

the electricity needed to serve customers. These purchases were and continue to be from a market that reflects growing risk to customers and that has increasingly volatile pricing and potential supply shortages. These purchases also rely upon adequate transmission to move the electricity from the place of purchase to NorthWestern's transmission and distribution systems. Availability of such transmission presents yet another risk to greater reliance on market purchases.

35. Since 2002, NorthWestern has acquired various types of electricity supply resources, including its interests in Colstrip. Notably, in 2014 NorthWestern purchased a portfolio of hydroelectric facilities in Montana. NorthWestern has also made significant investments in wind power. NorthWestern has more wind owned and under contract than its existing share of generation from Colstrip and the share it is contracted to acquire from Avista. NorthWestern currently owns approximately 882 MW of generation capacity, has under construction or agreements in process for another 392 MW, and has long-term contracts for another 764 MW.

36. NorthWestern's current generation portfolio is a diverse and balanced mix of resources necessary to be reliable, the majority of which are renewable. The portfolio includes 497-MW of hydroelectric maximum delivered capacity, 455-MW of maximum delivered wind capacity, 222-MW of coal capacity at Colstrip, 202-MW of natural gas capacity, 92.5-MW of waste coal capacity (which under PURPA we are required to purchase), and 177-MW of solar capacity. The Company also has market capacity contracts for 410 MWs which have significant price or market exposure. In summary, NorthWestern's current portfolio has 202 MW of natural gas capacity, 315 MW of coal and waste coal based capacity, and 1,128 MW of renewable fueled