

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.
Wind Farm Station Service – Wishek, ND
Public Convenience & Necessity

Case No: PU-25-261

**KEM ELECTRIC COOPERATIVE, INC.'S ANSWERS TO FIRST SET OF DATA
REQUESTS FROM MONTANA-DAKOTA UTILITIES CO.**

KEM Electric Cooperative, Inc. ("KEM Electric") hereby provides the following answers to *Montana-Dakota Utilities Co. First Set of Data Requests to KEM Electric Cooperative, Inc.* dated June 15, 2026, subject to the below objections.

KEM Electric objects to the requests to the extent they request privileged and protected information, and information not calculated to lead to discovery of admissible evidence.

DATA REQUESTS

- 1-1. Reference Paragraph 6 of Nagel Declaration. Please discuss how the "core principle" referenced therein applies to station service. Please include specific citations to the relevant authorities.

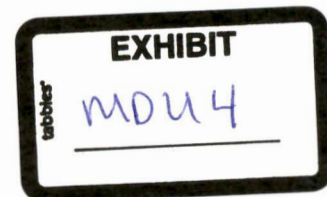
Answer: This request is objected to as vague, overbroad and unduly burdensome, and also calls for a legal opinion, and calls for attorney work product as to "specific citations to the relevant authorities".

Without waiving the foregoing objections, station service is load. The core principles allow for access to the market to serve load, therefore the core principles apply to station service.

Without waiving the foregoing objections, KEM answers as follows:

(MISO WEBSITE) Regional Transmission Organizations (RTO)

Regional Transmission Organizations (RTOs) like MISO are responsible for overseeing



and managing the electric power transmission grid across a specific geographic region. Its functions include:

- Operating the transmission system to ensure reliability
- Planning for future transmission needs
- Facilitating wholesale electricity markets to promote competition and lower costs
- Implementing policies to enhance access to the transmission system
- Overseeing transmission pricing and tariffs

RTOs are regulated by the Federal Energy Regulatory Commission (FERC) and monitored for compliance and accountability by the North American Electric Reliability Corporation (NERC).

Federal Energy Regulatory Commission (FERC)

The Federal Energy Regulatory Commission (FERC) is an independent US agency responsible for regulating and overseeing the interstate transmission of electricity, natural gas and oil.

FERC's role for the power grid includes:

- Regulating wholesale electricity markets and ensuring fair competition
- Approving or denying proposals for new transmission infrastructure projects
- Establishing standards for reliability and security of the power grid
- Overseeing Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs)
- Enforcing compliance with federal energy laws and regulations

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of

Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

- 1-2. Reference Paragraph 8 of Nagel Declaration. (a) Please describe the type and status of Basin's membership in MISO. For example, is Basin a market participant in MISO, a transmission owning member of MISO, etc. (b) Please identify all MISO tariff provisions specifically related to Basin. (c) Please identify KEM's relationship with Basin as relates to Basin's membership in MISO. For example, does KEM take transmissions service from Basin through Basin's membership in MISO? Does Basin service KEM's load as SPP or MISO load?

Answer: This request is objected to as vague, overbroad and unduly burdensome.

Without waiving the foregoing objections, please see below:

