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STATE OF NORTH DAKOTA PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.
Applied Block Chain Office – Dickey County
Public Convenience & Necessity

Case No. PU-22-366

Montana-Dakota Utilities Co.
Applied Block Chain Data Processing Extension
Public Convenience & Necessity

Case No. PU-22-370

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between Montana-Dakota Utilities Co. ("Montana-Dakota" or "Company") and Protestor Dakota Valley Electric Cooperative, Inc. ("Dakota Valley"), collectively they may be referred to as the "Settling Parties". The Settling Parties agree this Settlement Agreement will resolve all outstanding issues in these cases between the Settling Parties in a manner consistent with the public interest and will result in just and reasonable sharing of the Company's margin from serving Applied Digital Corporation's ("Applied") data center.

PROCEDURAL HISTORY

On September 16, 2022, Montana-Dakota filed an Application for Temporary Authority to extend temporary construction power to Applied's proposed office site located near the City of Ellendale in the SE ¼ SE1/4 of Section 4, Township 129N, Range 63W, Dickey County, North Dakota ("Applied Site"), case number PU-22-366.

On September 16, 2022, Montana-Dakota filed an Application for Temporary Authority to extend temporary construction power for a proposed data center at the Applied Site, case number PU-22-370.

On October 7, 2022, Dakota Valley filed a protest and request for hearing on both applications.

On October 12, 2022, the Commission issued an Order on Protest and Request for Hearing denying Dakota Valley's protest and request for hearing on the Applications for Temporary Authority and ordering Montana-Dakota to file an application for permanent authority within twenty days.

On October 14, 2022, Montana-Dakota filed an Application for Permanent Authority to extend three-phase service (41.6 kV service) to Applied's office located at the Applied Site, case number PU-22-366, and filed an Application for Permanent

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Authority to extend three-phase service (34.5 kV service) to Applied's data center at the Applied Site, case number PU-22-370.

On October 24, 2022, Dakota Valley filed a protest and request for hearing on both of Montana-Dakota's Applications for Permanent Authority.

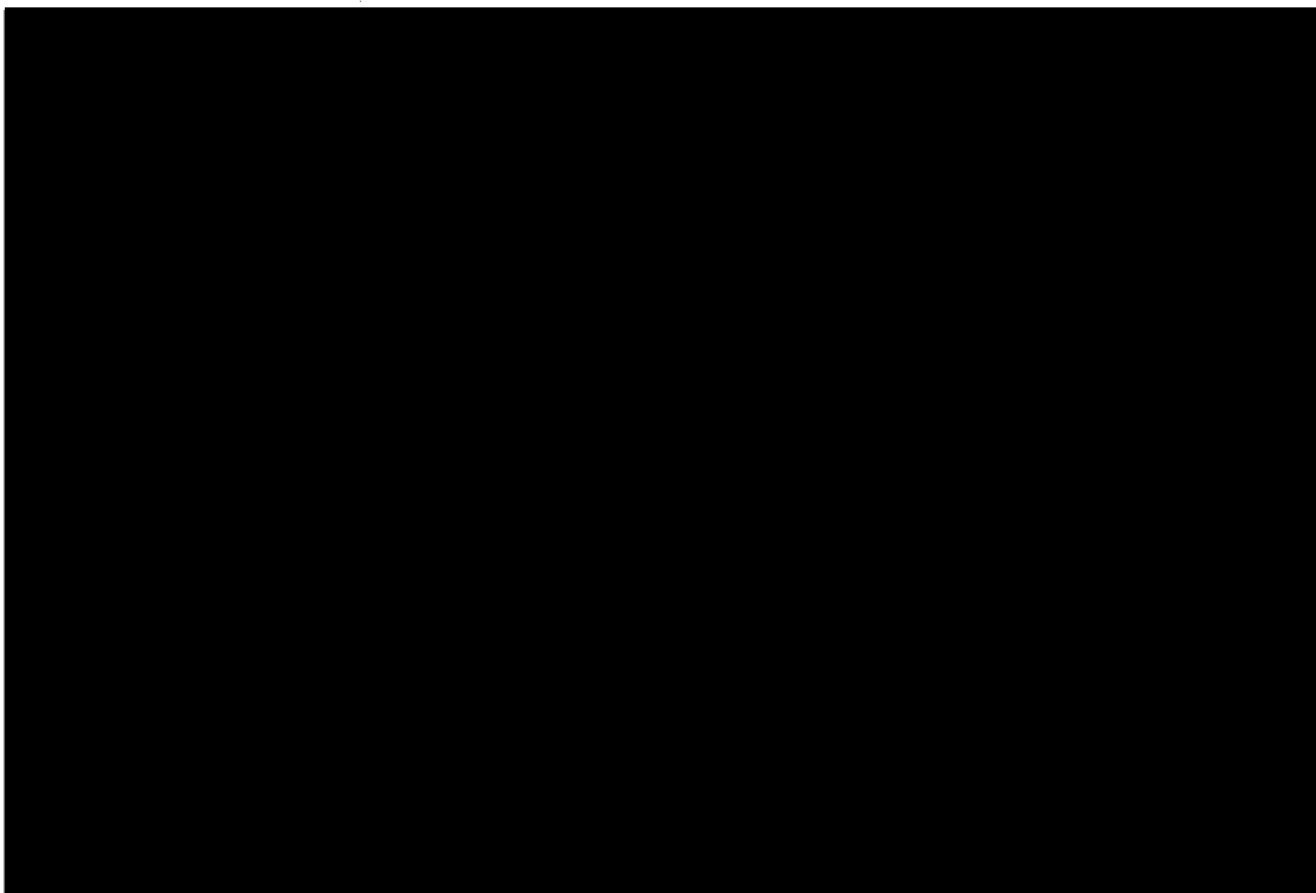
On November 17, 2022, the Commission issued a Notice of Hearing scheduling a public hearing to be held on Monday, December 19, 2022.

