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Subject : HB 597

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HB 597
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Dear Speaker Hertz,

As a follow up to our conversation last Friday, I want to emphasize several points. The acquisition of the Colstrip Transmission System and 150 additional megawatts ownership at Unit 4 are critical to Montana and to NorthWestern's customers:

- The Colstrip Transmission System is core to Montana's energy backbone, serving our retail customers, industrial customers who purchase power at market, and enabling export of current and future Montana resources to western power markets.
- We have the opportunity to achieve 50% ownership at Unit 4 for \$1. For the first time since supply deregulation, one of the Colstrip units will be under Montana regulatory control.
- Power would be priced to customers at the regulated price, meaning NorthWestern will not earn any profit on the additional \$1 investment, and would only have the opportunity to earn a profit on future required capital investments.
- Working together, we can achieve carbon neutrality. We have developed an approach that is responsive to the Governor's views, is reasonable and workable and should be acceptable. It contains an intermediate mandate to be 75% carbon neutral by nameplate by 2030 and 100% net carbon neutral by 2045.

I deeply appreciate the hard work that has been done on this subject. I am hopeful that we can reach responsible outcomes that allow Montanans to move forward together. Please work with your colleagues to move this important concept forward through HB 597. I appreciate your time and effort. Please call if you have additional comments or questions.

Sincere thanks,

Bob Rowe

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