

# 1ST QUARTER REPORT



BASIN ELECTRIC POWER COOPERATIVE

Basin Electric Power Cooperative (Basin Electric) was incorporated under the laws of the State of North Dakota in 1961 as a not-for-profit generation and transmission (G&T) cooperative corporation. We are headquartered in Bismarck, North Dakota, and are principally engaged in the business of providing wholesale electric services to our member cooperatives (members). These electric services generally represent the capacity and energy requirements of our members beyond what is available to our members from other sources, primarily the Western Area Power Administration, an agency of the United States Department of Energy, that provides hydroelectric power on a preferential basis to our members. We serve our members' power requirements pursuant to long-term wholesale power contracts. Through our members, we provide electric service to approximately 3 million member-owners in the states of Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, and Wyoming.

We employ an all-of-the-above energy strategy to supply our members' power requirements. Basin Electric's portfolio of power supply resources includes owned generation, long-term power purchase contracts, short-term, and spot market energy purchases. Our generating resources are fueled by a mix of natural gas, coal, wind, solar, hydro, and fuel oil.

We participate in the following energy markets: Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) in the Eastern Interconnection. In the Western Interconnection, our load and assets participate in energy imbalance markets of SPP's Western Energy Imbalance Service market and California Independent System Operator's Western Energy Imbalance Market through various transmission providers.

We are owned entirely by our members, who are the primary purchasers of the power we sell. Basin Electric has 139 members comprised of four membership classifications.

In general, a cooperative is a business organization owned by its members, that are also either the cooperative's wholesale or retail customers. Cooperatives are organized to give their members the opportunity to satisfy their collective needs in a particular area of business more effectively than if the members acted independently. As not-for-profit organizations, cooperatives are intended to provide services to their members on a cost-effective basis, in part by eliminating the need to produce a return on equity in excess of required margins. Margins earned by a cooperative that are not distributed to its members constitute patronage capital, a cooperative's principal source of equity. Patronage capital is held on behalf of the members without interest and returned when the board of directors of the cooperative deems it appropriate to do so.

Basin Electric has three wholly owned, for-profit subsidiaries: Dakota Gasification Company, Dakota Coal Company, and Nemadji River Generation LLC. Dakota Gas converts lignite coal into pipeline-quality synthetic natural gas, carbon dioxide, anhydrous ammonia, urea, diesel exhaust fluid, and a variety of other products. Dakota Coal provides coal for our Antelope Valley Station, Leland Olds Station, and Great Plains Synfuels Plant. Nemadji River Generation is the owner of a 30% undivided interest in the Nemadji Trail Energy Center project. The Nemadji Trail project is a proposed 600-megawatt (MW), natural gas-fueled combined-cycle electric generation facility in Superior, Wisconsin.

The accompanying consolidated balance sheets, statements of operations and statements of cash flows are unaudited. However, in the opinion of management, all adjustments (consisting only of normal recurring adjustments) have been made and this report constitutes a fair and accurate representation of the consolidated financial position and operations of Basin Electric and its wholly owned subsidiaries, and Coteau and Dakota Carbon Services LLC as of and for the three-month periods ended March 31, 2025 and 2024. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Basin Electric Power Cooperative's 2024 Annual Report.



**TODD T. BRICKHOUSE**  
Chief Executive Officer and  
General Manager



**CHRISTOPHER A. JOHNSON**  
Senior Vice President and  
Chief Financial Officer

# **BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES** **CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

as of March 31, (dollars in thousands)

