Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
2026 Projected

	Projected												Average
	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Balance
Rate Base													
Plant Balance:													
Badger Wind	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	$13,651,388	
Cedar Hills - SCADA Controls	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	16,510	
Wishek Substation / Lines	942,609	942,609	942,609	942,609	942,609	942,609	942,609	942,609	942,609	942,609	942,609	942,609	
Glendive - Breakers 9/	0	0	0	0	0	0	0	0	0	35,944	35,944	35,944	
Stanley Substation / Lines 10/	0	0	0	0	0	0	0	0	0	0	0	290,730	
Total Plant Balance	$14,610,507	$14,610,507	$14,610,507	$14,610,507	$14,610,507	$14,610,507	$14,610,507	$14,610,507	$14,610,507	$14,646,451	$14,646,451	$14,937,181	$14,643,721
Accumulated Depreciation:													
Badger Wind	$32,536	$65,072	$97,608	$130,144	$162,680	$195,216	$227,752	$260,288	$292,824	$325,360	$357,896	$390,430	
Cedar Hills - SCADA Controls	272	340	408	476	544	612	680	748	816	884	952	1,020	
Wishek Substation / Lines	2,486	3,197	3,907	4,617	5,328	6,038	6,748	7,458	8,169	8,879	9,589	10,300	
Glendive - Breakers	0	0	0	0	0	0	0	0	0	0	22	44	
Stanley Substation / Lines	0	0	0	0	0	0	0	0	0	0	0	0	
Badger Wind Decommissioning Balance 1/	2,580	3,870	5,160	6,450	7,740	9,030	10,320	11,610	12,900	14,190	15,480	16,772	
Total Accumulated Reserve	$37,874	$72,479	$107,083	$141,687	$176,292	$210,896	$245,500	$280,104	$314,709	$349,313	$383,939	$418,566	$228,204
Net Plant in Service	$14,572,633	$14,538,028	$14,503,424	$14,468,820	$14,434,215	$14,399,611	$14,365,007	$14,330,403	$14,295,798	$14,297,138	$14,262,512	$14,518,615	$14,415,517
Additions:													
Def. Tax on Wind Decommissioning 1/	$542	$813	$1,084	$1,355	$1,626	$1,897	$2,168	$2,439	$2,710	$2,981	$3,252	$3,523	
Reductions:													
Accum DIT - Badger Wind 2/	$143,450	$214,060	$277,542	$334,124	$383,570	$426,115	$461,533	$489,824	$511,214	$525,477	$532,839	$533,066	
Accum DIT - Cedar Hills - SCADA Controls 2/	45	51	56	61	65	69	72	74	76	77	78	78	
Accum DIT - Wishek Substation / Lines 2/	4,226	5,102	5,890	6,592	7,206	7,734	8,174	8,525	8,791	8,968	9,059	9,062	
Accum DIT - Glendive - Breakers 2/	21	40	57	73	87	99	109	117	123	127	129	129	
Accum DIT - Stanley Substation / Lines 2/	175	336	480	609	721	818	899	963	1,012	1,044	1,061	1,062	
Total Rate Base	$14,425,258	$14,319,252	$14,220,483	$14,128,716	$14,044,192	$13,966,673	$13,896,388	$13,833,339	$13,777,292	$13,764,426	$13,722,598	$13,978,741	$14,006,447
Return on Rate Base 3/	**$84,268**	**$83,648**	**$83,071**	**$82,535**	**$82,041**	**$81,589**	**$81,178**	**$80,810**	**$80,482**	**$80,407**	**$80,163**	**$81,659**	**$981,851**