- (a) Basin is a market participant in MISO and also a transmission customer.
- (b) Unduly burdensome and also requests a legal opinion and attorney/client privileged communication and attorney work product.
- (c) Under rate Schedule 50 MDU-Basin Electric – Revenue Sharing Agreement 31.0.0 MDU-Basin Electric - Revenue Sharing Agreement 31.0.0 Effective On: May 1, 2017 REVENUE SHARING AGREEMENT This Revenue Sharing Agreement (“Agreement”) is made and entered into as of the 1st day of May, 2017, by and between Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., a Delaware corporation (“MDU”); Basin Electric Power Cooperative (“Basin Electric”), a cooperative organized under the laws of the state of North Dakota; and any successors thereof, which are referred to herein collectively as “Parties” and singularly as “Party,” with respect to the allocation of certain transmission revenues that the Midcontinent Independent System Operator, Inc. (“MISO”) distributes to the MDU pricing zone, hereinafter referred to as “MDU Zone”, and charges for (1) transmission services and (2) payments among the Parties for network use of each other's transmission facilities in the MDU Zone that are not billed by MISO. WITNESSETH: WHEREAS, MDU is a Transmission Owning Member of MISO and owns certain transmission facilities in the MDU Zone; and WHEREAS, Basin Electric became a MISO Transmission Customer in the MDU Zone on January 1, 2016 and is taking transmission service under the MISO Open Access Transmission, Energy and Operating Reserves Markets Tariff (“Tariff”); Basin services KEM's load with a combination of MISO and SPP transmission services and market participation.

The MDU-Basin Revenue Sharing Agreement is publicly available from MISO. See rate schedule 50 in the below link under the rate schedules tab.

<https://www.misoenergy.org/legal/rules-manuals-and-agreements/tariff/>

Basin also has service agreements on record with MISO at the below link.

<https://www.misoenergy.org/legal/rules-manuals-and-agreements/service-agreements/#nt=%2Fagreementtype%3ATransmission%20Service%20Agreement%2Fservice%3AA-C%20Agreements&t=500&p=0&s=FileName&sd=asc>

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

- 1-3. Reference Paragraph 8 of Nagel Declaration. Please describe the relationship between KEM and Basin as relates to transmission service in MISO. Are there any applicable transmission service agreements or other agreements between KEM and Basin, Basin and MISO, or any combination of the three?

Answer: This request is objected to as vague, overbroad and unduly burdensome.

Without waiving the foregoing objection, KEM Electric takes service from Basin through an all requirements contract dating back to September 21, 1964 entitled Wholesale Power Contract by and between Basin Electric Power Cooperative and KEM Electric Cooperative, Inc., which has been amended from time to time over the years, most recently in 2015. Original contract and amendments are attached bates KEM0001-KEM0058.

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

- 1-4. Reference Nagel Declaration Paragraph 9. Please define “retail” as used on this paragraph and the basis or background for such definition. Please provide relevant citations to support such definition.

Answer: This request is objected to as vague, overbroad and unduly burdensome, and also calls for a legal opinion, and calls for attorney work product as “relevant citations to support such definition”.

Without waiving the foregoing objections, retail is used as referenced in the FERC glossary of terms, as retail sales are sales made directly to the customer that consumes the energy product.

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

- 1-5. Reference Nagel Declaration Paragraph 10. (a) Has KEM identified the specific location at which to place the delivery point meter? (b) Does KEM require any third-party approvals for the placement of the delivery point meter? If so, has KEM requested such third-party approvals? If so, what is the status of such third-party approvals? (c) Nagel states that "all that would be required" is the placement of the meter. Does this mean that no other arrangements are necessary for KEM to deliver power to the load at retail? (d) What equipment does KEM require to provide service and what is the estimated cost of providing this service? Does this service require any duplication of facilities to service the customer? (e) Please admit that the Wishek substation is the nearest equipment to the load available to serve the load. If KEM does not make an unqualified admission, please explain. (f) Admit that the Wishek substation is owned by MDU and is the nearest delivery point for service to the load at retail. If KEM does not make an unqualified admission, please explain.

Answer: This request is objected to as vague, overbroad and unduly burdensome.