	2025	2024
<b>Assets</b>		
Utility plant:		
Electric plant in service	\$ 7,734,293	\$ 7,527,201
Construction work in progress	909,079	660,259
Total electric plant	8,643,372	8,187,460
Less: accumulated provision for depreciation and amortization	(3,492,223)	(3,343,672)
	5,151,149	4,843,788
Nonutility property:		
Property, plant and equipment	1,689,727	1,641,122
Construction work in progress	14,756	44,727
Total nonutility property	1,704,483	1,685,849
Less: accumulated provision for depreciation and depletion	(735,247)	(682,503)
	969,236	1,003,346
Other property, investments and deferred charges:		
Mine related assets	149,080	142,270
Investments in associated companies	35,941	34,009
Restricted and designated investments	53,466	48,896
Other investments	253,590	255,723
Special funds	69,716	71,324
Regulatory assets	288,760	286,242
Other deferred charges	143,582	133,100
	994,135	971,564
Current assets:		
Cash and cash equivalents	496,237	378,679
Restricted and designated cash and equivalents	320,255	369,827
Short-term investments	13,317	377,517
Customer accounts receivable	211,843	193,165
Other receivables	124,038	92,772
Fuel stock, materials and supplies	341,597	316,113
Prepayments and other current assets	92,927	129,469
	1,600,214	1,857,542
	<u>\$ 8,714,734</u>	<u>\$ 8,676,240</u>
<b>Capitalization and Liabilities</b>		
Capitalization:		
Equity:		
Memberships	\$ 22	\$ 22
Patronage capital	1,509,605	1,412,787
Retained earnings of subsidiaries	131,228	128,497
Other equity	294,252	285,113
Accumulated other comprehensive income (loss)	3,267	(2,446)
	1,938,374	1,823,973
Noncontrolling interest	2,930	2,761
	1,941,304	1,826,734
Long-term debt, net of current portion	4,573,969	4,621,770
Finance lease obligations, net of current portion	4,097	4,693
Total capitalization	6,519,370	6,453,197
Regulatory liabilities	341,721	400,980
Other deferred credits, taxes and other liabilities	715,109	734,021
	1,056,830	1,135,001
Current liabilities:		
Current portion of long-term debt	193,086	185,730
Current portion of finance lease obligations	1,039	904
Accounts payable	329,324	321,399
Notes payable – affiliates	176,448	245,924
Notes payable	200,000	125,000
Taxes and other current liabilities	238,637	209,085
	1,138,534	1,088,042
	<u>\$ 8,714,734</u>	<u>\$ 8,676,240</u>

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

for the three months ended March 31, (dollars in thousands)

	2025	2024
<b>Utility operations:</b>		
<b>Operating revenue:</b>		
Sales of electricity for resale	\$ 615,856	\$ 601,233
Other electric revenue	2,577	1,986
Total utility operating revenue	618,433	603,219
<b>Operating expenses:</b>		
Production expense	41,818	40,726
Fuel expense	96,419	89,070
Other power supply	214,239	223,609
Transmission operations	10,191	9,310
Transmission wheeling	41,473	37,510
Rent expense	2,500	2,500
Administration	31,316	30,872
Maintenance	47,544	44,898
Depreciation & amortization	51,505	51,151
Taxes other than income	1,257	1,157
Total utility operating expenses	538,262	530,803
<b>Interest and other charges:</b>		
Interest on long-term debt	46,440	47,204
Interest on short-term debt	2,886	5,559
Other	3,350	3,403
Total interest and other charges	52,676	56,166
Operating margin	27,495	16,250
<b>Nonoperating margin:</b>		
Interest and other income	13,851	18,789
Patronage allocations from other cooperatives	2,927	2,902
Total nonoperating margin	16,778	21,691
Utility margin before income taxes	44,273	37,941
<b>Nonutility operations:</b>		
<b>Operating revenue:</b>		
Synthetic natural gas	40,710	26,312
Byproduct, coproduct and other	77,099	57,602
Lignite coal	42,370	34,145
Total nonutility operating revenue	160,179	118,059
<b>Operating expenses:</b>		
Other operating expenses (includes \$6,316 and \$5,927 of net income attributable to noncontrolling interest)	181,800	166,996
Operating loss	(21,621)	(48,937)
Interest, other income, and tax credits	28,902	23,880
<b>Nonutility income (loss) before income taxes</b>	7,281	(25,057)
Margin before income taxes	51,554	12,884
Income tax expense (benefit)	3,852	(7,156)
<b>Net margin and earnings</b>	<b>\$ 47,702</b>	<b>\$ 20,040</b>

