UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 333-295074

BASIN ELECTRIC POWER COOPERATIVE
(Exact name of registrant as specified in its charter)

North Dakota	**45-0277395**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1717 East Interstate Avenue
Bismarck, North Dakota 58503
(Address of Principal Executive Offices and Zip Code)

(701) 223 0441
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: **None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	**Accelerated filer**	☐
Non-accelerated filer	☒	**Smaller reporting company**	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: **The registrant is a membership corporation and has no authorized or outstanding equity securities.**

BASIN ELECTRIC POWER COOPERATIVE

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2026

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are forward-looking and as such are not historical facts. These forward-looking statements include statements relating to our anticipated financial performance and business prospects or statements preceded by, followed by or that include the words "believe," "will," "so we can," "when," "anticipate," "intend," "estimate," "forecast," "expect," "project," "should," "could," "may," "plan," "seeks," and similar expressions. Although we believe that in making the statements contained in this report our expectations are based on reasonable assumptions, we can give no assurance that these expectations will prove to be correct or that we will achieve the financial results, savings or other benefits anticipated in the forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors, some of which may be beyond our control, that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other important factors, including those disclosed under "RISK FACTORS" in Part II, Item 1A of this report, include, without limitation:

◦ unanticipated variation in demand for electric capacity or energy or load forecasts resulting from changes in population and economic growth (and declines), consumer consumption and energy conservation efforts, including the impact on power supply plans;

◦ the impact of traditional load growth and potential large loads, including data centers, in our members' service territories and any decisions regarding the development of additional generation resources to meet the additional demand;

◦ changes in the market price of commodities, including natural gas, energy, crude oil, diesel and nitrogen-based fertilizer products, which may result from inflation, tariffs, trade policies, or geopolitical events or instability;

◦ legislative and regulatory compliance standards and the cost and other burdens of complying with any applicable standards, including mandatory reliability standards, and potential penalties for non-compliance;

◦ new, amended, or existing laws, regulations, or administrative orders, including those related to environmental matters, carbon dioxide and other greenhouse gas emissions, water and coal combustion byproducts, and the costs of complying with these laws, regulations, and administrative orders;

◦ costs of additional generation or transmission facilities to meet the needs of our members or changes in the anticipated retirement dates of existing generation or transmission facilities;

◦ success or failure to consummate strategic transactions, including acquisition or divestiture activities, upon which we base financial or operational forecasts;

◦ the outcome or consequences of strategic alternatives that we have implemented or are evaluating, or may in the future, evaluate in connection with our subsidiary, Dakota Gasification Company ("Dakota Gas"), including asset sales and asset impairments;

◦ changes in customer preferences for energy produced from cleaner generation sources;

◦ continued efficient operation of our generation facilities by us;

◦ the ability of our member systems to perform their obligations to us;

◦ the pricing and availability of an adequate and economical supply of fuel, water and other materials, including due to the potential impact of geopolitical tensions on supply chains;

◦ our ability to hedge power, fuel and capacity to provide margin visibility and mitigate market volatility;

◦ changes in utility regulation and the allocation of costs within regional transmission organizations, including the Southwest Power Pool ("SPP") and Midcontinent Independent System Operator ("MISO");

◦ pressures exerted by increasing levels of indebtedness caused by significant capital expenditures;

- unanticipated changes in capital expenditures, operating expenses and liquidity needs;
- our access to capital, the cost to access capital, and the results of our financing and refinancing efforts, including availability of funds in the capital markets;
- the availability of funding under any federal loan or grant programs for which we qualify and are awarded and our ability to meet the applicable loan or grant conditions and requirements;
- general economic, credit and capital market conditions;
- supply chain challenges, including as a result of trade policies, tariffs, or other international trade restrictions and geopolitical tensions;
- failure of our information technology or operating technology;
- the direct or indirect effect on our business resulting from cyber or physical attacks on us, our members or third-party service providers, vendors or contractors;
- commercial banking and financial market conditions;
- hazards customary to the electric industry and the possibility that we may not have adequate insurance to cover losses resulting from these hazards;
- costs and effects of litigation or legal and administrative proceedings, and the outcome and consequences of any rulings, judgments or settlements, or the failure of litigation settlement agreements to become final and effective in accordance with their terms;
- the effectiveness of our risk management policies and risk strategies, including hedging, with respect to commodity prices, interest rates and counterparty credit and non-performance risks;
- the credit quality or inability of various counterparties to meet their financial obligations to us, including failure to perform under agreements;
- unanticipated changes in interest rates or rates of inflation;
- acts of sabotage, wars or terrorist activities, including cyber or physical attacks on our assets or assets on which we rely;
- catastrophic events such as wildfires, earthquakes, floods, droughts, tornadoes, mechanical failures, explosions, pandemic health events, or similar occurrences;
- changes in technology available to and utilized by us or our competitors;
- significant changes in critical accounting policies material to us;
- significant changes in our relationship with our employees, including the availability of qualified personnel; and
- weather conditions and other natural phenomena.

For more information on these and other factors, see “RISK FACTORS” in Part II, Item 1A of this report. In light of these risks, uncertainties and assumptions, we caution you not to place undue reliance on any forward-looking statements. The forward-looking statements included in this report are made only as of the date of this report and we do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Where You Can Find More Information

We announce material information to the public through a variety of means, including filings with the U.S. Securities and Exchange Commission (“SEC”), press releases and our website at www.basinelectric.com. We use these channels to communicate with our Members, investors and the public about our business and other matters. Therefore, we encourage investors, the media and others interested in Basin Electric to review the information we make public in these locations, as such information could be deemed to be material information.

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CERTAIN DEFINITIONS

Except where otherwise noted, or the context otherwise requires, the following capitalized terms, abbreviations, and acronyms have the meanings set forth below:

Abbreviations or Acronyms	Definitions
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
AVS	Antelope Valley Station
Basin Cooperative Services	Basin Cooperative Services, a wholly owned subsidiary of Basin Electric that operates on a not-for-profit basis. Basin Cooperative Services provides certain nonutility property management services to us
Basin Electric, we, our, us, the Company and similar terms	Basin Electric Power Cooperative and, in the case of GAAP financial statements, our consolidated subsidiaries
Board	The Board of Directors of Basin Electric
CFC	National Rural Utilities Cooperative Finance Corporation
Class A Members	Class A Members consist of ten wholesale G&T cooperatives, eight distribution cooperatives and one wholesale municipal provider that have entered into long-term wholesale power contracts with us
Class B Members	Class B Members consist of any municipality or association of municipalities operating within an area served by a Class A Member and which is a member of, and contracts for its electric capacity or energy from, that Class A Member, and which is not eligible for Class C Membership
Class C Members	Class C Members consist of distribution cooperatives and public power districts that are members of a Class A Member and contract for a portion of their electric power and energy from the Class A Member
Class D Members	Class D Members consist of electric cooperatives, municipalities, or associations of municipalities which purchase power directly from us on a basis other than as a Class A, Class B, or Class C Member
CO_2	Carbon dioxide
Code	Internal Revenue Code of 1986, as amended
Coteau	The Coteau Properties Company, a subsidiary of North American Coal Corporation
Coteau Lignite Sales Agreement	Dakota Coal purchases lignite coal from Coteau on a cost-plus basis pursuant to this sales agreement with Coteau
D.C. Circuit	United States Court of Appeals for the D.C. Circuit
Dakota Coal	Dakota Coal Company, a wholly owned subsidiary of Basin Electric that operates on a for-profit basis
Dakota Gas	Dakota Gasification Company, a wholly owned subsidiary of Basin Electric that operates on a for-profit basis
DCS	Dakota Carbon Services LLC
DEF	Diesel exhaust fluid
DFS	Dry Fork Generation Station
East River	East River Electric Power Cooperative, Inc., a Class A Member
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Federal Power Act	Federal Power Act of 1920, as amended, and the rules and regulations adopted by FERC thereunder
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings Inc.
Freedom Mine	A large lignite coal mine near Beulah, ND, operated by The Coteau Properties Company
G&T	Generation and transmission
GAAP	Accounting principles generally accepted in the U.S.

