

# POWER

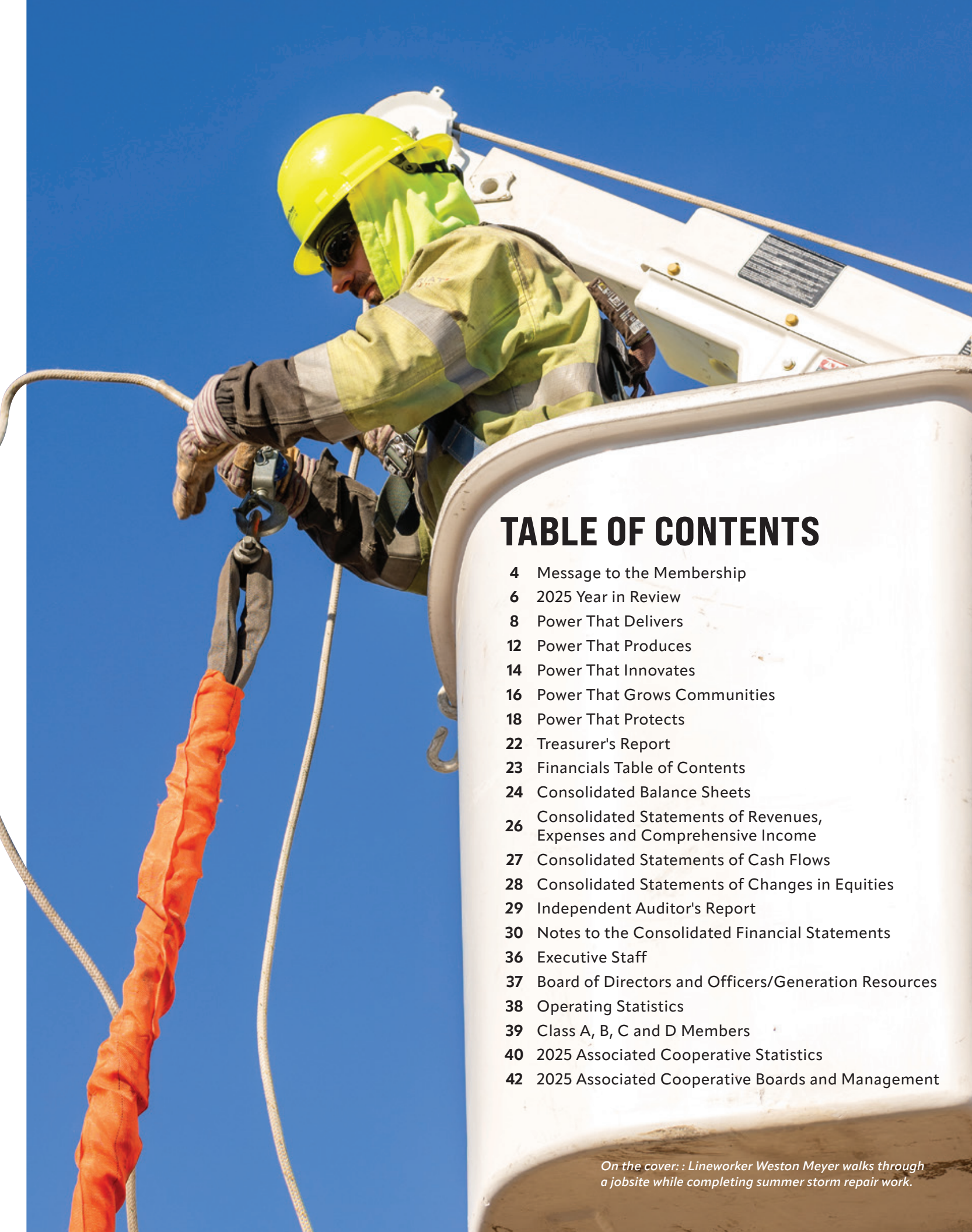
## THAT SHOWS UP

MINNKOTA POWER COOPERATIVE  
2025 ANNUAL REPORT

 **Minnkota Power**  
COOPERATIVE  
A Touchstone Energy® Cooperative 

# POWER

# THAT SHOWS UP



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*On the cover: : Lineworker Weston Meyer walks through a jobsite while completing summer storm repair work.*

Adversity never waits for a convenient moment. It doesn't pause for planning cycles, respect calendars or appear when our teams are ready and rested. It arrives as it always does – uninvited, unrelenting and often unforgiving.

In 2025, we faced challenges that tested both our resilience and our resolve. Historic storms toppled power lines across North Dakota and Minnesota. Energy market pressures tightened while power plants underwent extended maintenance. Supply chain disruptions surfaced in the middle of critical projects. Obstacles seemed to emerge at the most critical moments.

Yet the funny thing about adversity is that it teaches you something about the people around you. Every time challenges knocked us off balance, our people found solutions. They adapted, problem-solved and pushed forward, guided by their dedication to the members we serve.

The strength gained from these experiences positions us for the opportunities ahead. New power supply resources are on the horizon, and with them comes the chance to strengthen reliability, support economic growth and build a more resilient energy future for our membership.

This past year was defined by showing up for our members, our communities and each other. Through every moment, our focus remained on delivering safe, dependable power and standing ready when conditions were anything but predictable. Because when adversity arrives, the power that truly matters is the **power that shows up**.



**Mark Habedank**  
Board Chair



**Mac McLennan**  
President & CEO

# MESSAGE TO THE MEMBERSHIP

The past year tested our cooperative in ways few could have predicted. Historic storms caused widespread damage across our power delivery system, requiring rapid restoration efforts and extraordinary commitment from our crews. At the same time, extended maintenance outages at our primary power plant called for a strategic response and steady determination. Energy market volatility and financial headwinds also demanded careful planning and disciplined decision-making.

**Through it all, our people showed up.**

They solved problems, found creative solutions and worked together with an outstanding commitment to safety. Their efforts ensured that we continued to deliver reliable power to the communities we serve. We are proud of how our team performed under pressure and grateful for the dedication they demonstrate every day.

While 2025 presented challenges, we recognize that we cannot become so focused on obstacles that we lose sight of opportunities. And there are many opportunities ahead of us.

We are sharpening our focus on power supply and actively pursuing projects that will diversify our portfolio and support reliable, sustainable energy for the long term. As part of this effort, we are closely evaluating the development of natural gas generation in connection with a

pipeline planned from the Bakken region in western North Dakota to the eastern side of the state. This resource would provide the flexibility needed to respond quickly to changing system conditions and support reliability as our region's energy needs continue to grow.

We also continue to support the development of the Flickertail Wind Farm, a 370-megawatt project located near New Rockford, North Dakota, that is scheduled to begin commercial operation in 2028. Minnkota has plans in place with PRC Wind for the energy produced by this facility. Projects like Flickertail represent an important step in broadening our energy mix and positioning the cooperative for the future.

At the same time, we implemented a formal large-load interconnection process and established a dedicated data center rate class. This created a disciplined, consistent framework to support an agreement among Minnkota, our member Cass County Electric Cooperative and Applied Digital for the development of a large-scale data center in Harwood, North Dakota.

Under the structure of this project, Applied Digital will fund 100% of the infrastructure and resource requirements associated with its load. The significant use of electricity will help recover the fixed costs of generating and delivering electricity that would otherwise have to be paid by Minnkota's existing members. As a result, the project is designed to provide long-term benefits while

helping protect and stabilize rates across the cooperative. The facility is scheduled to reach full commercial operation in 2027.

This data center is not the only source of growth. The two largest dairy farms in North Dakota are expected to come online within our system over the next few years, along with a major potato processing facility in our member service territories. After years of relatively flat load growth, this new demand represents an important opportunity.

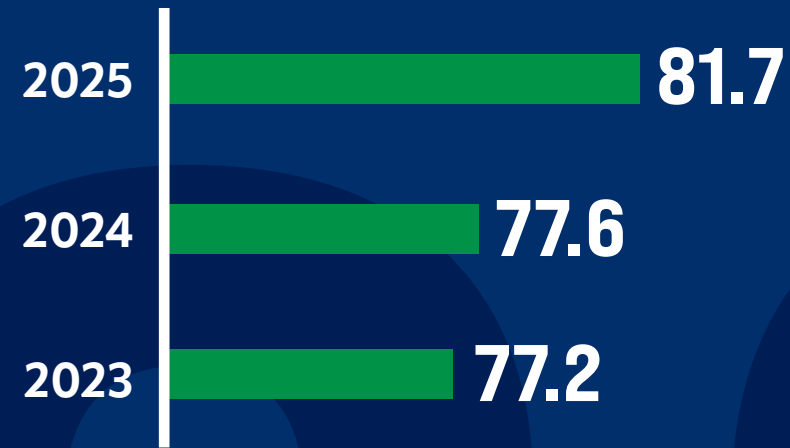
Growth is especially meaningful at a time when the rising costs of materials, equipment and resources continue to place upward pressure on rates. In 2025, Minnkota implemented its first rate increase in eight years to respond to these inflationary conditions. New loads can help offset rising costs and strengthen the financial stability of the cooperative.

The activities of the past year reaffirmed that reliability is not accidental. It is built through precise planning, disciplined investment and people who care deeply about the communities they serve. As we look ahead, your board of directors and leadership team remain focused on delivering power that shows up when our members need it most. We appreciate your continued trust, your partnership and your support for our cooperative. Together, we will continue to build a resilient, forward-looking energy future.

*Mark Habedank*  
**Mark Habedank**

*Mac McLennan*  
**Mac McLennan**

# Average Wholesale Rate (mills/kWh)



**BBB+**  
Fitch Rating  
Services Rating

**A-** Standard & Poor's Rating

**0.817** Experience Modification Factor

Safety goal to be below 1

**4.2 BILLION**  
Class A Member Sales  
(kWh)

**265**  
Substations

**3,390** Miles of Transmission Line

**\$487.8 MILLION**

2025 Revenues

**YEAR IN REVIEW**

# POWER

THAT DELIVERS



Apprentice Lineworker Drew Boen (left) and Lineworker Tristan Hammer work to set a pole near Enderlin, North Dakota, following summer storm damage.

For many across the Minnkota system, 2025 will be remembered as the year of the summer storms.

In late June, a historic EF-5 tornado – the first to strike the United States in more than 12 years – cut a path through Minnkota’s power delivery system. This tornado was part of a larger derecho storm event that began near Center, North Dakota, and traveled several hundred miles across the service area to the region near Bemidji, Minnesota. The damage to transmission and distribution infrastructure was catastrophic. Power lines were twisted, displaced or simply gone. Rebuilding these systems was challenging, conditions were dangerous, and the scale of destruction was among the worst the cooperative has experienced.

Following the response to this storm damage, a second major storm struck in early August, creating additional destruction, tearing down large transmission structures and forcing crews to restart the response.

Despite these challenges, our people delivered again and again.

Crews, contractors and system operators mobilized immediately. Restoration efforts were swift, disciplined and continuous. Safety performance remained excellent as teams worked around the clock to rebuild critical infrastructure and restore service to members. The response reflected years of planning, investment and training. Notably, a recent supply chain initiative helped ensure the vast majority of needed resources were available on-site. The Federal Emergency Management Agency (FEMA) provided coverage for both events.



Electrician Mike Howard and Apprentice Electrician Josh Anderson work to repair the Elm River Switch near Hillsboro, North Dakota.



Lineworker Nolan Belle assesses storm damage to Minnkota’s transmission lines near Enderlin, North Dakota.



Chris Linkletter, utility worker, gathers shards of a transmission pole that was damaged in an August storm.



Nick Bushaw, warehouse worker, preps material for Minnkota’s crews.



Some of the largest transmission structures on the Minnkota system were repaired in 2025, including this 345-kV structure near Bismarck, North Dakota.

While storm response defined the urgency of the year, it did not slow project progress. Alongside restoration work, Minnkota crews continued executing a long-term, programmatic approach to strengthening the power delivery system. Major projects addressed aging assets, improved reliability and prepared the grid for future demands.

### High-voltage system improvements

Minnkota operates two 345-kilo-volt (kV) transmission lines spanning more than 364 miles that carry power from western North Dakota into the service area. In 2025, crews replaced 13 transmission structures, extending the life of this critical high-voltage corridor. Advanced phase damper and galloping-mitigation projects were also completed using helicopter-based construction methods to improve line performance and resilience.

### Rebuild programs

Minnkota's 69-kV rebuild program continues to produce measurable reliability improvements. With the June storm excluded, Minnkota had its lowest level of blink outages ever and its third-lowest number of sustained outages – highlighting continued reliability progress.

In eastern North Dakota, Minnkota completed a full rebuild of 25 miles of 69-kV line between the Maple River and Buffalo River substations, along with 9.5 miles of 69-kV line between the Bedford, Colgate and Willow Lake substations.

Distribution substation improvements also moved forward. Complete rebuilds were finished at the Holt substation in Minnesota and the Cominco and Leal substations in North Dakota. Initial

construction began at the Sabin (Minnesota) substation, with completion planned for 2026. Additional improvements included installation of the Redby distribution capacitor bank in Minnesota, enhancing voltage support and overall system efficiency.

Collectively, these projects reduce outage risk, improve system performance and strengthen the grid.

### Fargo-Moorhead Flood Diversion projects

As part of the Fargo-Moorhead Flood Diversion Project, Minnkota completed significant system modifications to protect critical infrastructure. The diversion project will hold back rising water from the north-flowing Red River and route it around the Fargo-Moorhead metro area during extreme floods.

The Oxbow 69-kV substation was relocated and rebuilt outside the floodplain. In addition, eight trans-

mission line crossings were modified to span the diversion channel – an extensive effort required to maintain system integrity in a changing landscape.

### Demand response and distribution automation

Crews continued upgrading ripple injector equipment – the core infrastructure supporting the demand response system – with replacements at the Maple River and Langdon substations in North Dakota. With only two sites remaining, full modernization is expected within the next two years.

Distribution automation also advanced significantly. Eleven substations were upgraded in 2025, adding enhanced system visibility, automated switching and faster outage response. These projects represent meaningful progress toward Minnkota's goal of fully modernized substations by the early 2030s.



Crews worked through the night to set poles following a major August storm that impacted Minnkota's system.



Nearly 170 feet in the air, crews work safely to make repairs to a 345-kV structure.



Heavy Crew Foreman Nick Bye (left) reviews project plans with Brenden LaHaise, engineer II.

# POWER

## THAT PRODUCES



The coal-based Milton R. Young Station remains an important resource in Minnkota's power supply portfolio. The facility provides necessary baseload power needed by members every day.

In 2025, both units, located near Center, North Dakota, underwent extended maintenance to complete repairs, conduct in-depth inspections and ensure the facilities are positioned for long-term

performance. Unit 1 turbine issues were the primary cause of reduced performance, resulting in overall availability of 71% for the year. With repairs completed during the year, the 250-megawatt (MW) facility can operate safely, reliably and efficiently.

Minnkota performs major planned maintenance outages on Units 1 and 2 on a rotating three-year schedule. In 2025, it was Unit 2's turn to come offline to complete

large projects and conduct in-depth inspections. The outage began as scheduled on Sept. 3, and the unit returned to full service on Nov. 19, following a one-month extension. The additional time was required to address unplanned repairs, with completion affected in part by ongoing supply chain constraints. Despite the delays and obstacles, the project remained near budget. Excluding the planned outage period, Unit 2 was available for

operation 82% of the time. Overall availability for the unit was 71.5%. While the outage lasted longer than expected, the additional work was necessary to support long-term reliability.

This outage also marked the unit's high-pressure/intermediate-pressure turbine inspection, a detailed review performed once every nine years. In addition, crews completed major inspections of the boiler, critical piping systems and the precipitator. One of the largest capital projects during the outage was the full replacement of the primary crusher, which is essential to coal processing.

The outage was one of the safest in the plant's history, driven by careful planning, strong execution and consistent adherence to safety protocols. At the peak of the outage, nearly 400 contractors were on-site, working alongside approximately 100 Minnkota employees.