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)**

for the three months ended March 31, (dollars in thousands)

	2025	2024
<b>Operating activities:</b>		
Net margin and earnings	\$ 47,702	\$ 20,040
Adjustments to reconcile net margin and earnings to net cash from operating activities:		
Depreciation and amortization of property, plant and equipment	67,989	66,333
Deferred income taxes	1,096	(14,064)
Changes in regulatory assets and liabilities	4,055	(18,456)
Unrealized loss (gain) on investments	2,898	(5,259)
Patronage capital allocated	(2,934)	(4,061)
Other amortization and accretion	7,044	9,225
Recognition of initial payment for tax credit monetization	(2,616)	(5,845)
Income attributable to noncontrolling interest	6,316	5,927
Changes in other operating elements:		
Customer accounts receivable	(14,779)	(4,588)
Other receivables	(12,347)	(1,688)
Fuel stock, materials and supplies	(21,016)	(20,643)
Prepayments and other current assets	676	(19,997)
Accounts payable	11,801	(1,704)
Taxes and other current liabilities	87,728	68,585
Changes in collateral	3,838	9,933
Other operating activities, net	27,041	(6,104)
Net cash provided by operating activities	214,492	77,634
<b>Investing activities:</b>		
Acquisition of electric plant	(99,693)	(137,462)
Acquisition of nonutility property	(6,479)	(24,973)
Proceeds from sales of property	316	364
Purchase of investments	(29,655)	(300,776)
Sale of investments	32,065	324,441
Sale of other assets and payments received on notes receivable	291	373
Purchase of other assets and issuance of notes receivable	(1,317)	(2,012)
Net cash used in investing activities	(104,472)	(140,045)
<b>Financing activities:</b>		
Proceeds from sale of membership interest	-	167,467
Proceeds of long-term debt	-	370,000
Principal payments of long-term debt	(13,161)	(38,220)
Payment of debt issue costs	-	(2,314)
Proceeds of notes payable — affiliates	608,843	590,450
Payments of notes payable — affiliates	(576,834)	(581,947)
Proceeds of notes payable	-	119,438
Payments of notes payable	-	(269,177)
Payments under finance lease obligations	(189)	(986)
Dividends paid to noncontrolling interest	(6,097)	(4,987)
Net cash provided by financing activities	12,562	349,724
<b>Net increase in cash and cash equivalents and restricted and designated cash and equivalents</b>	122,582	287,313
<b>Cash and cash equivalents and restricted and designated cash and equivalents, beginning of period</b>	693,910	461,193
<b>Cash and cash equivalents and restricted and designated cash and equivalents, end of period</b>	<u>\$ 816,492</u>	<u>\$ 748,506</u>

For the three months ended March 31, 2025 compared to three months ended March 31, 2024

## RESULTS OF UTILITY OPERATIONS

Our operating revenue is derived from electricity sales to our members and to non-members (including Dakota Gas). Our electricity sales revenue from and energy sold by us, measured in megawatt-hours (MWh), to our members and to non-members are as follows:

### ELECTRICITY REVENUE

(in millions)	2025	2024	% change
Sales of electricity to members	\$ 555.7	\$ 506.4	9.7%
Sales of electricity to non-members	60.2	74.8	(19.5%)
(Deferral) amortization of non-member revenue	-	20.0	
Non-member revenue, net	60.2	94.8	(36.5%)
<b>Total electricity revenue</b>	<b>\$ 615.9</b>	<b>\$ 601.2</b>	2.4%

### ELECTRIC ENERGY SALES

(in thousand MWh)	2025	2024	% change
Members	9,106	8,680	4.9%
Others	1,458	1,485	(1.8%)
<b>Total electric energy sales</b>	<b>10,564</b>	<b>10,165</b>	3.9%
Peak billing demand (in MW)	5,204	5,130	1.4%

### ELECTRICITY REVENUE

- Sales of electricity to members increased by \$49.3 million.
  - Energy sold to our members increased by 426,000 MWh, or 4.9%. Average peak demand also increased from last year and an increase in average member rates went into effect on January 1, 2025.
- Sales of electricity to non-members (before the impact of deferred revenue amortization) decreased by \$14.6 million. Previously deferred non-member electricity sales revenue in the amount of \$20.0 million was recognized in 2024.
  - Energy sold to non-members decreased 27,000 MWh, or 1.8%. The average sales price decreased from \$50.37 in 2024 to \$41.29 per MWh in 2025.