Expenses													
Operating Expenses													Total
Commission Expense	$0	$0	$0	$0	$2,279	$0	$474	$0	$0	$0	$0	$0	$2,753
Badger Wind Decommissioning 1/	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,292	15,482
Depreciation - Badger Wind	32,536	32,536	32,536	32,536	32,536	32,536	32,536	32,536	32,536	32,536	32,536	32,534	390,430
Depreciation - Cedar Hills - SCADA Controls	68	68	68	68	68	68	68	68	68	68	68	68	816
Depreciation - Wishek Substation / Lines	710	710	710	710	710	710	710	710	710	710	710	710	8,520
Depreciation - Breakers 9/	0	0	0	0	0	0	0	0	0	0	22	22	44
Depreciation - Stanley Substation / Lines 10/	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Other Than Income 4/	490	490	490	490	490	490	490	490	490	490	490	491	5,881
Generation Taxes - Badger Wind 5/	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,237	26,899
Other Badger Wind Expenses 6/	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	27,720	332,640
Total Expenses	$65,056	$65,056	$65,056	$65,056	$67,335	$65,056	$65,530	$65,056	$65,056	$65,056	$65,078	$65,074	$783,465
Income before Taxes	($65,056)	($65,056)	($65,056)	($65,056)	($67,335)	($65,056)	($65,530)	($65,056)	($65,056)	($65,056)	($65,078)	($65,074)	($783,465)
Interest Expense	26,927	26,729	26,545	26,374	26,216	26,071	25,940	25,822	25,718	25,694	25,616	26,094	313,746
Taxable income	($91,983)	($91,785)	($91,601)	($91,430)	($93,551)	($91,127)	($91,470)	($90,878)	($90,774)	($90,750)	($90,694)	($91,168)	($1,097,211)
Income Taxes 7/	($19,316)	($19,275)	($19,236)	($19,200)	($19,646)	($19,137)	($19,209)	($19,084)	($19,063)	($19,058)	($19,046)	($19,145)	($230,415)
Production Tax Credit 8/	($90,236)	($63,496)	($70,021)	($60,523)	($68,420)	($62,139)	($62,917)	($53,800)	($61,514)	($87,446)	($76,317)	($93,849)	($850,678)
Net Income Taxes	($109,552)	($82,771)	($89,257)	($79,723)	($88,066)	($81,276)	($82,126)	($72,884)	($80,577)	($106,504)	($95,363)	($112,994)	($1,081,093)
Operating Income	$44,496	$17,715	$24,201	$14,667	$20,731	$16,220	$16,596	$7,828	$15,521	$41,448	$30,285	$47,920	$297,628
Increase in Operating Income Required	$39,772	$65,933	$58,870	$67,868	$61,310	$65,369	$64,582	$72,982	$64,961	$38,959	$49,878	$33,739	$684,223
Gross Revenue Conversion Factor 7/	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582	1.26582
Revenue Increase	$50,344	$83,459	$74,519	$85,909	$77,607	$82,745	$81,749	$92,382	$82,229	$49,315	$63,137	$42,708	$866,103
Gross Receipts Tax (.0015)	76	125	112	129	116	124	123	139	123	74	95	64	1300
Total Revenue Requirement	**$50,420**	**$83,584**	**$74,631**	**$86,038**	**$77,723**	**$82,869**	**$81,872**	**$92,521**	**$82,352**	**$49,389**	**$63,232**	**$42,772**	**$867,403**