The hearing in this case was held before the Commission on December 19, 2022. Montana-Dakota presented testimony from five witnesses and introduced nineteen exhibits and three exhibits filed with the Commission under confidential trade secret protection. Dakota Valley presented testimony of four witnesses and introduced twenty exhibits.

On December 30, 2022, Montana-Dakota and Dakota Valley filed Post-Hearing Briefs. On January 3, 2022, Montana-Dakota and Dakota Valley filed Reply Briefs.

This Settlement Agreement is supported by the administrative record.

TERMS OF SETTLEMENT AGREEMENT



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3. Cooperation Agreement.

Upon execution of this Settlement Agreement, Dakota Valley will file a withdrawal of its objections to the CPCN cases in PU-22-366 and PU-22-370. Montana-Dakota currently has a pending proceeding seeking approval of the Electric Service Agreement ("ESA") with Applied in PU-22-371. Montana-Dakota will file an Application to Establish Margin Sharing in the ESA proceeding seeking Commission approval of the margin-sharing proposal agreed to by the Parties in this Settlement Agreement. Dakota Valley agrees to appear in the ESA to support Commission approval of the Application to Establish Margin Sharing. Montana-Dakota and Dakota Valley agree to make a joint filing seeking approval of the Service Area Agreement pursuant to N.D.C.C. § 49-03-06.

OTHER TERMS AND CONDITIONS

A. Basis of Settlement. It is agreed this Settlement Agreement is a negotiated settlement agreement. This Agreement, including the attached exhibit, constitutes the Parties' entire agreement. It supersedes and terminates all previous agreements, written or oral, between the parties with respect to matters included within the scope of this Settlement Agreement

B. Effect of the Settlement Negotiations. It is understood and agreed that all offers of settlement and discussions related to this Settlement Agreement are privileged and may not be used in any manner in connection with proceedings in these cases or otherwise, except as provided by law.

C. Applicability and Scope. This Settlement Agreement shall be binding on the Settling Parties, and their successors, assigns, agents, and representatives. This Settlement Agreement shall not in any respect constitute an agreement, admission, or determination by any of the Settling Parties as to the merits of any specific allegation or contention made by the Settling Parties in these proceedings.

Dated this 30th day of January, 2023.

MONTANA-DAKOTA UTILITIES CO.

By: 

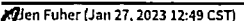
Its: President and CEO

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Dated this 27 day of January, 2023.

**DAKOTA VALLEY ELECTRIC
COOPERATIVE, INC.**

By: Arden Fuher
Its: President

Signature:  Arden Fuher (Jan 27, 2023 12:49 CST)

Email: fuher@me.com