2025 ANNUAL REPORT

UPPER MISSOURI
POWER COOPERATIVE
A Touchstone Energy® Cooperative

ABOUT US

Upper Missouri G. & T. Electric Cooperative, Inc., doing business as Upper Missouri Power Cooperative, was organized in 1957 and incorporated in 1958 to serve transmission needs of rural electric cooperatives in eastern Montana and western North Dakota. Today, Upper Missouri supplies wholesale electricity to 11 distribution cooperatives: six in eastern Montana and five in western North Dakota. The 11 Member Systems serve 82,896 meters to farms, ranches, homes, and businesses in 37 counties, covering 54,762 square miles.

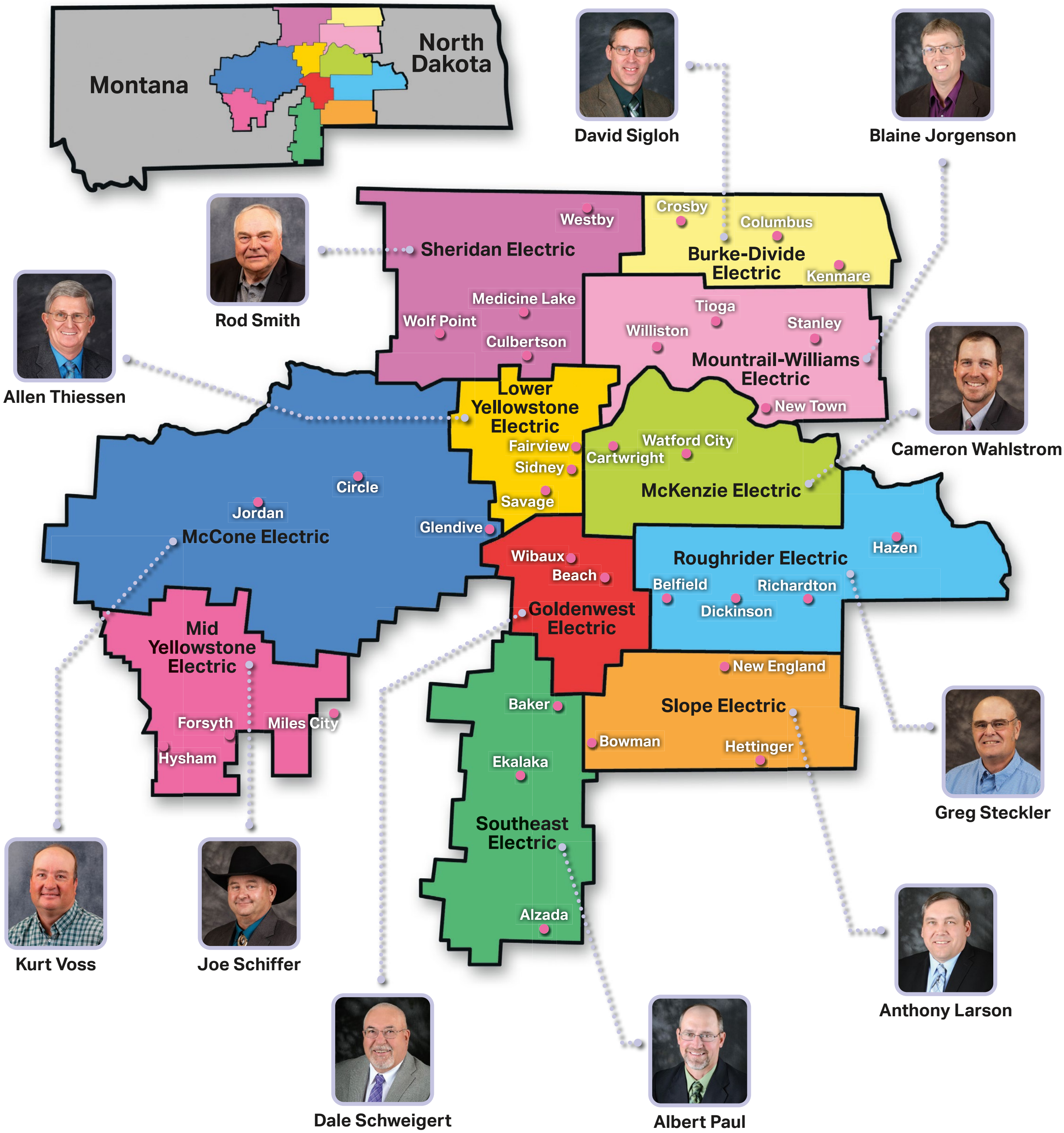
Upper Missouri sources power from two major suppliers: Western Area Power Administration (WAPA) and Basin Electric Power Cooperative. In 2025, energy purchased from WAPA represented 2.22% of total sales and Basin was 97.78%, respectively.