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
2026 Projected

2026 Footnotes:

Factor #15 - Int. Sys. 12 Month Peak Demand:	4.789628%
Factor #271 - Integrated Peak and Energy:	4.619759%
Factor #44 - Glendive Turbine Substation:	2.636887%

1/ Calculation for Badger Wind Decommissioning based on Thunder Spirit I of $10,293,127 with 43 turbines and Badger Wind having 49 turbines:

Total Company Decomm	SD Decomm	Estimated Remaining Life	Annual Amortization
$11,729,377	$541,869	35	$15,482
		Monthly Decommissioning Amortization:	**$1,290**
		Monthly Deferred Tax Amortization:	**$271**

2/ Monthly Deferred Income Tax activity is 1/12 of 2026 DIT activity. Monthly activity prorated based on DIT proration methodology:

Wishek		Cedar Hills		Badger Wind		Glendive		Stanley	
2026 DIT activity:	$261,043	2026 DIT activity:	$1,710	2026 DIT activity:	$21,806,116	2026 DIT activity:	$10,391	2026 DIT activity:	$47,812
SD Factor #15:	4.789628%	SD Factor #271:	4.619759%	SD Factor #271:	4.619759%	SD Factor #44:	2.636887%	SD Factor #15:	4.789628%
SD DIT Activity:	$12,503	SD DIT Activity:	$79	SD DIT activity:	$1,007,390	SD DIT activity:	$274	SD DIT activity:	$2,290
Monthly Activity:	$1,042	Monthly Activity:	$7	Monthly:	$83,949	Monthly:	$23	Monthly:	$191

	January	February	March	April	May	June	July	August	September	October	November	December
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Wishek Substation / Lines:	$956	$876	$788	$702	$614	$528	$440	$351	$266	$177	$91	$3
Cedar Hills - SCADA Controls:	$6	$6	$5	$5	$4	$4	$3	$2	$2	$1	$1	$0
Badger Wind:	$77,048	$70,610	$63,482	$56,582	$49,446	$42,545	$35,418	$28,291	$21,390	$14,263	$7,362	$227
Glendive:	$21	$19	$17	$16	$14	$12	$10	$8	$6	$4	$2	$0
Stanley:	$175	$161	$144	$129	$112	$97	$81	$64	$49	$32	$17	$1

3/ Authroized ROR per Docket No. EL23-020: 7.0100%

4/ Taxes Other Than Income:

	Infrastructure Projects
2026 Property Tax:	$122,776
SD Factor. #15:	4.789628%
South Dakota:	$5,881
Monthly:	$490

5/ Generation Tax:

Badger Wind:	$582,256
SD Factor 271:	4.619759%
Total Projected 2026 SD:	$26,899
Monthly:	$2,242

6/ Projected Expenses - 2026 Badger Wind:

Projected Expenses:	$7,200,385
SD Factor 271:	4.619759%
Budgeted Expenses:	$332,640
Monthly Expenses:	$27,720

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement
2026 Projected

2026 Footnotes:

7/ Tax Rate: 21.0000% (Federal Tax Rate = 21%, SD State Tax Rate = 0%)
1- tax rate: 79.0000%
Gross Revenue Conversion Factor: 1.26582

8/ Production Tax Credit:

	January	February	March	April	May	June	July	August	September	October	November	December
Badger Wind (kWh):	59,190,000	41,650,000	45,930,000	39,700,000	44,880,000	40,760,000	41,270,000	35,290,000	40,350,000	57,360,000	50,060,000	61,560,000
Projected PTC (rate $.030/kWh) plus Inflation Recution Act (10%):	$1,953,270	$1,374,450	$1,515,690	$1,310,100	$1,481,040	$1,345,080	$1,361,910	$1,164,570	$1,331,550	$1,892,880	$1,651,980	$2,031,480
Projected SD PTC (Fac #271):	$90,236	$63,496	$70,021	$60,523	$68,420	$62,139	$62,917	$53,800	$61,514	$87,446	$76,317	$93,849

9/ Projected addition to Plant in Service. See Attachement B, page 4-6 for details.

10/ Projected addition to Plant in Service. See Attachment B, page 7-10 for details.

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Glendive Additions
Projected Year 2026

Glendive Turbine Additions:

FP-324086 Replace 115 kV Breakers at Glendive Turbine

Plant Additions: $1,363,135

Plant in Service:	$1,363,135	
SD Fac. #44:	2.636887%	
SD Plant:	$35,944	1/
Depreciation rate:	0.73%	
Annual SD Depreciation:	$262	
Monthly Depreciation:	$22	1/

1/ Plant balance estimated in service October 2026.
Depreciation expense begins November 2026.