### UTILITY OPERATING EXPENSES

(in millions)	2025	2024	% change
Production expense	\$ 41.8	\$ 40.7	2.7%
Fuel expense	96.4	89.1	8.2%
Other power supply	214.2	223.5	(4.2%)
Transmission operations	10.2	9.3	9.7%
Transmission wheeling	41.5	37.5	10.7%
Rent expense	2.5	2.5	-
Administration	31.3	30.9	1.3%
Maintenance	47.6	44.9	6.0%
Depreciation & amortization	51.5	51.2	0.6%
Taxes other than income	1.3	1.2	8.3%
<b>Total operating expenses</b>	<b>\$ 538.3</b>	<b>\$ 530.8</b>	1.4%

## UTILITY OPERATING EXPENSES

- Utility operating expenses increased by \$7.5 million.
  - Fuel expense was \$7.3 million higher due to higher natural gas prices and higher coal expense resulting from higher prices and volumes.
  - Transmission wheeling expense was \$4.0 million higher.
  - Maintenance expense increased \$2.6 million largely due to the timing of planned maintenance work.
  - Other power supply was \$9.3 million lower largely as a result of lower purchased power related expenses.

## RESULTS OF NONUTILITY OPERATIONS

Nonutility operating revenue is mainly derived from: (i) the sale of synthetic natural gas, carbon dioxide (CO<sub>2</sub>), anhydrous ammonia, urea, diesel exhaust fluid and various other products produced by Dakota Gas, and (ii) the sale by Dakota Coal of lignite coal for use at Basin's generating facilities and for coal gasification at Dakota Gas.

### NONUTILITY OPERATING REVENUE

(in millions)	2025	2024	% change
Synthetic natural gas	\$ 40.7	\$ 26.3	54.8%
Byproduct, coproduct and other	77.1	57.6	33.9%
Lignite coal	42.4	34.2	24.0%
<b>Total nonutility operating revenue</b>	<b>\$ 160.2</b>	<b>\$ 118.1</b>	35.6%
Synthetic gas sold (dekatherms in millions)	10.1	9.9	2.0%
Fertilizer products sold (tons in thousands)	83.8	69.9	19.9%
Coal sales (tons in millions) <sup>(1)</sup>	2.0	1.9	5.3%

(1) Does not include tons sold to Dakota Gas as affiliate revenue is eliminated in the Consolidated Statement of Operations.

### NONUTILITY OPERATING REVENUE

- Nonutility operating revenue increased \$42.1 million.
  - Increased synthetic natural gas revenue by \$14.4 million, primarily as a result of higher prices. Prices were 34% higher in 2025 compared to 2024.
  - Increased fertilizer sales revenue by \$12.2 million as a result of higher volumes sold as well as higher prices.
  - Increased lignite coal sales revenue by \$8.2 million as a result of higher prices in 2025.
  - Decreased diesel exhaust fluid sales revenue of \$4.8 million due to lower volumes sold in 2025.

### NONUTILITY OPERATING EXPENSES

- Nonutility operating expenses increased by \$14.8 million or 8.9%.
  - Higher cost of goods sold and selling expenses at Dakota Gas.

### NONUTILITY INTEREST AND OTHER INCOME

- The increase in nonutility interest and other income is associated with the monetization of tax credits related to the capture and sequestration of CO<sub>2</sub> through Dakota Gas' investment in Dakota Carbon Services LLC.





**BASIN ELECTRIC  
POWER COOPERATIVE**

A Touchstone Energy® Cooperative

