Kerr Hydroelectric Project Operation Update for Flathead Lake

Butte, Mont. – March 12, 2015 – Representatives from NorthWestern Energy, U.S. Army Corps of Engineers (Corps), and Energy Keepers, Inc., Bureau of Reclamation, Bureau of Indian Affairs, and Bonneville Power Administration conferred on March 12, regarding current and projected operation of the Kerr Project. The current outflow is about 11,800 cubic feet per second (cfs) and the lake elevation, as of March 12, is 2884.67 feet, which is 8.33 feet from full elevation of 2893.0 feet.

The project is being operated taking into account the previous month’s and the current stream flows. The natural stream flows for February averaged about 327 percent of normal while the stream flow for the month of March to date has averaged 129 percent of normal. Snowpack is currently 92% of median which is a decrease of 16 percent from last month. NorthWestern is releasing as much water as possible from the dam with the channel restriction between the natural outlet of the lake and the forebay of the dam.

Based on current information, the lake will be drafted to an elevation of about 2884.25 feet by the end of the March. However, the operation of the project, and in particular, decisions with respect to lake levels, are subject to constant monitoring, re-evaluation and change as weather patterns themselves may rapidly change. Weather conditions will be monitored throughout March and appropriate operational changes will be made, if necessary.

In March 2002, PPL Montana filed a drought management plan (DMP) with the Secretary of the U.S. Department of Interior for approval. The department is currently conducting an environmental review of the proposed DMP and considering alternatives. A final DMP has not been issued. In the interim, the operation will continue to be evaluated and adjusted, as appropriate, in consultation with the parties involved and with consideration of the PPL Montana draft DMP criteria. If conditions dictate, an ad hoc consultation with the parties involved will occur prior to the next monthly call.

On September 26, 2013, PPL Montana agreed to sell its hydroelectric facilities in Montana to NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”). The transaction closed on November 18, 2014, including the transfer of PPL Montana’s interest in the FERC Project license for Kerr Dam to NorthWestern. NorthWestern is now responsible for Flathead Lake levels.