

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.
Generation Resource Cost Recovery
Rates

Case No. PU-25-280

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Geralyn R. Schmaltz deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **19th day of February 2026**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

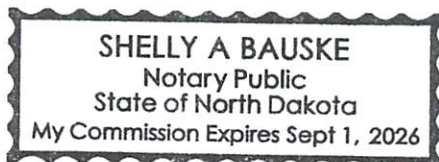
- **Order**

The envelope was addressed as follows:

Travis Jacobson
Vice President of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North 4th Street
Bismarck, ND 58501
Cert. No. 9589 0710 5270 2708 2431 44

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **19th day of February 2026**.



A handwritten signature in blue ink, appearing to read "Shelly A. Bauske", written over a horizontal line.

Notary Public

SEAL

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co.
Generation Resource Cost Recovery
Rates**

Case No. PU-25-280

ORDER

February 18, 2026

Preliminary Statement

On October 31, 2025, Montana-Dakota Utilities Co. (MDU), filed a change to its Generation Resource Recovery Rates (GRRR) to reflect 2026 amortization of Lewis & Clark Unit I (LC1) and Heskett Units I and II (H1&2) regulatory assets.

On November 19, 2025, the Commission issued a Notice of Opportunity for Hearing, which provided until January 2, 2026, for receiving written comments and hearing requests. No responses were received. The notice provided that, if deemed appropriate, the Commission can determine the matter without a hearing.

The Notice identified the issues to be considered in this proceeding are:

1. Whether the investments and associated costs for the resources qualify for recovery.
2. Whether the incurred costs are reasonable and prudent.
3. Whether the rate adjustments are consistent with MDU's tariff.

On November 26, 2025, MDU filed a revision to the GRRR.

On January 30, 2026, MDU filed a 2nd revision to the GRRR.

Discussion

Under its GRRR Tariff, MDU recovers costs associated with generation resource additions approved by the Commission but not currently recovered in the retail rates established at the time of MDU's last electric rate case.

The rates filed by MDU on January 30, 2026, reflect projected costs through December 31, 2026, related to the amortization of the regulatory assets related to MDU's retired Lewis & Clark Unit 1 (LC1) and Heskett Units 1&2 (H1&2). The settlement agreement in Case Nos. PU-19-306, 307 & 317 determined that the GRRR would be the mechanism used to track the balances for these units.

On May 16, 2022, MDU filed a rate case with the Commission in Case No. PU-22-194 that proposed to move the revenue requirement associated with the Lewis & Clark Reciprocating Internal Combustion Engine units from the GRRR to the base rate and move the revenue requirements related to LC1 and H1&2 from base rates into the GRRR. On June 6, 2023, this proposal was approved as part of the settlement agreement for Case PU-22-194, with rates effective July 1, 2023.

The rates reflect the impact of the \$2,908,502 refund from the 2024 Earning Sharing Refund Plan (Case PU-25-180) filed on May 1, 2025, and approved by Commission on November 19, 2025. The GRRR also includes the Financial Incentive related to its Power Purchase Agreement (PPA) as well as the projected under-recovered balance of the GRRR as of December 31, 2025.

The proposed rates for the 2026 GRRR are:

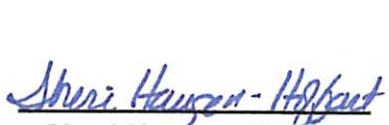
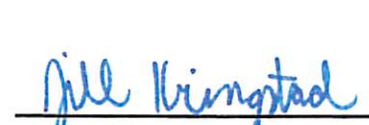
Residential & Small General	\$0.00327	per Kwh
Large General	\$0.96144	per KW
Space Heating Rate 32	\$0.46809	per KW
Lighting	\$0.00112	per Kwh

Having considered this matter, the Commission finds MDU's proposed 2026 GRRR investments and costs qualify for recovery, the rate is just and reasonable and consistent with the tariff, and should be approved.

Order

The Commission Orders Montana-Dakota Utilities Co.'s 2026 Generation Resource Recovery rates filed on January 30, 2026, are approved for electric service rendered on or after March 1, 2026.

PUBLIC SERVICE COMMISSION

		
Sheri Haugen-Hoffart Commissioner	Randy Christmann Chair	Jill Kringstad Commissioner