day-long evidentiary hearing, motions for summary judgment, an on-site audit, motions for reconsideration after the MPSC's decision, and additional proceedings. The Commission issued its order on reconsideration in the 2022 Rate Case in early 2024.

21. At the conclusion of the 2022 Rate Case, the MPSC approved a 28% increase in residential electricity rates. NorthWestern is relatively small utility, with a Montana electric customer base of approximately 400,000. Tens of millions of dollars in new capital and operating costs has a material effect on Montana electricity rates. A substantial annualized increase in compliance costs attributed to the MATS2 Rule would be presented to the MPSC to be added to rates. Importantly, to the extent that NorthWestern needs to purchase additional electricity from other Colstrip owners during periods of high demand, the MATS2 Rule costs would be reflected in their market rates as well.

22. Even assuming NorthWestern would close Colstrip by December 31, 2031 to avoid the exorbitant costs associated with the GHG Rule, NorthWestern is facing other substantial electricity-related costs through 2031. These include continued investments in much-needed transmission to accommodate increased renewable generation, wildfire mitigation initiatives, and rate recovery for other ongoing capital and operational projects. During this period, it is reasonably foreseeable that other rate increases will be needed to cover other electricity-related costs. In that context, MATS2 Rule implementation costs would be punitive to ratepayers, especially those of lesser means.

23. Conversely, if the MPSC denies rate recovery for MATS2 Rule compliance costs, $120· million in non-recoverable costs, with the capital component incurred over the next four years, would have a material impact on NorthWestern's financial viability.