Indenture	Amended and Restated Indenture, dated as of May 5, 2015, between Basin Electric and U.S. Bank Trust Company, National Association, as trustee, as amended and supplemented
IRS	United States Internal Revenue Service
LOS	Leland Olds Station
LRS	Laramie River Station
MBPP	Missouri Basin Power Project
McKenzie	McKenzie Electric Cooperative, Inc., a Class C Member
Members	Our electric distribution member systems, consisting of Class A Members, Class B Members, Class C Members, and Class D Members
Minnesota Valley	Minnesota Valley Electric Cooperative, a Class A Member
MIP	Member Investment Program
MISO	Midcontinent Independent System Operator, Inc.
Montana Limestone	Montana Limestone Company, a wholly owned subsidiary of Dakota Coal
Moody's	Moody's Investors Services, Inc.
Mountrail-Williams	Mountrail-Williams Electric Cooperative, a Class C Member
MW	Megawatt
MWh	Megawatt-hour
Nemadji River Generation or NRG	Nemadji River Generation LLC, previous owner of a 30% undivided interest in NTEC
NERC	North American Electric Reliability Corporation
New ERA	RUS Empowering Rural America Program
NTEC	Nemadji Trail Energy Center, a proposed 600-megawatt natural gas-fired combined-cycle electric generation facility that was previously planned to be constructed in Wisconsin
Prospectus	Basin Electric's final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on May 6, 2026
RE Act	Rural Electrification Act of 1936
RMSC	Risk Management Steering Committee of Basin Electric
RTO	Regional transmission organization
RUS	Rural Utilities Service, which provides funding for the development of rural utilities infrastructure such as water, waste management, power and telecommunications under the U.S. Department of Agriculture
S&P	S&P Global Ratings, a division of S&P Global Inc.
SEC	United States Securities and Exchange Commission
Section 45Q	Section 45Q of the Code, which provides a federal tax credit for carbon oxide (CO_2 and CO) capture and sequestration
Securities Act	Securities Act of 1933, as amended
SOFR	Secured Overnight Financing Rate
SPP	Southwest Power Pool, Inc.
SVPL	Souris Valley Pipeline Limited
Synfuels Plant	Great Plains Synfuels Plant
Tri-State	Tri-State Generation & Transmission Association, Inc., a Class A Member
Upper Missouri	Upper Missouri G & T Electric Cooperative, Inc., doing business as Upper Missouri Power Cooperative, a Class A Member
U.S.	United States of America
WAPA	Western Area Power Administration
Western Fuels	Western Fuels Association, a non-profit Wyoming corporation founded by us and Tri-State
Wright-Hennepin	Wright-Hennepin Cooperative Electric Association, a Class A Member

Part I - Financial Information

ITEM 1. FINANCIAL STATEMENTS

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

Assets

	June 30, 2026	December 31, 2025
	(In thousands)	
Property, plant and equipment:		
Plant in service	$ 10,299,078	$ 10,252,773
Construction work in progress	1,202,740	778,763
Less: accumulated provision for depreciation and amortization	(4,474,591)	(4,375,917)
Net property, plant and equipment	7,027,227	6,655,619
Other assets and investments:		
Mine related assets	177,306	166,561
Investments in associated companies	37,238	37,024
Restricted and designated investments	59,822	61,362
Other investments	150,081	138,624
Special funds	70,216	69,564
Total other assets and investments	494,663	473,135
Current assets:		
Cash and cash equivalents	436,694	685,570
Restricted and designated cash and cash equivalents	314,895	301,923
Short-term investments	—	630
Receivables – Members	230,079	202,408
Receivables, net	97,897	117,228
Inventories	349,780	358,812
Prepayments and other current assets	140,577	118,837
Total current assets	1,569,922	1,785,408
Deferred charges and other:		
Regulatory assets	313,957	311,373
Other noncurrent assets	175,266	172,122
Total deferred charges and other	489,223	483,495
Total Assets	$ 9,581,035	$ 9,397,657

The accompanying notes are an integral part of these consolidated financial statements.

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS, Continued

(unaudited)

Capitalization and Liabilities

	June 30, 2026	December 31, 2025
	(In thousands)	
Capitalization:		
Equity:		
Memberships	$ 22	$ 22
Patronage capital	1,627,148	1,523,238
Retained earnings of subsidiaries	178,049	142,776
Other equity	291,752	294,252
Accumulated other comprehensive income	14,038	13,463
	2,111,009	1,973,751
Noncontrolling interest	2,921	2,676
Total equity	2,113,930	1,976,427
Long-term debt	4,845,788	4,949,264
Finance lease obligations	4,135	3,532
Total capitalization	6,963,853	6,929,223
Commitments and contingencies (Note 15)		
Current liabilities:		
Long-term debt and finance leases due within one year	186,188	177,134
Accounts payable	424,266	421,715
Notes payable – Members	156,294	159,495
Notes payable	573,979	475,000
Other current liabilities	196,079	196,460
Total current liabilities	1,536,806	1,429,804
Deferred credits and other:		
Regulatory liabilities	341,073	336,305
Deferred income tax liability	92,143	90,922
Other noncurrent liabilities	647,160	611,403
Total deferred credits and other	1,080,376	1,038,630
Total Capitalization and Liabilities	$ 9,581,035	$ 9,397,657

The accompanying notes are an integral part of these consolidated financial statements.