Project Description:

The project will replace four existing 115 kilovolt power circuit breakers, control cable, and associated bus work at Montana-Dakota's Glendive Turbine Transmission Substation due to component failure, age, and condition. The replacement and upgrades will take place at the existing substation.

Justification:

The Glendive Turbine Transmission Substation power circuit breakers, bus work, and control cables were installed in 1978. Montana-Dakota has completed proper maintenance and testing throughout the life of the equipment. The power circuit breakers are General Electric Model FK-121. During routine testing and maintenance, the power circuit breaker high voltage bushings failed testing and required replacement. This equipment replacement project is essential to maintain operation of the power grid. New equipment will enhance the overall performance and reliability of this part of Montana-Dakota's system. The key justifications are shown below:

1. Maintenance: Montana-Dakota has completed proper maintenance on the substation and equipment throughout the life of the substation. The overall substation and equipment are in relatively good condition with the exception of the failing test of the circuit breakers. The circuit breakers remain in-service, but have failing or failed bushings that are no longer serviceable at a reasonable cost.
2. Improved Grid Reliability: The new breakers, control cable, and bus will upgrade the existing equipment and associated materials.
3. Enhanced Public Safety: The upgraded equipment will comply with the latest standards to ensure continued public safety.
4. Operational Flexibility and Future Expansion: The upgraded equipment will give Montana-Dakota increased reliability in serving our customers.

Alternatives:

The alternatives looked at for this substation equipment replacement project were the following:

1. Do nothing. With the age and condition of the existing breakers at the Glendive Turbine Transmission Substation the "Do Nothing" approach is not an option.
2. Replace the high voltage bushings. The circuit breakers are at the end of their life expectancy. The material replacement cost of the bushings is approximately $90,000 per breaker. The material cost for a new circuit breaker is approximately $120,000.

3. Rebuild the substation. This is not a viable option as the cost to replace the substation is exponentially more than replacing certain pieces of equipment. The overall condition of the substation is relatively good.

The drawing below shows the substation location and the breakers being replaced.

Layouts:

Glendive Turbine Transmission Substation Layout

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Stanley Additions
Projected Year 2026

Stanley Substation Additions:

FP-324740 Build New Stanley 115/69 kV Substation

Plant Additions: $6,070,000

Plant in Service:	$6,070,000	
SD Fac. #15:	4.789628%	
SD Plant:	$290,730	1/
Depreciation rate:	0.73%	
Annual SD Depreciation:	$2,122	
Monthly Depreciation:	$177	1/

1/ Plant balance estimated in service December 2026.
Depreciation expense begins January 2027.

Project Description:

The project will rebuild Montana-Dakota's Stanley Transmission Substation due to its age and condition. This rebuild necessitates rerouting the existing transmission lines from the current Stanley Transmission Substation to the new Stanley Transmission Substation. The transmission line reroutes involve realigning three high voltage transmission lines, including (2) 115kV and (1) 69kV lines. Each reroute is less than 0.5 mile in length. The new Stanley Transmission Substation is currently under construction just east of the existing substation.

Justification:

The Stanley Transmission Substation and transmission line projects are essential to address several operational challenges, an aging facility, and environmental and community challenges while enhancing the overall performance and reliability of the power grid. The key justifications are shown below:

1. Location: Montana-Dakota purchased property adjacent to our existing substation to minimize costs and interference with public and private property.
2. Improved Grid Reliability: The new substation and rerouting of these transmission lines will allow for the installation of modern infrastructure in accordance with new design and operational standards. This will help improve system reliability, reduce transmission losses, and provide additional flexibility in managing power flows.
3. Enhanced Public Safety: The new substation and rerouted transmission lines will comply with the latest standards to ensure continued public safety.
4. Operational Flexibility and Future Expansion: The new transmission substation and related transmission line reroutes will give Montana-Dakota increased reliability and flexibility in serving our customers while planning for future growth.

