	Reduction Factor	80	22.5%	85	15.0%	90	7.5%	95	0.0%
Age plus credited service total at least	Reduction Factor										
80	22.5%										
85	15.0%										
90	7.5%										
95	0.0%										
Late retirement											
• Eligibility	Retirement after Normal Retirement Date.										
• Benefit	Monthly pension benefit determined as of actual retirement date.										
Deferred vested											
• Eligibility	Termination of employment for reasons other than death or retirement after completion of three or more years of credited service.										
• Benefit	<p>Cash Balance plan: Cash balance account accumulated with interest and converted to a monthly benefit as early as age 50.</p> <p>Final Average Pay plan: Participants whose age plus credited service total at least 80 points may elect a benefit reduced according to the 80-point table above at any time after age 55. If a pre-1993 participant has completed 15 years of credited service, he may elect an actuarially reduced benefit payable at any time after age 55.</p>										
Disability											

Schedule SB, Part V — Summary of Plan Provisions

• Eligibility	Receiving Long Term Disability benefits from the Company. Continues to accrue plan benefits.
• Benefit	Average earnings are frozen at the disability date and pension service continues to accrue until actual retirement or other termination. Account balance continues to accumulate with contributions and interest credits based on earnings prior to becoming disabled.
Pre-retirement death	
• Eligibility	Death while eligible for normal, early, postponed or deferred vested retirement benefits, with a surviving spouse or a non-spouse beneficiary.
• Benefit	<p>Cash Balance plan: 100% of the account balance at the time of the participant’s death, payable immediately as a lump sum. At the election of the spouse, the benefit may be paid as a life annuity.</p> <p>Final Average Pay plan: 50% of the monthly pension benefit as of the date of death, reduced for the 50% Joint and Survivor election and reduced for payment as early as the participant’s 55th birthday.</p>
• Benefit for non-spouse beneficiaries	<p>Cash Balance plan: 100% of the account balance at the time of the participant’s death, payable immediately as a lump sum.</p> <p>Final Average Pay plan: No benefit payable.</p>
2015 Lump sum window	
• Eligibility	Participants with deferred benefits who terminated on or before April 30, 2015; beneficiaries entitled to a survivor benefit as the result of the death a participant who died on or before April 30, 2015; and alternate payees of a plan participant who terminated on or before April 30, 2015.
• Benefit	Eligible participants who elect during the window period of July 17, 2015 to August 31, 2015 may elect to receive effective September 1, 2015 a one-time lump sum payment of their entire benefit under the plan. In lieu of the lump sum payment, participants may elect to receive a monthly benefit payable effective September 1, 2015.
Form of benefits	
• Automatic form for unmarried participants	Straight Life Annuity
• Automatic form for married participants	Joint and 50% Survivor Annuity Option with subsidized Pop-Up
• Optional forms	(A) Joint and Survivor Annuity Option with Pop-Up Feature with a continuation of 50%, 75% or 100% (B) Straight Life Annuity Option (C) Single Sum Option (only available to a beneficiary of a deceased participant) (D) Cash Refund Option in combination with the Joint and Survivor and Straight Life Annuities.

Schedule SB, Part V — Summary of Plan Provisions

Optional form conversion factors	
• Mortality table	1983 GAM unisex mortality
• Interest rate basis	6.00%
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2022, the limit is \$305,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2022, the limit is \$245,000.

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as amended and restated effective January 1, 2016, are included in this **valuation**:

- **Most recent plan amendments included:** None
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation does not include the actuarial increases as there are currently no participants over age 70½.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* Amendments adopted after the beginning of the plan year and amendments adopted by the beginning of the plan year but effective after the end of the plan year are excluded.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan provision changes since prior valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2021 to 2022.

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
50	3.0%	10,000	300.00	15,000
51	3.0%	9,700	291.00	14,841
52	1.0%	9,409	94.09	4,893
53	1.0%	9,315	93.15	4,937
54	1.0%	9,222	92.22	4,980
55	1.0%	9,130	91.30	5,021
56	1.0%	9,038	90.38	5,061
57	1.0%	8,948	89.48	5,100
58	3.0%	8,858	265.75	15,414
59	3.0%	8,593	257.78	15,209
60	15.0%	8,335	1,250.23	75,014
61	10.0%	7,085	708.46	43,216
62	20.0%	6,376	1,275.23	79,064
63	20.0%	5,101	1,020.19	64,272
64	25.0%	4,081	1,020.25	65,292
65	45.0%	3,061	1,377.25	89,521
66	60.0%	1,683	1,009.98	66,659
67	50.0%	673	336.66	22,556
68	30.0%	337	101.00	6,868
69	30.0%	236	70.70	4,878
70	100.0%	165	164.96	11,547
Total			10,000.00	619,344
Average				61.93