



A Subsidiary of MDU Resources Group, Inc.

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

October 29, 2025

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

Re: Case No. PU-25- _____
2026 Avoided Cost Rate Update

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits for Commission approval an original and seven (7) copies of revisions to its Occasional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Rate 96 Time Differentiated tariff sheets. This filing is made in compliance with the Order in Case No. 10,000 and in accordance with the Cogeneration and Small Power Producer Rules, Section 69-09-07-09 of the North Dakota Administrative Code.

Montana-Dakota requests approval of the following revised tariff sheets:

- 3rd Revised Sheet No. 44
- 3rd Revised Sheet No. 44.1
- 3rd Revised Sheet No. 45
- 3rd Revised Sheet No. 45.1.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed.

The methodology used to develop the proposed energy payments is consistent with the approved avoided cost rates. The proposed energy payments for Rates 95 and 96 were generated using Montana-Dakota's production costing model PLEXOS[®] for Power Systems (PLEXOS), reflecting a test year of calendar year 2026. The proposed energy payments under Rates 95 and 96 reflect an increase in the energy payment per Kwh attributable to an increase in the forecasted Midcontinent Independent System Operator, Inc.'s (MISO) market prices from those included in the currently approved energy payments. The proposed energy payments are shown on Attachment A.

Based upon MISO proposed resource adequacy changes, including direct loss of load resource accreditation, Montana-Dakota has adequate capacity through 2032, excluding spring generation maintenance periods. Montana-Dakota's 2024 Integrated Resource Plan (IRP) submitted on July 12, 2024 (Case No. PU-24-294) discusses a power purchase agreement (PPA) of capacity and energy that the Company has with a neighboring utility through May of 2026 and an agreement with CPower for a commercial demand response program which runs through May 2027. Following the filing of the 2024 IRP, Montana-Dakota entered into a Badger Wind PPA and an asset purchase agreement which will provide adequate capacity through 2032. The winter season capacity additions required through 2032 will be met with the Badger Wind addition, capacity purchases that may be needed through the MISO capacity auction or purchases from a neighboring utility. As such, the capacity payment rate included in the Rate 96 tariff is the highest of the summer and winter MISO capacity auction price for Zone 1, the pricing zone for Montana-Dakota, through 2032. The 2025/2026 MISO summer clearing price for Zone 1 is \$6.31 per kW-Month. Starting in 2033, the capacity payment reflects the projected levelized cost of a new peaking facility. The workpapers supporting the proposed capacity payment are provided in Attachment B.

Montana-Dakota has reviewed the metering charges applicable under Rates 95 and 96 and has determined no change in the daily metering charges is necessary in this annual update.

Montana-Dakota currently serves 39 customers under Rate 95 as of September 30, 2025. Assuming the same customer loads and generation as the past twelve months, customers would experience an increase in their energy payments, resulting in a proposed total increase in annual energy payments of \$1,122. The impact to individual customers is dependent on the excess generation purchased by Montana-Dakota. A monthly history of the energy purchased under Rate 95 is included as Attachment C.

Montana-Dakota respectfully requests that the rate schedules set forth herein be approved with an effective date of service rendered on and after January 1, 2026 and the filing be accepted as being in full compliance with the filing requirements of this Commission.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or travis.jacobson@mdu.com.

Sincerely,

/s/ *Travis R. Jacobson*

Travis R. Jacobson
Vice President of Regulatory Affairs

Attachments



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5
3rd Revised Sheet No. 44
Canceling 2nd Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service:	\$0.06 per day
With instrument transformers:	\$0.21 per day
Metering charge for three phase service:	\$0.13 per day
With instrument transformers:	\$0.37 per day

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 3.416¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: October 29, 2025

Effective Date:

Issued By: Travis R. Jacobson
Vice President - Regulatory
Affairs

Case No.:



Montana-Dakota Utilities Co.

400 N 4th Street
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State of North Dakota Electric Rate Schedule

NDPSC Volume 5
3rd Revised Sheet No. 44.1
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OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh at an amount equal to:
3.416¢ per Kwh

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

Date Filed: October 29, 2025

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Vice President - Regulatory
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Case No.:



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5
3rd Revised Sheet No. 45
Canceling 2nd Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 3

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$0.18 per day
With instrument transformers: \$0.33 per day

Metering charge for three phase service: \$0.19 per day
With instrument transformers: \$0.43 per day

1. Capacity delivered to the Company:

Monthly capacity payments for a QF (not registered as a MISO generator) shall be assigned by Montana-Dakota based upon the amount of qualifying capacity assigned to an eligible resource under BPM-011 Resource Adequacy of the MISO tariff subject to adjustment annually in accordance with BPM-011.

