

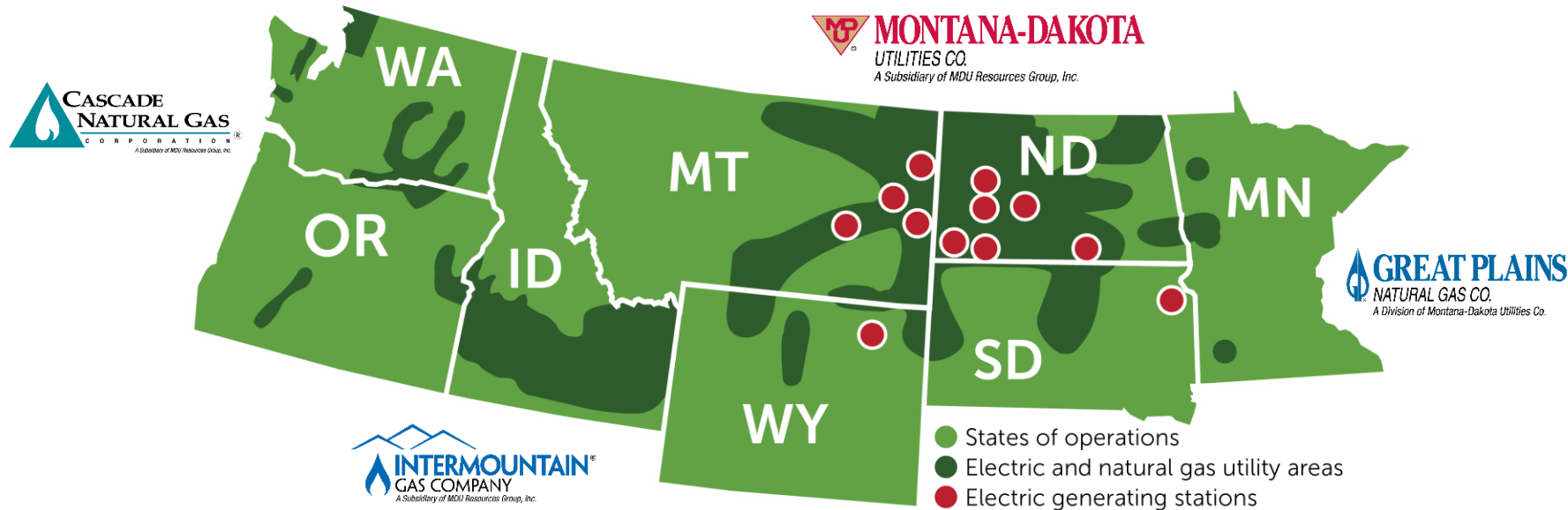
# **Energy Development and Transmission Committee**