Although the outage required additional time, the work addressed critical needs and strengthened

the unit's long-term performance outlook. The investments made during this outage position the Milton R. Young Station to continue operating reliably well into the future.

### Changing EPA rules

In 2024, the Environmental Protection Agency (EPA) finalized a series of power plant regulations that raised significant concerns about how the Milton R. Young Station would meet potential compliance obligations, as well as broader impacts on electric reliability and affordability. These rules targeted greenhouse gas emissions, mercury emissions and coal combustion residuals in ways that many utilities, including Minnkota, viewed as unworkable. Collectively, they risked accelerating the retirement of reliable, coal-based generation at a time when the electric grid is already facing growing reliability challenges.

Throughout 2025, the regulatory landscape shifted significantly. Under the new presidential ad-

ministration, the EPA undertook a broad review of power sector regulations finalized during the prior administration. This effort included rescinding or substantially revising several major rules affecting power plants. As part of this broader policy direction, the administration also signaled strong support for maintaining coal-based resources as part of a reliable generation mix.

During this period of regulatory change, Minnkota remained actively engaged. The cooperative monitored and participated in the legal process and completed multiple internal studies to assess potential rule impacts.

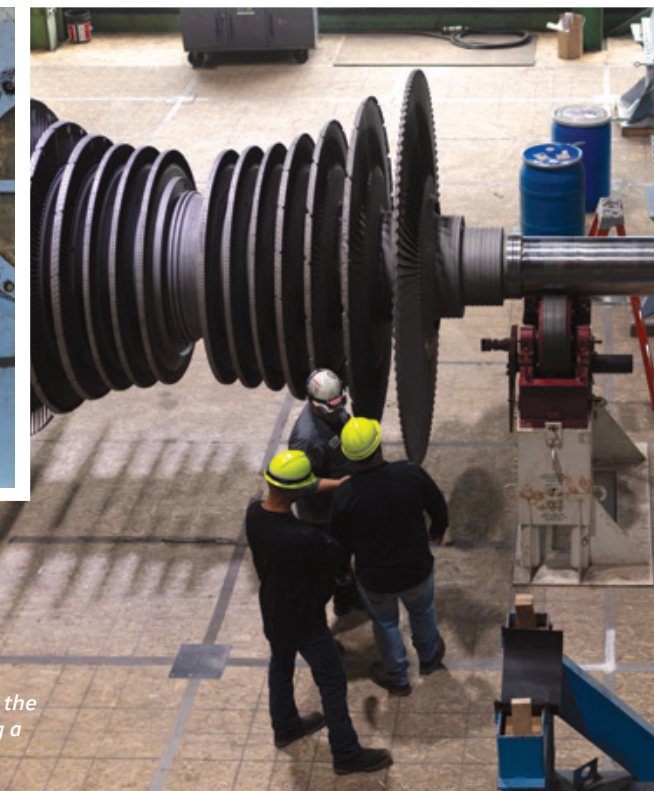
As a result of the regulatory actions taken in 2025, Minnkota's overall compliance outlook has stabilized. Current assessments indicate a low risk of material changes affecting environmental obligations or operational planning in the near term.



*Sam Schwanberg, plant engineer III, helps assess work on the primary crusher replacement project at the Young Station.*



*Using his flashlight, Mark Sammons, plant engineer, inspects a piece of equipment during a maintenance outage at the Young Station.*



*Young Station staff inspect the Unit 1 turbine blades during a maintenance outage.*

# POWER

## THAT INNOVATES



In 2025, Minnkota made significant progress in advancing long-term power supply planning to ensure the cooperative can meet the needs of its members well into the future. These efforts are focused on aligning generation resources with projected load growth, maintaining system reliability, protecting against market volatility and positioning Minnkota to adapt to an evolving energy landscape.

### Natural gas evaluation

A key focus of this work has been the evaluation of new natural gas generation in North Dakota. Natural gas offers dispatchable capacity that can respond quickly to changing system conditions, making it a valuable complement to Minnkota's existing resource portfolio.

This opportunity is closely tied to a proposed new natural gas

transmission pipeline being advanced by WBI Energy. The project would transport natural gas from the Bakken region in western North Dakota to the eastern part of the state. Current plans anticipate the western segment of the pipeline entering service by the end of 2029, followed by completion of the eastern segment by the end of 2030.

Minnkota is actively engaged with the pipeline developer and other stakeholders as these plans move forward. The cooperative is working to secure a position on the pipeline and is evaluating potential generation sites, technology options and plant sizing. Minnkota is also working closely with consultants to assess costs, operational considerations and long-term system benefits.

### Flickertail Wind Farm

Minnkota is supporting the continued development of the Flickertail Wind Farm near New Rockford, North Dakota. The new 370-megawatt (MW) wind project will be owned and operated by PRC Wind, while Minnkota will purchase the energy produced under a long-term agreement.

Energy produced will be integrated onto the electric grid on Minnkota's nearby 345,000-volt transmission line, which delivers energy to a substation in Grand Forks. From there, the energy will be sent to communities throughout eastern North Dakota and northwestern Minnesota.

Work is ongoing with PRC Wind, and permitting and development activities are progressing. The project remains on track toward a targeted commercial operation date in 2028.

### Project Tundra

In 2025, Minnkota continued to navigate changing circumstances affecting Project Tundra, a carbon capture and storage initiative at the Milton R. Young Station.

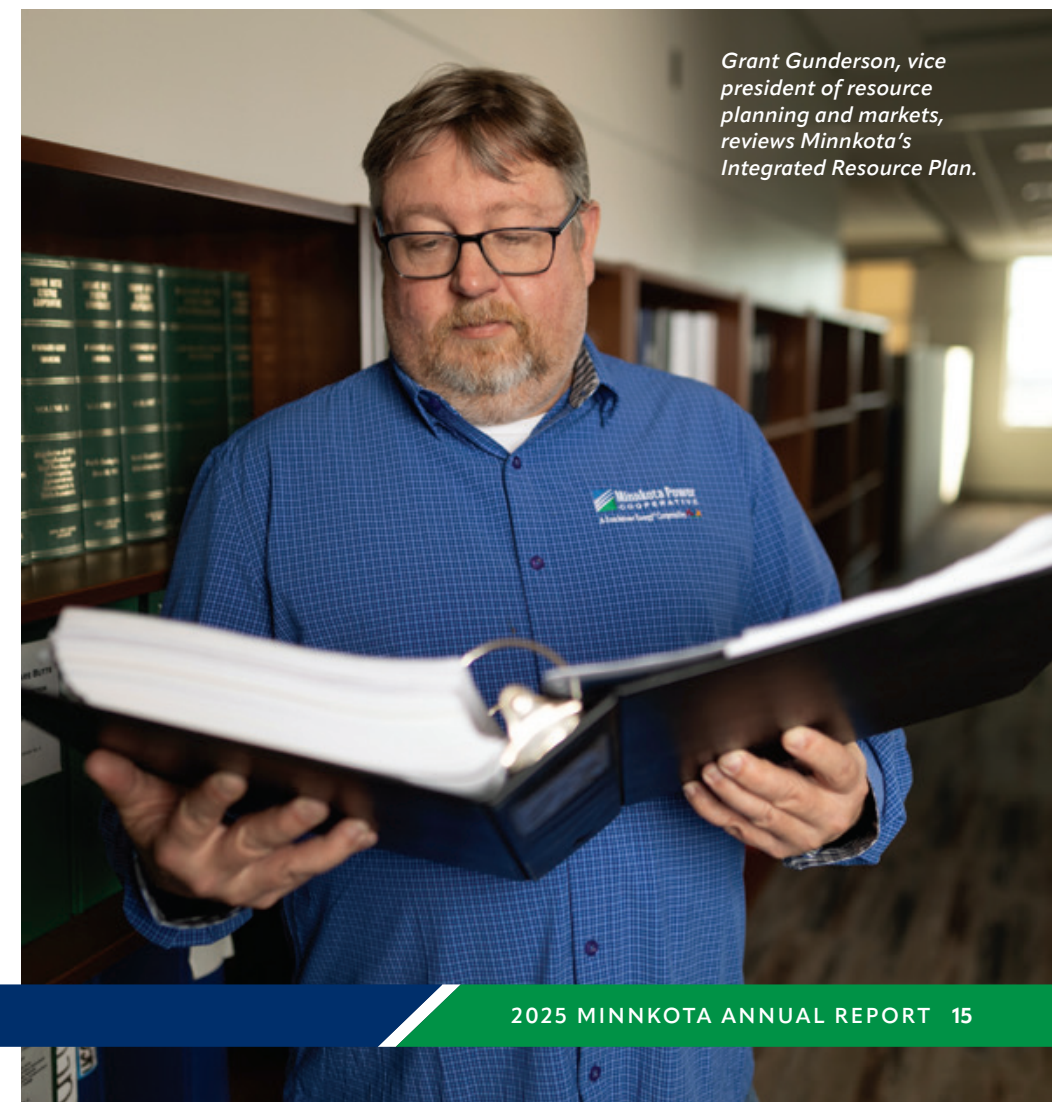
Project Tundra is designed to capture and permanently store up to 4 million metric tons of carbon dioxide CO<sub>2</sub> annually. The project is uniquely positioned for success due to the availability of geologic storage approximately 1 mile underground directly beneath and surrounding the plant site.

Throughout 2025, Minnkota continued technical and economic evaluations of Project Tundra amid shifting federal policy dynamics. The cooperative worked closely with federal and state agencies to preserve funding secured in 2023 and 2024, including

access to hundreds of millions of dollars in grant and loan opportunities. These discussions aim to ensure that previously awarded support remains viable as the project evolves.

Minnkota is also reviewing a transition to a new carbon capture technology that has the potential to meaningfully enhance the project's overall viability. This approach offers several advantages, including improved cost certainty, reduced construction complexity and a shorter overall build schedule.

Throughout the year, Minnkota engaged closely with member cooperatives, local landowners, community members and other stakeholders. Open communication and transparency remain priorities as the cooperative evaluates next steps for the project.



Grant Gunderson, vice president of resource planning and markets, reviews Minnkota's Integrated Resource Plan.

# POWER

## THAT GROWS COMMUNITIES



Construction of a new data center near Harwood, North Dakota, began in September 2025. Minnkota member Cass County Electric Cooperative will provide electric service to the facility.



Brita Endrud (center), Minnkota external affairs representative, presents a donation to Farm Rescue – an organization that provides support to farm and ranch families in need.

Minnkota had one of its strongest years to date in advancing new load growth and economic development opportunities across its member service areas.

Working closely with its member cooperatives, Minnkota has taken a disciplined approach to managing the growing interest in large data center and AI-related electric loads. Developer inquiries are significant, presenting both an opportunity and a risk if not managed carefully. Minnkota's focus is on positioning the system to pursue projects that align with long-term objectives while protecting the membership from undue cost or risk.

To manage this unprecedented level of interest, Minnkota established a formal Large Load Inter-

connection Process and defined a data center rate class in 2025. Because of their size, complexity and potential impact on the transmission and distribution systems, large-load projects are evaluated separately from traditional member load requests. This process ensures that all required system upgrades are fully identified and that associated costs are appropriately assigned and recovered from the large-load member-consumer at each stage of project development. As a result, traditional member-consumers are protected from bearing the financial responsibility for infrastructure investments driven solely by these major facilities. These actions establish a consistent and transparent framework for evaluating and responding to major load inquiries.

These strategies have directly informed the development of Applied Digital's data center in Harwood, North Dakota, representing the most significant load addition in Minnkota's history. The facility is targeted to become operational in early 2027.

### Agricultural growth

In addition, Minnkota collaborated with its members and partners to help attract a large potato processing facility in Grand Forks, North Dakota. The cooperative also supported efforts to attract two large dairy facilities in eastern North Dakota, further strengthening the agricultural and industrial base of the service area.

Looking ahead, Minnkota is actively tracking and supporting approximately 60 native load

growth opportunities across the system. Staff remain committed to working closely with member cooperatives to retain existing businesses, pursue new economic development opportunities and help member communities grow and thrive. Programmatic infrastructure improvements continue to be made that support system resiliency, but also these load growth opportunities.

### Giving back

Minnkota continues to give back to its communities through volunteer opportunities, charitable contributions and education efforts.

Through targeted giving, the cooperative supports local non-profits, schools and community initiatives that address critical needs and expand opportunities

- Someone in the circle hold something
- How many people can we use to complete the flow of energy?

Emily Windjue (center), communications specialist, leads an exercise with a group of elementary school students to show how electricity works.



for families and businesses. These contributions help strengthen the communities served by member systems and reflect Minnkota's ongoing commitment to being a reliable partner beyond the delivery of power.

In addition, Minnkota's electrification and energy efficiency

programs are helping encourage the wise use of electricity and the adoption of electric technologies in homes, businesses and industry. By investing in both community initiatives and beneficial electrification, Minnkota continues to deliver value to its members and the consumer-members they serve.

# POWER

## THAT PROTECTS

**M**innkota remains committed to protecting both its digital infrastructure and physical assets while meeting or exceeding all applicable compliance standards. Across the organization, teams work continuously to strengthen defenses, verify processes and reduce risk.

The following initiatives highlight Minnkota's proactive, cooperative-wide approach to reliability, security and regulatory compliance.

### NERC audit

Minnkota completed its required North American Electric Reliability Corporation (NERC) audit

in 2025 with strong results, earning zero compliance violations and two positive observations. Conducted every three years, the audit verifies that Minnkota is meeting federal reliability standards and has the processes and resources in place to continue doing so.

Working through regional organizations such as the Midwest Reliability Organization, auditors assess compliance with more than 1,000 detailed requirements covering cybersecurity, transmission planning, power plant operations and overall system reliability. Fines exceeding \$1 million per day, per violation, are possible if standards are not met.

The audit process is extensive, including large data requests, detailed document reviews and

interviews with subject matter experts across the organization. While Minnkota's compliance department coordinates the effort, day-to-day compliance depends on more than 60 employees who execute standards as part of their regular work.

One highlight of the audit was a positive observation related to Minnkota's cold-weather preparedness. Auditors praised the cooperative's Extreme Cold Weather Temperature calculation, a requirement strengthened after the 2021 Texas grid challenges during Winter Storm Uri. Minnkota combined technical analysis with decades of real-world operating experience

at the Milton R. Young Station to successfully meet the requirement.

Auditors also commended Minnkota for the clarity and organization of its documentation and evidence, noting that well-structured narratives and internal controls made the review process more efficient.

### Wildfire Mitigation Plan

Minnkota has implemented a comprehensive Wildfire Mitigation Plan designed to proactively reduce wildfire risk and strengthen system resilience. The plan uses detailed risk analysis to identify locations and conditions most susceptible to wildfire concerns, along with a thorough evaluation of risk drivers such

as vegetation proximity, weather exposure and equipment age.

It also outlines enhanced operational practices and heightened risk protocols that activate during elevated fire conditions to minimize potential ignition sources. In addition, Minnkota has evaluated construction programs to deploy more fire-resistant infrastructure and reinforced inspection and maintenance protocols to ensure timely identification and correction of hazards.

Together, these efforts demonstrate Minnkota's commitment to safeguarding the communities it serves while maintaining reliable electric service.



*Shawna Setter, vegetation management specialist, reviews Minnkota's Wildfire Mitigation Plan, which was finalized in 2025.*



*(Left to right) Minnkota's compliance team of Theresa Allard, Nikki Carson-Marquis and Andy Fuhrman completed a successful NERC audit in 2025.*



*Dan Inman, senior vice president of power delivery and chief information technology officer, addresses more than 100 participants in GridEx at Minnkota headquarters.*



*More than 30 member cooperative employees participated alongside Minnkota staff in the exercise.*

### GridEx VIII

In 2025, Minnkota participated in GridEx VIII, a large-scale emergency exercise designed to test how utilities would respond to major grid security threats. Over two days, more than 110 Minnkota employees, member cooperative staff and partners worked through simulated cyber, physical and communications incidents meant to mirror a real-world grid crisis.

