BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF LEOLA DATA CENTER LLC TO HAVE MONTANA DAKOTA UTILITIES CO., A SUBSIDIARY OF MDU RESOURCES GROUP INC., ASSIGNED AS ITS ELECTRIC PROVIDER IN THE SERVICE AREA OF FEM ELECTRIC ASSOCIATION INC.	**EL 24-027** **STIPULATION AND SETTLEMENT AGREEMENT**

This Stipulation and Settlement Agreement ("Agreement") is made and entered into on this ___ day of August, 2026, by and among Petitioner Leola Data Center LLC, with an address of 3225 NE HARRISON STREET, ISSAQUAH, WA 98029 ("LDC"), South Dakota Public Utilities Commission Staff ("Staff") and Intervenors Montana-Dakota Utilities Co., with an address of _____________________ ("MDU"), FEM Electric Association, Inc., with an address of ______________________ ("FEM"), East River Electric Power Cooperative, Inc., with an address of 211 South Harth Ave., Madison, SD 57042("East River"), and Basin Electric Power Cooperative, with an address of 1717 E. Interstate Avenue, Bismarck, North Dakota 58503 ("Basin") (individually, a "Party" and, collectively, the "Parties.")

RECITALS

WHEREAS, LDC filed a Petition for Electric Service seeking an Order from the South Dakota Utilities Commission (the "Commission") under SDCL 49-34A-56 allowing it to take service from MDU for LDC's proposed data center facility to be located adjacent to MDU's Leola substation at 11641 358th Avenue, Leola, South Dakota. This location is currently within the assigned service area of FEM. This matter is docketed as EL24-027, *In the Matter of The Petition of Leola Data Center LLC to Have Montana Dakota Utilities Co., a Subsidiary of MDU Resources Group Inc., Assigned as its Electric Provider in the Service Aera of FEM Electric Association Inc.* (the "Docket");

WHEREAS, MDU filed a letter with the Commission requesting approval of an electric service agreement between MDU and LDC, which electric service agreement would provide for the sale of all electric power pursuant to MDU's High Density Contracted Demand Response Rate 45. This matter is docketed as EL24-028, *In the Matter of the Request by Montana-Dakota Utilities, Co., A Subsidiary of MDU Resources Group Inc., for Approval of An Electric Service*

Agreement Under Rate 45 Between Montana-Dakota Utilities co., A Subsidiary of MDU Resources Group Inc., and Leola Data Center LLC;

WHEREAS, FEM, East River, and Basin sought intervention and were granted party status in the Docket;

WHEREAS, FEM, East River, and Basin sought intervention but were denied intervention in Docket EL 24-028;

WHEREAS, LDC intends to construct, own and operate a data center facility, along with facilities related to it (the "Data Center"), on that real property for which it has entered into a lease agreement for twenty (20) acres, which real property is adjacent to MDU's Leola Substation located at the southwest corner of 358th Avenue (Highway 17) and 116th Street approximately five (5) miles southwest of Leola in McPherson County (the "Leased Property"). LDC attests and covenants that the Data Center will have and maintain a minimum contracted demand of 2,000 kW, and which Leased Property is located within FEM's exclusive service territory as defined and maintained by the Commission;

WHEREAS, SDCL Ch. 49-34A, the South Dakota Territorial Integrity Act ("Act"), establishes the default rule that an assigned electric utility serves the customers in its assigned service area. An "assigned service area" is the geographic area whose boundaries are established by statute, and SDCL 49-34A-42 gives each electric utility "the exclusive right to provide electric service at retail" to present and future customers in that area. SDCL 49-34A-56 is a narrow exception to that default rule.