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Operating revenue:				
Sales - Members (related party)	$ 575,365	$ 502,901	$ 1,176,143	$ 1,058,579
Other operating revenues (includes related party of $72,418, $48,813, $156,662 and $116,516, respectively)	246,823	243,136	487,248	466,070
Total operating revenues	822,188	746,037	1,663,391	1,524,649
Operating expenses:				
Electric fuel and purchased power (includes related party of $52,326, $29,122, $110,293 and $74,127, respectively)	229,129	235,516	564,428	546,174
Electric operations and maintenance (includes related party of $(1,483), $(2,808), $(3,800) and $(4,459), respectively	237,832	201,561	419,544	378,804
Cost of products sold (includes related party of $14,173, $15,035, $34,360 and $31,837, respectively)	175,974	178,372	307,720	302,106
Nonelectric selling, general and administrative (includes related party of $7,402, $7,464, $15,809 and $15,011, respectively)	25,633	33,344	50,468	57,979
Depreciation, depletion and amortization	65,569	68,912	130,612	135,035
Total operating expenses	734,137	717,705	1,472,772	1,420,098
Operating margin	88,051	28,332	190,619	104,551
Other income:				
Investment income	23,624	23,386	32,815	35,034
Other and tax credits	36,709	26,638	81,242	61,189
Total other income	60,333	50,024	114,057	96,223
Interest and other charges:				
Interest expense	85,268	75,030	167,731	147,881
Interest charged during construction	(10,461)	(7,897)	(19,299)	(17,169)
Total interest and other charges	74,807	67,133	148,432	130,712
Margin before income taxes	73,577	11,223	156,244	70,062
Income tax expense	5,000	3,115	6,100	7,936
Net margin and earnings including noncontrolling interest	68,577	8,108	150,144	62,126
Net margin and earnings attributable to noncontrolling interest	(5,973)	(4,894)	(12,174)	(11,210)
Net margin and earnings attributable to Basin Electric	$ 62,604	$ 3,214	$ 137,970	$ 50,916

The accompanying notes are an integral part of these consolidated financial statements.

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Net margin and earnings including noncontrolling interest	$ 68,577	$ 8,108	$ 150,144	$ 62,126
Other comprehensive gain:				
Adjustment to post employment liability (net of tax of $—, $—, $(1), and $—, respectively)	(110)	(168)	(222)	(337)
Unrealized (loss) gain on securities (net of tax of $(4), $(1), $1, and $48, respectively)	(11)	(1)	3	178
Reclassification of net realized gain on securities (net of tax of $(8), $(2), $(8), and $(1), respectively)	(20)	(6)	(20)	(2)
Unrealized gain (loss) on cash flow hedges (net of tax of $1,746, $878, $(82), and $566, respectively)	6,565	3,305	(310)	2,131
Reclassification of net realized loss (gain) on cash flow hedges (net of tax of $134, $40, $299, and $(61), respectively)	501	156	1,124	(223)
Total other comprehensive gain	6,925	3,286	575	1,747
Comprehensive income including noncontrolling interest	75,502	11,394	150,719	63,873
Comprehensive income attributable to noncontrolling interest	(5,864)	(4,725)	(11,955)	(10,872)
Comprehensive income attributable to Basin Electric	$ 69,638	$ 6,669	$ 138,764	$ 53,001

The accompanying notes are an integral part of these consolidated financial statements.

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited)

	Memberships	Patronage Capital	Retained Earnings of Subsidiaries	Other Equity	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total
				(In thousands)			
Balance, December 31, 2025	$ 22	$1,523,238	$ 142,776	$ 294,252	$ 13,463	$ 2,676	$1,976,427
Comprehensive income (loss)	—	60,367	15,000	—	(6,240)	—	69,127
Transfers to other equity	—	1,212	—	(1,212)	—	—	—
Comprehensive income (loss) attributable to noncontrolling interest	—	—	—	—	(110)	6,200	6,090
Dividends paid to noncontrolling interest	—	—	—	—	—	(5,849)	(5,849)
Balance, March 31, 2026	$ 22	$1,584,817	$ 157,776	$ 293,040	$ 7,113	$ 3,027	$2,045,795
Comprehensive income (loss)	—	42,331	20,273	—	7,034	—	69,638
Transfers to other equity	—	—	—	—	—	—	—
Dissolution of NRG	—	—	—	(1,288)	—	—	(1,288)
Comprehensive income (loss) attributable to noncontrolling interest	—	—	—	—	(109)	5,973	5,864
Dividends paid to noncontrolling interest	—	—	—	—	—	(6,079)	(6,079)
Balance, June 30, 2026	$ 22	$1,627,148	$ 178,049	$ 291,752	$ 14,038	$ 2,921	$2,113,930

	Memberships	Patronage Capital	Retained Earnings of Subsidiaries	Other Equity	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total
				(In thousands)			
Balance, December 31, 2024	$ 22	$1,476,557	$ 125,713	$ 285,113	$ 4,806	$ 2,711	$1,894,922
Comprehensive income (loss)	—	42,186	5,516	—	(1,370)	—	46,332
Transfers to other equity	—	(9,139)	—	9,139	—	—	—
Comprehensive income (loss) attributable to noncontrolling interest	—	—	—	—	(169)	6,316	6,147
Dividends paid to noncontrolling interest	—	—	—	—	—	(6,097)	(6,097)
Balance, March 31, 2025	$ 22	$1,509,604	$ 131,229	$ 294,252	$ 3,267	$ 2,930	$1,941,304
Comprehensive income (loss)	—	12,131	(8,917)	—	3,455	—	6,669
Transfers to other equity	—	—	—	—	—	—	—
Comprehensive income (loss) attributable to noncontrolling interest	—	—	—	—	(169)	4,894	4,725
Dividends paid to noncontrolling interest	—	—	—	—	—	(5,639)	(5,639)
Balance, June 30, 2025	$ 22	$1,521,735	$ 122,312	$ 294,252	$ 6,553	$ 2,185	$1,947,059

The accompanying notes are an integral part of these consolidated financial statements.

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(In thousands)	
Operating activities:		
Net margin and earnings attributable to Basin Electric	$ 137,970	$ 50,916
Adjustments to reconcile net margin and earnings to net cash provided by operating activities:		
Depreciation, amortization and accretion	159,529	160,446
Deferred income taxes	3,738	1,156
Changes in regulatory assets and liabilities	(1,615)	8,110
Unrealized gain on investments	(6,504)	(145)
Patronage capital allocated	(5,794)	(4,238)
Income attributable to noncontrolling interest	12,174	11,210
Recognition of initial payment for tax credits	(11,010)	(5,566)
Legal settlement agreement accrual	40,000	—
Changes in other operating elements:		
Receivables	(8,396)	5,132
Inventories	8,368	(4,143)
Prepayments and other current assets	(2,372)	3,615
Accounts payable	(37,677)	(5,493)
Other current liabilities	(9,734)	33,351
Changes in collateral	(5,740)	(7,450)
Other operating activities, net	(26,720)	(15,941)
Net cash provided by operating activities	246,217	230,960
Investing activities:		
Capital expenditures	(476,983)	(301,706)
Proceeds from sales of property	1,632	2,139
Purchase of investments	(3,777)	(63,585)
Sale of investments	11,875	66,788
Changes in other investments, net	(2,979)	(2,796)
Net cash used in investing activities	(470,232)	(299,160)
Financing activities:		
Proceeds from long-term debt	12,030	100,000
Principal payments of long-term debt	(108,902)	(112,557)
Payment of debt issuance costs	(618)	(4,914)
Changes in notes payable – Members, net	(701)	28,922
Changes in notes payable, net	98,979	(25,000)
Dividends paid to noncontrolling interest	(11,928)	(11,736)
Other	(749)	(704)
Net cash used in financing activities	(11,889)	(25,989)
Net decrease in cash and cash equivalents and restricted and designated cash and cash equivalents	(235,904)	(94,189)
Cash and cash equivalents and restricted and designated cash and cash equivalents, beginning of period	987,493	693,910
Cash and cash equivalents and restricted and designated cash and cash equivalents, end of period	$ 751,589	$ 599,721

The accompanying notes are an integral part of these consolidated financial statements.