Monthly capacity payments for a MISO-registered QF shall be based on the capacity credits assigned by MISO on an annual basis.

Monthly capacity payment shall be the MISO capacity auction clearing price for Zone 1. The capacity payment is subject to change annually through the year 2032. Effective in 2033 the monthly capacity payment shall be \$17.785 per Kw-Month applicable for the remainder of the term of the contact.

Capacity payments will be paid in the subsequent billing period.

Date Filed: October 29, 2025

Effective Date:

Issued By: Travis R. Jacobson
Vice President – Regulatory
Affairs

Case No.:



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5
3rd Revised Sheet No. 45.1
Canceling 2nd Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 3

2. Energy Payment:

ON-PEAK
3.485¢ per Kwh

OFF-PEAK
3.413¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.

Date Filed: October 29, 2025

Effective Date:

Issued By: Travis R. Jacobson
Vice President – Regulatory
Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~2nd~~ ~~3rd~~ Revised Sheet No. 44

Canceling ~~4st~~ ~~2nd~~ Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

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Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = ~~3.4162-760~~¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: October ~~29, 2025~~21, 2024

Effective Date: ~~Service rendered on and after January 1, 2025~~

Issued By: Travis R. Jacobson
~~Vice President~~Director -of
Regulatory Affairs

Case No.: ~~PU-24-358~~



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~2nd~~ ~~3rd~~ Revised Sheet No. 44.1

Canceling ~~4th~~ ~~2nd~~ Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh at an amount equal to:

~~3.4162.760~~¢ per Kwh

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5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~2nd~~ ~~3rd~~ Revised Sheet No. 45

Canceling ~~4st~~ ~~2nd~~ Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 3

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

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Monthly capacity payments for a MISO-registered QF shall be based on the capacity credits assigned by MISO on an annual basis.

Monthly capacity payment shall be the MISO capacity auction clearing price for Zone 1. The capacity payment is subject to change annually through the year 203~~20~~. Effective in 203~~31~~ the monthly capacity payment shall be \$~~17.7858-964~~ per Kw-Month applicable for the remainder of the term of the contact.

Capacity payments will be paid in the subsequent billing period.

Date Filed: October ~~29, 2025~~ ~~21, 2024~~

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Issued By: Travis R. Jacobson
~~Vice President~~ Director –
Regulatory Affairs

Case No.: ~~PU-24-358~~



Montana-Dakota Utilities Co.

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State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~2nd~~ ~~3rd~~ Revised Sheet No. 45.1

Canceling ~~4th~~ ~~2nd~~ Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 3

2. Energy Payment:

ON-PEAK

~~3.4852-798~~¢ per Kwh

OFF-PEAK

~~3.4132-757~~¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

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2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
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~~Vice President~~ ~~Director~~ –
Regulatory Affairs

Case No.: ~~PU-24-358~~

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Lambda
2026**

Month	Year	Lambda		
		On-Peak \$/MWh	Off-Peak \$/MWh	Total \$/MWh
January	2026		\$41.11	\$41.11
February	2026		37.40	37.40
March	2026		31.77	31.77
April	2026		27.80	27.80
May	2026		29.19	29.19
June	2026	\$32.99	31.84	32.12
July	2026	37.97	37.95	37.95
August	2026	36.69	36.41	36.47
September	2026	31.73	31.64	31.66
October	2026		31.38	31.38
November	2026		34.50	34.50
December	2026		38.55	38.55
Average		\$34.85	\$34.13	\$34.16

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Calculation of Capacity Payment
2033**

Rate 96

Capital cost of combustion turbine	\$2,230	1/
Levelized Fixed Charge	9.571%	2/
Monthly Capacity Payments:	<u>\$17.785</u>	\$/kW-Month 3/

1/ Cost of combustion turbine based on the projected cost of a GE 7E.03 simple cycle unit in 2024 dollars of \$1,709 escalated at a rate of 3.0% per year to 2033.

2/ See Attachment B pages 2-5.

3/ Rate 96 Capacity Payment formula: = $\$1,709 \times 1.030^{(2033-2024)} \times .09571 / 12$

**Montana-Dakota Utilities Co.
Electric Utility- North Dakota
2026 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT**

Summary of Results

Sum of Present Values 1/	1.249083
Capital Recovery Factor 2/	0.076625
Levelized Fixed Charge 3/	<u><u>9.571%</u></u>

1/ Sum of annual net present values.

2/ $((+ROR*(1+ROR)^{book\ life})/((1+ROR)^{book\ life}-1))$.

