

EXHIBIT RH-1

Stipulation and Settlement Agreement
Between LIUNA Local 1686 and Joint Applicants

*Montana Public Service Commission
Docket No. 2025.10.078*

**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

IN THE MATTER OF the Joint Application of)	REGULATORY DIVISION
NorthWestern Corporation, Black Hills)	
Corporation, and NorthWestern Energy Group,)	DOCKET NO. 2025.10.078
Inc., for Approval of Merger)	
)	

**STIPULATION AND SETTLEMENT AGREEMENT OF
NORTHWESTERN CORPORATION, BLACK HILLS CORPORATION,
NORTHWESTERN ENERGY GROUP, INC, AND
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCAL 1686**

NorthWestern Corporation d/b/a NorthWestern Energy ("NorthWestern"), NorthWestern Energy Group, Inc. ("NorthWestern Group"), Black Hills Corporation ("Black Hills" and collectively with NorthWestern and NorthWestern Group, "Joint Applicants"), and Laborers' International Union of North America, Local 1686 ("LIUNA") (collectively referred to with Joint Applicants as "Settling Parties"), by and through their undersigned representatives, hereby submit to the Montana Public Service Commission ("Commission") this Stipulation and Settlement Agreement ("Stipulation"), and agree and stipulate as follows:

1. On October 20, 2025, Joint Applicants filed a Joint Application for Approval of Merger ("Joint Application") in Docket No. 2025.10.078. In the Joint Application, Joint Applicants requested that the Commission approve the merger between NorthWestern Group, Black Hills, and River Merger Sub, Inc.¹
2. LIUNA intervened in this docket and filed testimony to advocate for procurement practices for contracted labor post-merger that would facilitate continued safety, reliability, and local workforce stability in Montana.
3. For settlement purposes, the Settling Parties have reached a fair, equitable, and comprehensive resolution of their respective issues. The Settling Parties agree to support and defend this Stipulation and further jointly and separately request that the Commission approve the Merger identified in the Joint Application filed in this proceeding by Joint Applicants consistent with the terms of this Stipulation.
4. The Settling Parties therefore agree as follows:
 - A. The Joint Applicants agree that NorthWestern will continue its prudent contracting practices that include, to the extent known, maintaining union contractors that are signatories to LIUNA collective bargaining agreements on

¹ River Merger Sub, Inc. is a holding company created by Black Hills that will become NorthWestern Group after the closing.

its respective bid lists and invitations to bid for pipeline construction, repair, maintenance, and related infrastructure work in Montana. The Joint Applicants agree that employment of union members will not disqualify contractors from bidding on or being awarded contracts.

- B. Joint Applicants further commit to NorthWestern's continued prudent investment in safety and growth projects and capital investment in compliance with the applicable federal regulations and Commission rules.
- C. To the extent that NorthWestern contracts for outside services, and to the extent permitted by laws or regulations of Montana, Joint Applicants further commit to the following considerations as part of NorthWestern's third-party pipeline safety, third-party pipeline project, and new power generation project contract bid evaluation processes.
 - 1. **Operator Qualification and Training.** Contractors selected by NorthWestern in Montana that are awarded a service agreement to perform a pipeline project shall maintain an operator qualification program consistent with applicable federal pipeline safety regulations and/or NorthWestern's existing OQ requirements. NorthWestern will require the contracted vendor, as part of a contract award, to inform and to certify to NorthWestern as to the qualifications of the contractor's personnel dispatched to perform covered work.
 - 2. **Prudent Contracting.** NorthWestern will follow its existing practices of comprehensive bid evaluation, in which price is one factor among several, including safety record, workforce qualifications, training program participation, and demonstrated performance on comparable work. This commitment reflects and maintains NorthWestern's current approach and ensures it is maintained post-merger as procurement functions, even as the procurement processes are integrated.
 - 3. **Local Hire and Reporting Certification.** NorthWestern will implement a local hiring contracting preference in their contract labor procurement processes which recognizes and assigns a value or benefit to bidders that employ a higher percentage of Montana residents. NorthWestern will retain discretion about how to implement the preference, as part of an overall evaluation or selection criteria. The preference will not be imposed as a mandatory hiring requirement, minimum condition of contracting or a quota. NorthWestern will request contractors to provide an annual report of the percentage of Montana residents employed on NorthWestern projects.
 - 4. **Contractor Certification of Workforce Standards.** For natural gas project contracts larger than \$2.5 million, and new power generation projects over \$50 million, NorthWestern shall require, as a condition of

contract award, that contractors certify that their employees and subcontractors performing covered work are compensated at levels consistent with applicable market conditions for comparable utility construction work in the community in which the work is being performed.

- a. For purposes of this provision, “consistent with applicable market conditions” shall mean compensation levels that are consistent with at least one of the following:
 - i. collectively bargained rates for similar work;
 - ii. publicly available industry compensation data; or
 - iii. compensation practices of contractors performing comparable utility construction work in the community.