	Six Months Ended June 30,	
	2026	2025
	(In thousands)	
Supplemental cash flow information:		
Cash paid for interest	$ 150,237	$ 127,011
Cash paid for income taxes	$ 573	$ 164
Supplemental disclosure of noncash investing and financing activities:		
Accrued acquisition of property, plant and equipment	$ 143,911	$ 93,867
Operating lease right-of-use assets	$ 8,301	$ 27,688

The accompanying notes are an integral part of these consolidated financial statements.

BASIN ELECTRIC POWER COOPERATIVE AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. ORGANIZATION

Basin Electric Power Cooperative (Basin Electric) is an electric generation and transmission cooperative corporation, organized and existing under the laws of the State of North Dakota. It serves member electric service needs in a nine-state region of North Dakota, South Dakota, Montana, Wyoming, New Mexico, Colorado, Nebraska, Minnesota and Iowa.

Basin Electric has three wholly owned for-profit subsidiaries, Dakota Gasification Company (Dakota Gas), Dakota Coal Company (Dakota Coal), and Nemadji River Generation (NRG). Basin Electric also has one wholly owned not-for-profit subsidiary, Basin Cooperative Services (BCS). Dakota Gas has a wholly owned for-profit subsidiary, Souris Valley Pipeline Limited (SVPL). Dakota Coal has a wholly owned for-profit subsidiary, Montana Limestone Company (MLC). Dakota Coal purchases lignite coal from the Freedom Mine, a coal mine in North Dakota that is owned and operated by The Coteau Properties Company (Coteau), a wholly owned subsidiary of The North American Coal Corporation (NACoal). NACoal is a wholly owned subsidiary of NACCO Industries, Inc. (NACCO). Coteau is a variable interest entity (VIE) of Dakota Coal. NRG was a 30 percent owner in the Nemadji Trail Energy Center (NTEC) project, which was a proposed 600 megawatt combined cycle generating plant in Wisconsin. In January 2026, NRG exited the NTEC project and the NRG subsidiary is expected to be fully dissolved by the end of 2026. Dakota Carbon Services LLC (DCS) owns and operates carbon capture assets in North Dakota and contracts for transportation and sequestration of CO_2. DCS was formed by Dakota Gas with a tax equity partner to monetize tax credits available under Section 45Q of the United States Internal Revenue Code for the capture and sequestration of CO_2.

On May 29, 2026, Basin Electric entered into an Equity Purchase Agreement with a third party to sell the CO_2 pipeline that runs from Dakota Gas to Canada. The agreement also provides for the sale of the stock of SVPL since the Canadian portion of the CO_2 pipeline is owned by SVPL. Basin Electric expects to receive proceeds of approximately $90.0 million upon closing. The sale is expected to be completed by the end of 2026, subject to customary closing conditions. Dakota Gas will remain involved in the pipeline operations until the expiration of its current Canadian contracts at the end of 2027, after which Dakota Gas expects to redirect CO_2 to its carbon sequestration project.

2. BASIS OF PRESENTATION

PRINCIPLES OF CONSOLIDATION–The consolidated financial statements include the accounts of Basin Electric, its wholly owned subsidiaries and its VIE’s, Coteau and DCS. DCS is considered a VIE for which Dakota Gas is the primary beneficiary. All intercompany investments, debt, and receivable and payable accounts have been eliminated in consolidation. Charges from BCS, Dakota Gas, Dakota Coal, MLC and Coteau to Basin Electric and charges from Basin Electric to BCS, Dakota Gas, Dakota Coal, MLC and Coteau are not eliminated as Basin Electric includes the results of these activities in the determination of rates charged to its members (Note 16).

DISSOLUTION OF SUBSIDIARY–In January 2026, NRG exited the NTEC project and was fully dissolved for financial reporting purposes in June 2026. The dissolution did not have a material impact on Basin Electric's results of operations, financial position, or cash flows. While NRG has been fully dissolved for financial reporting purposes, the subsidiary has not yet been legally dissolved. Basin Electric is in the process of completing the required legal and administrative procedures necessary to formally dissolve the entity, which are expected to be complete by the end of 2026.

USE OF ESTIMATES–The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used for items such as present value of lease assets and lease liabilities, plant depreciable lives, actuarially determined benefit costs, valuation of derivatives, asset retirement obligations, present value of expected tax credits, cash flows used in asset impairment evaluations and income tax expense or benefits. Ultimate results could differ from those estimates.

INTERIM FINANCIAL INFORMATION–Basin Electric's consolidated interim financial statements are unaudited, and reflect all adjustments management considers necessary (consisting of normal recurring accruals) for a fair presentation. The consolidated interim financial statements included herein have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations; however, we believe that the condensed disclosures provided are adequate to make the information presented not misleading. Basin Electric's operating results are affected by various factors including sales to members which may vary with weather conditions, the availability and market for sales of surplus power, actions of the Basin Electric board of directors in their role as regulator, general business conditions, the demand for non-utility products and services produced by Dakota Gas, Dakota Coal and Basin Electric's other subsidiary companies and availability of substitute products in the market, and operating costs which vary based on plant outages, labor conditions and other costs of production. Accordingly, Basin Electric's operating results for the six-month periods ended June 30, 2026 and 2025 are not necessarily an appropriate base from which to project annual results.

The consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes included in Basin Electric's final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on May 6, 2026 (the "Prospectus"). There have been no changes to Basin Electric's significant accounting policies described in the Prospectus that have had a material impact on Basin Electric's consolidated interim financial statements and related notes.

3. NEW ACCOUNTING PRONOUNCEMENTS

RECENTLY ISSUED ACCOUNTING STANDARD UPDATES (ASU) NOT YET ADOPTED

ASU No. 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses – In November 2024, the FASB issued new guidance to improve disclosures about a public business entity's expenses that will require additional detail for certain categories of income statement expenses. The new guidance will be effective for Basin Electric for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and the new guidance is to be applied either on a prospective or retrospective basis. Management is currently evaluating the impact of adoption of this new guidance on the financial statements and disclosures.

ASU No. 2025-06, Intangibles-Goodwill and Other-Internal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software – In September 2025, the FASB issued new guidance to modernize existing older guidance regarding capitalization and recognition to reflect the software development approaches currently being utilized. The new guidance will be effective for Basin Electric for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the new guidance is to be applied using one of the three prescribed approaches. Management is currently evaluating the impact of adoption of this new guidance on the financial statements and disclosures.