Upper Missouri administers the transmission delivery metering services for most of its service area. There are currently 260 delivery points used in the billing of its members. Upper Missouri also uses these delivery meters to provide high accuracy real-time data to Basin.

Upper Missouri is rate-regulated by the Federal Energy Regulatory Commission (FERC) and continues to have high-volume sales growth due to the oil and gas development in the Bakken region, as well as growth in technology, with a peak load of 2,080 MW. Energy sales in 2025 totaled 15,378,246 MWh.

On the cover: *(Top)Taken Northwest of Fairfield when Roughrider crews were inspecting transmission lines in the Spring of 2025. (Lower left) Roughrider crews converting a 3-phase tap to single phase South of Killdeer along Highway 22 South. (Center) Roughrider crews changing transmission structures near Schefield after a tornado went through the area in June 2025. Photos by Roughrider Electric Cooperative (Lower right) Southeast Electric, View on Highway 7 looking down Webster Road from Willard Substation. Photo by Vicki Fix, HR, AP, Member Services Southeast Electric Cooperative.*

DISTRIBUTION MAP



MANAGEMENT STAFF

*Left to Right back row – **Justin Boyer**, Controller; **Jeremy Mahowald**, General Manager; **Brent Hanson**, COO. Left to Right front row – **Keegan Kary**, Metering Apprentice/Systems Administrator; **D'Lon Anderson**, Financial Integrity Analyst; **Stacey Brown**, Office Manager; **Jeff VanDomelen**, Metering Integrity Analyst/Journeyman Meterman.*

BOARD OF DIRECTORS

*Left to Right – **Rod Smith**, Sheridan Electric Cooperative; **Anthony Larson**, Slope Electric Cooperative; **Cameron Wahlstrom**, McKenzie Electric Cooperative; **Greg Steckler**, Roughrider Electric Cooperative; **Dale Schweigert**, Goldenwest Electric Cooperative; **Allen Thiessen**, Lower Yellowstone Rural Electric Cooperative; **Albert Paul**, Southeast Electric Cooperative; **Blaine Jorgenson**, Montrail Williams Electric Cooperative; **Joe Schiffer**, Mid-Yellowstone Electric Cooperative; **David Sigloh**, Burke-Divide Electric Cooperative; **Kurt Voss**, McCone Electric Cooperative.*

PRESIDENT'S REPORT

BLAINE JORGENSON

If a theme were to be selected for this year's Upper Missouri Power Cooperative's annual meeting, it might read "Settling for the Future." This sounds like a terrible theme. Like Upper Missouri is settling for something less than ideal. But legal settlement has become a possibility and priority between Upper Missouri, Basin Electric, and McKenzie Electric. Unfortunately, details of this settlement process cannot be shared at this time. Please continue to trust your Upper Missouri delegate and Upper Missouri staff to ensure any settlement is mutually satisfactory to all parties involved, but ultimately beneficial for the Upper Missouri membership. Maybe by annual meeting time, more can be shared.

Concerning other business at Upper Missouri, so many business decisions hinge on settlement. The biggest of these are becoming an RUS borrower, thereby exiting FERC, and enacting a new rate structure more in line with industry standards. Upper Missouri has also joined SPP, but at this time have not been approved for an ATRR. Upper Missouri will continue to work toward and eventually receive this benefit for the membership.

Another benefit to the membership has come in the form of the large load onboarding process developed by Basin Electric (with input from members including Upper Missouri). This rate structure provides a path forward for large loads, while providing rate and stranded assets protection to existing members. Upper Missouri members now have a definitive answer for industry seeking large load siting. Time will tell how these loads develop and the ultimate implications on the Upper Missouri membership.