Alternatives:

The alternatives looked at for this substation rebuild project were the following:

1. Do nothing. With the age and condition of the existing Stanley Transmission Substation the “Do Nothing” approach is not an option.
2. Rebuild the existing substation in place. Rebuilding a substation in an existing location creates many challenges and safety concerns. All equipment, control cable, structures, control house, and miscellaneous items would need to be replaced in phases while keeping the substation energized. This would require numerous phases, outages, increased costs, and an extended timeframe to maintain safety and customer reliability. The possible benefit would be a reduction in line relocations.

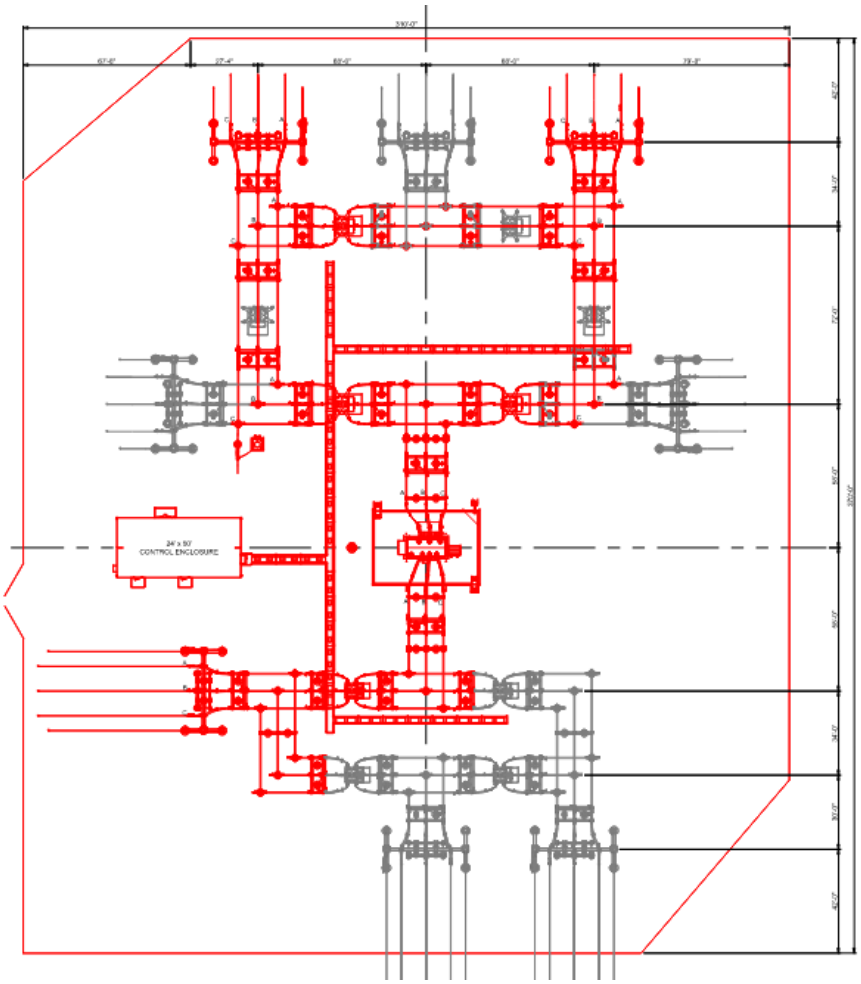
3. Rebuild the substation in a different location. Different designs and locations of the substation were proposed. Ultimately, building directly east of the existing substation was determined as the best plan of action. This allows Montana-Dakota to construct the entire new substation and then reroute the transmission lines while providing safe and reliable power.

After the location of the new Stanley Transmission Substation was determined rerouting the (3) high voltage transmission lines were examined. The overall goal for routing the transmission lines was to minimize costs, transmission line crossings, and disruption to customers.

The drawings below show the substation location, transmission line reroutes, and the substation layout.