ASU No. 2025-09, Derivatives and Hedging: Hedge Accounting Improvements – In November 2025, the FASB issued new guidance in an effort to better reflect an entity's risk management activities in the financial statements. The update makes targeted improvements by addressing five specific matters that arose from the implementation of previous ASU 2017-12, Derivatives and Hedging: Targeted Improvements for Accounting for Hedging Activities and the effects of LIBOR cessation. The new guidance will be effective for Basin Electric for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the new guidance is to be applied on a prospective basis, although an entity may elect to adopt the guidance for hedging relationships that exist as of the date of adoption. Management is currently evaluating the impact of adoption of this new guidance on the financial statements and disclosures.

ASU No. 2025-10, Government Grants: Accounting for Government Grants Received by Business Entities – In December 2025, the FASB issued new guidance to improve GAAP by establishing authoritative guidance on the accounting for government grants received by business entities. Previously, GAAP did not provide specific guidance about the recognition, measurement, and presentation of a grant received by a business entity from a government, and due to this absence of specific guidance, Basin Electric like many other business entities, utilized the guidance contained in IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. The new guidance will be effective for Basin Electric for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the new guidance is to be applied using one of the three prescribed approaches. Management is currently evaluating the impact of adoption of this new guidance on the financial statements and disclosures.

ASU No. 2026-02, Environmental Credits and Environmental Credit Obligations – In May 2026, the FASB issued new guidance to improve the financial reporting for and disclosure of environmental credits and environmental credit obligations. The new guidance will be effective for Basin Electric for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the new guidance is to be applied on a retrospective basis through a cumulative-effect adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets on the balance sheet). Management is currently evaluating the impact of adoption of this new guidance on the financial statements and disclosures.

4. RESTRICTED AND DESIGNATED CASH AND INVESTMENTS

Cash and cash equivalents and restricted and designated cash and cash equivalents reported within the consolidated balance sheets and included in the consolidated statement of cash flows are as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Cash and cash equivalents	$ 436,694	$ 685,570
Restricted and designated cash and cash equivalents:		
MBPP operating funds	37,497	29,923
Deferred revenue	272,000	272,000
Funds held in trust for an asset retirement obligation by Bank of Montreal as trustee for SVPL	5,398	—
	314,895	301,923
Total cash and cash equivalents and restricted and designated cash and cash equivalents included in the consolidated statements of cash flows	$ 751,589	$ 987,493

Restricted and designated investments reported within the consolidated balance sheets are as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Restricted and designated investments:		
Funds held in trust for an asset retirement obligation by Bank of Montreal as trustee for SVPL	—	5,244
Asset retirement obligations	59,822	56,118
	$ 59,822	$ 61,362

Restricted cash and investments include funds held by a financial institution, as trustee. Designated cash and investments includes amounts designated by the Basin Electric Board of Directors.

5. SELECTED BALANCE SHEET INFORMATION

INVENTORIES–Inventories were as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Materials and supplies	$ 260,640	$ 245,857
Coal and fuel oil	64,291	62,238
Lime and limestone	8,859	8,484
Ammonium sulfate	4,063	5,081
Ammonia	3,130	9,233
Urea	2,688	18,786
Natural gas held in storage	2,286	2,055
Other	3,823	7,078
	$ 349,780	$ 358,812

COLLATERAL-Certain derivative instruments and certain agreements of Basin Electric and Dakota Gas contain contract provisions that require collateral to be posted if the credit ratings of Basin Electric fall below certain levels or if the counterparty exposure to Basin Electric or Dakota Gas exceeds a certain level.

Collateral posted (received) is related to derivative assets and liabilities and agreements that contain credit-related contingent features and is in the consolidated balance sheets as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Other investments	$ 58,226	$ 47,575
Prepayments and other current assets	4,350	3,350
Other current liabilities	(3,754)	(1,954)
	$ 58,822	$ 48,971

6. INVESTMENTS

Investments in equity securities and available-for-sale debt securities are included in mine related assets and restricted and designated investments on the consolidated balance sheet; however, such investments are not restricted. There were no investments in debt securities classified as available-for-sale as of June 30, 2026. The cost, unrealized holding gains and losses, and fair value of equity securities that do not have an allowance for credit losses were as follows as of June 30, 2026:

	Cost	Gross Unrealized Holding		Fair Value
		Gains	Losses	
	(In thousands)			
Equity securities:				
Equity funds	$ 42,245	$ 96,928	$ —	$ 139,173
Bond market funds	79,168	—	(6,499)	72,669
	$ 121,413	$ 96,928	$ (6,499)	$ 211,842

The cost, unrealized holding gains and losses, and fair value of equity and debt securities that do not have an allowance for credit losses were as follows as of December 31, 2025:

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
		(In thousands)		
Available-for-sale debt securities:				
Corporate and government bonds	$ 1,947	$ 24	$ —	$ 1,971
Equity securities:				
Equities and equity funds	42,147	86,512	—	128,659
Bond market funds	78,577	—	(5,573)	73,004
	120,724	86,512	(5,573)	201,663
Other	88	-	-	88
	$ 122,759	$ 86,536	$ (5,573)	$ 203,722

Sales proceeds on debt securities classified as available-for-sale were $2.2 million and $17.9 million for the three months ended June 30, 2026 and June 30, 2025, respectively, and $2.2 million and $35.2 million for the six months ended June 30, 2026 and June 30, 2025, respectively. The cost of securities sold is based on the specific identification method. The realized gains and losses for the three and six months ended June 30, 2026 and June 30, 2025 were immaterial.

Held-to-maturity debt securities have contracted maturity dates of one year or less and are included in cash and cash equivalents, restricted and designated cash and cash equivalents and short-term investments on the consolidated balance sheets. The amortized cost of held-to-maturity debt securities as of June 30, 2026 and December 31, 2025, was as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Corporate commercial paper	$ 9,200	$ 38,030
Money market funds	670,008	745,170
Treasuries	59,897	199,300
	$ 739,105	$ 982,500

The MBPP provides financing to Western Fuels Association (Western Fuels) and Western Fuels-Wyoming, Inc. (WFW), a wholly owned subsidiary of Western Fuels, for mine development costs associated with coal deliveries to LRS. Basin Electric provides financing to Western Fuels and WFW for mine development costs associated with coal deliveries to DFS.

Notes receivable from WFW of $20.0 million and $20.8 million as of June 30, 2026 and December 31, 2025, respectively, are included in other investments, investments in associated companies and receivables, net on the consolidated balance sheets. Maturities range from July 2026 through May 2043, and the weighted average interest rate is 5.54 percent. The estimated fair value of these notes receivable as of June 30, 2026 and December 31, 2025 was $19.9 million and $21.0 million, respectively, based on the future cash flows discounted using the yield on a treasury note with a similar maturity.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Normal operations expose Basin Electric to risks associated with changes in the market price of certain commodities. Basin Electric entered into derivative financial instruments for the purpose of mitigating the risks associated with market price volatility of natural gas, tar oil, electricity and diesel. Any changes in cash flows from the underlying purchases and sales that are indexed to certain prices are offset by corresponding changes in the cash flows from the derivatives. As directed by a Basin Electric

Board of Directors' policy (Board Policy) to monitor risk and establish an internal control framework, Basin Electric maintains a Risk Management Steering Committee (RMSC) that is governed by a Commodity Risk Management Manual (Manual). The Board Policy prohibits speculation and the Manual has been adopted by the RMSC. In offsetting market risk, Basin Electric is exposed to other forms of incremental risk such as credit or liquidity risk.