Upper Missouri staff continue to do a fine job running the day-to-day cooperative business. Manager Mahowald continues to hold operations to a high standard. Upper Missouri members can trust that there is value in every service provided to them. The Board appreciates the commitment and dedication of all the Upper Missouri employees.

The Upper Missouri Board is also a cohesive group. While not always agreeing, Board meetings are respectful and productive. The Board room is not large, but guests are always welcome to attend meetings. Please take a moment to thank your delegate for filling this role, which at times can be challenging.

A great deal of time and effort has been devoted to bringing the Upper Missouri legal issues to a close. This disagreement with McKenzie has persisted since 2019. May 2026 be the year to end this lawsuit and allow the lessons learned to keep this from becoming the norm.

GENERAL MANAGER'S REPORT

JEREMY MAHOWALD

Upper Missouri had slower growth in 2025, with energy sales of 15.4 million MWh, coming in 1.19% above 2024 sales, equating to $914.5 million in power billing in 2025. Lower than anticipated sales were due to economic factors affecting our oil and crypto loads, along with milder than usual winter conditions. In 2025, we hit a record real-time peak of 2,080 MW in January and a record billing peak of 1,933 MW in the same month.

We are responsible for nearly all the power delivery metering and accurate power billing, we have built a number of systems monitored by our staff to ensure reliable real-time data that follows best practices for validation, editing, and estimating. We revised our "change logs" in 2025 to tighten the tracking and recording of edits and added multiple checks and discrepancy reviews for determining monthly peaks. Given the magnitude of sales through a relatively small number of delivery points, it is job we take seriously.

As we have several transmission substation facilities and work towards future transmission projects, another major initiative we undertook in 2025 was to enter SPP, first as members then filed as a TO (Transmission Owners) at the end of the year. We became members of SPP on October 1, 2025, and we filed to become a TO on January 1, 2026. As of the writing of this report, we are not yet through the comment period nor have an order from FERC.

Toward the goal of future transmission construction to aid in the needs of our continuously growing membership, combined with significant substation maintenance projects in our short- and long-range work plans, we have begun the process to become RUS borrowers. To do so will require our exit from FERC, as we plan to do later in 2026.

In September of 2025, we began the process of a settlement agreement to our ND litigation between Basin, Upper Missouri, and McKenzie electric. We are hopeful for a successful mutual agreement and resolution of this long-standing dispute.

Along with the other members of Basin and selected distribution cooperatives from each district, we worked with Basin in 2025 to create their "Large Load Program" which was later approved by the Basin board, which includes Upper Missouri's director to Basin, Anthony Larson. The Large Load Program takes pressure off the general membership by assigning new costs to large loads in our service area. These large loads are segmented by size thresholds to include data and technology loads, and very large place-based loads. I believe this system will work well, and in 2025, we had six loads in Upper Missouri's footprint begin the evaluation process, some of which we expect may come to fruition. We also anticipate additional large loads as technology companies evaluate our region.

I am very thankful for our dedicated staff, our collaborative and coop-focused board, and our committed manager group. In 2025, please help us in our pursuits to work toward our mutual success, regional prosperity, and delivering value to our membership. I welcome your thoughts and ideas to help us attain these goals.

CHIEF OPERATING OFFICER'S REPORT

BRENT HANSON

The team at Upper Missouri remained focused on enhancing services for our members throughout the year. Thanks to their continued dedication, we achieved a successful and productive 2025.

In early 2025, Upper Missouri began evaluating membership in SPP as both a Member and Transmission Owner. Although portions of our Medora and Halliday Substation equipment receive cost recovery through MISO, most of our substation facilities are leased to SPP through Basin. Of our six transmission substations, only the Charlie Creek Substation contains equipment that is entirely ineligible for cost recovery under either SPP or MISO.

At the May 2025 board meeting, the Upper Missouri board authorized SPP membership and the development of our transmission rate formula. Over the following months, staff collaborated with SPP, consultants, and legal counsel to finalize this formula. Upper Missouri became an SPP member on October 1, 2025, and SPP filed the Upper Missouri transmission formula rate on October 10, 2025. We requested an effective date of January 1, 2026; however, FERC has not issued a ruling yet.

