



400 North Fourth Street
Bismarck, ND 58501
701-222-7900
www.montana-dakota.com

September 9, 2025

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

**Re: Case No. PU-25-75
Application for an Advance Determination of Prudence for the Badger
Wind Project**

**Case No. PU-25-76
Application for a Certificate of Public Convenience & Necessity for the
Badger Wind Project**

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits the Proposed Order on Settlement for the above referenced cases.

Sincerely,

A handwritten signature in blue ink that reads 'Travis R. Jacobson'.

Travis R. Jacobson
Vice President of Regulatory Affairs

Attachments
cc: Zeviel Simpser

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

Montana-Dakota Utilities Co.)
Advance Determination of Prudence –) Case No. PU-25-075
Badger Wind Application)

Montana-Dakota Utilities Co. Certificate)
of Public Convenience and Necessity –) Case No. PU-25-076
Badger Wind Application)

PROPOSED ORDER ON SETTLEMENT

Appearances

Commissioners Randy Christmann, Sheri Haugen-Hoffart, and Jill Kringstad.

Zev Simpser, Dorsey & Whitney LLP, 50 South Sixth Street, Suite 1500, Minneapolis, MN 55402-1498, as Counsel for Montana-Dakota Utilities.

Mitchell D. Armstrong, Smith Porsborg Schweigert Armstrong Moldenhauer & Smith, 122 East Broadway Avenue, Bismarck, North Dakota 58503, as Counsel for the Public Service Commission Advocacy Staff.

Brian Johnson, Special Assistant Attorney General, 600 East Boulevard Avenue, Dept 408, Bismarck, ND 58505-0480, as Counsel for the Public Service Commission.

Hope L. Hogan, Office of Administrative Hearings, 2911 North 14th Street, Suite 303, Bismarck, ND 58503, as Procedural Hearing Officer.

PROCEDURAL HISTORY

On February 14, 2025, Montana-Dakota filed an Application for an Advance Determination of Prudence (Case No. PU-25-075) and a Certificate of Public Convenience and Necessity (Case No. PU-25-076, and together with Case No. PU-25-075 the “Cases”) for the 49% ownership interest of the Badger Wind Project (Badger Wind or Project) which represents 122.5 megawatt (MW) of the Project’s 250 MW generation capacity. Montana-Dakota provided the direct testimony of Mr. Darcy J. Neigum, Mr. Brian J. Giggee, Mr. Joseph E. Geiger, and Mr. Bradley J. Davison, along with related information supporting the need and prudence of Badger Wind, the selection process of Badger Wind, and the estimated cost of Badger Wind with its Application.

On June 4, 2025, the Commission issued its Notice of Consolidated Hearing in the above referenced Cases. Pursuant to the Notice of Consolidated Hearing, the above referenced Cases were consolidated for hearing on September 9, 2025, and the following issues were identified to be considered: (1) Whether Montana-Dakota should be granted an advanced determination that its proposed resource addition is prudent; (2) Whether public convenience and necessity will be served by construction and operation of the facilities; and (3) is Montana-Dakota technically, financially, and managerially fit and able to provide the service.

Advocacy Staff conducted discovery and on July 21, 2025, submitted the testimony of Mr. James A. Heidell with the PA Consulting Group, Inc. regarding the Company's application in the above referenced Cases. Mr. Heidell recommended that the Commission grant the ADP for Badger Wind with modifications.

On September 4, 2025, Montana-Dakota and Advocacy Staff (the Settling Parties) filed a Joint Settlement Agreement with the Commission. The Settling Parties agreed Badger Wind is a reasonable and prudent resource addition that will provide cost effective and reliable electric generation capacity for Montana-Dakota and its customers. Badger Wind is a prudent resource at a total capital expenditure cost up to \$295.5 million subject to three conditions: (1) Montana Dakota will levelized any production tax credits received for its share of Badger Wind over the expected life of the project; (2) if the costs of Montana Dakota's share of Badger Wind exceed \$295.5 million, Montana Dakota has the burden of proof to demonstrate that those additional capital expenditures are reasonable prior to recovery of those additional expenditures; and (3) certain requirements related to project curtailments in light of certain project specific issues. Specifically, with respect to curtailments, Montana-Dakota will report the annual capacity factor of its ownership share in Badger Wind. For a period of ten (10) years beginning after the third (3rd) full calendar year of commercial operation of Montana Dakota's portion of Badger Wind; if the three-year rolling average of Montana-Dakota's ownership share in Badger Wind is less than 450,702 MWH in a given year (Production Threshold) the revenue requirement for Montana-Dakota's portion of Badger Wind will be reduced by \$285,000 (Production Sharing Amount) through the annual true-up mechanism under Montana Dakota's Renewable Resource Rider Rate 55; and any third-party compensated curtailments (through insurance, warranties, etc.) will be added back into the production calculations for purposes of calculating if the Production Threshold has been exceeded. The Parties agreed and the Commission concurs that the provisions regarding curtailment are specific to the circumstances of Badger Wind and non-precedential in nature. The Parties also agreed a Certificate of Public Convenience and Necessity for Badger Wind should be issued because Badger Wind is needed to provide reliable and economic electric generation for Montana-Dakota's customers and Montana-Dakota is fit, willing and able to provide electric service.

On September 9, 2025, a formal hearing was held in the Commission Hearing Room, State Capitol, 600 E. Boulevard Avenue, 12th Floor, Bismarck, North Dakota 58505, with the Administrative Law Judge, Commissioners, parties, counsel, and

witnesses appearing.

The Settling Parties witnesses testified in support of the Joint Settlement Agreement.

Having considered this matter, the Commission finds the Joint Settlement Agreement reasonable and acceptable. Therefore, the Commission issues the following:

Order

The Commission Orders:

1. The Joint Settlement Agreement filed August 27, 2025, is APPROVED. A copy of the Joint Settlement Agreement is attached to this Order and made part of the Order.
2. Certificate of Public Convenience and Necessity Number ____ is issued to Montana-Dakota for the Badger Wind Project.

PUBLIC SERVICE COMMISSION

Sheri Haugen-Hoffart
Commissioner

Randy Christmann
Chair

Jill Kringstad
Commissioner