The following table presents the outstanding hedged forecasted transactions as of June 30, 2026:

Hedged Transaction	Term	Contracted Monthly Volumes of Forecasted Transactions	Price
Natural gas purchases	Through December 2033	19% to 59%	\$2.60 - \$6.51 per dekatherm
Tar oil sales	Through December 2027	23% to 71%	\$52.00 - \$67.20 per barrel
Electricity purchases	Through December 2027	24% to 90%	\$30.50 - \$58.60 per MWh
Diesel purchases	Through January 2029	7% to 73%	\$2.05 - \$2.98 per gallon

Basin Electric is also exposed to interest rate risk. To mitigate this risk, Basin Electric entered into various interest rate swaps to reduce the impact of changes in interest rates on certain variable rate long-term bonds and projected future bond issuances. The total notional amount of outstanding swap agreements as of June 30, 2026, was \$475.0 million with due dates ranging from 2030 through 2058 at a 30-year SOFR weighted average interest rate of 4.82 percent.

The fair value and classification of the asset and liability portion of the derivative instruments in the consolidated balance sheets is as follows:

	June 30, 2026		December 31, 2025	
Balance Sheet Location	Fair Value of Asset Derivatives	Fair Value of Liability Derivatives	Fair Value of Asset Derivatives	Fair Value of Liability Derivatives
		(In thousands)		
Derivatives designated as cash flow hedges:				
Commodity derivatives:				
Prepayments and other current assets	\$ 3,466	\$ —	\$ 5,312	\$ —
Other investments	2,678	—	1,684	—
Other current liabilities	—	—	—	(1,319)
Other noncurrent liabilities	—	(107)	—	(671)
Total derivatives designated as cash flow hedges	6,144	(107)	6,996	(1,990)
Derivatives not designated as cash flow hedges:				
Commodity derivatives:				
Prepayments and other current assets	53,677	—	34,673	—
Other investments	1,297	—	1,211	—
Other current liabilities	—	(11,231)	—	(14,763)
Other noncurrent liabilities	—	(24,784)	—	(14,687)
Interest rate derivatives:				
Other current liabilities	—	(2,093)	—	—
Other noncurrent liabilities	—	(16,466)	—	(22,031)
Total derivatives not designated as cash flow hedges	54,974	(54,574)	35,884	(51,481)
	\$ 61,118	\$ (54,681)	\$ 42,880	\$ (53,471)

Under ASC 980, Regulated Operations, Basin Electric defers changes in the fair value of certain derivative instruments as regulatory assets or liabilities. Current settlements of derivatives, including interest rate swaps and commodity derivatives, resulted in charges to the consolidated statements of operations for the three months ended June 30, 2026 and 2025 of $12.1 million and $6.1 million, respectively. The (credits) charges to consolidated statements of operations for the six months ended, June 30, 2026 and 2025 were $(1.3) million and $14.4 million, respectively. These (credits) charges are reclassified from regulatory assets and liabilities.

The change in fair value of derivatives deferred as a regulatory item for the six months ended June 30, 2026 and the year ended December 31, 2025 resulted in net deferred losses of $1.1 million and $21.7 million, respectively.

For derivative instruments that are designated and qualify as a cash flow hedge under ASC 815, the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into net earnings in the same period or periods during which the hedged transaction affects net margin and earnings and is presented in the same line item on the consolidated statements of operations as the net earnings effect of the hedged item.

The following tables summarize Dakota Gas and Dakota Coal gains and losses and financial statement classification of the derivatives designated as cash flow hedges as of June 30, 2026 and 2025. This does not reflect the expected gains or losses arising from the underlying physical transactions; therefore it is not indicative of the economic gross profit or loss realized when the underlying physical and financial transactions were settled.

	Location of Gain (Loss) Recognized in Net (Gain) Loss on Cash Flow Hedging Relationships			
	Three Months Ended June 30, 2026		Six Months Ended June 30, 2026	
	Other Operating Revenues	Cost of Products Sold	Other Operating Revenues	Cost of Products Sold
	(In thousands)			
Total amounts of income and expense line items presented on the consolidated statements of operations in which the effects of cash flow hedges are recorded	$ 246,823	$ 175,974	$ 487,248	$ 307,720
Gain (loss) on cash flow hedges:				
Commodity derivatives:				
Amount reclassified from accumulated other comprehensive income into net margins and earnings	$ (3,157)	$ 2,522	$ (3,917)	$ 2,494

	Location of Gain (Loss) Recognized in Net (Gain) Loss on Cash Flow Hedging Relationships			
	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
	Other Operating Revenues	Cost of Products Sold	Other Operating Revenues	Cost of Products Sold
	(In thousands)			
Total amounts of income and expense line items presented on the consolidated statements of operations in which the effects of cash flow hedges are recorded	$ 243,136	$ 178,372	$ 466,070	$ 302,106
Gain (loss) on cash flow hedges:				
Commodity derivatives:				
Amount reclassified from accumulated other comprehensive income into net margins and earnings	$ 261	$ (460)	$ 815	$ (533)

The following table summarizes Dakota Gas and Dakota Coal gains and losses and financial statement classification of the derivatives designated as cash flow hedges for the six months ended June 30, 2026 and 2025.

	June 30, 2026	June 30, 2025
	(In thousands)	
(Decrease) increase in fair value of commodity derivatives	$ (392)	$ 2,697
Recognition of losses (gains) in earnings due to settlements on commodity derivatives	1,423	(282)
Total other comprehensive loss from hedging	$ 1,031	$ 2,415

Based on June 30, 2026 prices, a $3.5 million gain would be realized, reported in pre-tax earnings and reclassified from accumulated other comprehensive income during the next 12 months. As market prices fluctuate, estimated and actual realized gains or losses will change during future periods.

There are certain commodity derivative financial instruments that do not meet the criteria for hedge accounting under ASC 815, Derivatives and Hedging, when using the critical terms match effectiveness assessment. For those derivatives, gains or losses are recorded in the consolidated statements of operations. The following table summarizes the impact of commodity derivatives that do not meet the criteria. This does not reflect the expected gains or losses arising from the underlying physical transactions; therefore it is not indicative of the economic gross profit or loss realized when the underlying physical and financial transactions were settled.

	June 30, 2026	June 30, 2025
Location of Loss on Derivatives Recognized in Net Margin and Earnings	Recognized Loss	Recognized Loss
	(In thousands)	
Derivatives not designated as cash flow hedges:		
Commodity derivatives:		
Other operating revenues	$ (121)	$ (114)
Total	$ (121)	(114)

8. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities were as follows at:

	Remaining Recovery Period	June 30, 2026	December 31, 2025
		(In thousands)	
Regulatory assets:			
Deferred income taxes	Over Plant lives	$ 165,598	$ 160,754
Refinancing fees	Up to 24 years	77,035	80,122
Unrealized loss on commodity derivatives	Up to 8 years	32,788	28,239
Unrealized loss on interest rate swaps	Up to 6 years	17,594	21,066
Other	Up to 49 years	20,942	21,192
		$ 313,957	$ 311,373
Regulatory liabilities:			
Deferred revenue		(272,000)	(272,000)
Unrealized gain on equity investments		(21,308)	(18,489)
Post-retirement medical gain		(21,044)	(21,044)
Other		(26,721)	(24,772)
		(341,073)	(336,305)
Net regulatory liabilities		$ (27,116)	$ (24,932)

If all or a separable portion of Basin Electric's operations no longer are subject to the provisions of ASC 980, a write-off of net related regulatory assets (liabilities) would be required, unless some form of transition recovery (refund) continues through rates established and collected for Basin Electric's remaining regulated operations. In addition, Basin Electric would be required to determine any impairment to the carrying costs of deregulated plant and inventory assets.

