



January 6, 2014

Mr. Richard M. Hotaling  
District Manager  
BLM Butte Field Office  
106 North Parkmont  
Butte, MT 59701

RE: Mountain States Transmission Intertie (MSTI) Project – NWE Request to Withdraw MSTI ROW Application Serial Numbers MTM 97296/IDI 35970

Dear Mr. Hotaling:

As you recall, the BLM, Montana Department of Environmental Quality (DEQ) and US Forest Service met with NorthWestern Energy (NWE) on December 5, 2012 to discuss the status of the MSTI project and our right-of-way (ROW) application filed with the BLM. In the meeting, and in a subsequent follow-up letter, NWE requested that the ROW application not be withdrawn, as requested by BLM, but be held in abeyance (“on-hold”) for one year while NWE monitored market conditions. It was decided to place the MSTI application on-hold until the end of the second quarter 2013 to provide NWE an opportunity to assess market conditions and report to BLM whether or not to resume processing. BLM and NWE held quarterly meetings - the first in March and the second in June - to discuss the status of the MSTI project. Based on the information provided by NWE, BLM reserved the right to make a decision after these quarterly meetings on whether to continue to hold the application, ask NWE to withdraw the application, or deny the application because of lack of due diligence. After the June meeting, NWE requested a third meeting, which occurred on December 16, 2013 via conference call. As a result of this meeting, NWE requests that the BLM withdraw the MSTI ROW Application Serial Numbers MTM 97296/IDI 35970.

As we also discussed in our meeting on December 16, 2013, following receipt of this ROW withdrawal request letter, the BLM will carry out the necessary administrative duties to terminate case processing, case closure and refund any remaining funds in our cost recovery account (L51010000.ER0000. LVRWE12E0440. LLMT920000).

Please let me know if you require further information from NWE related to this request to withdraw the MSTI ROW Application. NWE appreciates the cooperation that the BLM expressed during this process.

Sincerely,

A handwritten signature in blue ink that reads "TOM LOBERG".

Tom Loberg  
Director, Transmission Business Development

Cc: Mr. Jim Stobaugh, BLM National Project Manager  
BLM Nevada State Office