GridEx is organized by NERC through its Electricity Information Sharing and Analysis Center. It is one of the largest grid security

exercises in the world and helps utilities practice responding to coordinated, fast-moving threats.

For Minnkota, the 2025 exercise was the most extensive and collaborative the cooperative has ever conducted. Participants faced escalating scenarios, including cyber intrusions, malware, physical attacks on infrastructure, supply

chain disruptions and misinformation campaigns.

After the exercise, participants documented lessons learned and areas for improvement. Those insights are now being reviewed and will be turned into concrete action items, such as updating documentation, refining processes and improving coordination.

### Candidate Conservation Agreement with Assurances (CCAA)

Minnkota also made important progress on environmental compliance in 2025, receiving approval for its Candidate Conservation Agreement with Assurances (CCAA) for the monarch butterfly. This agreement provides regulatory certainty and a cost-effective compliance pathway should the monarch be listed as an endangered species.

The program, led by the U.S. Fish and Wildlife Service, is designed for energy and transportation rights of way and offers regulatory coverage for entities that create, enhance and maintain monarch habitat.

To support pollinator habitats, Minnkota will incorporate native seed mixes into select rights of way and remove brush to create more grassland space. These restoration and habitat preservation efforts will also streamline future transmission work by exempting many activities from federal permitting processes.

### Cyber risk management

Minnkota commissioned a third-party cyber risk assessment in 2025 to ensure its processes, systems and technologies are adequately protecting cooperative resources. Reviewers examined how a real attacker might gain initial access, establish a foothold and potentially move from traditional IT networks into operational technology that supports power plants and transmission infrastructure.

The assessment found Minnkota's overall cyber risk to be low, compared with an industry-wide medium-risk baseline. Reviewers also provided a series of recommendations that staff will evaluate and prioritize in 2026.



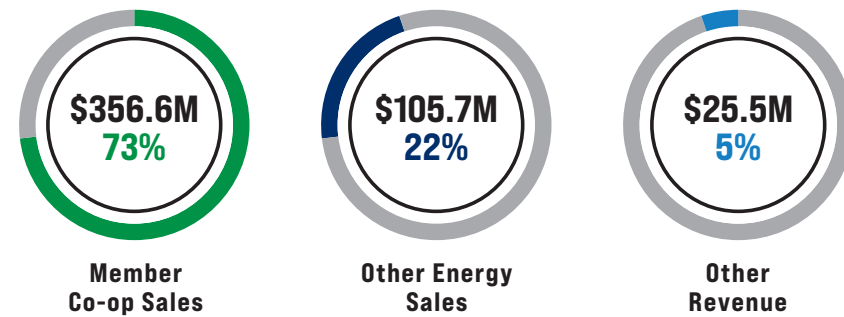
*Matt Odermann, cybersecurity supervisor, reviews information on his laptop from Minnkota's data center.*



# TREASURER'S REPORT

**Colette Kujava**  
Secretary/  
Treasurer

## 2025 TOTAL REVENUE: \$487.8M



Minnkota navigated a challenging financial environment in 2025 as volatile wholesale energy markets, extended power plant maintenance and ongoing supply chain and inflationary pressures placed strain on operating costs. Despite these headwinds, the cooperative maintained strong financial oversight while continuing to support reliable and cost-effective service for its member systems.

To meet margin targets amid these pressures, the board utilized the remaining \$13.8 million in deferred revenue funds and implemented an expense deferral of \$4.35 million, which will be recognized in 2026. Minnkota also retains \$39 million in its Resource Transition Fund, which is designated to manage future power supply costs.

In 2025, Minnkota implemented its first wholesale rate increase in eight years. Rates increased 8.3% in April due to continued cost pressures and the need to preserve financial stability.

Minnkota maintained investment-grade financial ratings from the major rating agencies. Standard & Poor's (S&P) affirmed an A- rating with a stable outlook. Fitch Ratings affirmed Minnkota's BBB+ rating but revised its outlook to negative, largely reflecting financial pressures experienced in the fourth quarter of 2025. Moody's Investors Service maintained a Baa1 rating with a stable outlook.

Looking ahead, Minnkota faces significant power delivery investments and critical power supply decisions. The cooperative must continue strengthening its financial foundation to ensure long-term stability while maintaining cost-effective rates for its members. By reinforcing its financial position today, Minnkota can confidently pursue investments that enhance system resilience, integrate new technologies and address the complexities of a rapidly evolving energy landscape.

### Revenues

Total revenues for 2025 were \$487.8 million. The largest source of revenue was energy sales to Minnkota's 11 Class A member distribution cooperatives, totaling \$356.6 million – \$4.7 million above budget mainly due to deferred revenue recognized. A total of 4.2 billion kWh were sold to Class A members, which was 0.5% below budget. Despite slightly lower sales volumes, the cooperative recorded two months of record sales during the year in August and September. The average Class A member rate for 2025 was 81.7 mills per kWh.

Energy sales revenue from Class B, C and D members totaled \$105.7 million, which was \$5.4 million below budget. Other revenue – including administrative fees from Square Butte Electric Cooperative, sales of renewable energy credits, wheeling revenue and transmission services – totaled \$25.5 million, which was \$0.7 million under budget.

### Expenses

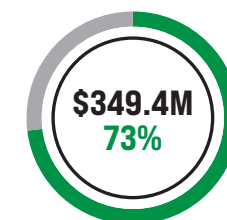
Total expenses for 2025 were \$478.1 million, compared with a budget of \$474.9 million. Power supply expenses – including generation costs for Young 1 and purchased power from Young 2, Western Area Power Administration, wind resources and the MISO market – totaled \$349.4 million, or \$0.3 million over budget.

Transmission and substation expenses were \$35.9 million, which was \$1.0 million under budget. Administrative and general expenses totaled \$29.4 million, which was \$1.5 million above budget. Fixed costs, including interest and depreciation, were \$63.4 million, which was \$2.4 million above budget.

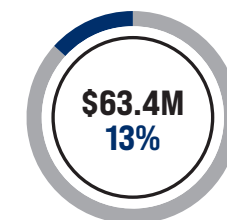
### Net Margins

Minnkota recorded total margins of \$9.7 million in 2025, compared with a budgeted margin of \$14.2 million. Total margins consisted of an operating margin of \$4.5 million and a non-operating margin of \$5.2 million.

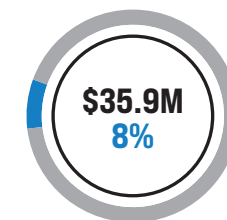
## 2025 TOTAL EXPENSES: \$478.1M



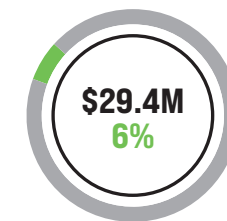
Power Supply



Fixed Costs



Transmission & Substation



Administrative & General

### Equity and Assets

As of Dec. 31, 2025, total patronage capital stood at \$68.2 million, reflecting the \$4.5 million operating margin generated during the year. The \$5.1 million non-operating margin will be retained as appropriated margins to address future contingencies.

Total equity at year-end was \$245.4 million, representing 19.9% of total assets. Minnkota's net electric plant value was approximately \$1.0 billion, an increase of \$19.1 million from the previous year, primarily due to additions to electric plant.

### Long-Term Debt

Minnkota's long-term debt, including current maturities, totaled \$884.4 million as of Dec. 31, 2025, reflecting a \$1.7 million decrease from the prior year. During 2025, Minnkota received \$15.5 million in loan advances from the Rural Utilities Service (RUS) and made additional draws on its CoBank bridge loan. The cooperative also made \$26.8 million in principal payments during the year.

### Final Notes

This summary provides an overview of Minnkota's financial performance in 2025. For a comprehensive review, please refer to the consolidated financial statements, accompanying notes and the Independent Auditor's Report included in this annual report.

*Colette Kujava*

**Colette Kujava**  
Secretary/Treasurer

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## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

| ASSETS   | 2025                    | 2024                    |
|--|-------------------------|-------------------------|
| <b>ELECTRIC PLANT</b>  |                         |                         |
| In service.....  | \$ 1,459,699,730        | \$ 1,417,401,327        |
| Construction work in progress.....                           | 49,690,502              | 48,516,404              |
| Total electric plant.....                                    | 1,509,390,232           | 1,465,917,731           |
| Less accumulated depreciation.....                           | (472,964,800)           | (448,573,694)           |
| Electric plant – net.....                                    | 1,036,425,432           | 1,017,344,037           |
| <b>OTHER PROPERTY AND INVESTMENTS</b>                        |                         |                         |
| Investments in associated companies.....                     | 177,030                 | 171,452                 |
| Non-utility property.....                                    | 206,229                 | 177,946                 |
| Investments - fair value.....                                | 2,705,554               | 2,123,675               |
| Investments - non fair value.....                            | 49,230,060              | 44,552,511              |
| Total.....   | 52,318,873              | 47,025,584              |
| <b>CURRENT ASSETS</b>  |                         |                         |
| Cash and cash equivalents.....                               | 7,634,778               | 12,771,825              |
| Accounts receivable – Northern Municipal Power Agency.....   | 4,509,119               | 6,179,633               |
| Accounts receivable – Square Butte Electric Cooperative..... | 6,956,999               | 5,482,713               |
| Accounts receivable – other.....                             | 53,825,960              | 45,178,176              |
| Materials and supplies.....                                  | 51,942,631              | 46,779,177              |
| Inventory.....   | 240,854                 | 224,076                 |
| Prepays.....   | 9,715,154               | 8,372,132               |
| Total.....   | 134,825,495             | 124,987,732             |
| <b>DEFERRED DEBITS.....</b>                                  | 9,213,501               | 4,792,119               |
| <b>TOTAL ASSETS</b>  | <b>\$ 1,232,783,301</b> | <b>\$ 1,194,149,472</b> |

See Notes to the Consolidated Financial Statements

## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

| EQUITIES AND LIABILITIES                                  | 2025                    | 2024                    |
|---|-------------------------|-------------------------|
| <b>EQUITIES</b>   |                         |                         |
| Memberships issued.....                                   | \$ 1,136                | \$ 1,136                |
| Patronage capital.....                                    | 68,233,310              | 63,719,155              |
| Appropriated margins.....                                 | 169,688,215             | 164,550,136             |
| Unallocated reserve.....                                  | 7,200,000               | 7,200,000               |
| Accumulated other comprehensive income (loss).....        | 314,410                 | 331,615                 |
| Total.....  | 245,437,071             | 235,802,042             |
| <b>LONG-TERM DEBT</b>                                     |                         |                         |
| Mortgage notes payable, net of current maturities.....    | 856,278,110             | 859,008,309             |
| <b>NONCURRENT LIABILITIES</b>                             |                         |                         |
| Post-retirement obligations.....                          | 5,206,981               | 4,147,844               |
| Accrued pension costs.....                                | 2,016,828               | 1,949,986               |
| Closure cost obligation.....                              | 5,384,953               | 4,981,854               |
| Total.....  | 12,608,762              | 11,079,684              |
| <b>CURRENT LIABILITIES</b>                                |                         |                         |
| Accounts payable – Square Butte Electric Cooperative..... | 2,443,358               | 1,047,604               |
| Accounts payable – other.....                             | 21,249,399              | 22,906,884              |
| Accrued taxes.....  | 3,634,886               | 3,583,702               |
| Accrued interest.....                                     | 632,381                 | 647,641                 |
| Accrued payroll.....                                      | 1,215,133               | 1,522,572               |
| Vested accrued vacation.....                              | 6,392,113               | 5,110,045               |
| Current maturities of long-term debt.....                 | 28,102,747              | 27,118,713              |
| Total.....  | 63,670,017              | 61,937,161              |
| <b>DEFERRED CREDITS.....</b>                              | 54,789,341              | 26,322,276              |
| <b>TOTAL EQUITIES AND LIABILITIES</b>                     | <b>\$ 1,232,783,301</b> | <b>\$ 1,194,149,472</b> |

See Notes to the Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

|  | 2025           | 2024           |
|--|----------------|----------------|
| <b>OPERATING REVENUES</b>                                |                |                |
| Energy sales to Class A members.....                     | \$ 356,597,296 | \$ 352,402,800 |
| Energy sales to Class B, C & D members & other.....      | 105,714,300    | 89,295,120     |
| Other electric revenue.....                              | 19,206,435     | 22,565,455     |
| Other operating revenue.....                             | 1,046,618      | 1,208,403      |
| Total operating revenues.....                            | 482,564,649    | 465,471,778    |
| <b>OPERATING EXPENSES</b>                                |                |                |
| Generation.....  | 65,489,215     | 77,453,190     |
| Power supply – Northern Municipal Power Agency.....      | 5,422,715      | 3,529,117      |
| Purchased power – Square Butte Electric Cooperative..... | 83,834,004     | 87,052,217     |
| Purchased power – other.....                             | 194,552,433    | 172,391,348    |
| Transmission and substation.....                         | 35,916,968     | 34,444,158     |
| Depreciation and amortization.....                       | 32,682,138     | 31,512,797     |
| Administrative and general.....                          | 29,403,523     | 27,106,095     |
| Interest on long-term debt.....                          | 30,437,973     | 29,106,862     |
| Other interest.....                                      | 311,525        | 810,249        |
| Total operating expenses.....                            | 478,050,494    | 463,406,033    |
| <b>OPERATING MARGIN</b>                                  | 4,514,155      | 2,065,745      |
| <b>NON-OPERATING MARGIN</b>                              |                |                |
| Interest income.....                                     | 2,206,531      | 3,705,380      |
| Coal royalties.....                                      | 1,399,978      | 1,366,732      |
| Capital credit allocations received.....                 | 1,126,095      | 412,226        |
| Non-operating revenue.....                               | 353,420        | 425,182        |
| Income tax expense.....                                  | (70,182)       | (52,925)       |
| Pension and post-retirement benefit (cost).....          | 122,237        | 1,332,726      |
| <b>NON-OPERATING MARGIN</b>                              | 5,138,079      | 7,189,321      |
| <b>NET MARGIN</b>  | 9,652,234      | 9,255,066      |
| <b>OTHER COMPREHENSIVE INCOME</b>                        |                |                |
| Defined benefit pension plans:                           |                |                |
| Net income (loss) arising during the period.....         | (17,205)       | 1,213,438      |
| <b>COMPREHENSIVE INCOME</b>                              | \$ 9,635,029   | \$ 10,468,504  |

See Notes to the Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

|  | 2025          | 2024          |
|--|---------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |               |               |
| Net margin.....  | \$ 9,652,234  | \$ 9,255,066  |
| Adjustments to reconcile net margin<br>to net cash provided (used) by operating activities |               |               |
| Depreciation and amortization.....   | 32,682,138    | 31,512,797    |
| Capital credit allocations.....  | (1,126,095)   | (412,226)     |
| Effects on operating cash flows due to changes in:   |               |               |
| Accounts receivable.....   | (8,451,556)   | (8,062,746)   |
| Prepaid expenses.....  | (1,343,022)   | (1,290,604)   |
| Materials and supplies.....  | (5,163,454)   | (1,751,058)   |
| Inventories.....   | (16,778)      | (189,076)     |
| Deferred debits.....   | (4,407,280)   | (411,086)     |
| Accounts payable.....  | (261,731)     | (7,559,975)   |
| Accrued expenses.....  | 1,010,553     | 232,188       |
| Deferred credits.....  | 28,014,170    | (26,444,426)  |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>                                    | 50,589,179    | (5,121,146)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |               |               |
| Electric plant additions – net.....  | (51,763,533)  | (57,660,454)  |
| Investment (additions) reductions.....   | (5,653,069)   | 27,839,495    |
| Capital credits received.....  | 1,485,875     | 1,675,400     |
| <b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>                                    | (55,930,727)  | (28,145,559)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |               |               |
| Proceeds from long-term debt.....  | 15,460,000    | 27,707,000    |
| Net proceeds (payments) on bridge loan.....  | 10,000,000    | 35,000,000    |
| Change in post-retirement benefits.....  | 1,125,979     | (805,185)     |
| Change in other noncurrent liabilities.....  | 403,099       | 516,630       |
| Repayment of long-term debt.....   | (26,784,577)  | (29,091,460)  |
| <b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>                                    | 204,501       | 33,326,985    |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   | (5,137,047)   | 60,280        |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | 12,771,825    | 12,711,545    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | \$ 7,634,778  | \$ 12,771,825 |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>                                   |               |               |
| Cash paid for interest.....  | \$ 31,408,050 | \$ 30,665,570 |
| Cash paid for income taxes.....  | 74,857        | 20,000        |