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table includes the after-tax changes in the balances of the components of accumulated other comprehensive income on the consolidated balance sheets:

	Post Employment Benefit Plans	Unrealized Gain (Loss) on Securities	Unrealized Gain (Loss) on Cash Flow Hedges	Total
		(In thousands)		
Balance, December 31, 2025	$ 9,491	$ 16	$ 3,956	$ 13,463
Other comprehensive income (loss)	(112)	14	(6,252)	(6,350)
Balance, March 31, 2026	$ 9,379	$ 30	$ (2,296)	$ 7,113
Other comprehensive income (loss)	(110)	(31)	7,066	6,925
Balance, June 30, 2026	$ 9,269	$ (1)	$ 4,770	$ 14,038

	Post Employment Benefit Plans	Unrealized Gain (Loss) on Securities	Unrealized Gain (Loss) on Cash Flow Hedges	Total
		(In thousands)		
Balance, December 31, 2024	$ 5,311	$ 22	$ (527)	$ 4,806
Other comprehensive income (loss)	(168)	183	(1,554)	(1,539)
Balance, March 31, 2025	$ 5,143	$ 205	$ (2,081)	$ 3,267
Other comprehensive income (loss)	(168)	(7)	3,461	3,286
Balance, June 30, 2025	$ 4,975	$ 198	$ 1,380	$ 6,553

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10. LONG-TERM DEBT AND OTHER FINANCING

Outstanding long-term debt was as follows at:

	Due Date	Weighted Average Interest Rate at June 30, 2026	June 30, 2026	December 31, 2025
			(In thousands)	
Basin Electric Power Cooperative				
First Mortgage Bonds				
2006 Series	June 2041	6.13%	$ 200,000	$ 200,000
2017 Series	April 2047	4.75%	500,000	500,000
2025 Series	Oct. 2055	5.85%	700,000	700,000
			1,400,000	1,400,000
First Mortgage Obligations				
2005 Series	Dec. 2028-May 2030	5.85%	90,000	90,000
2007 Series	Sep. 2042	5.75%	212,545	216,854
2008 Series	Dec. 2028-Dec. 2038	5.91%	410,889	413,389
2009 Series	Oct. 2027-April 2040	5.47%	132,222	132,222
2011 Series	Oct. 2031-Oct. 2049	4.53%	208,080	208,080
2012 Series	Nov. 2044	4.07%	72,640	73,949
2015 Series	June 2027-June 2044	4.55%	1,269,360	1,353,420
2016 CoBank Note	April 2046	4.48%	66,667	68,333
2016 CFC Note	April 2046	3.74%	49,790	51,050
2022 Series	Feb. 2042-Feb. 2062	3.00%	276,810	276,810
2024 CoBank Note	Nov. 2034-May 2035	6.14%	200,000	200,000
2024 Series	Feb. 2029-Feb. 2054	6.22%	344,033	350,525
2007 and 2008 Notes	June 2027-Dec. 2028	4.98%	3,500	4,750
2023 Note	Oct. 2043	5.56%	72,000	72,000
2025 RUS Loan	June 2033	4.33%	538	538
			3,409,074	3,511,920
Equipment Notes	Dec. 2035-Apr. 2036	4.98%	33,173	21,617
2019 Tax-Exempt Bonds	July 2039	3.63%	150,000	150,000
			183,173	171,617
Dakota Coal				
Equipment notes	Jan. 2027-July 2036	4.95%	60,863	66,462
Other		Various	13,859	11,806
			74,722	78,268
			5,066,969	5,161,805
Less:				
Current portion			(185,344)	(176,019)
Unamortized debt issue costs			(34,779)	(35,447)
Discount payable			(1,058)	(1,075)
Long-term debt, net of current portion			$ 4,845,788	$ 4,949,264

In October 2025, in connection with the issuance and sale in a private offering of the First Mortgage Bonds, 2025 Series, Basin Electric entered into an exchange and registration rights agreement with the representatives of the initial purchasers of the First Mortgage Bonds. Pursuant to such agreement, Basin Electric filed a Registration Statement on Form S-4 with the SEC on April 15, 2026, which was declared effective on May 6, 2026, with respect to an offer to exchange these First Mortgage Bonds for substantially similar First Mortgage Bonds of Basin Electric that are registered under the Securities Act. On June 5, 2026, Basin Electric completed an exchange offer of these First Mortgage Bonds for like principal amounts registered under the Securities Act.

The estimated fair value of debt at June 30, 2026 and December 31, 2025 was $4.8 billion and $5.1 billion, respectively, based on cash flows discounted at interest rates for similar issues or at the current rates offered to Basin Electric for debt of comparable maturities.

NOTES PAYABLE–Basin Electric has outstanding credit facilities which are included in Notes payable on the consolidated balance sheets as follows:

Facility	Expiration Date	Facility Limit	Outstanding Amounts as of June 30, 2026
		(In thousands)	
Revolving Credit Agreement [(a)]	March 2031	$ 100,000	$ 100,000
Revolving Credit Agreement [(a)]	May 2030	1,250,000	98,979
2025 Term Loan	October 2026	375,000	375,000
Total notes payable		$ 1,725,000	$ 573,979

(a) The taxable and tax-exempt commercial paper programs are supported by revolving credit agreements with various banks. Balances reflect commercial paper amounts outstanding. There were no amounts outstanding under the revolving credit agreements.

As of June 30, 2026 and December 31, 2025, the effective interest rate of the outstanding advances was 4.46 percent and 4.74 percent, respectively.

MEMBER INVESTMENT PROGRAM–Basin Electric holds notes related to funds invested by the members under a member investment program. These funds are used by Basin Electric to reduce short-term borrowings. The members receive investment earnings based on market rates, adjusted for administrative costs. The notes held as part of this program were as follows at:

	June 30, 2026	December 31, 2025
	(In thousands)	
Long-term debt, net of current portion	$ 2,500	$ —
Notes payable – Members	156,294	159,495
	$ 158,794	$ 159,495

11. REVENUE

The following tables disaggregate revenue by major source for the periods presented. The tables also include a reconciliation of the disaggregated revenue by reportable segments. For more information on Basin Electric's business segments, see Note 14.