3/ Product of annual present value x capital recovery factor.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
2026 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
	Net	Return	Book	O&M	Ad Valorem	Total	Present	Present	Accum.	LFCR	Tax	Deferred	
Year	Investment		Depr.		Tax	Charge	Value	Value	Present	Value	Accel.	Income	
							Factor					Tax	
1	1	1.000	0.08730	0.02500	0.01000	0.00440	0.12670	0.93297	0.11821	0.11821	0.12670	0.05000	0.00610
2	2	0.969	0.08458	0.02500	0.01000	0.00440	0.12398	0.87043	0.10792	0.22613	0.12539	0.09500	0.01708
3	3	0.927	0.08091	0.02500	0.01000	0.00440	0.12031	0.81208	0.09770	0.32383	0.12381	0.08550	0.01476
4	4	0.887	0.07744	0.02500	0.01000	0.00440	0.11684	0.75764	0.08852	0.41235	0.12225	0.07700	0.01269
5	5	0.849	0.07415	0.02500	0.01000	0.00440	0.11355	0.70685	0.08026	0.49261	0.12074	0.06930	0.01081
6	6	0.814	0.07102	0.02500	0.01000	0.00440	0.11042	0.65947	0.07282	0.56543	0.11930	0.06230	0.00910
7	7	0.779	0.06805	0.02500	0.01000	0.00440	0.10745	0.61526	0.06611	0.63154	0.11794	0.05900	0.00830
8	8	0.746	0.06514	0.02500	0.01000	0.00440	0.10454	0.57402	0.06001	0.69155	0.11664	0.05900	0.00830
9	9	0.713	0.06223	0.02500	0.01000	0.00440	0.10163	0.53554	0.05443	0.74598	0.11540	0.05910	0.00832
10	10	0.680	0.05932	0.02500	0.01000	0.00440	0.09872	0.49964	0.04933	0.79530	0.11420	0.05900	0.00830
11	11	0.646	0.05642	0.02500	0.01000	0.00440	0.09582	0.46615	0.04466	0.83997	0.11305	0.05910	0.00832
12	12	0.613	0.05351	0.02500	0.01000	0.00440	0.09291	0.43490	0.04041	0.88037	0.11194	0.05900	0.00830
13	13	0.580	0.05060	0.02500	0.01000	0.00440	0.09000	0.40575	0.03652	0.91689	0.11086	0.05910	0.00832
14	14	0.546	0.04769	0.02500	0.01000	0.00440	0.08709	0.37855	0.03297	0.94986	0.10982	0.05900	0.00830
15	15	0.513	0.04478	0.02500	0.01000	0.00440	0.08418	0.35317	0.02973	0.97959	0.10881	0.05910	0.00832
16	16	0.480	0.04188	0.02500	0.01000	0.00440	0.08128	0.32950	0.02678	1.00637	0.10784	0.02950	0.00110
17	17	0.454	0.03960	0.02500	0.01000	0.00440	0.07900	0.30741	0.02428	1.03066	0.10692	0.00000	(0.00610)
18	18	0.435	0.03795	0.02500	0.01000	0.00440	0.07735	0.28681	0.02218	1.05284	0.10607	0.00000	(0.00610)
19	19	0.416	0.03630	0.02500	0.01000	0.00440	0.07570	0.26758	0.02026	1.07309	0.10527	0.00000	(0.00610)
20	20	0.397	0.03465	0.02500	0.01000	0.00440	0.07405	0.24964	0.01849	1.09158	0.10452	0.00000	(0.00610)
21	21	0.378	0.03300	0.02500	0.01000	0.00440	0.07240	0.23291	0.01686	1.10844	0.10382	0.00000	(0.00610)
22	22	0.359	0.03135	0.02500	0.01000	0.00440	0.07075	0.21730	0.01537	1.12381	0.10316	0.00000	(0.00610)
23	23	0.340	0.02970	0.02500	0.01000	0.00440	0.06910	0.20273	0.01401	1.13782	0.10254	0.00000	(0.00610)
24	24	0.321	0.02805	0.02500	0.01000	0.00440	0.06745	0.18914	0.01276	1.15058	0.10195	0.00000	(0.00610)
25	25	0.302	0.02640	0.02500	0.01000	0.00440	0.06580	0.17646	0.01161	1.16219	0.10140	0.00000	(0.00610)
26	26	0.283	0.02475	0.02500	0.01000	0.00440	0.06415	0.16463	0.01056	1.17275	0.10087	0.00000	(0.00610)
27	27	0.265	0.02310	0.02500	0.01000	0.00440	0.06250	0.15360	0.00960	1.18235	0.10037	0.00000	(0.00610)
28	28	0.246	0.02145	0.02500	0.01000	0.00440	0.06085	0.14330	0.00872	1.19107	0.09989	0.00000	(0.00610)
29	29	0.227	0.01980	0.02500	0.01000	0.00440	0.05920	0.13369	0.00791	1.19899	0.09944	0.00000	(0.00610)
30	30	0.208	0.01815	0.02500	0.01000	0.00440	0.05755	0.12473	0.00718	1.20616	0.09901	0.00000	(0.00610)