Upper Missouri is continuing efforts to replace aging equipment across several substations. The 2024 Construction Work Plan identified 60 kV breaker replacements at the Culbertson and Grenora Substations for 2026. Consistent with the 2024 Long Range Plan, we have also begun updating the Construction Work Plan for additional 2027 projects. Maintaining a current plan helps coordinate needs with MDU and account for long lead time equipment. It is also required when securing funding from lenders such as RUS. While our facilities remain in good condition, much of the major equipment dates back to the early 1980s and is nearing the end of its useful life, making ongoing replacement a priority.

Upper Missouri maintains agreements with Montana Dakota Utilities (MDU) to support North American Electric Reliability Cooperation (NERC) compliance and to operate and maintain major substation equipment. In addition to monthly operations and maintenance, MDU completed relay testing, firmware upgrades, repairs to the Medora Substation LTC oil leak, the Halliday Substation annunciator replacement, and multiple control house repairs.

The power data team oversees delivery point metering, meter testing, communications, load forecasting, load monitoring, and peak prediction. In 2025, the team integrated fifteen additional metering points into our revenue metering and data management program. D'Lon Anderson continues to lead power billing, validation, editing, and estimation, coordinating closely with Basin and WAPA to provide accurate and timely data. Prior to his departure in October, Jeff VanDomelen successfully tested the 2025 meter batch and assisted with several new meter installations. Keegan Kary has been diligently maintaining the Load Monitoring program, monitoring and maintaining our communications network and leads support for our operational technologies such as MV-90 and the integration of NISC.

Upper Missouri continues to experience growth across traditional, technology, and oil-related industries within our membership. Significant effort has been dedicated to understanding Basin Electric's Large Load program and preparing to support these expanding needs. This growth presents meaningful opportunities, and our staff remains committed to serving our members.

CONTROLLER'S REPORT

JUSTIN BOYER

Upper Missouri's sales growth continued once again with a sales total of 15,378,246 MWh in 2025 which is a 1.19% increase over 2024 sales. Upper Missouri's coincidental peak reached 2,080 MW in January, which was the highest month peak for the year. Oil and gas development, processing and transportation continue to be the major sales drivers. We expect more diversification in the coming years as data centers and large industries look to move into our territory.

In 2025, energy growth moved to the center stage at both the state and federal levels, but with a significant change in direction. While state representatives in Montana and North Dakota have long championed energy growth, the federal government has pivoted from a "climate-first" focus to an "energy dominance" strategy. Federal policy is now actively accelerating the very fossil fuel and traditional power projects that our states have prioritized for years.

Just ten years ago, in 2015, Upper Missouri had a peak demand of 1,038 MW and sales of 7,116,265 MWh. Present load forecasts indicate that Upper Missouri will see over 440 MW of growth over the next five years. This does not include some of the major industrial loads that may develop in our region and thus is the estimated baseload growth.

In 2025, 97.78% of Upper Missouri's energy supply was purchased from Basin Electric Power Cooperative with the balance of 2.22% purchased from Western Area Power Administration.

For the past six years, Upper Missouri has fallen under the jurisdiction of the Federal Energy Regulatory Commission (FERC) for rate filings. FERC oversight creates significant workload from the accounting/rate perspective as well as delivery point/Exhibit A reporting. We have incorporated a system that myself and D'Lon Anderson, the Financial Integrity Analyst, employ to ensure we report accurate numbers to FERC. These filings require extensive reporting requirements and are time-consuming as we file the FERC Form 1 quarterly with the oversight of our CPA Firm, Brady Martz.

Upper Missouri is required to file an Attachment "O" with MISO and hold an annual meeting for transmission customer input on transmission cost recovery. The annual meeting was held on August 21, 2025. No concerns or protests were raised during the meeting.

Under Upper Missouri's cost of service model, wholesale power costs are passed directly through to the Member Systems. Maintenance and replacement expenses, operations expenses, capital credit allocations, and renewable energy credits are passed through to the Member System typically based on asset use or sales percentages. We are currently evaluating this model and looking at potential changes to how we bill to our Member Systems.