See Notes to the Consolidated Financial Statements

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITIES

## FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

|                                   | MEMBERSHIPS<br>ISSUED | PATRONAGE<br>CAPITAL | APPROPRIATED<br>MARGINS | UNALLOCATED<br>RESERVE | ACCUMULATED<br>OTHER<br>COMPREHENSIVE<br>INCOME (LOSS) | TOTAL                 |
|-----------------------------------|-----------------------|----------------------|-------------------------|------------------------|--|-----------------------|
| <b>BALANCE<br/>JAN. 1, 2024</b>   | <b>\$ 1,136</b>       | <b>\$ 61,653,410</b> | <b>\$ 157,360,815</b>   | <b>\$ 7,200,000</b>    | <b>\$ (881,823)</b>                                    | <b>\$ 225,333,538</b> |
| Operating margin                  | -                     | 2,065,745            | -                       | -                      | -  | 2,065,745             |
| Non-operating margin              | -                     | -                    | 7,189,321               | -                      | -  | 7,189,321             |
| Other comprehensive income (loss) | -                     | -                    | -                       | -                      | 1,213,438  | 1,213,438             |
| <b>BALANCE<br/>DEC. 31, 2024</b>  | <b>1,136</b>          | <b>63,719,155</b>    | <b>164,550,136</b>      | <b>7,200,000</b>       | <b>331,615</b>   | <b>235,802,042</b>    |
| Operating margin                  | -                     | 4,514,155            | -                       | -                      | -  | 4,514,155             |
| Non-operating margin              | -                     | -                    | 5,138,079               | -                      | -  | 5,138,079             |
| Other comprehensive income (loss) | -                     | -                    | -                       | -                      | (17,205)   | (17,205)              |
| <b>BALANCE<br/>DEC. 31, 2025</b>  | <b>\$ 1,136</b>       | <b>\$ 68,233,310</b> | <b>\$ 169,688,215</b>   | <b>\$ 7,200,000</b>    | <b>\$ 314,410</b>                                      | <b>\$ 245,437,071</b> |

See Notes to the Consolidated Financial Statements

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Minnkota Power Cooperative, Inc.  
Grand Forks, North Dakota

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of Minnkota Power Cooperative, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of revenues, expenses and comprehensive income, changes in equities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Minnkota Power Cooperative, Inc. and Subsidiaries as of December 31, 2025 and 2024, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Minnkota Power Cooperative, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnkota Power Cooperative, Inc. and Subsidiaries' ability to continue as a going concern for twelve months beyond the consolidated financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Minnkota Power Cooperative, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnkota Power Cooperative, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2026, on our consideration of Minnkota Power Cooperative, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of Minnkota Power Cooperative, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Minnkota Power Cooperative, Inc. and Subsidiaries' internal control over financial reporting and compliance.

### OTHER INFORMATION INCLUDED IN THE COMPANY'S ANNUAL REPORT

Management is responsible for the other information included in the Company's Annual Report. The other information comprises reports by management to the members, summarized statistical data, and the Officers and Director listing, but it does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



BRADY MARTZ | GRAND FORKS, NORTH DAKOTA  
February 11, 2026

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization.** Minnkota Power Cooperative, Inc. (Minnkota or the Cooperative) is a generation and transmission cooperative that was formed on March 28, 1940, under the laws of the State of Minnesota with headquarters in Grand Forks, North Dakota. It operates on a non-profit cooperative basis and is engaged primarily in the business of providing wholesale electric service to its retail distribution cooperative member-owners (Members). The eleven members purchase power and energy from Minnkota pursuant to all-requirements wholesale power contracts, which terminate on December 31, 2060, and automatically renews in two-year increments in future even-numbered years.

Minnkota's service area, aggregating approximately 35,000 square miles, is in northwestern Minnesota and eastern North Dakota, and contains an aggregate population of approximately 300,000 people.

Minnkota is subject to the accounting and reporting rules and regulations of the Rural Utilities Service (RUS). The Cooperative follows the Federal Energy Regulatory Commission's Uniform System of Accounts prescribed for Class A and B Electric Utilities as modified by RUS.

Rates charged to members are established by the board of directors and are subject to approval by RUS.

As a result of the ratemaking process, the Cooperative applies Accounting Standards Codification (ASC) 980 Regulated Operations. The application of generally accepted accounting principles by the Cooperative differs in certain respects from the application by non-regulated businesses as a result of applying ASC 980. Such differences generally related to the time at which certain items enter into the determination of net margins in order to follow the principle of matching costs and revenues.

Great Plains Tower Services, LLC, which became a 100% subsidiary of the Cooperative on December 29, 2023, is a North Dakota Limited Liability Company in the business of providing tower construction, inspection and maintenance services to customers substantially located in North Dakota, Minnesota and South Dakota.

DCC East Project, LLC, which became a 100% subsidiary of the Cooperative in 2024, is a North Dakota Limited Liability Company working with government granting opportunities to pursue the construction of a clean coal, carbon dioxide separation and purification plant in North Dakota.

**Electric Plant and Retirements.** Electric plant is stated at cost. The cost of additions to electric plant includes contracted work, direct labor and materials and allocable overheads. The cost of units of depreciable property retired is removed from electric plant and charged to accumulated depreciation along with removal costs less salvage. Repairs and the replacement and renewal of items determined to be less than units of property are charged to maintenance expense.

**Non-Utility Property and Equipment.** Non-utility property and equipment additions are recorded at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the asset are capitalized. The estimated useful lives of depreciable assets are:

- Equipment: 5-10 years
- Vehicles and Trailers: 5-7 years

**Depreciation.** Depreciation is computed using the straight-line method based upon the estimated useful lives of the various classes of property through use of annual composite rates.

**Allowance for Funds Used During Construction (AFUDC).** The allowance for funds used during construction is interest that is capitalized on all construction projects with a budgeted cost of greater than \$50,000. AFUDC is classified as a reduction of interest expense.

**Investments.** Securities not classified as held to maturity or trading, including securities with readily determinable fair values, are classified as "available for sale" and recorded at fair value, with unrealized gains and losses included in earnings.

The Cooperative follows U.S. GAAP with regards to *Accounting for Certain Investments in Debt and Equity Securities*. This addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. Those investments are to be classified in two categories and accounted for as follows:

- Debt securities that the Cooperative has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost.
- Debt and equity securities not classified as held-to-maturity securities are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses included in earnings.

Investments in associated organizations and certain other investments are stated at cost plus undistributed allocated equities from other cooperatives. The fair value of cost-method investments is measured at cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer.

**Fair Value Measurements.** The Cooperative categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation technique as follows:

- Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Cooperative has the ability to access.
- Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using quoted prices of securities with similar characteristics.
- Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions. As there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Subsequent to initial recognition, the Cooperative may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Cooperative adopted the policy to value certain financial instruments at fair value; however, it may elect to measure newly acquired financial instruments at fair value in the future.

The fair value of the Cooperative's long-term debt was estimated based upon borrowing rates currently available to the Cooperative for bank loans with similar terms and average maturities. The estimated fair value of the Cooperative's long-term debt was \$600,000,000 and \$641,000,000 as of December 31, 2025 and 2024, respectively.

**Cash and Cash Equivalents.** For the purpose of reporting cash flows, the Cooperative considers all highly liquid investments purchased with a maturity of three months or less and segregated savings to be cash equivalents.

**Trade Receivables and Allowance for Credit Losses.** Trade receivables are derived from sales to customers and are recorded at the invoice amount, less an allowance for credit losses, which represents the amount expected to be collected as of the consolidated balance sheet date. Trade credit is extended on a short-term basis; thus trade receivables do not bear interest. Management has deemed that no late fees or interest charges are assessed to the receivables.

The allowance for credit losses is based on management's expectation of the credit losses expected to arise over the life of the asset as of the consolidated balance sheet date (including consideration of prepayments)

and is updated to reflect any changes in credit risk as of each subsequent reporting date. The Cooperative estimates its allowance for credit losses starting with an evaluation of historical credit loss write-offs, applied to an analysis of outstanding aged receivables, and updated for current economic conditions, and reasonable and supportable forecasted economic conditions. No significant adjustments to the allowance calculations for current or forecasted economic conditions were made during the current year. Receivables with unusual credit risk characteristics are evaluated individually. All other receivables are considered similar and are evaluated as one portfolio segment. Management's estimate of the allowance for credit losses, as well as the separate amounts of write-offs and recoveries were immaterial with respect to the consolidated financial statements as a whole as of December 31, 2025 and 2024.

Receivables are written off as a reduction in the allowance for credit losses when deemed uncollectible. Recoveries of accounts previously written off (if any) will be recognized as an offset to credit loss expense in the year of recovery.

**Materials and Supplies.** Uncovered and undelivered coal inventory is stated at cost using a FIFO (first-in, first-out) basis. All other inventories are stated at the lower of average cost or net realizable value.

**Deferred Debits.** Deferred debits consist of deferred expense plans approved by RUS and deferred pension costs. See also Note 7 and Note 12.

**Deferred Credits.** Deferred credits consist primarily of transmission service advance, customer construction prepayments and a revenue deferral as approved by RUS. See Note 14.

**Patronage Capital.** The Cooperative operates on a non-profit basis. Amounts received from the furnishing of electric energy in excess of operating costs and expenses are assigned to patrons on a patronage basis. All other amounts received by the Cooperative from its operations in excess of costs and expenses are also allocated to its patrons on a patronage basis to the extent they are not needed to offset current or prior losses unless reserved by the board of directors.

**Revenue Recognition.** The revenues of the Cooperative are primarily from electric sales to members. Electric revenues are recognized over time as electricity is delivered to members. Electric revenues are based on the reading of members' meters, which occurs on a systematic basis throughout each reporting period and represents the fair value of the electricity delivered.

The revenues of the Cooperative are recognized equivalent to the value of the electricity supplied during each period, including amounts billed during each period and changes in amounts estimated to be billed at the end of each period. The Cooperative has elected to apply invoice method to measure progress towards completing performance obligations to transfer electricity to their members.

Great Plains Tower Services, LLC provides tower construction, inspection and maintenance services to customers on a demand basis. The company recognizes revenue over the time of providing its services to customers and the customer is required to pay under normal sales terms, which are 30 days in most cases, and as such does not result in any material financing components.

**Business and Credit Risk.** The Cooperative maintains its cash balances in a locally owned bank. Such balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balances exceeded insurance coverage at various times during the fiscal years.

**Accounting Estimates.** The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Principles of Consolidation.** The consolidated financial statements include the accounts of the Cooperative and its wholly owned subsidiaries, Great Plains Tower Services, LLC and DCC East Project, LLC. All assets and liabilities of the subsidiaries are consolidated with the assets and liabilities of the Cooperative. The results of operations of the subsidiaries are shown in the operating margin section of the consolidated statement of revenues, expenses and comprehensive income and explained in detail in Note 4. All significant intercompany balances and transactions have been eliminated.

**Income Taxes.** The Cooperative is exempt from income taxes under Section 501(c)(12). The Cooperative is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

The Cooperative evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2025 and 2024, the unrecognized tax benefit accrual was zero. The Cooperative will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Cooperative is no longer subject to Federal and State tax examinations by tax authorities for years before 2022.

**Advertising Costs.** Advertising and promotional costs are expensed as incurred.

**Sales Taxes.** The Cooperative pays sales tax on material it purchases to operate and maintain its generation and transmission facilities.

**Change in Accounting Principle.** The Cooperative has adopted new accounting guidance, ASU No. 2025-10 Government Grants (Topic 832). The subsidiaries of the Cooperatives are business entities. The Cooperative has elected the cost-accumulation approach option under ASU No. 2025-10 to record government grants for projects related to construction of assets to be recorded as an adjustment to the cost basis in determining the carrying amount of the asset.

## NOTE 2: SQUARE BUTTE ELECTRIC COOPERATIVE

Square Butte owns a 488-megawatt (MW) steam electric generating plant (Young 2) adjacent to Minnkota's 256 MW generating plant (Young 1) near Center, North Dakota.

Minnkota, as agent for Square Butte, operates and maintains Young 2.

The long-term power purchase agreement with Square Butte has been evaluated under the accounting guidance for variable interest entities. The Cooperative has determined that it has no variable interest in the agreement. This conclusion is based on the Cooperative not having control over activities that are most significant to the entity nor an obligation to absorb losses or receive benefits from the entity's performance. Minnkota Power Cooperative, Inc. and Subsidiaries' financial exposure related to the agreement is limited to its capacity and energy payments.

On December 30, 2009, Minnkota, Square Butte and Minnesota Power (MP) completed an agreement in which Minnkota receives additional energy and capacity from Young 2. Between 2014 and 2026, Minnkota had the option to acquire MP's 50% allocation from Young 2. In 2014 Minnkota exercised this option and starting June 1, 2014, purchased an additional 22.5275% allocation of Young 2 from MP. This allocation increased to 28.022% on January 1, 2015. This allocation will increase by approximately 4.4% per year from 2022-2026. From 2027 to 2042, Minnkota will purchase 100% of the output of Young 2 directly from Square Butte. The payment obligation of MP and Minnkota are several and not joint and are not guarantees of any Square Butte obligations.

Minnkota is obligated to pay a proportionate share of Square Butte's annual debt retirement and operating costs based on its entitlement to net capability. Minnkota also receives a minimum annual coal royalty of \$1,350,000 from Square Butte.

Minnkota has also issued a \$10,000,000 line of credit to Square Butte with a variable interest rate that is 1% below the prime rate. As of December 31, 2025 and 2024, no amounts were outstanding on this line of credit.

Related party transactions between Minnkota and Square Butte include:

|                                       | 2025          | 2024          |
|---------------------------------------|---------------|---------------|
| Purchase of wholesale power           | \$ 83,834,004 | \$ 87,052,217 |
| Accounts payable to Square Butte      | \$ 2,443,358  | \$ 1,047,604  |
| Accounts receivable from Square Butte | \$ 6,956,999  | \$ 5,482,713  |

## NOTE 3: NORTHERN MUNICIPAL POWER AGENCY

Northern Municipal Power Agency (Northern) is a municipal corporation and a political subdivision of the State of Minnesota. Its membership consists of ten Minnesota and two North Dakota municipalities each of which owns and operates a municipal electric utility distribution system.

On March 1, 1981, Minnkota entered into a Power Supply Coordination Agreement with Northern. This agreement is effective until the later of December 31, 2041, or the date on which the Coyote Plant is retired from service. All annual debt payments and plant operating cost requirements not provided by Northern's member revenue and the sale of all capacity and energy in excess of Northern's member requirements are an obligation of Minnkota. To the extent that member revenue exceeds

power supply cost, that revenue is accounted for under the terms of the Power Supply Coordination Agreement.

Related party transactions between Minnkota and Northern include:

|                                 | 2025         | 2024         |
|---------------------------------|--------------|--------------|
| Power supply net cost (revenue) | \$ 5,422,715 | \$ 3,529,117 |
| Accounts receivable             | \$ 4,509,119 | \$ 6,179,633 |

#### NOTE 4: WHOLLY OWNED SUBSIDIARIES

Great Plains Tower Services, LLC is a wholly owned subsidiary. The company was acquired in an asset purchase agreement as of December 29, 2023. Operations under ownership of Minnkota began on January 1, 2024.