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
2026 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
	Net	Return	Book	O&M	Ad Valorem	Total	Present	Present	Accum.	LFCR	Tax	Deferred	
Year	Investment		Depr.		Tax	Charge	Value	Value	Present	Value	Accel.	Income	
							Factor					Tax	
31	31	0.189	0.01650	0.02500	0.01000	0.00440	0.05590	0.11637	0.00650	1.21267	0.09861	0.00000	(0.00610)
32	32	0.170	0.01485	0.02500	0.01000	0.00440	0.05425	0.10857	0.00589	1.21856	0.09822	0.00000	(0.00610)
33	33	0.151	0.01320	0.02500	0.01000	0.00440	0.05260	0.10129	0.00533	1.22389	0.09785	0.00000	(0.00610)
34	34	0.132	0.01155	0.02500	0.01000	0.00440	0.05095	0.09450	0.00481	1.22870	0.09750	0.00000	(0.00610)
35	35	0.113	0.00990	0.02500	0.01000	0.00440	0.04930	0.08817	0.00435	1.23305	0.09716	0.00000	(0.00610)
36	36	0.094	0.00825	0.02500	0.01000	0.00440	0.04765	0.08226	0.00392	1.23697	0.09684	0.00000	(0.00610)
37	37	0.076	0.00660	0.02500	0.01000	0.00440	0.04600	0.07674	0.00353	1.24050	0.09654	0.00000	(0.00610)
38	38	0.057	0.00495	0.02500	0.01000	0.00440	0.04435	0.07160	0.00318	1.24367	0.09625	0.00000	(0.00610)
39	39	0.038	0.00330	0.02500	0.01000	0.00440	0.04270	0.06680	0.00285	1.24652	0.09597	0.00000	(0.00610)
40	40	0.019	0.00165	0.02500	0.01000	0.00440	0.04105	0.06232	0.00256	1.24908	0.09571	0.00000	(0.00610)

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
2026 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Year	Net Investment	Return	Book Depr.	O&M	Ad Valorem Tax	Total Charge	Present Value Factor	Present Value	Accum. Present Value	LFCR	Tax Depr. Accel.	Deferred Income Tax

- (1) Prior year's Net investment - Book Depreciation - Deferred Income Tax.
- (2) Return (adjusted for taxes) x Net Investment.
- (3) Depreciation rate based on the life of the investment.
- (4) Distribution O&M expense as percent of distribution plant.
- (5) Ad valorem tax rate on distribution plant.
- (6) Sum of return, depreciation, O&M and ad valorem taxes.
- (7) Present value factor reflecting overall rate of return.
- (8) Present value factor x total charge.
- (9) Accumulated present value.
- (10) Levelized fixed charge rate = accumulated present value x $((+ROR*(1+ROR)^{book\ life})/((1+ROR)^{book\ life}-1))$
- (11) Tax depreciation rates for a CT uses a 15 year tax life.
- (12) (Tax life - book life) x tax rate.

Assumptions

ROR	7.185%
ROR with taxes	8.730%
Federal Tax Rate	21.000%
State Tax Rate	4.310%
Combined Federal/State Tax Rate	24.4049%
1 - Tax Rate	75.5951%
Service Life of Asset (in years)	40
Tax Life (in years - 5, 7, 10, 15, 20 , or 39)	15
Property Tax Rate	0.440%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Summary of Billed Use & Purchased Energy - Rate 95 Customers
Twelve Months Ended September 30, 2025**

	Kwh Billed Customer 1/	Kwh Purchased under Rate 95
October 2024	125,522	22,175
November	118,585	8,420
December	188,268	1,027
January 2025	223,629	2,797
February	146,291	2,741
March	142,618	10,897
April	125,175	16,346
May	107,187	23,193
June	109,336	22,244
July	126,240	24,848
August	122,208	17,694
September	146,294	18,695
	<u>1,681,353</u>	<u>171,077</u>

1/ Kwh billed to customer under customer's otherwise applicable tariff.