5. **Maintain Current Large Project Contracting Practice.** For all natural gas projects in Montana with contracts larger than \$25 million, NorthWestern shall continue its current practice of engaging with the Pipe Line Contractors Association (PLCA) to seek project specific wage and benefits rates in exchange for contracting only with PLCA contractors. This provision does not obligate NorthWestern to accept any particular rate offered by PLCA, but only to seek mutually agreeable project rates before putting projects out for bid.
6. **Workforce Training and Apprenticeship Standard.** In evaluating contractor bids, NorthWestern shall give positive consideration to bidders that use an apprenticeship program or demonstrate equivalent workforce training and development.
7. **Reasonable Reliance, Reporting, and Sunset.**
 - a. NorthWestern may rely in good faith on contractor annual reports and certifications required under Sections 3 and 4, absent actual knowledge of material non-compliance and shall not be required to independently audit contractor records or otherwise assume responsibility for direct enforcement of contractor practices under Sections 3 and 4 herein.
 - b. NorthWestern shall maintain the reporting and certification records received from contractors pursuant to Sections 3 and 4. LIUNA’s Montana representatives may request copies of the reports from NorthWestern, subject to applicable confidentiality conditions. In addition, LIUNA’s Montana representatives may, annually, request a meeting with the merged entity to discuss the contractor reporting.

- c. The requirements set forth in sections 3, 4, 5, and 6 shall terminate on December 31, 2030.
8. Black Hills' Montana utility, Black Hills Power, does not engage in natural gas distribution activities in Montana and currently only operates a pipeline that traverses into Montana and spans approximately nine miles. For these reasons, Black Hills Power does not currently utilize outside contractors for natural gas pipeline construction, repair, maintenance, or gas pipeline related infrastructure work in Montana. To the extent that Black Hills Power begins using third-party contractors on future natural gas pipeline projects in Montana, it will be subject to the same conditions and/or requirements noted as applicable to NorthWestern herein, except for section 5, which shall not apply to Black Hills.
5. The Settling Parties agree, without objection, to the admission into the evidentiary record of their respective witnesses' pre-filed testimonies and exhibits to support the reasonableness of the Stipulation and shall refrain from cross-examining the witnesses of the other party. As required by Procedural Order 8043, ¶ 4, the Settling Parties are filing supporting testimony with the Commission, simultaneously with the filing of this Stipulation.
6. The Settling Parties present this Stipulation as a reasonable settlement of their contested issues in this docket. No Settling Parties' positions in this docket are accepted by the other Settling Parties by virtue of their entry into this Stipulation, nor does it indicate their acceptance, agreement, or concession as to the validity of any particular theory or legal principle embodied, or arguably embodied, in this Stipulation. Furthermore, no Settling Parties hereafter shall be deemed to be bound by any asserted position, and no finding of fact or conclusion of law, other than those agreed to herein, shall be deemed to be implicit in this Stipulation.
7. The following actions shall not be taken by Settling Parties, except as otherwise allowed by law or this Stipulation: (a) seek rehearing of a Commission Final Order that approves the Stipulation without condition or modification; (b) appealing a Commission Final Order approving the Stipulation without condition or modification; (c) seeking to set aside the Stipulation in whole or in part; (d) challenging this Stipulation's applicability to any of the Settling Parties once it has become effective; or (e) advancing any claim or right contrary to the express terms and conditions of the Stipulation.
8. This Stipulation shall not become effective and binding upon the Settling Parties and shall be of no force and effect unless and until accepted and approved by the Commission as to all of the terms and conditions contained herein without modification. If the Commission declines to approve this Stipulation as agreed to herein by the Settling Parties, or if the Commission adds or removes any terms or conditions not agreeable to the Settling Parties, either party shall, at its sole option, have the right to withdraw from this Stipulation with all of its rights reserved. The Stipulation and all its parts shall then be void, and the Settling Parties shall not be bound by any provision of it, and it shall

have no force or effect whatsoever. In such event, the existence or terms of this Stipulation shall not be admissible in any proceeding before the Commission or any court for any purpose.

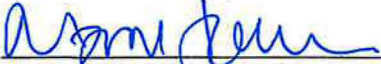
9. The Settling Parties hereby acknowledge that this Stipulation is the result of a voluntary, negotiated settlement between them pursuant to Admin. R. Mont. 38.2.3001 and agree that this Stipulation, inclusive of the compromises and settlements contained herein, is in the public interest.
10. This Stipulation may be executed electronically and in one or more counterparts and each counterpart shall have the same force and effect as an original document, fully executed by the parties. Any signature page of this Stipulation may be detached from any counterpart of this Stipulation without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Stipulation identical in form hereto but having attached to it one or more signature page(s).

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IN WITNESS WHEREOF, the Settling Parties hereto below have executed this Stipulation on the 20th day of April, 2026.

BY:

Jason Merkel, Vice President Distribution
NorthWestern Corporation and
NorthWestern Energy Group



Marne Jones, Chief Utility Officer
Black Hills Corporation



Adam Haight, Business Manager / Secretary & Treasurer
Laborers' International Union of
North America, Local 1686

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