DCC East Project, LLC is a wholly owned subsidiary. The company began operations during 2024.

#### NOTE 5: ELECTRIC PLANT

|                               | 2025            |                    | 2024            |                    |
|-------------------------------|-----------------|--------------------|-----------------|--------------------|
|                               | Plant           | Depreciation Rates | Plant           | Depreciation Rates |
| Production plant              | \$ 427,396,259  | 3.19%              | \$ 424,695,391  | 3.19%              |
| Transmission lines            | 577,511,496     | 1.69%-2.41%        | 549,089,000     | 1.69%-2.41%        |
| Transmission substations      | 171,746,356     | 1.67%-5.12%        | 169,652,223     | 1.67%-5.12%        |
| Distribution substations      | 155,806,230     | 2.38%              | 151,632,294     | 2.38%              |
| General plant                 | 127,239,389     | 2.00%-16.70%       | 122,332,419     | 2.00%-16.70%       |
| Electric plant in service     | 1,459,699,730   |                    | 1,417,401,327   |                    |
| Construction work in progress | 49,690,502      |                    | 48,516,404      |                    |
| Total electric plant          | \$1,509,390,232 |                    | \$1,465,917,731 |                    |

The Cooperative capitalized interest of \$643,292 and \$613,238 as of and for the years ended December 31, 2025 and 2024, respectively.

#### NOTE 6: OTHER PROPERTY AND INVESTMENTS

##### Other Property

|                                     | 2025          | 2024          |
|-------------------------------------|---------------|---------------|
| CoBank patronage capital credits    | \$ 6,244,857  | \$ 6,833,731  |
| US Bank - treasury bills            | 39,092,292    | 33,981,661    |
| Associated company capital credits  | 3,521,710     | 3,292,597     |
| Non-utility property - GPTS         | 206,229       | 177,946       |
| Homestead funds (fair market value) | 2,705,554     | 2,123,675     |
| Other long-term receivables         | 548,231       | 615,974       |
| Total investments                   | \$ 52,318,873 | \$ 47,025,584 |

**Fair Market Value Investments.** The amortized cost and estimated fair values with unrealized gains and losses of investments at December 31 are as follows:

|                        | 2025           |                        |                         |                        |
|------------------------|----------------|------------------------|-------------------------|------------------------|
|                        | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Market Value |
| Market Funds (Level 1) | \$ 1,635,573   | \$ 1,069,981           | \$ -                    | \$ 2,705,554           |
|                        | 2024           |                        |                         |                        |
|                        | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Market Value |
| Market Funds (Level 1) | \$ 1,356,250   | \$ 767,425             | \$ -                    | \$ 2,123,675           |

#### NOTE 7: DEFERRED DEBITS

The Cooperative's deferred debit balances are summarized below:

|                                      | 2025         | 2024         |
|--------------------------------------|--------------|--------------|
| Deferred power costs                 | \$ 4,350,000 | \$ -         |
| Deferred pension costs (see Note 12) | 4,863,501    | 4,792,119    |
| Total deferred debits                | \$ 9,213,501 | \$ 4,792,119 |

For the year ending December 31, 2025, the Cooperative received approval of a deferred expense plan for purchased power costs of \$4,350,000. The terms of the approved plan are for the purchased power costs to be recognized in 2026.

#### NOTE 8: PATRONAGE CAPITAL AND APPROPRIATED MARGINS

Under provisions of the long-term debt agreements, until the total of equities and margins equals or exceeds 20% of the total assets of the Cooperative, retirement of capital is not permitted.

As provided for in the bylaws, operating margins of the current year not needed to offset operating losses incurred during prior years, shall be capital furnished by the patrons and credited to patronage capital unless reserved by the board of directors. Nonoperating margins are not assignable to patrons and are credited to appropriated margins and reserved for future contingencies.

#### NOTE 9: LONG-TERM DEBT

Long-term debt as of December 31, 2025 and 2024 is shown below. Substantially all of Minnkota's assets are pledged as collateral in accordance with its indenture.

|   | 2025           | 2024           |
|---|----------------|----------------|
| Federal Financing Bank (FFB)  |                |                |
| Fixed rate mortgage notes (1.074%-5.96%) due in quarterly installments through 2058 | \$ 733,870,700 | \$ 744,061,649 |
| CoBank  |                |                |
| Fixed mortgage note (3.48%) due in quarterly installments through 2039              | 14,700,157     | 15,780,373     |
| Variable interest rate bridge loan (see Note 10)                                    | 115,000,000    | 105,000,000    |
|   | 129,700,157    | 120,780,373    |
| The Lincoln National Life Insurance Company   |                |                |
| Fixed rate first mortgage note (4.73%) due in semi-annual installments through 2049 | 20,810,000     | 21,285,000     |
| Total long-term debt  | 884,380,857    | 886,127,022    |
| Less current portion  | (28,102,747)   | (27,118,713)   |
| Long-term debt  | \$ 856,278,110 | \$ 859,008,309 |

It is estimated that the minimum principal requirements for the next five years and thereafter will be as follows:

| YEARS ENDING DECEMBER 31, | AMOUNT         |
|---------------------------|----------------|
| 2026                      | \$ 28,102,747  |
| 2027                      | 28,848,876     |
| 2028                      | 145,037,829    |
| 2029                      | 28,947,887     |
| 2030                      | 29,763,840     |
| Thereafter                | 623,679,678    |
| Total                     | \$ 884,380,857 |

At December 31, 2025, Minnkota had no unadvanced loan funds available to the Cooperative. Minnkota has no maximum debt limit.

#### NOTE 10: LINES OF CREDIT

At December 31, 2025, Minnkota had a line of credit agreement with U.S. Bank-Grand Forks with available borrowings totaling \$25,000,000 maturing June 30, 2026. The line of credit had a variable interest rate of 5.47272% and 6.1525% at December 31, 2025 and 2024, respectively. Amounts outstanding on the line totaled \$0 at December 31, 2025 and 2024.

The Cooperative has available a multi-year bridge loan with CoBank totaling \$250,000,000 as of the years ended December 31, 2025 and 2024. The purpose of the bridge loan is to temporarily finance projects included in RUS loans. The blended interest rate was 5.016100% and 5.65701% as of December 31, 2025 and 2024, respectively, and will expire on June 30, 2028. The CoBank bridge loan had an outstanding balance of \$115,000,000 and \$105,000,000 at December 31, 2025 and 2024, respectively, and is included in long-term debt.

#### NOTE 11: REVENUES FROM CONTRACTS WITH CUSTOMERS

The revenues of the Cooperative are primarily derived from providing wholesale electric service to its members. Revenues from contracts with customers represent over 99% of all cooperative revenues. Below is a disaggregated view of the Cooperative's revenues from contracts with customers as well as other revenues, including their location on the consolidated statement of revenues, expenses and comprehensive income for December 31, 2025 and 2024:

|   | 2025             |                         |                       |
|---|------------------|-------------------------|-----------------------|
| Revenue Streams                                     | Electric Revenue | Other Operating Revenue | Non-Operating Revenue |
| Energy sales to Class A members                     | \$ 356,597,296   | \$ -                    | \$ -                  |
| Energy sales to Class B, C and D members and others | 105,714,300      | -                       | -                     |
| Other electric revenue                              | -                | 19,206,435              | -                     |
| Other revenue - Subsidiaries                        | -                | 1,046,618               | -                     |
| Total revenue from contracts with customers         | \$ 462,311,596   | \$ 20,253,053           | \$ -                  |
| <b>Timing of revenue recognition</b>                |                  |                         |                       |
| Services transferred over time                      | \$ 462,311,596   | \$ 16,471,953           | \$ -                  |
| Goods transferred at a point in time                | -                | 3,781,100               | -                     |
| Total revenue from contracts with customers         | \$ 462,311,596   | \$ 20,253,053           | \$ -                  |

|   | 2024             |                         |                       |
|---|------------------|-------------------------|-----------------------|
| Revenue Streams                                     | Electric Revenue | Other Operating Revenue | Non-Operating Revenue |
| Energy sales to Class A members                     | \$ 352,402,800   | \$ -                    | \$ -                  |
| Energy sales to Class B, C and D members and others | 89,295,120       | -                       | -                     |
| Other electric revenue                              | -                | 22,565,455              | -                     |
| Other revenue - Subsidiaries                        | -                | 1,208,403               | -                     |
| Total revenue from contracts with customers         | \$ 441,697,920   | \$ 23,773,858           | \$ -                  |

|   | 2024             |                         |                       |
|---|------------------|-------------------------|-----------------------|
| Revenue Streams                             | Electric Revenue | Other Operating Revenue | Non-Operating Revenue |
| <b>Timing of revenue recognition</b>        |                  |                         |                       |
| Services transferred over time              | \$ 441,697,920   | \$ 19,227,221           | \$ -                  |
| Goods transferred at a point in time        | -                | 4,546,637               | -                     |
| Total revenue from contracts with customers | \$ 441,697,920   | \$ 23,773,858           | \$ -                  |

**Electric Revenue.** Electric revenues consist of wholesale electric power sales to members through the member power purchase and service contracts and from participation in the Midcontinent Independent System Operator (MISO) market. All of the electric revenues meet the criteria to be classified as revenue from contracts with customers and are recognized over time as energy is delivered. Revenue is recognized based on the metered quantity of electricity delivered or transmitted at the applicable contractual or market rates.

In 2025 and 2024, the Cooperative deferred the recognition of \$0 of member electric revenue under regulatory accounting (see Note 14). In 2025 and 2024, the Cooperative recognized deferred revenue of \$13,807,809 and \$31,011,464, respectively.

**Tower Revenue.** Tower revenue meets the criteria to be classified as revenue from contracts with customers and is recognized over time as the terms of each contract are satisfied. The company has applied the practical expedient regarding revenue, which recognized revenue in proportion to the amount it has the right to invoice for services performed.

**Other Operating Revenue.** Other operating revenue primarily includes revenue received from wheeling and wind delivery services; revenue received for operating agent fees; revenue for lime preparation facility user fees; and sale of renewable energy credits. All these revenue streams meet the criteria to be classified as revenue from contracts with customers. Wheeling and wind delivery services revenues is recognized over time as energy is transmitted and delivered based on measured quantities at the contractual rates. Operating agent fees are recognized over time based on actual costs incurred during each month of performance. Lime facility user fees revenue is recognized over time based on an annual fee. Excess renewable energy credits are sold to third parties. Renewable energy credit revenue is recognized at a point in time when the sale is completed with the third party.

**Contract Liabilities.** Contract liabilities consist of deferred revenue from transmission services and construction prepayments.

Balances from accounts receivable and contracts with customers are as follows:

|                   | ACCOUNTS RECEIVABLE | CONTRACT LIABILITIES |
|-------------------|---------------------|----------------------|
| January 1, 2024   | \$ 48,777,776       | \$ 10,117,509        |
| December 31, 2024 | \$ 56,840,522       | \$ 12,457,816        |
| December 31, 2025 | \$ 65,292,078       | \$ 54,732,462        |

#### NOTE 12: EMPLOYEE BENEFIT PLANS

Minnkota has two pension plans covering substantially all of its employees. Pension Plan A is a defined benefit plan and Pension Plan B is a defined contribution plan. Minnkota's contribution to Plan B was \$7,388,591 and \$6,196,015 for 2025 and 2024, respectively.

The Plan A benefit is the greater of 1) 1.5 times the average high 60 consecutive months compensation during the 120 months prior to retirement times years of service less the monthend value of Plan B or 2) 1.1% of the first \$417 of monthly salary times years of service through December 31, 1989.

The following table sets forth Plan A's funded status and amounts recognized in Minnkota's consolidated balance sheets at December 31:

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| Change in benefit obligation:                                 |                     |                     |
| Benefit obligation, beginning                                 | \$ 1,949,986        | \$ 2,470,036        |
| Service cost  | 287,968             | 349,450             |
| Interest cost   | 94,155              | 106,510             |
| Assumption changes  | (223,098)           | 26,692              |
| Actuarial (gain) loss   | 435,690             | (956,642)           |
| Benefits paid   | (14,102)            | (14,102)            |
| Settlement cost   | (513,771)           | (31,958)            |
| Benefit obligation, ending                                    | <u>\$ 2,016,828</u> | <u>\$ 1,949,986</u> |
| Change in plan assets:  |                     |                     |
| Fair value of plan assets, beginning                          | \$ 4,792,119        | \$ 4,334,973        |
| Actual return on plan assets                                  | 599,255             | 503,206             |
| Employer contributions  | -                   | -                   |
| Benefits paid   | (14,102)            | (14,102)            |
| Settlement cost   | (513,771)           | (31,958)            |
| Fair value of plan assets, ending                             | <u>\$ 4,863,501</u> | <u>\$ 4,792,119</u> |
| Funded status at end of year                                  | <u>\$ 2,846,673</u> | <u>\$ 2,842,133</u> |
| Amounts recognized in the balance sheet:                      |                     |                     |
| Noncurrent assets   | \$ 4,863,501        | \$ 4,792,119        |
| Noncurrent liabilities  | (2,016,828)         | (1,949,986)         |
|   | <u>\$ 2,846,673</u> | <u>\$ 2,842,133</u> |
| Amounts recognized in accumulated other comprehensive income: |                     |                     |
| Net loss (gain)   | <u>\$ (314,410)</u> | <u>\$ (331,615)</u> |
| Net periodic benefit cost:                                    |                     |                     |
| Service cost  | \$ 287,968          | \$ 349,450          |
| Interest cost   | 94,155              | 106,510             |
| Expected return on plan assets                                | (323,774)           | (259,640)           |
| Amortization of net (gain) loss                               | -                   | 39,922              |
| Settlement expense  | (80,094)            | -                   |
| Net periodic benefit cost                                     | <u>\$ (21,745)</u>  | <u>\$ 236,242</u>   |
| Assumptions used:   |                     |                     |
| Discount rate   | 4.52%               | 5.09%               |
| Rate of compensation increase                                 | 4.00%               | 4.00%               |
| Expected return on plan assets                                | 6.90%               | 6.15%               |
| Contributions and benefits                                    |                     |                     |
| Employer contributions  | \$ -                | \$ -                |
| Benefits and annuities paid                                   | 527,873             | 46,060              |
| Expected benefit payments                                     |                     |                     |
| 2025  | N/A                 | 202,860             |
| 2026  | 403,934             | 451,202             |
| 2027  | 355,532             | 344,651             |
| 2028  | 333,745             | 338,718             |
| 2029  | 224,987             | 237,599             |
| 2030-2034   | N/A                 | 2,538,311           |
| 2030  | 473,671             | N/A                 |
| 2031-2035   | 2,636,676           | N/A                 |

The investment strategy for Pension Plan A is to 1) have the ability to pay all benefits and expense obligations when due, 2) maintain a "funding cushion" for unexpected developments and for possible future increases in benefit structure and expense levels and 3) meet a 6.15% return target for the aggregate portfolio, over a full market and economic cycle, while minimizing risk and volatility. The expected return is based on historical returns. The asset classes are 1) US Equity Large Cap Growth: Target – 25.0%, 2) US Equity Large Cap Value: Target – 25.0%, 3) International Equity Growth and Value: Target – 20.0% and 4) Fixed Income: Target – 30.0%. Allowable investments include individual domestic equities, mutual funds, private placements and pooled asset portfolios (e.g. money market funds). Stock options, short sales, letter stocks, Real Estate Investment Trust securities and commodities are not allowable investments.