## **Electric Rate Case – PU-26-241**

**July 22, 2026**

**Travis Jacobson, vice president of regulatory affairs**

# About Montana-Dakota Utilities



More than 1.2 million electric and natural gas customers in 460 communities

## Electric

- 146,700 customers
- 856 MW of owned generation

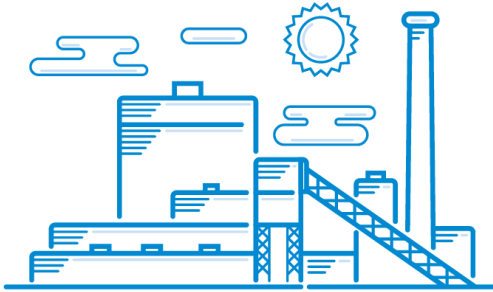
## Natural Gas

- 1,086,000 customers

# MDU ELECTRIC GENERATION OVERVIEW



TOTAL 856 MW



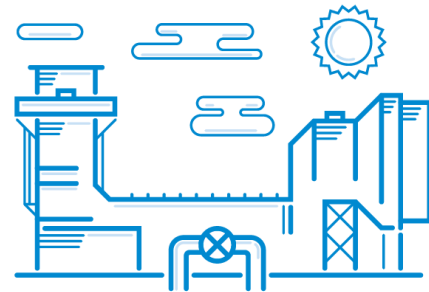
## COAL-FIRED GENERATION

26% | 226 MW

**Coyote Station** – Beulah, ND  
▪ 104 MW of 427 MW plant (1981)

**Big Stone Station** – Big Stone City, SD  
▪ 94 MW of 475 MW plant (1975)

**WyGen III** – Gillett, WY (Non-Miso)  
▪ 28 MW of 110 MW (2010)



## NATURAL GAS-FIRED GENERATION

35% | 298 MW

**Heskett 4** – Mandan, ND  
▪ 88.5 MW

**Heskett 3** – Mandan, ND  
▪ 88.5 MW

**Glendive** – Glendive, MT  
▪ 75 MW

**Miles City** – Miles City, MT  
▪ 23 MW

**Lewis & Clark 2** – Sidney, MT  
▪ 19MW

**Other** – Portable Diesel Generation  
▪ Two units – each 2 MW



## RENEWABLE GENERATION

39% | 332 MW

**Thunder Spirit Wind 1 & 2** – Hettinger, ND  
▪ 155.5 MW

**Badger Wind** – Wishek, ND  
▪ 127 MW

**Diamond Willow Wind** – Baker, MT  
▪ 30 MW

**Cedar Hills Wind** – Rhame, ND  
▪ 19.5 MW

MDU SUMMER PEAK

611.5 MW

WINTER PEAK

587 MW

# Electric Rate Case

# Case Information

- North Dakota PSC website:  
<https://www.psc.nd.gov/>
- Case number: PU-26-241
- Entity: Montana-Dakota Utilities Co.
- Date filed: June 30, 2026



# Revenue Requirements

Requesting  
\$34.5 million

14.5%  
increase

| DRIVER                     | AMOUNT          |
|----------------------------|-----------------|
| Infrastructure Investments | \$15.3 million  |
| Operating Expense Items:   |                 |
| Margin                     | (\$2.2) million |
| Other Revenue              | (\$1.3) million |
| Operation & Maintenance    | \$15.4 million  |
| Depreciation Expense       | \$6.5 million   |
| Other Taxes                | \$0.8 million   |
| Total                      | \$34.5 million  |



# Capital Investments since 2022

- \$256 million invested 2023-2027

| INVESTMENT                                                                                              | AMOUNT        |
|---------------------------------------------------------------------------------------------------------|---------------|
| Production Investments                                                                                  | \$15 million  |
| Transmission upgrades, lines, etc.                                                                      | \$124 million |
| Distribution – substation upgrades, replacing transformers, distribution line upgrades, and maintenance | \$79 million  |
| Equipment, software and hardware, building and shop upgrades                                            | \$38 million  |





# Operation & Maintenance Expense Increase Since 2022 = \$15.4 million

Labor &  
Benefits

\$7.8 million

Software

\$2.2 million

Other

\$5.4 million



# Data Centers

# Customer Benefits from Data Centers

- Our strategy – benefits to both customers and company
  - Purchase energy for data centers from the market
  - Reduces transmission charge to existing customers
  - Revenue sharing mechanism for data center transaction charges
  - Allows previously stranded power to reach market
- De-risk load service for our legacy customers
  - No new rate-based assets to service data center customers



# The journey of customer credits



Stop 01

## A large customer arrives

A single, large user of energy, like a data center, connects to the MDU electric grid.



Stop 02

## Revenue is generated

The data center energy usage generates revenue across fuel, power and transmission costs.\*



Stop 03

## Spread through approved rates

A portion of revenue is returned to customers through fuel cost adjustments and transmission revenue mechanisms.



Stop 04

## Credits land at home

The result is a measurable credit for other MDU customers.

\*Fuel, power and transmission costs include the cost of resources to produce electricity, the cost to produce electricity and the cost to move electricity across the grid.

# Customer Savings by State

## North Dakota



**\$45.4M**

returned to  
customers over the  
past four years

**\$62**

average annual savings  
per residential customer

// Based on 2026 data; savings can change year to year

## South Dakota



**\$1.6M**

returned to  
customers over the  
past three years

**\$40**

average annual savings  
per residential customer

// Based on 2025 data; savings can change year to year

## Montana



**\$2.2M**

returned to  
customers annually

**\$35**

average annual savings  
per residential customer

// Pending MT PSC approval

Savings vary by year based on usage, rates and regulatory mechanisms in each state. Unless otherwise noted, all figures reflect regulator-approved rate structures. Examples shown are averages; individual bills may vary.

# ND Customer Benefits

- All contracted Ellendale data center load (530 MWs) is expected to be online in early 2028.
- Annual customer benefits from Ellendale data center load is expected to be greater than \$34 million per year or about \$250 per residential customer per year when fully ramped up.
- North Dakota's electric rates are the lowest in the nation according to the US Energy Information Administration (EIA) and Montana-Dakota's rates are the 7<sup>th</sup> lowest in the nation according to a recent Edison Electric Institute (EEI) survey.

| Total ND Benefits |                    |                                         |              |
|-------------------|--------------------|-----------------------------------------|--------------|
| Filing Year       | Transmission Rider | Margin Sharing - Fuel & Purchased Power | Total        |
| 2023              | \$7,629,933        | -                                       | \$7,629,933  |
| 2024              | \$9,823,661        | \$1,916,266                             | \$11,739,927 |
| 2025              | \$7,365,540        | \$4,974,388                             | \$12,339,928 |
| 2026              | \$7,054,088        | \$6,685,799                             | \$13,739,887 |
| Total             | \$31,873,222       | \$13,576,453                            | \$45,449,675 |



# Questions?