Upper Missouri's annual financial audit was completed by Brady Martz in Q1 of 2025. The cooperative is financially secure and has quality resources to rely upon. Upper Missouri's healthy financial ratios, cost effective financing and cost of service model provide for a predictable ten-year rotation of member patronage. Upper Missouri retired $518,607.90 in capital credits in November.

With confidence, I am pleased to report that we have accounting and financial systems in place to provide a secure and predictable financial performance to serve our member owners.

2025 MEMBER STATISTICS

Coop	Total Members	Total Meters	Miles of Line	Square Miles of Service Area	Coincidental - Peak Demand (MW)	MWH Sales
Burke-Divide	1,396	3,526	2,578	2,590	44.574	254,977
GoldenWest	683	1,653	1,191	1,500	9.183	69,202
Lower Yellowstone	2,460	6,416	2,177	2,253	74.637	552,155
McCone	2,368	5,464	3,838	14,400	17.666	71,711
McKenzie	5,089	13,876	4,524	4,600	876.271	6,835,543
Mid-Yellowstone	755	2,054	1,063	4,000	9.598	31,715
Mountrail-Williams	8,634	23,949	5,506	4,089	843.861	6,245,489
Roughrider	9,471	15,415	5,477	5,800	147.862	828,319
Sheridan	1,822	4,188	2,803	4,230	32.259	186,723
Slope	1,903	4,111	3,104	4,500	33.652	204,264
Southeast	925	2,244	1,757	6,800	13.258	98,150
Upper Missouri	**35,506**	**82,896**	**34,018**	**54,762**	**2,079.8**	**15,378,246**

Coop	2025 MWH Sales	% Sales
Burke-Divide	254,977	1.7%
GoldenWest	69,202	0.4%
Lower Yellowstone	552,155	3.6%
McCone	71,711	0.5%
McKenzie	6,835,543	44.4%
Mid-Yellowstone	31,715	0.2%
Mountrail-Williams	6,245,489	40.6%
Roughrider	828,319	5.4%
Sheridan	186,723	1.2%
Slope	204,264	1.3%
Southeast	98,150	0.6%
TOTAL	**15,378,246**	**100%**

2025 FINANCIAL

UPPER MISSOURI POWER COOPERATIVE
BALANCE SHEETS

ASSETS AND OTHER DEBITS

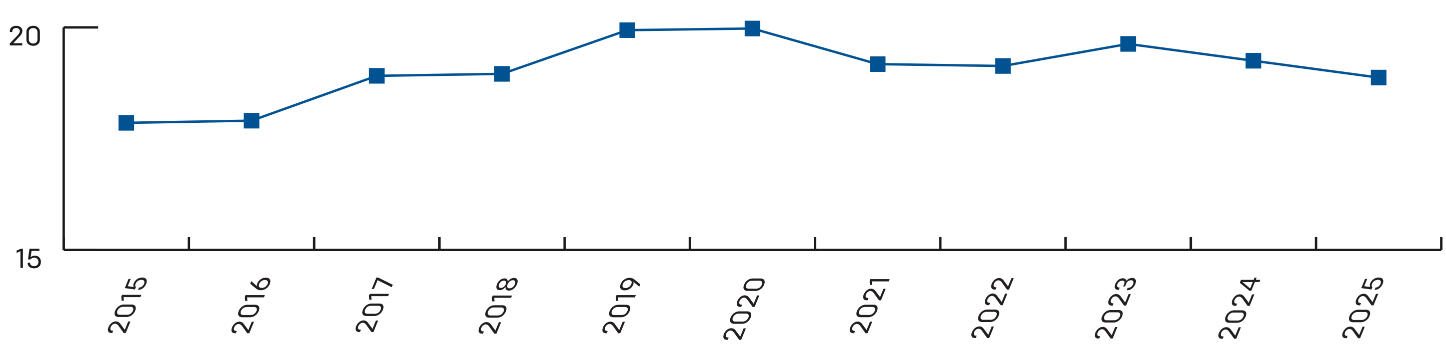
Assets	2025	2024
Electric Plant		
In Service	$19,510,980	$19,976,758
Less accumulated depreciation	(13,817,800)	(14,226,026)
Electric Plant - net	5,693,180	5,750,732
Other Property and Investments		
Patronage Capital - Basin Electric	$488,890,231	$450,299,800
Investments in associated companies	965,294	937,652
Investment in economic development projects	400,000	400,000
Total other property and investments	**$490,255,525**	**$451,637,452**
Current Assets		
Cash and cash equivalents	$3,819,187	$3,206,805
Temporary cash investments	135,017	135,017
Accounts receivable	79,661,258	75,967,074
Materials and supplies	105,482	89,047
Prepayments	386,628	336,880
Total Current Assets	**$84,107,572**	**$79,734,824**
Deferred Debits	**$187,766**	**$202,397**
Total Assets	**$580,244,043**	**$537,325,404**