Without waiving the foregoing objections, please see below:

- (a) KEM has requested a delivery point which would utilize the generation interconnection revenue meter which records both delivered and received energy on different channels in which KEM would request access to the delivered energy channel.
- (b) Yes, yes reference exhibit B&C in Dale Nagel affidavit, to KEM's knowledge this is on hold due to a meeting that was held by MDU and Basin.
- (c) Once the delivery point is approved all that would be required for KEM to serve this load would be access to the correct channel which records delivered energy in the generation interconnection revenue meter which should have been installed prior to the wind generation interconnecting into the grid.
- (d) KEM would not need any additional equipment if they were granted access to the metering described in the above section c. No duplication of facilities would be needed with the previously mentioned metering configuration.
- (e) Yes, which is why KEM requested it in our delivery point application
- (f) Yes, per the MTEP 2023 report listing the Wishek substation as a MISO expansion project also per PSC document number 24-074 filed with the PSC stating Badger Wind Station will be interconnecting with the MISO operated MDU owned Wishek substation.

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

- 1-6. Reference Nagel Declaration Paragraphs 13-17 and 20. Are any of those services adequate to provide retail electric service to the Badger Wind load?

Answer: This request is objected to as vague, overbroad and unduly burdensome. It is also objected to as unintelligible as to the phrase "retail electric service".

Without waiving the foregoing objections and to the extent KEM understands what is being requested, services at KEM come in all shapes and sizes and we do not and cannot discriminate against who we do and do not serve. It is true the services listed are not adequate to provide retail electric service to the Badger Wind load because those loads were sized appropriately for their needs, which are different than what the Badger wind load is requesting, regardless of the size of these services the evidence points to the fact of this being KEM's territory.

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved was Dale T. Nagel, KEM Line Superintendent and Chief of Staff.

- 1-7. Reference Nagel Declaration Paragraph 18 and Exhibit C. (a) Has the MISO application been approved? (b) Please provide copies of all correspondence, agreements, and other documents between KEM, Basin, and MISO related to the "New Load Application w/ KEM." (C) Provide copies of all correspondence, agreements, and other documents between KEM and Badger Wind, LLC related to the New Load Application w/ KEM.

Answer: This request is objected to as vague, overbroad and unduly burdensome.

Without waiving the foregoing objections, please see below:

- (a) No, as described in response to 1-5
- (b) See attached email thread, bates KEM59-61, 82-104, 111-125.
- (c) See attached emails, bates KEM62-81, 105-110, 126-147.

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

- 1-8. Reference Nagel Declaration Paragraph 28. Please provide any evidence available to KEM that supports KEM's contention that "MDU is only requesting to provide this backup electrical service for the Badger Wind Farm because there is a significant electrical load involved which will result in greater MDU income for electrical services provided." If no such evidence exists, please admit that this statement is speculation on the part of KEM.

Answer: This request is objected to as vague, overbroad and unduly burdensome.

Without waiving the foregoing objections, this statement is not speculation. The \$325,000 estimated revenue MDU included in its Temporary Authority Permit is significantly greater than services KEM has previously provided in the area without MDU objection or comment. This is the first time MDU has objected to KEM providing service for someone who has applied for service from KEM anywhere. In addition, it should not be any cheaper for MDU to serve a load on a MISO tariff facility than it would be for KEM. This service does not fall into the economic service area of the applicant, in part because in the MISO (Midcontinent Independent System Operator) energy grid, "open access" means that any qualified, credit-worthy energy buyer, seller, or generator is guaranteed **non-discriminatory access** to the high-voltage transmission system to move electricity across the region, including as follows:

Multiple individuals, including management personnel, were involved in preparing this response. Primarily involved were Dale T. Nagel, KEM Line Superintendent and Chief of Staff, as well as Lee Keller, System Engineer with Innovative Energy Alliance Cooperative.

Dated this ____ day of June, 2026.

KEM Electric Cooperative

By: Dale Nagel
Its: Line Superintendent and Chief of Staff

Subscribed and sworn to before me this ____ day of June, 2026.

Notary Public
State of North Dakota
My Commission Expires: _____

All foregoing objections were made by counsel for KEM Electric Cooperative on its behalf.

Dated this 29th day of June, 2026.

BAKKE GRINOLDS WIEDERHOLT

By: /s/Shawn A. Grinolds

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