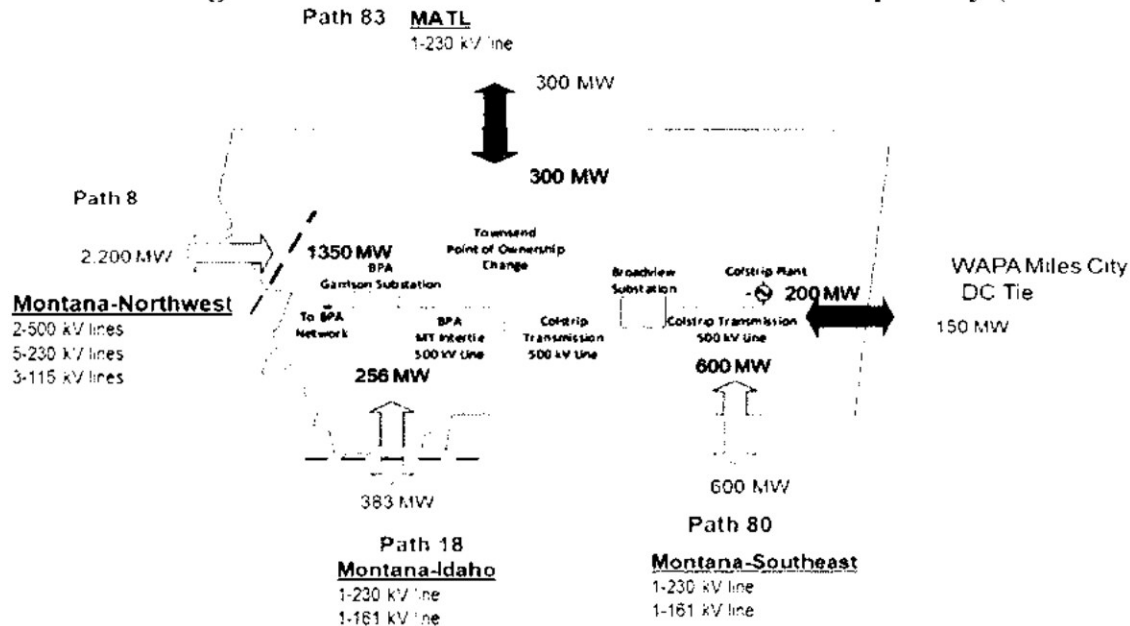




**Figure 1: WECC Paths and Total Transfer Capability (TTC in MW)**



As can be seen, the largest single path to the Pacific Northwest and other Western Interconnection markets is Path 8, which consists of the interconnections with BPA and Avista. As the figure indicates, Path 8 is made up of multiple lines and has a significantly higher TTC than the other paths.

However, there is very little Available Transmission Capacity ("ATC"), which is the difference between the TTC and the amount of capacity already reserved by existing transmission commitments, that could be used to import additional electricity to NorthWestern's system via Path 8 for the foreseeable future. In short, Path 8 is a significant and convenient interstate transmission path, but its capacity has already largely been reserved.

Path 80, located in the southeastern portion of Montana, theoretically has more ATC. However, it is a very complex path that experiences significant congestion and curtailments due to reliability issues. Path 80 is greatly impacted by what is going on in other transmission owners' transmission systems outside of Montana. Path 80 is affected by loads and generation in Wyoming, Colorado, and Utah as well as other potential impacts. Moreover, Path 80 is far from the Pacific Northwest market, causing greater potential congestion if it is used to import power from that area. As one example of the problems with Path 80, during the significant cold weather of February 2021, there were curtailments of transmission on Path 80 at the worst possible time. Path 80 very commonly has non-firm transmission curtailed (and sometimes even firm transmission) as a result of congestion on the transmission system in Wyoming and further south. This