2025 FINANCIAL

LIABILITIES AND OTHER CREDITS

Equities and Liabilities	2025	2024
Equities		
Memberships	$5,500	$5,500
Patronage capital	494,308,381	455,741,412
Total equities	**$494,313,881**	**$455,746,912**
Long-Term Debt, Less Current Maturities	**$5,478,928**	**$5,733,638**
Current Liabilities		
Current maturities of long-term debt	$254,710	$243,455
Accounts payable - Power supply	80,052,691	75,493,215
Other current and accrued liabilities	143,833	108,181
Total Current Liabilities	**$80,451,234**	**$75,844,851**
Deferred Credits	**0**	**0**
Total current liabilities	**$580,244,043**	**$537,325,401**

IN SERVICE ELECTRIC PLANT (MILLIONS)



2025 FINANCIAL

UPPER MISSOURI POWER COOPERATIVE
BALANCE SHEETS

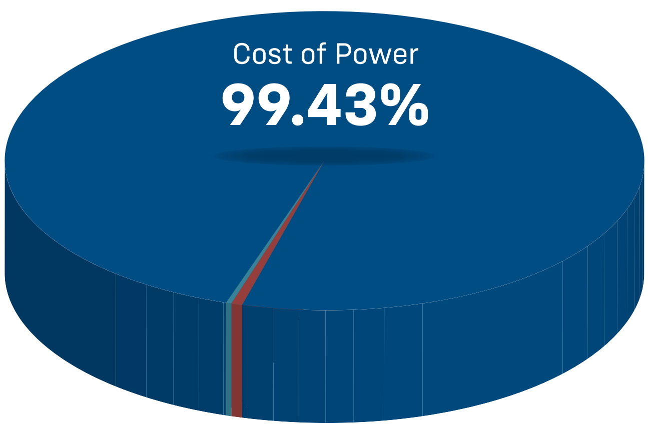
STATEMENTS OF OPERATIONS

	2025	2024
Operating Revenues		
Electric	$910,337,785	$853,908,372
Other	4,008,858	4,675,718
	$914,346,643	**$858,584,090**
Operating Expenses		
Cost of Power	$911,362,431	$854,933,175
Transmission - operations	913,459	960,372
Transmission - maintenance	390,536	792,385
Administrative and general	3,272,097	3,693,407
Depreciation and amortization	313,012	280,971
Taxes	66,861	66,136
Interest on long-term debt	282,614	291,046
Total Operating Expenses	**$916,601,010**	**$861,017,492**
Operating Margins Before Capital Credits	($2,254,367)	($2,433,402)
Basin Electric capital credits	42,809,130	44,928,764
Other Cooperative Capital Credits	80,779	144,391
Total Capital Credits	**$42,889,909**	**$45,073,155**
Net Operating Margins	**$40,635,542**	**$42,639,753**
Nonoperating Margins		
Interest Income	$276,725	$338,945
Gain (loss) on sale of plant	0	0
Compliance	25,284	23,945
Load Monitoring	947,100	978,137
Maintenance	350,923	379,554
Rent Income	1,047,548	1,032,227
Other non-operating income	21,154	26,365
Total non-operating margins	**$2,668,734**	**$2,779,172**
Net Margins	**$43,304,276**	**$45,418,925**

2025 FINANCIAL

2025 EXPENSES

Cost of Power	$911,362,431
Administrative & General	$3,272,097
Operations Maintenance	$1,303,995
Depreciation	$313,012
Interest	$282,614
Taxes	$66,861
Total	**$916,601,010**