Plan assets at December 31 were:

|                      | 2025           | 2024           |
|----------------------|----------------|----------------|
| Equity securities:   |                |                |
| Large cap growth     | 26.89%         | 28.79%         |
| Large cap value      | 24.59%         | 26.08%         |
| International growth | 10.46%         | 9.17%          |
| International core   | 9.85%          | 9.44%          |
| Fixed income         | 28.21%         | 26.52%         |
| Total                | <u>100.00%</u> | <u>100.00%</u> |

### NOTE 13: POST-RETIREMENT OBLIGATIONS

Minnkota sponsors a performance incentive 457(f) plan for an employee. A sum of \$125,000 is to be funded on the first day of the year from January 1, 2021 through January 1, 2027 with the participant's continued employment on that date. A benefit of \$875,000 will be paid to the employee on January 1, 2028 if still employed on that date. A sum of \$156,250 is to be funded on the first day of the year from January 1, 2028 through January 1, 2029 with the participant's continued employment on that date. A benefit of \$312,500 will be paid to the employee on January 1, 2030 if still employed on that date. Minnkota also sponsors a 457(b) plan for certain senior management employees and allows for current salary to be deferred and invested for disbursement at a later date. Minnkota does not contribute to this plan. The recorded liability for these plans as of December 31, 2025 and 2024 was \$2,705,554 and \$2,123,675, respectively.

Minnkota also sponsors a 457(b) plan for directors and allows for board fees to be deferred and invested for disbursement at a later date. Minnkota does not contribute to this plan.

Minnkota sponsors a defined benefit postretirement health care plan that covers certain full-time employees. The plan pays varying percentages of health care premiums for retirees from age 60 to age 65. Upon reaching 60, all Center Union participants hired before February 1, 2014 are immediately eligible to receive a 50% premium payment. Upon reaching age 60, only Grand Forks Union participants hired before April 1, 2010 and 50 years of age before April 1, 2013 are immediately eligible to receive a 100% premium payment. Grand Forks Union participants hired before April 1, 2010 and less than 50 years of age at April 1, 2013 will receive a 50% premium payment upon reaching age 60. Upon reaching age 60 and completing 10 years of service, Non-Union participants hired before January 1, 2012 are eligible to receive a 50% premium payment. Minnkota does not fund this plan. There are no plan assets.

The following table reconciles the plan's funded status to the accrued postretirement health care cost liability as reflected on the consolidated balance sheet as of December 31:

|  | 2025                | 2024                |
|--|---------------------|---------------------|
| Change in benefit obligation:                      |                     |                     |
| Benefit obligation, beginning                      | \$ 2,024,169        | \$ 2,491,920        |
| Service cost                                       | 112,194             | 92,700              |
| Interest cost                                      | 115,522             | 107,749             |
| Actuarial (gain) loss                              | 249,542             | (668,200)           |
| Benefit obligation, ending                         | <u>\$ 2,501,427</u> | <u>\$ 2,024,169</u> |
| Accrued post-retirement health care cost liability | <u>\$ 2,501,427</u> | <u>\$ 2,024,169</u> |
| Amounts recognized in the balance sheet:           |                     |                     |
| Noncurrent liabilities                             | <u>\$ 2,501,427</u> | <u>\$ 2,024,169</u> |
| Net periodic benefit cost                          |                     |                     |
| Service cost                                       | \$ 112,194          | \$ 92,700           |
| Interest cost                                      | 115,522             | 107,749             |
| Amortization of net (gain) loss                    | 249,542             | (668,200)           |
| Net periodic benefit cost                          | <u>\$ 477,258</u>   | <u>\$ (467,751)</u> |

For measurement purposes, a 10% annual rate increase in health care premiums was assumed for 2025 and 2024, declining to 5% in five years. The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 4.42% for 2025 and 5.09% for 2024.

Benefits paid in 2025 totaled \$100,803 and in 2024 totaled \$117,645. Benefits expected to be paid in each of the next five years and the aggregate for the next five years thereafter are as follows:

| YEARS ENDING DECEMBER 31, | AMOUNT     |
|---------------------------|------------|
| 2026                      | \$ 110,498 |
| 2027                      | 85,295     |
| 2028                      | 116,270    |
| 2029                      | 159,259    |
| 2030                      | 156,533    |
| 2031-2035                 | 668,336    |

Changing the rate of assumed health care costs by a 1% increase or decrease would change the benefit obligation as of December 31, 2025 and 2024 by approximately \$271,428 and \$189,833, respectively.

Minnkota has elected to recognize any gains or losses immediately.

Post retirement obligations as reflected on the consolidated balances sheets are as follows as of December 31, 2025 and 2024:

|                                   | 2025                | 2024                |
|-----------------------------------|---------------------|---------------------|
| 457(f) post-retirement plan       | \$ 2,705,554        | \$ 2,123,675        |
| Post-retirement health care plan  | 2,501,427           | 2,024,169           |
| Total post-retirement obligations | <u>\$ 5,206,981</u> | <u>\$ 4,147,844</u> |

### NOTE 14: DEFERRED CREDITS

During the year ended December 31, 2020, the Cooperative implemented a new revenue deferral plan to recognize revenues through 2022. The plan was amended in 2021 to defer additional revenue of \$11,059,403 and extend the plan through 2024. The plan was further amended in 2022 to defer additional revenue of \$6,000,000 and extend the plan through 2025. This plan complies with GAAP and has been approved by RUS. The amount of revenue deferred was \$0 and \$13,807,809 as of December 31, 2025 and 2024, respectively. RUS requires the Cooperative to segregate cash in an amount equal to the amount of revenue being deferred. The Cooperative had deposits in US Bank investments at December 31, 2024, to satisfy this requirement.

Customer construction prepayments are the funds received for construction of transmission related projects in excess of completed construction costs as of December 31, 2025 and 2024.

Deferred credit balances are summarized below:

|                                       | 2025                 | 2024                 |
|---------------------------------------|----------------------|----------------------|
| Deferred revenues                     | \$ -                 | \$ 13,807,809        |
| Customer construction prepayments     | 27,856,288           | 5,358,340            |
| Transmission service advance payments | 26,876,173           | 7,099,476            |
| Other deferred credits                | 56,880               | 56,651               |
| Total deferred credits                | <u>\$ 54,789,341</u> | <u>\$ 26,322,276</u> |

### NOTE 15: ACCOUNTING FOR ASSET RETIREMENT OBLIGATIONS

The FASB has issued guidance which provides accounting requirements for retirement obligations associated with tangible long-lived assets. Retirement obligations associated with long-lived assets are those for which there is a legal obligation to settle under existing or enacted law, statute, ordinance, written or oral contract or by legal constructions under the doctrine of promissory estoppels.

Assets considered for potential asset retirement obligations include generating plants and transmission assets on property under easement agreement or license. Asset retirement obligations for generating plant are not recorded as a liability, due to the fact that governmental authorization for construction did not impose post-closure obligations.

In general, retirement actions for transmission assets are required only upon abandonment or cessation of use of the property for the specified purpose. The liability for transmission assets that fall into this category is not estimable because Minnkota intends to utilize these properties indefinitely. For those transmission assets for which there are post-closure obligations (e.g., licenses, permits, and easements of limited duration issued by governmental authorities), the costs do not appear to be material and no liability has been recognized.

Under the current power supply agreement with Square Butte, Minnkota will be obligated for its proportionate share of any of Square Butte's closure obligations. According to the power supply agreement, payment of these obligations is not due until the actual costs of closure are incurred. During the years ended December 31, 2025 and 2024, Minnkota recognized expenses of \$403,099 and \$516,630, respectively, which were related to the closure cost obligations of Square Butte. A long-term liability of \$5,384,953 and \$4,981,854 has been recorded as of December 31, 2025 and 2024, respectively.

### NOTE 16: GUARANTEES

Minnkota has provided to the North Dakota Department of Environmental Quality a corporate guarantee on behalf of Northern up to a maximum of \$1,002,512. The guarantee is for closure and post-closure costs relating to solid waste facilities of Northern. Minnkota is bound by the guarantee for as long as Northern must comply with the applicable financial assurance requirements for the solid waste facilities. The guarantee may be terminated upon 120 days notice. Minnkota entered into the guarantee because it was more economical than other financial assurance mechanisms such as reserve accounts, trust funds, surety bonds, letters of credit or insurance. If Northern fails to perform closure and/or post-closure of the solid waste facilities in accordance with plans, permits or other interim status requirements, Minnkota would be required to do so or to establish a trust fund in the amount of the current closure or post-closure cost estimates.

### NOTE 17: COMMITMENTS AND CONTINGENCIES

Minnkota's power plant utilizes North Dakota lignite coal, which is being supplied from the Center Mine by BNI Coal Ltd. Minnkota and BNI Coal Ltd. have a cost-plus contract, which expires in 2037, with an additional 5-year extension at Minnkota's option.

Minnkota has various long-term contracts for the purchase of wind energy. These contracts require Minnkota to purchase all of the output generated by these wind farms for the term of the contracts which expire between 2039 and 2051.

Minnkota participates in federal grant programs, which are governed by various rules and regulations of the grantor agency. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that the Cooperative has not complied with the rules and regulations governing the grants, refunds of any money received may be required.

As of December 31, 2025 Minnkota has approximately 48% of its employees covered by collective bargaining agreements. The collective bargaining agreements for Locals 1593 and 1426 are in force through March 31, 2027, and December 31, 2027, respectively.

### NOTE 18: MAJOR CONSUMERS

For the years ended December 31, 2025 and 2024, the Cooperative had approximately 26% and 22% of its total energy sales to Nodak Electric Cooperative, Inc. and 26% and 27% of its total sales to Cass County Electric Cooperative, Inc. As of December 31, 2025 and 2024, accounts receivable were \$11,521,465 and \$10,404,088, from Nodak Electric Cooperative, Inc. \$11,569,180 and \$10,278,387 from Cass County Electric Cooperative, Inc., respectively.

### NOTE 19: GOVERNMENTAL GRANTS AND CONTRIBUTIONS

Minnkota Power Cooperative, Inc. During the year ended December 31, 2024, the Cooperative had the following governmental grants and contributions activity:

- \$646,737 of funds awarded from the United States Department of Homeland Security (FEMA), \$119,475 awarded from the State of North Dakota, and \$16,453 awarded from the State of Minnesota for hazard mitigation projects related to pole replacement and a crossing study.
- \$1,149,622 of funds awarded from the United States Department of Homeland Security (FEMA), \$143,871 awarded from the State of North Dakota, and \$7,408 awarded from the State of Minnesota for disaster declarations related to ice storms.
- \$111,530 of funds were received by the Cooperative from the United States Department of Energy through the University of North Dakota Energy and Environmental Research Center (EERC) for the Project Tundra Carbon Safe III Initiative which was completed in August 2023.

Costs related to the above items are initially recorded in construction work in progress as incurred and then are offset as construction aid by the obligated grant awards.

#### DCC East Project, LLC

During the year ended December 31, 2025, DCC East Project, LLC had the following governmental grants and contributions activity:

- \$2,782,245 of funds related to pass through funds from the United States Department of Energy Carbon Capture Demonstration Projects Program for Project Tundra carbon capture project were received during the year. The overall grant award for the project is \$350 million with \$1.3 million obligated as of December 31, 2025.

During the year ended December 31, 2024, DCC East Project, LLC had the following governmental grants and contributions activity:

- \$135,285 of funds related to pass through funds from the United States Department of Energy Carbon Capture Demonstration Projects Program for Project Tundra carbon capture project. As of December 31, 2024, the amount has not been received by DCC East Project, LLC. The overall grant award for the project is \$350 million with \$4.2 million obligated as of December 31, 2024.

Costs related to the above items are initially recorded in construction work in progress as incurred and then are offset by the receipt of obligated grant awards in accordance with the approved policy of the company.

### NOTE 20: SUBSEQUENT EVENTS

No significant events occurred subsequent to Minnkota's year end. Subsequent events have been evaluated through February 11, 2026, which is the date these consolidated financial statements were available to be issued.

# EXECUTIVE STAFF



**Mac McLennan**  
President  
and CEO



**Gerard Paul**  
Exec. VP and  
Chief Legal  
Officer



**Jami Hovet**  
Exec. VP and Chief  
Administrative  
Officer



**Kay Schraeder**  
Exec. VP and  
Chief Financial  
Officer



**Brendan Kennelly**  
Exec. VP and  
Chief Operating  
Officer



**Marcy Douglas**  
Exec. VP and  
Chief Member &  
External Affairs  
Officer



**Dan Inman**  
Senior VP of Power  
Delivery, Chief  
Information and  
Technology Officer



**Andrew Sorbo**  
Senior VP of  
Power Supply



**Stacey Dahl**  
VP of External  
Affairs



**Grant Gunderson**  
VP of Resource  
Planning and  
Markets



**Tim Hagerott**  
VP of Generation  
and Development



**Theresa Brorby**  
VP of Compliance  
& Risk



**Todd Sailer**  
Executive  
Power Advisor



**Samuel Schmitz**  
Senior Manager  
of Legal Services/  
Deputy General  
Counsel



**Kim Adam**  
Executive  
Coordinator

# BOARD OF DIRECTORS AND OFFICERS



**Mark Habedank**  
CHAIR  
Wild Rice Electric  
Cooperative



**Tom Woinarowicz**  
VICE CHAIR  
PKM Electric  
Cooperative



**Colette Kujava**  
SECRETARY/TREASURER  
Red Lake Electric  
Cooperative



**Steve Arnesen**  
North Star Electric  
Cooperative



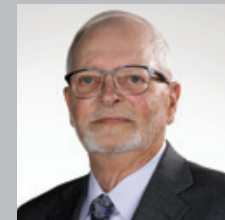
**Rick Coe**  
Beltrami Electric  
Cooperative



**Cheryl Grover**  
Clearwater-Polk  
Electric  
Cooperative



**Calvin Hoff**  
Cass County  
Electric  
Cooperative



**Roger Krostue**  
Red River Valley  
Co-op Power



**Anthony Ottem**  
Cavalier Rural  
Electric  
Cooperative



**Lucas Spaeth**  
Northern  
Municipal  
Power Agency

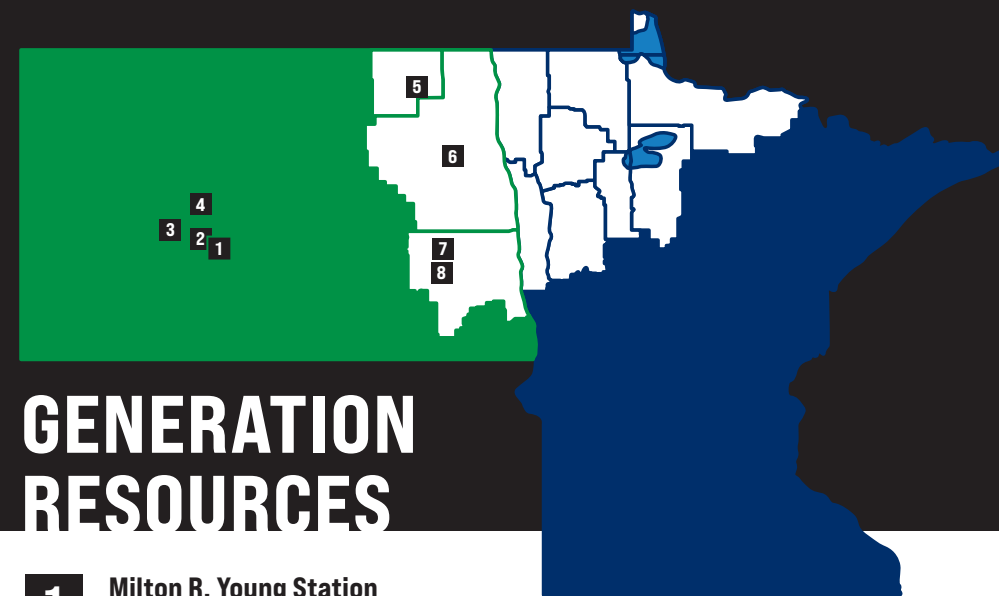


**Mike Wahl**  
Roseau Electric  
Cooperative



**Les Windjue**  
Nodak Electric  
Cooperative

## GENERATION RESOURCES



**1** Milton R. Young Station  
Center, North Dakota

**2** Oliver III Wind Energy Center  
Center, North Dakota

**3** Coyote Station  
Beulah, North Dakota

**4** Garrison Dam  
Missouri River

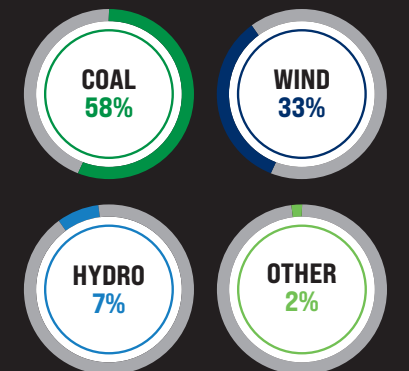
**5** Langdon Wind Energy Center  
Langdon, North Dakota