WHEREAS, LDC acknowledges that it will not use the entirety of the Leased Property for construction and operation of the Data Center;

Whereas, LDC acknowledges that, in addition to any Order entered by this Commission, it must also obtain all necessary permits for construction from McPherson County;

WHEREAS, following discovery and motion practice, the Parties desire that the following Agreement be approved by the Commission in the Docket, and incorporated into any Order of this Commission,

NOW THEREFORE, in consideration of the promises exchanged herein, the Parties agree as follows:

SETTLEMENT TERMS

1. Settlement Stipulation. To avoid the costs and expenses associated with further litigation and possible appeal, the Parties desire to amicably resolve the issues presented in this Docket, and now enter into this Agreement to settle and resolve all disputes outlined herein, and agree to the following exceptions and conditions, namely that:

a. LDC and MDU acknowledge that LDC does not intend to occupy the entirety of the Leased Property. LDC and MDU therefore agree that the entirety of the Leased Property shall not be considered MDU's service territory pursuant to SDCL 49-34A-56. The service territory subject to the exception provided for in SDCL 49-34A-56, shall consist only of the territory used by the LDC Data Center and any other facilities located on the Leased Property that are exclusively owned and operated by LDC. LDC agrees that within sixty (60) days of the finalization of construction plans and attainment of all required permits and orders, it shall cause to be filed with this Commission, with notice to all Parties identified herein, a plat, survey, or other document describing with specificity the location and boundaries of the Data Center.

b. Any new customers, as defined by the Act, who or which construct homes, business operations, or other facilities within the boundaries of the Leased Property, which require electric service, shall be considered to exist within FEM's existing service territory. Provided, however, if a new customer is eligible for a service territory exception as provided by SDCL 49-34A-56 that new customer may petition the Commission for such allowance.

c. In the event of future expansion of the Data Center and other facilities located on the Leased Property that are exclusively owned and operated by LDC as described in Section 1(a), MDU will have the right to serve such LDC facilities, provided that such expansion is limited to the boundaries of the Leased Property.

d. If, after achieving commercial operation date (COD) , LDC is acquired by, or undergoes a change of control in favor of, an entity providing substantially similar services to those provided by or intended to be provided by LDC at the time this Commission grants LDC's request, the acquiring or controlling entity will remain in MDU's service territory and be considered a customer of MDU, and shall be subject to the other conditions set forth in this Agreement. Any dispute regarding whether a successor entity's services are "substantially similar" shall be submitted to the Commission for determination. For purposes of this Agreement, a business that requires electric service with a minimum demand of two thousand kilowatts or more shall presumptively be considered "substantially similar."

e. If for any reason a new entity takes assignment of LDC's lease agreement and purchases or leases LDC's facilities, LDC and/or MDU shall provide written notice to all Parties at least thirty (30) days prior to the effective date of such transfer.

f. LDC acknowledges that if it fails to secure any necessary permits or regulatory approvals, including the required Conditional Use Permit from McPherson County, South Dakota, any Order entered by the Commission in this docket will be of no force and effect and the service territory described herein shall remain FEM's service territory.

g. MDU and LDC acknowledge and agree that the exception memorialized in SDCL 49-34A-56 applies to "new customers" at "new locations which develop after March 21, 1975, located outside municipalities as the boundaries thereof existed on March 21, 1975, and who require electric service with a contracted minimum demand of two thousand kilowatts or more[.]" LDC requires electric service with a minimum demand of two thousand kilowatts or more and that the parties have entered into an electric service agreement or will do so subject to this Commission's approval memorializing said minimum demand of two thousand kilowatts or more. Specifically, the MDU and LDC electric service agreement shall contain the following minimum demand language: "Notwithstanding LDC's requirements for kW demand or use of kWh energy, the demand for billing purposes hereunder shall be not less than 2,000 kW for any billing period once LDC achieves COD, unless LDC undergoes refurbishment or maintenance of a temporary nature or is subject to a forced outage."

h. LDC shall reach COD and become subject to the 2,000 kW minimum demand requirement no later than twelve (12) months after commencement of electric service by MDU. If LDC fails to achieve COD by that deadline, then any Party may petition the Commission for appropriate relief, including termination or modification of the service-territory exception granted under SDCL 49-34A-56.

2. Existing Customers. The parties acknowledge that there are currently no existing customers within the Leased Property that would be affected by this Agreement.

3. Service Territory. This Agreement is not intended by the Parties to indicate consent to any change in the service territories of FEM or MDU, and nothing herein shall be construed to limit any Party's right to assert territorial claims or defenses in any future proceeding before the Commission.

4. Reservation of Rights. Except as specifically set forth herein, this Agreement does not modify or limit the legal rights of any Party.

