18. As a regulated utility, NorthWestern can only charge electricity rates to customers approved by the MPSC, after the completion of statutory and administrative processes. Mont. Code Ann. § 69-3-101; *see also id.* § 69-3-302; Admin. R. Mont. 38.5.101, *et seq.* The MPSC supervises, regulates, and controls public utilities, including NorthWestern. Mont. Code Ann § 69-3-102.

19. The processing of a proposal to increase electricity rates is referred to as a "rate case" or "rate review." Under general utility regulation law and ratemaking principles, any utility capital investment or facility must be used and useful to the rate paying public before a regulatory commission may permit a utility to recover costs through customer rates for the investment. Further, any cost or investment must be determined by the regulatory authority to be prudently incurred before cost recovery is authorized. With some limited exceptions for common recurring costs, such as supply costs or property tax adjustments, NorthWestern must apply to the MPSC in a formal rate review to recover any costs already incurred. NorthWestern often experiences what is known as "regulatory lag," where the company cannot timely recover costs for important investments made which serve customers and help provide safe, reliable, and affordable energy. This delay happens between rate cases, which are expensive and extremely resource consumptive to undertake. In recent years, NorthWestern has experienced harm from regulatory lag and has argued and demonstrated to the MPSC that the company's creditworthiness is impacted by delays in cost recovery.

20. NorthWestern began scoping its last rate case in 2021 and filed the case in in August 2022, based on investments made up through 2021. *See* MPSC Docket No. 2022.07.078 ("2022 Rate Case"). There were more than 600 docket entries in the administrative record over the course of the 2022 Rate Case, including thousands of discovery requests, a deposition, a six-