Layouts:

Transmission Line Reroutes



Stanley Transmission Substation Layout

Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Infrastructure Rider
Revenue Requirement - Plant Closure Regulatory Assets Recovery
Projected 2026

	Projected												Average
	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	June 2026	July 2026	Aug 2026	Sept 2026	Oct 2026	Nov 2026	Dec 2026	Balance
Rate Base													
Deferred Depr. Asset - L&C	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	$2,081,165	
Deferred Depr. Asset - Heksett	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	1,758,362	
Decommissioning	422,400	422,400	422,400	422,400	422,400	422,400	422,400	422,400	422,400	422,400	422,400	422,400	
Excess ADIT Amortization	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	(266,149)	
Accumulated Amortization	(3,613,068)	(3,643,673)	(3,674,445)	(3,705,384)	(3,736,493)	(3,767,770)	(3,799,218)	(3,830,838)	(3,862,630)	(3,894,596)	(3,926,735)	(3,959,049)	
Net Rate Base	$382,710	$352,105	$321,333	$290,394	$259,285	$228,008	$196,560	$164,940	$133,148	$101,182	$69,043	$36,729	$211,286
Accumulated ADIT	80,369	73,942	67,480	60,983	54,450	47,882	41,278	34,637	27,961	21,248	14,499	7,713	
Total Rate Base	$302,341	$278,163	$253,853	$229,411	$204,835	$180,126	$155,282	$130,303	$105,187	$79,934	$54,544	$29,016	$166,916
Return on Rate Base 1/	**$1,766**	**$1,625**	**$1,483**	**$1,340**	**$1,197**	**$1,052**	**$907**	**$761**	**$614**	**$467**	**$319**	**$170**	**$11,701**
Expenses													
Amortization - Deferred Asset	$30,605	$30,772	$30,939	$31,109	$31,277	$31,448	$31,620	$31,792	$31,966	$32,139	$32,314	$32,490	$378,471
Amortization - Emp/Other - L&C	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization - Emp/Other - Heskett	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	$30,605	$30,772	$30,939	$31,109	$31,277	$31,448	$31,620	$31,792	$31,966	$32,139	$32,314	$32,490	$378,471
Income before Taxes (EBIT)	($30,605)	($30,772)	($30,939)	($31,109)	($31,277)	($31,448)	($31,620)	($31,792)	($31,966)	($32,139)	($32,314)	($32,490)	($378,471)
Interest Expense 1/	564	519	474	428	382	336	290	243	196	149	102	54	3,737
Taxable income	($31,169)	($31,291)	($31,413)	($31,537)	($31,659)	($31,784)	($31,910)	($32,035)	($32,162)	($32,288)	($32,416)	($32,544)	($382,208)
Income Taxes 2/	($6,545)	($6,571)	($6,597)	($6,623)	($6,648)	($6,675)	($6,701)	($6,727)	($6,754)	($6,780)	($6,807)	($6,834)	($80,262)
Operating Income	($24,060)	($24,201)	($24,342)	($24,486)	($24,629)	($24,773)	($24,919)	($25,065)	($25,212)	($25,359)	($25,507)	($25,656)	($298,209)
Revenue Requirement	$32,692	$32,692	$32,691	$32,692	$32,691	$32,690	$32,691	$32,690	$32,692	$32,691	$32,691	$32,691	$392,294
Gross Receipts Tax (.0015)	$49	$49	$49	$49	$49	$49	$49	$49	$49	$49	$49	$49	$588
Total Revenue Requirement	**$32,741**	**$32,741**	**$32,740**	**$32,741**	**$32,740**	**$32,739**	**$32,740**	**$32,739**	**$32,741**	**$32,740**	**$32,740**	**$32,740**	**$392,882**

Total twelve month Regulatory Asset revenue requirement: $392,292

1/ Authorized ROR Per Docket No. EL23-020: 7.0100%
Interest on Debt Per Docket No. EL23-020: 2.2400%

2/ Income Tax Rate - Federal Tax Rate = 21%:

Tax Rate	21.0000%
1- tax rate	79.0000%