5. No Precedent. The parties recognize this Agreement is the result of negotiations between the Parties and, accordingly, this Agreement and the Commission's approval thereof do not represent binding or legal precedent on any Party with respect to any other matter.

6. Request for Commission Approval of the Agreement. Upon execution by the Parties of this Agreement, the Parties shall file this Agreement with the Commission together with a joint motion requesting that the Commission issue an order approving this Agreement in its entirety. The Parties stipulate that all pre-filed testimony, exhibits, and responses to data requests from Commission staff will be made a part of the record in the Docket which is the subject of this Agreement. The Parties understand that if this matter had not been settled, the Parties may have filed further testimony and an evidentiary hearing, and potential subsequent appeal proceedings on this matter would have been held. If the Commission does not approve this Agreement in its entirety, or approves this Agreement subject to any additional, revised, or different terms or conditions not agreed to in writing by all Parties, any Party may withdraw from this Agreement, and this Agreement shall be of no further force or effect as to that Party.

7. Entire Agreement and Modification. This Agreement constitutes the entire agreement between and among the Parties pertaining to the subject matter of this Agreement. This Agreement supersedes all prior and contemporaneous negotiations, discussions, communications, or understandings between the Parties and/or their representatives in connection with the subject matter of this Agreement. This Agreement may not be amended except in writing signed by all Parties, which amendment must also be approved by this Commission.

8. Assignment. No Party shall assign this Agreement voluntarily, involuntarily, or by operation of law, without the prior written consent of all other Parties, and if required, approval of this Commission.

9. Recitals. The recitals set forth in this Agreement are incorporated herein by reference and made a part hereof as if fully set forth as paragraphs in this Agreement.

10. Choice of Laws. This Agreement shall be construed and interpreted in accordance with the laws of the State of South Dakota and excluding any choice of law rules that may direct the application of laws of another jurisdiction.

11. Drafting Presumption. This Agreement has been prepared by the joint efforts of the respective attorneys for each of the Parties, and all provisions of this Agreement have been negotiated by the Parties at arm's length. The Parties stipulate and agree that this Agreement shall not be construed against any party as the drafter thereof, but rather shall be construed as if drafted by all Parties. The captions and headings of the paragraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

12. Jurisdiction. The Parties acknowledge this Agreement is subject to the jurisdiction of the Commission.

13. Effective Date. The effective dates of this Agreement is the date on which the Commission enters an Order approving it in the Docket.

14. Notice. Any notice permitted or required by this Agreement shall be made in writing and personally served or mailed (postage prepaid, return receipt requested) at the Party's address in the first paragraph of this Agreement and shall be effective upon the date of personal service, or if by mail, upon the date of receipt.

15. Counterparts. This Agreement may be executed in multiple counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall, together, constitute and be one in and same instrument.

Dated this 10th day of August, 2026.

William M. Van Camp
117 E Capitol – PO Box 66
Pierre, SD 57501
(605)224-8851
bvancamp@olingerlaw.net
Attorneys for Leola Data Center

Dated this 19th day of August, 2026.

Logan Schaefbauer

Logan Schaefbauer
Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
Logan.Schaefbauer@state.sd.us
(605) 773-3201

Dated this 17th day of August, 2026.

Daniel J. Brown
East River General Counsel
211 South Harth Ave., PO Box 227
Madison, SD 57042
dbrown@eastriver.coop
Attorney for East River Electric Cooperative, Inc.

Dated this 17 day of August, 2026.

Meredith A. Moore

Meredith A. Moore
140 N. Phillips Ave., 4th Floor
PO Box 1400
Sioux Falls, SD 57101-1400
meredithm@cutlerlawfirm.com
Attorneys for Basin Electic Power Cooperative

Dated this 17th day of August, 2026.

Vaughn P. Beck
Attorney for FEM
509 Bloemendaal Drive, PO Box 326
Ipswich, SD 57451
becklaw@midconetwork.com
Attorneys for FEM Electric Assocation, Inc.

Dated this 18th day of August, 2026.

Brett Koenecke
503 S. Pierre St.
Pierre, SD 57501
brett@mayadam.net
Attorneys for Montana-Dakota Utilities Co.