**6** Infinity  
Petersburg, North Dakota

**7** Ashtabula Wind Energy Center  
Valley City, North Dakota

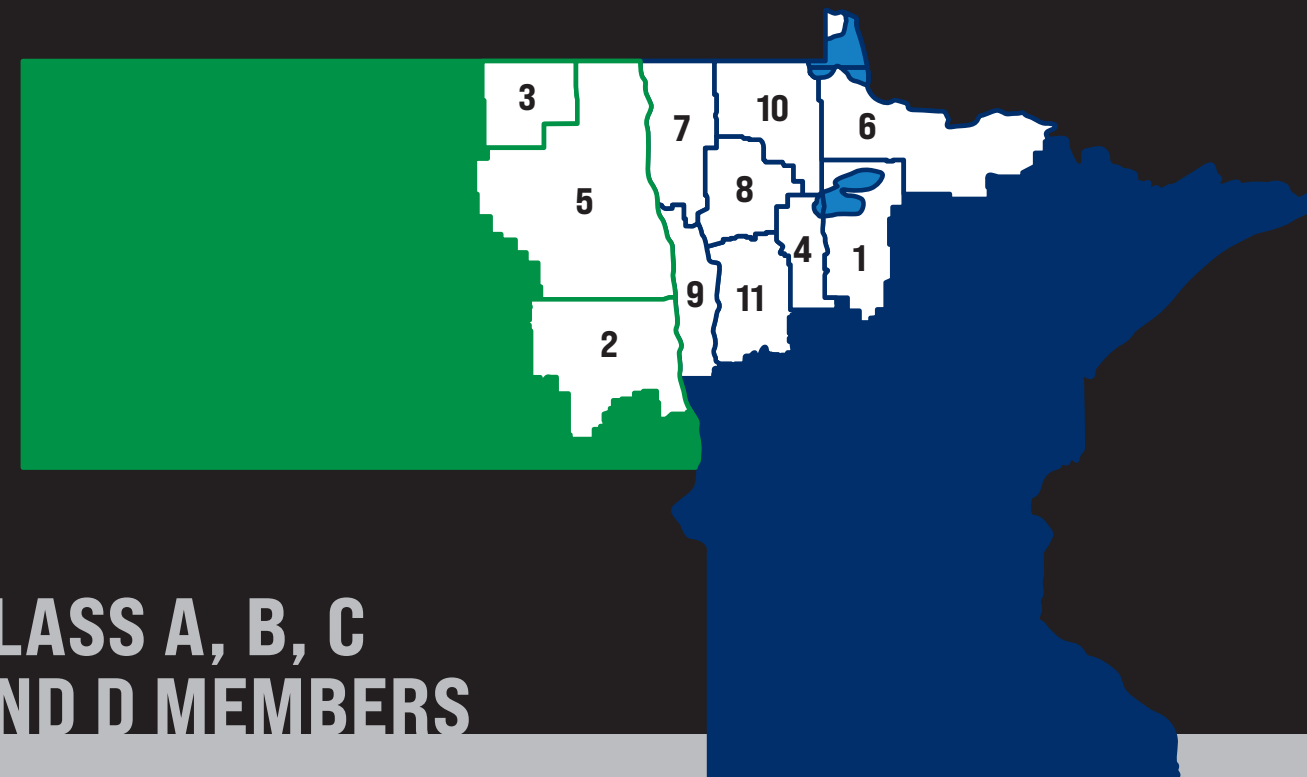
**8** Infinity  
Valley City, North Dakota

## JOINT SYSTEM POWER GENERATION PORTFOLIO



# OPERATING STATISTICS

|   | 2025             | 2024             | 2023             | 2022             | 2021             |
|---|------------------|------------------|------------------|------------------|------------------|
| Electric plant investment                             | \$ 1,509,390,232 | \$ 1,465,917,731 | \$ 1,411,232,000 | \$ 1,363,748,037 | \$ 1,344,779,463 |
| Accumulated depreciation                              | (472,964,800)    | (448,573,694)    | (420,035,620)    | (388,622,676)    | (362,708,709)    |
| Net electric plant                                    | \$ 1,036,425,432 | \$ 1,017,344,037 | \$ 991,196,380   | \$ 975,125,361   | \$ 982,070,754   |
| Total assets  | \$ 1,232,783,301 | \$ 1,194,149,472 | \$ 1,185,293,574 | \$ 1,158,057,527 | \$ 1,140,468,068 |
| Long-term debt  | 856,278,110      | 859,008,309      | 823,420,022      | 803,851,236      | 804,460,468      |
| Members' equity                                       | \$ 245,437,071   | \$ 235,802,042   | \$ 225,333,538   | \$ 213,597,038   | \$ 190,594,292   |
| Equity – percent of assets                            | 19.9%            | 19.7%            | 19.0%            | 18.4%            | 16.7%            |
| Total revenues  | \$ 487,702,728   | \$ 472,661,099   | \$ 449,704,431   | \$ 451,623,057   | \$ 406,336,955   |
| Total expenses  | 478,050,494      | 463,406,033      | 436,669,776      | 432,708,147      | 384,829,429      |
| Net margin  | \$ 9,652,234     | \$ 9,255,066     | \$ 13,034,655    | \$ 18,914,910    | \$ 21,507,526    |
| <b>ENERGY SALES – MWH</b>                             |                  |                  |                  |                  |                  |
| Class A member co-ops                                 | 4,197,820        | 4,141,315        | 4,132,638        | 4,208,653        | 4,028,328        |
| Other utilities                                       | 3,542,097        | 3,193,987        | 3,178,408        | 2,766,795        | 2,540,680        |
| Total   | 7,739,917        | 7,335,302        | 7,311,046        | 6,975,448        | 6,569,008        |
| <b>ENERGY SOURCES – MWH</b>                           |                  |                  |                  |                  |                  |
| Net generation  | 4,263,898        | 4,742,633        | 4,926,162        | 4,432,193        | 4,539,550        |
| Coyote retained by NMPA                               | (448,230)        | (442,387)        | (453,136)        | (454,532)        | (448,258)        |
| Purchases   | 3,924,249        | 3,035,056        | 2,838,020        | 2,997,787        | 2,477,716        |
| Total   | 7,739,917        | 7,335,302        | 7,311,046        | 6,975,448        | 6,569,008        |
| Connected consumers – December                        | 154,372          | 153,035          | 150,877          | 148,600          | 146,492          |
| Class A member sales<br>Increase (decrease) – percent | 1.4%             | 0.2%             | -1.8%            | 4.5%             | 1.7%             |
| Average power rate to Class A<br>members – mills/kWh  | 81.7             | 77.6             | 77.2             | 75.9             | 76.2             |
| Miles of transmission line                            | 3,390            | 3,388            | 3,386            | 3,380            | 3,372            |
| Full-time employees                                   | 419              | 411              | 402              | 383              | 390              |



## CLASS A, B, C AND D MEMBERS

### CLASS A MEMBERS

- 1** **Beltrami Electric Cooperative, Inc.**  
Bemidji, Minnesota
- 2** **Cass County Electric Cooperative Inc.**  
Fargo, North Dakota
- 3** **Cavalier Rural Electric Cooperative, Inc.**  
Langdon, North Dakota
- 4** **Clearwater-Polk Electric Cooperative, Inc.**  
Bagley, Minnesota
- 5** **Nodak Electric Cooperative, Inc.**  
Grand Forks, North Dakota
- 6** **North Star Electric Cooperative, Inc.**  
Baudette, Minnesota
- 7** **PKM Electric Cooperative, Inc.**  
Warren, Minnesota
- 8** **Red Lake Electric Cooperative, Inc.**  
Red Lake Falls, Minnesota
- 9** **Red River Valley Co-op  
Power Association**  
Halstad, Minnesota
- 10** **Roseau Electric Cooperative, Inc.**  
Roseau, Minnesota
- 11** **Wild Rice Electric Cooperative, Inc.**  
Mahnomon, Minnesota

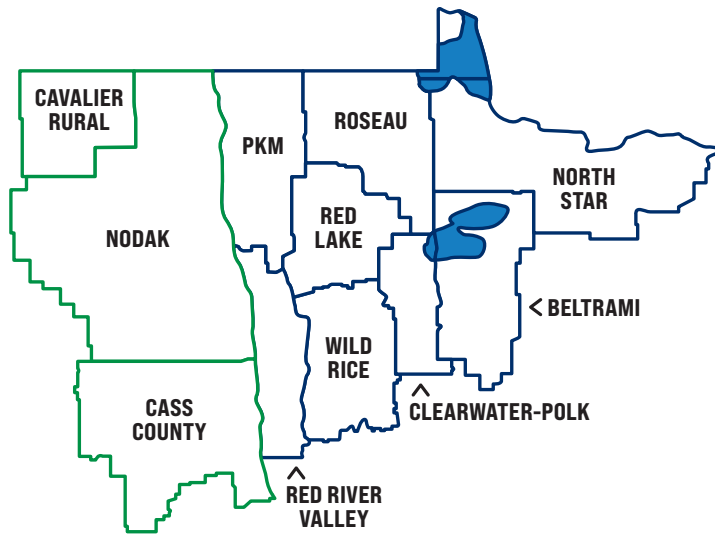
### CLASS B, C AND D MEMBERS

- |   |  |
|---|--|
| <b>Basin Electric Power Cooperative</b><br>Bismarck, North Dakota             | <b>Nebraska Public Power District</b><br>Columbus, Nebraska                                |
| <b>Central Iowa Power Cooperative</b><br>Cedar Rapids, Iowa                   | <b>Northern Municipal<br/>Power Agency</b><br>Thief River Falls, Minnesota                 |
| <b>Dairyland Power Cooperative</b><br>La Crosse, Wisconsin                    | <b>NorthWestern Corporation</b><br>Sioux Falls, South Dakota                               |
| <b>Interstate Power Company</b><br>Dubuque, Iowa                              | <b>Omaha Public Power District</b><br>Omaha, Nebraska                                      |
| <b>Lincoln Electric System</b><br>Lincoln, Nebraska                           | <b>Otter Tail Power Company</b><br>Fergus Falls, Minnesota                                 |
| <b>Manitoba Hydro</b><br>Winnipeg, Manitoba, Canada                           | <b>U.S. Department<br/>of the Air Force</b><br>Grand Forks Air<br>Force Base, North Dakota |
| <b>MidAmerican Energy</b><br>Davenport, Iowa                                  | <b>Western Area<br/>Power Administration</b><br>Billings, Montana                          |
| <b>Midcontinent Independent<br/>System Operator (MISO)</b><br>Carmel, Indiana | <b>Wisconsin Power and Light</b><br>Madison, Wisconsin                                     |
| <b>Minnesota Power</b><br>Duluth, Minnesota                                   | <b>Xcel Energy</b><br>Minneapolis, Minnesota   |
| <b>Montana-Dakota<br/>Utilities Company</b><br>Bismarck, North Dakota         |  |