Cost of Power 99.43%

Administrative & General 0.36%

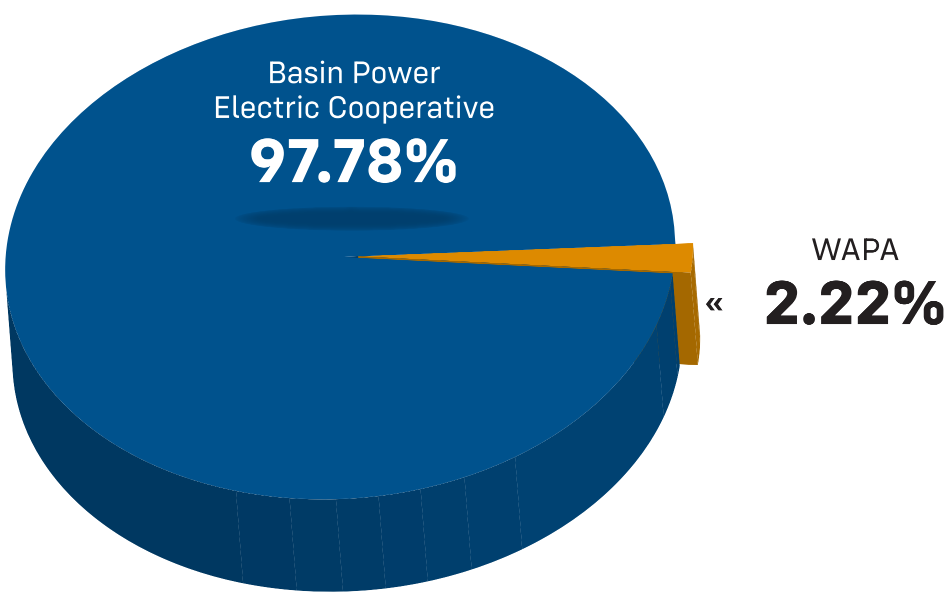
Operations Maintenance 0.14%

Depreciation 0.03%

Interest 0.03%

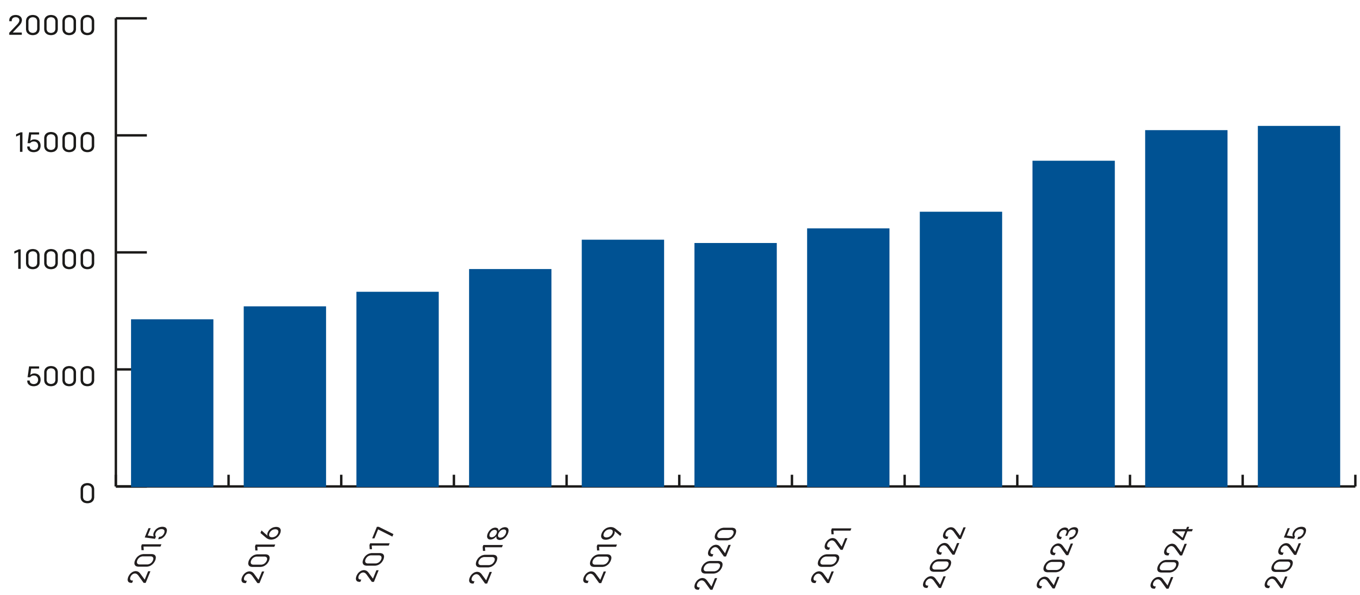
Taxes 0.01%

2025 POWER SUPPLY

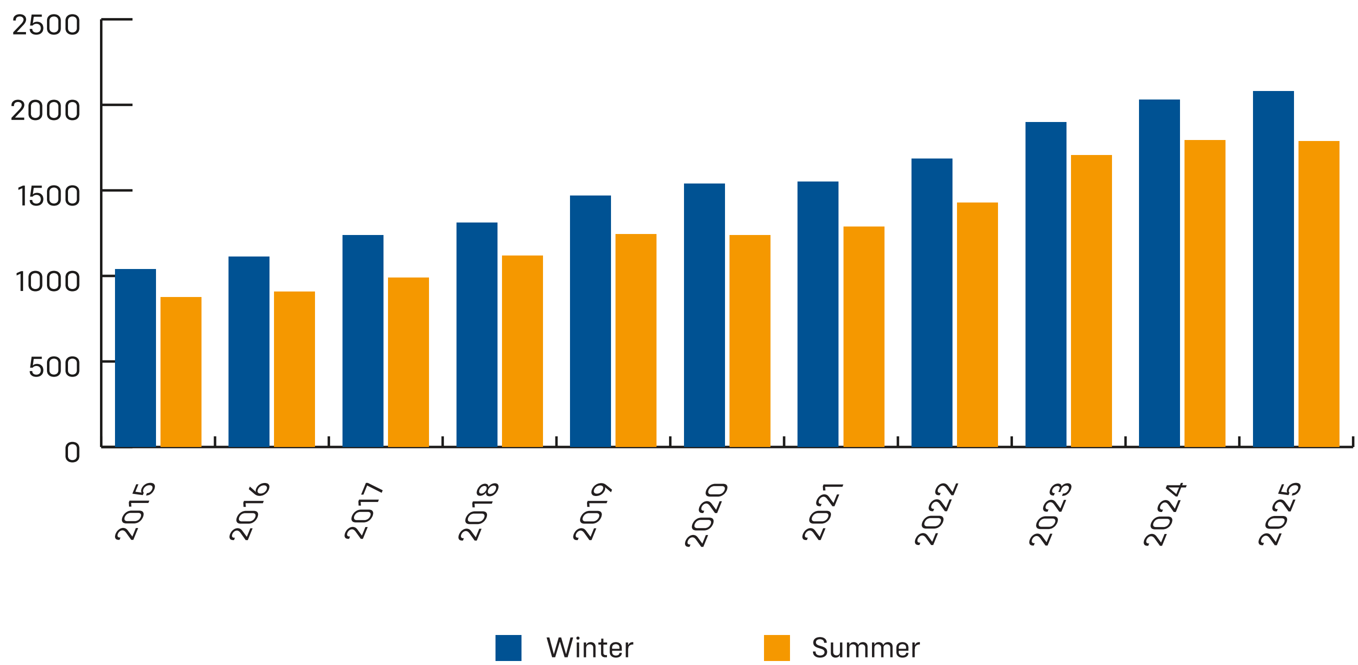


2025 FINANCIAL

ENERGY SALES (GWH)



PEAK LOADS (MW)



*Judson Site Visit, back row left to right – **Nick Oelkers**, Staking Engineer Sheridan Electric Cooperative; **Scott Westlund**, Manager Sheridan Electric Cooperative; **Justin Boyer**, UMPC Controller; **Brent Hanson**, UMPC Controller; **Tye Williams**, Southeast Electric Cooperative; Front row left to right – **Jeremy Mahowald**, UMPC General Manager; **Travis Kupper**, Manager Roughrider Electric Cooperative; **Jerry King**, Manager Burke-Divide Electric Cooperative; **Matt Hanson**, McKenzie Electric Cooperative*

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