# 2025 ASSOCIATED COOPERATIVE STATISTICS

|                                      | Beltrami       | Cass           | Cavalier      | Clearwater-Polk | Nodak          | North Star    | PKM           | Red Lake      | Red River     | Roseau        | Wild Rice      | Total            |
|--------------------------------------|----------------|----------------|---------------|-----------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|------------------|
| <b>BALANCE SHEET</b>                 |                |                |               |                 |                |               |               |               |               |               |                |                  |
| Total electric plant                 | \$ 178,463,955 | \$ 371,783,857 | \$ 26,896,625 | \$ 34,588,925   | \$ 198,476,105 | \$ 58,230,805 | \$ 49,534,503 | \$ 56,120,236 | \$ 65,585,159 | \$ 77,942,741 | \$ 103,410,555 | \$ 1,221,033,466 |
| Accumulated depreciation             | 66,237,756     | 102,453,588    | 10,561,856    | 13,800,898      | 82,039,350     | 20,775,992    | 15,966,576    | 25,099,625    | 17,850,117    | 41,290,245    | 35,098,642     | 431,174,645      |
| Net electric plant                   | \$ 112,226,199 | \$ 269,330,269 | \$ 16,334,769 | \$ 20,788,027   | \$ 116,436,755 | \$ 37,454,813 | \$ 33,567,927 | \$ 31,020,611 | \$ 47,735,042 | \$ 36,652,496 | \$ 68,311,913  | \$ 789,858,821   |
| Current and accrued assets           | 15,589,990     | 47,868,505     | 2,966,197     | 1,864,574       | 41,741,443     | 5,790,386     | 5,644,177     | 4,713,549     | 4,424,018     | 13,443,823    | 7,003,194      | 151,049,856      |
| Other assets                         | 14,903,102     | 30,654,589     | 1,709,084     | 2,495,261       | 22,797,689     | 2,548,502     | 4,779,495     | 3,088,354     | 1,519,091     | 4,813,040     | 7,965,803      | 97,274,010       |
| Total assets                         | \$ 142,719,291 | \$ 347,853,363 | \$ 21,010,050 | \$ 25,147,862   | \$ 180,975,887 | \$ 45,793,701 | \$ 43,991,599 | \$ 38,822,514 | \$ 53,678,151 | \$ 54,909,359 | \$ 83,280,910  | \$ 1,038,182,687 |
| Total equity                         | \$ 54,530,916  | \$ 171,916,046 | \$ 8,425,172  | \$ 13,120,983   | \$ 73,759,123  | \$ 18,507,604 | \$ 25,049,493 | \$ 13,149,812 | \$ 20,436,607 | \$ 22,235,793 | \$ 33,932,108  | \$ 455,063,657   |
| Long-term debt                       | 80,283,437     | 141,624,719    | 12,089,163    | 9,131,141       | 78,953,222     | 24,196,426    | 16,528,200    | 21,061,373    | 31,360,479    | 17,888,830    | 43,069,998     | 476,186,988      |
| Other liabilities and credits        | 7,904,938      | 34,312,598     | 495,715       | 2,895,738       | 28,263,542     | 3,089,671     | 2,413,906     | 4,611,329     | 1,881,065     | 14,784,736    | 6,278,804      | 106,932,042      |
| Total liabilities and equity         | \$ 142,719,291 | \$ 347,853,363 | \$ 21,010,050 | \$ 25,147,862   | \$ 180,975,887 | \$ 45,793,701 | \$ 43,991,599 | \$ 38,822,514 | \$ 53,678,151 | \$ 54,909,359 | \$ 83,280,910  | \$ 1,038,182,687 |
| <b>OPERATIONS</b>                    |                |                |               |                 |                |               |               |               |               |               |                |                  |
| Operating revenue                    | \$ 62,660,058  | \$ 159,150,577 | \$ 6,000,794  | \$ 10,898,358   | \$ 144,960,844 | \$ 17,059,777 | \$ 17,216,223 | \$ 16,279,254 | \$ 17,971,324 | \$ 20,442,355 | \$ 38,836,092  | \$ 511,475,656   |
| Purchased power                      | 40,628,219     | 121,148,890    | 2,980,217     | 6,498,456       | 123,429,928    | 9,445,079     | 10,615,495    | 10,665,668    | 11,522,598    | 12,090,296    | 24,545,264     | 373,570,110      |
| Other operating expenses             | 11,496,323     | 18,432,885     | 1,825,524     | 2,568,117       | 10,926,501     | 4,454,820     | 2,970,229     | 3,239,295     | 3,442,985     | 4,878,604     | 8,559,683      | 72,794,966       |
| Depreciation                         | 4,908,810      | 10,039,060     | 621,257       | 1,089,722       | 5,022,012      | 1,462,933     | 1,282,971     | 1,384,836     | 1,698,887     | 1,980,827     | 3,020,735      | 32,512,050       |
| Interest                             | 2,835,161      | 4,862,248      | 351,001       | 396,747         | 2,391,036      | 740,520       | 759,845       | 575,842       | 957,747       | 757,935       | 1,476,580      | 16,104,662       |
| Total cost of electric service       | \$ 59,868,513  | \$ 154,483,083 | \$ 5,777,999  | \$ 10,553,042   | \$ 141,769,477 | \$ 16,103,352 | \$ 15,628,540 | \$ 15,865,641 | \$ 17,622,217 | \$ 19,707,662 | \$ 37,602,262  | \$ 494,981,788   |
| Operating margin                     | \$ 2,791,545   | \$ 4,667,494   | \$ 222,795    | \$ 345,316      | \$ 3,191,367   | \$ 956,425    | \$ 1,587,683  | \$ 413,613    | \$ 349,107    | \$ 734,693    | \$ 1,233,830   | \$ 16,493,868    |
| Non-operating margin                 | 937,192        | 1,791,930      | 9,598         | 163,218         | 2,310,497      | 269,154       | 441,069       | 230,361       | 559,142       | 286,976       | 229,524        | 7,228,661        |
| Total margin                         | \$ 3,728,737   | \$ 6,459,424   | \$ 232,393    | \$ 508,534      | \$ 5,501,864   | \$ 1,225,579  | \$ 2,028,752  | \$ 643,974    | \$ 908,249    | \$ 1,021,669  | \$ 1,463,354   | \$ 23,722,529    |
| <b>CONSUMERS – END OF YEAR</b>       |                |                |               |                 |                |               |               |               |               |               |                |                  |
| Residential                          | 21,058         | 53,112         | 1,178         | 4,329           | 20,758         | 5,706         | 3,830         | 5,300         | 4,218         | 6,000         | 13,960         | 139,449          |
| Residential – seasonal               | 0              | 0              | 0             | 0               | 0              | 478           | 0             | 0             | 0             | 443           | 0              | 921              |
| Commercial and other                 | 1,682          | 7,534          | 442           | 290             | 545            | 800           | 272           | 537           | 676           | 314           | 902            | 13,985           |
| Total                                | 22,740         | 60,646         | 1,620         | 4,619           | 21,303         | 6,984         | 4,102         | 5,845         | 4,894         | 6,757         | 14,862         | 154,372          |
| Increase (decrease) – percent        | 1.0%           | 1.6%           | 0.7%          | 0.5%            | -0.4%          | 0.4%          | 0.3%          | 0.6%          | 0.8%          | 0.3%          | 0.4%           | 0.9%             |
| <b>ENERGY SALES – KWH</b>            |                |                |               |                 |                |               |               |               |               |               |                |                  |
| Residential                          | 290,623,533    | 667,756,454    | 13,299,682    | 59,297,746      | 382,333,889    | 69,199,634    | 64,771,876    | 87,103,184    | 79,207,749    | 89,351,393    | 207,342,915    | 2,010,288,055    |
| Residential – seasonal               | 0              | 0              | 0             | 0               | 0              | 858,159       | 0             | 0             | 0             | 8,936,357     | 0              | 9,794,516        |
| Commercial and other                 | 197,665,442    | 719,511,209    | 19,561,581    | 11,379,766      | 1,602,373,879  | 37,056,720    | 59,928,004    | 33,657,687    | 60,746,167    | 46,983,585    | 69,391,008     | 2,858,255,048    |
| Total                                | 488,288,975    | 1,387,267,663  | 32,861,263    | 70,677,512      | 1,984,707,768  | 107,114,513   | 124,699,880   | 120,760,871   | 139,953,916   | 145,271,335   | 276,733,923    | 4,878,337,619    |
| Increase (decrease) – percent        | -9.9%          | 2.1%           | -0.2%         | 4.4%            | -2.2%          | 5.1%          | 5.3%          | 5.6%          | 5.8%          | 3.0%          | 6.8%           | -0.4%            |
| <b>MISCELLANEOUS</b>                 |                |                |               |                 |                |               |               |               |               |               |                |                  |
| kWh consumption/resident/month       | 1,150          | 1,048          | 941           | 1,141           | 1,532          | 1,011         | 1,409         | 1,370         | 1,565         | 1,241         | 1,238          | 1,201            |
| Miles of line                        | 3,612          | 5,879          | 1,387         | 1,543           | 7,888          | 1,470         | 2,341         | 2,673         | 1,857         | 2,194         | 3,658          | 34,502           |
| Consumers/miles of line              | 6.30           | 10.32          | 1.17          | 2.99            | 2.71           | 4.75          | 1.75          | 2.19          | 2.64          | 3.08          | 4.06           | 4.48             |
| Number of employees                  | 65             | 98             | 12            | 15              | 58             | 20            | 17            | 17            | 19            | 33            | 42             | 396              |
| Average rate - residential - (¢/kWh) | 15.47          | 12.64          | 18.98         | 15.50           | 12.69          | 16.63         | 15.79         | 14.71         | 14.43         | 16.01         | 14.70          | 13.95            |

# 2025 ASSOCIATED COOPERATIVE BOARDS AND MANAGEMENT



**JARED ECHTERNACH**

## **BELTRAMI ELECTRIC COOPERATIVE, INC.** *Bemidji, Minnesota*

**BOARD OF DIRECTORS**  
 John Lund, Chair ..... Bemidji, MN  
 Sue Kringen, Vice Chair ..... Bemidji, MN  
 Murl Nord, Secretary ..... Blackduck, MN  
 Sharon Lembke, Treasurer ..... Laporte, MN  
 Rick Coe ..... Bemidji, MN  
 Craig Gaasvig ..... Bemidji, MN  
 Kevin Geerdes ..... Bemidji, MN  
 Charlie Perkins ..... Red Lake, MN  
 Robert Wallner ..... Blackduck, MN

**STAFF**  
 Jared Echternach ..... President & CEO  
 Jennifer Veaser ..... Vice President of Electrification and Member Experience  
 Bob Gregg ..... Business Development Manager  
 Arlene Hogquist ..... Director of Finance & Corporate Services  
 Jolene Kallroos ..... Manager of Member Services  
 Ron Komulainen ..... Line Superintendent  
 Lee Pemberton ..... Manager of Operations  
 Rich Riewer ..... Manager of Engineering  
 Jeremy Seibel ..... Manager of Information Technology



**PAUL MATTHYS**

## **CASS COUNTY ELECTRIC COOPERATIVE INC.** *Fargo, North Dakota*

**BOARD OF DIRECTORS**  
 Glenn D. Mitzel, Chair ..... Fargo, ND  
 Terry Kraft, Vice Chair ..... West Fargo, ND  
 Calvin Hoff, Treasurer ..... Fargo, ND  
 Paul White, Secretary ..... Stirum, ND  
 Stacey Ackerman ..... Reiles Acres, ND  
 Douglas Anderson ..... Arthur, ND  
 Vanessa Kummer ..... Colfax, ND  
 Wendy Loucks ..... Fargo, ND  
 Tom Seymour ..... West Fargo, ND

**STAFF**  
 Paul Matthys ..... President & CEO  
 Troy Knutson ..... V.P. Engineering & Operations  
 Chad Brousseau ..... V.P. Member & Energy Services  
 Sarah Rhea ..... Executive Assistant  
 Andy Weiss ..... V.P. Corporate Services/CFO  
 Mitch Lyter ..... V.P. Information Technology/CIO



**MARTY TETRAULT**

## **CAVALIER RURAL ELECTRIC COOPERATIVE, INC.** *Langdon, North Dakota*

**BOARD OF DIRECTORS**  
 John Martinson, President ..... Edmore, ND  
 Anthony Ottem, Vice President ..... Milton, ND  
 Steve Hart, Secretary-Treasurer ..... Wales, ND  
 Wade Harpestad ..... Hampden, ND  
 Chris Olson ..... Langdon, ND  
 Derik Samuelson ..... Calvin, ND  
 Michele Schommer ..... Munich, ND

**STAFF**  
 Marty Tetrault ..... Manager  
 Jake Kennedy ..... Member Services/Warehouse Manager  
 Laurie Landsem ..... Executive Assistant/Cashier  
 Tiffany Pritchard ..... Finance Manager



**DEANNA LEFEBVRE**

## **CLEARWATER-POLK ELECTRIC COOPERATIVE, INC.** *Bagley, Minnesota*

**BOARD OF DIRECTORS**  
 Greg Renner, President ..... Shevlin, MN  
 Cheryl Grover, Vice President ..... Bagley, MN  
 Kim Solberg, Secretary/Treasurer ..... Gonvick, MN  
 Dennis Engebretson ..... Clearbrook, MN  
 Harlan Highberg ..... Bagley, MN  
 Doug Lindgren ..... Bagley, MN  
 Betty Surdez ..... Bagley, MN

**STAFF**  
 Deanna Lefebvre ..... General Manager  
 Matt Rendahl ..... Member Services Manager  
 Travis Huot ..... Operations Manager



**MYLO EINARSON**

## **NODAK ELECTRIC COOPERATIVE, INC.** *Grand Forks, North Dakota*

**BOARD OF DIRECTORS**  
 Les Windjue, Chairman ..... Devils Lake, ND  
 Steve Smaaladen, Vice Chairman ..... Aneta, ND  
 Ryan Benson, Secretary-Treasurer ..... Arvilla, ND  
 David Brag ..... Finley, ND  
 David Kent ..... Hatton, ND  
 Luther Meberg ..... Park River, ND  
 Peter Naastad ..... Hatton, ND  
 Cheryl Osowski ..... Grafton, ND  
 Luke Ressler ..... Hillsboro, ND

**STAFF**  
 Mylo Einarson ..... President & CEO  
 Andrew Peterson ..... Accounting & Finance Manager  
 Cole Johnson ..... Engineering Manager  
 Blaine Rekken ..... Member/Energy Services Manager  
 Jay Raymond ..... Line Superintendent  
 Kacie Tretter ..... Executive Assistant/Communications Specialist



**KEVIN HOLEN**

## **NORTH STAR ELECTRIC COOPERATIVE, INC.** *Baudette, Minnesota*

**BOARD OF DIRECTORS**  
 Steve Arnesen, President ..... Roosevelt, MN  
 Michael Hanson, Vice President ..... Baudette, MN  
 Shelley Spears, Secretary-Treasurer ..... Baudette, MN  
 Randy Bergan ..... Williams, MN  
 Richard Ferguson ..... Big Falls, MN  
 Douglas King ..... International Falls, MN  
 Tim Mathews ..... International Falls, MN

**STAFF**  
 Kevin Holen ..... General Manager  
 Robyn Sonstegard ..... Finance Manager  
 Tim Pelach ..... Operations Manager  
 Clayton Gubbels ..... Member Services Manager



**JEFF RUSTAD**

## **PKM ELECTRIC COOPERATIVE, INC.** *Warren, Minnesota*

**BOARD OF DIRECTORS**  
 Mark Hatton, President ..... Drayton, ND  
 Clifford Peterson, Vice President ..... Lancaster, MN  
 Wayne Malm, Secretary-Treasurer ..... Argyle, MN  
 Paul Aakre ..... Angus, MN  
 Jerred Copp ..... Warren, MN  
 Steve Goodwin ..... Angus, MN  
 Chris Mortenson ..... Kennedy, MN  
 Blake Owens ..... Warren, MN  
 Tom Woinarowicz ..... Stephen, MN

**STAFF**  
 Jeff Rustad ..... CEO  
 Joe Marcotte ..... Manager of Operations  
 Karen Olson ..... CFO  
 Daniel Schmidt ..... Manager of Member Services



**RICH WHITCOMB**

## **RED LAKE ELECTRIC COOPERATIVE, INC.** *Red Lake Falls, Minnesota*

**BOARD OF DIRECTORS**  
 Peter Mosbeck, President ..... Red Lake Falls, MN  
 Bonnie Christians, Vice President ..... Crookston, MN  
 Colette Kujava, Secretary-Treasurer ..... Newfolden, MN  
 Cecil Anderson ..... Thief River Falls, MN  
 Jennifer Bernier-Linder ..... Plummer, MN  
 Matt Derosier ..... Red Lake Falls, MN  
 Lars Dyrud ..... Thief River Falls, MN  
 Mark Hanson ..... Thief River Falls, MN  
 Krist Olson ..... Thief River Falls, MN

**STAFF**  
 Rich Whitcomb ..... CEO  
 Kelli Brateng ..... Manager of Member Services  
 Steve Conely ..... Manager of Electric System Operations  
 Christie Klipping ..... Manager of Finance & Administration



**RICH WHITCOMB**

## **RED RIVER VALLEY CO-OP POWER ASSOCIATION** *Halstad, Minnesota*

**BOARD OF DIRECTORS**  
 Paul Baukol, Chairman ..... Hendrum, MN  
 Curtis Stubstad, Vice Chairman ..... Sabin, MN  
 Robert Kinkade, Secretary-Treasurer ..... Ada, MN  
 Roger Krostue ..... Fisher, MN  
 Kelsey Jensen ..... Moorhead, MN  
 Trevor Sorby ..... Glyndon, MN

**STAFF**  
 Rich Whitcomb ..... CEO, Member Services/Marketing Director  
 Jared Person ..... Director of Finance & Administration  
 Jon Kuehn ..... Line Superintendent



**RYAN SEVERSON**

## **ROSEAU ELECTRIC COOPERATIVE, INC.** *Roseau, Minnesota*

**BOARD OF DIRECTORS**  
 Mark Sax, Chair ..... Grygla, MN  
 Brian Grafstrom, Vice Chair ..... Roseau, MN  
 Mike Wahl, Secretary-Treasurer ..... Badger, MN  
 Jim Christianson ..... Warroad, MN  
 Shawn Gust ..... Strathcona, MN  
 Kermit Jensen ..... Warroad, MN  
 Ron Storey ..... Warroad, MN  
 Joe Tesarek ..... Roseau, MN  
 Bob Tuttle ..... Roseau, MN

**STAFF**  
 Ryan Severson ..... General Manager  
 Mark Jennings ..... Manager of Line Operations  
 Alex McMillin ..... Assistant Manager  
 Mary Preteau ..... Member Service Director  
 Madison Strand ..... Finance Manager



**MIKE WADE**

## **WILD RICE ELECTRIC COOPERATIVE, INC.** *Mahnomen, Minnesota*

**BOARD OF DIRECTORS**  
 Jim Kaiser, Chairman ..... Lake Park, MN  
 Larry Sollie, Vice Chairman ..... Fosston, MN  
 Mark Habedank, Secretary ..... Twin Valley, MN  
 David Hamre, Treasurer ..... Erskine, MN  
 Randy Bjornson ..... Hawley, MN  
 Greg LaVoy ..... Naytahwaush, MN  
 Jeff Nornes ..... Erskine, MN  
 Paula Okeson ..... Detroit Lakes, MN  
 Roger Winter ..... Callaway, MN

**STAFF**  
 Mike Wade ..... President & CEO  
 Crystal Askelson ..... Director of Finance  
 Laura Boreen ..... Director of Human Resources  
 Tom Guenther ..... Director of Operations  
 Thomas Houdek ..... Director of Member Services & Communications  
 Mariah Lunak ..... Executive Specialist  
 Phil Shequen ..... Line Superintendent

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