	Three Months Ended June 30, 2026				
	Electric Utility	Gasification	Coal and Limestone Operations	Elimination of Intersegment	Total
			(In thousands)		
Sales of electricity to members	$ 575,365	$ —	$ —	$ —	$ 575,365
Sales of electricity to non-members	33,339	—	—	—	33,339
Synthetic natural gas	—	17,130	—	—	17,130
Fertilizer and DEF products	—	118,350	—	—	118,350
Other byproducts	—	24,198	—	—	24,198
Lignite coal	—	—	76,733	(28,249)	48,484
Miscellaneous	1,784	316	6,518	—	8,618
Revenue from contracts with customers	610,488	159,994	83,251	(28,249)	825,484
Other revenue	—	(3,296)	—	—	(3,296)
Total operating revenue	$ 610,488	$ 156,698	$ 83,251	$ (28,249)	$ 822,188

	Three Months Ended June 30, 2025				
	Electric Utility	Gasification	Coal and Limestone Operations	Elimination of Intersegment	Total
			(In thousands)		
Sales of electricity to members	$ 502,901	$ —	$ —	$ —	$ 502,901
Sales of electricity to non-members	28,431	—	—	—	28,431
Synthetic natural gas	—	25,086	—	—	25,086
Fertilizer and DEF products	—	137,438	—	—	137,438
Other byproducts	—	17,437	—	—	17,437
Lignite coal	—	—	47,133	(21,217)	25,916
Miscellaneous	2,031	749	5,528	—	8,308
Revenue from contracts with customers	533,363	180,710	52,661	(21,217)	745,517
Other revenue	457	63	—	—	520
Total operating revenue	$ 533,820	$ 180,773	$ 52,661	$ (21,217)	$ 746,037

	Six Months Ended June 30, 2026				
	Electric Utility	Gasification	Coal and Limestone Operations	Elimination of Intersegment	Total
			(In thousands)		
Sales of electricity to members	$1,176,143	$ —	$ —	$ —	$1,176,143
Sales of electricity to non-members	102,143	—	—	—	102,143
Synthetic natural gas	—	59,186	—	—	59,186
Fertilizer and DEF products	—	174,251	—	—	174,251
Other byproducts	—	41,093	—	—	41,093
Lignite coal	—	—	155,796	(59,215)	96,581
Miscellaneous	3,791	659	13,582	—	18,032
Revenue from contracts with customers	1,282,077	275,189	169,378	(59,215)	1,667,429
Other revenue	—	(4,038)	—	—	(4,038)
Total operating revenue	$1,282,077	$ 271,151	$ 169,378	$ (59,215)	$1,663,391

	Six Months Ended June 30, 2025				
	Electric Utility	Gasification	Coal and Limestone Operations	Elimination of Intersegment	Total
			(In thousands)		
Sales of electricity to members	$1,058,579	$ —	$ —	$ —	$1,058,579
Sales of electricity to non-members	87,749	—	—	—	87,749
Synthetic natural gas	—	64,974	—	—	64,974
Fertilizer and DEF products	—	188,849	—	—	188,849
Other byproducts	—	36,126	—	—	36,126
Lignite coal	—	—	118,107	(49,821)	68,286
Miscellaneous	4,608	1,079	12,381	—	18,068
Revenue from contracts with customers	1,150,936	291,028	130,488	(49,821)	1,522,631
Other revenue	1,317	701	—	—	2,018
Total operating revenue	$1,152,253	$ 291,729	$ 130,488	$ (49,821)	$1,524,649

OTHER REVENUE–Other revenue includes derivative revenue from hedging activities for synthetic natural gas, tar oil, and electricity sales which is accounted for under ASC 815.

CONTRACT BALANCES–At times, Basin Electric and its subsidiaries will receive payment in advance of performing an obligation under a contract. Unearned revenue, a contract liability, is recognized when this occurs. At June 30, 2026 and December 31, 2025, the unearned revenue balance (included in other current liabilities on the consolidated balance sheets) was $120,000 and $7.6 million, respectively. There were no contract assets at June 30, 2026 and December 31, 2025. The balance in receivables, net on the consolidated balance sheets represent the unconditional right to consideration from customers.

12. EMPLOYEE BENEFIT PLANS

POSTRETIREMENT BENEFITS–Eligible employees of Basin Electric, Dakota Gas, and MLC who are retiring may elect to continue medical and dental benefits by paying premiums to continue participating in the current employee plan. Coteau also maintains medical care and life insurance plans which provide benefits to eligible retired employees.

Components of net periodic postretirement benefit expense (income) were as follows:

	Basin Electric and Subsidiaries		Coteau	
Three Months Ended June 30,	**2026**	**2025**	**2026**	**2025**
	(In thousands)			
Service cost	$ 320	$ 292	$ 3	$ 5
Interest cost	259	234	12	16
Amortization of prior service cost	57	58	—	—
Amortization of net actuarial gain	(413)	(460)	(109)	(169)
Net periodic expense (income)	$ 223	$ 124	$ (94)	$ (148)

	Basin Electric and Subsidiaries		Coteau	
Six Months Ended June 30,	**2026**	**2025**	**2026**	**2025**
	(In thousands)			
Service cost	$ 639	$ 584	$ 6	$ 10
Interest cost	517	467	25	32
Amortization of prior service cost	115	116	—	—
Amortization of net actuarial gain	(825)	(919)	(219)	(338)
Net periodic expense (income)	$ 446	$ 248	$ (188)	$ (296)

Basin Electric, Dakota Gas, and MLC made contributions of $1.7 million and $512,000 to the postretirement benefit plans during the six months ended June 30, 2026 and 2025, respectively.

DEFINED BENEFIT PLANS

NRECA RS PLAN–Pension benefits for Basin Electric and Dakota Gas employees participating in the pension plan are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan) which is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue code. It is a multiemployer plan under GAAP.

Pension costs charged to expense for the three months ended June 30, 2026 and 2025 were $9.0 million and $9.2 million, respectively, and for the six months ended June 30, 2026 and 2025 were $18.6 million and $18.7 million, respectively.

BCS AND COTEAU PLANS–BCS's former United Mine Workers of America employees are covered under a defined benefit plan which is funded by BCS. Substantially all of Coteau's salaried employees hired prior to January 1, 2000, participate in the Coteau Pension Plan (the Plan), a noncontributory defined benefit plan sponsored by NACoal. In October 2025, Coteau terminated the Plan and settled all future obligations by transferring the remaining benefit obligations to a third-party insurance company.

Components of net periodic pension expense (income) were as follows:

Three Months Ended June 30,	BCS		Coteau	
	2026	2025	2026	2025
	(In thousands)			
Interest cost	$ 32	$ 31	$ —	$ 903
Expected return on assets	(34)	(34)	—	(1,027)
Amortization of net actuarial loss	12	15	—	—
Net periodic expense (income)	$ 10	$ 12	$ —	$ (124)

Six Months Ended June 30,	BCS		Coteau	
	2026	2025	2026	2025
	(In thousands)			
Interest cost	$ 64	$ 62	$ —	$ 1,807
Expected return on assets	(68)	(69)	—	(2,054)
Amortization of net actuarial loss	24	31	—	—
Settlements	—	—	45	—
Net periodic expense (income)	$ 20	$ 24	$ 45	$ (247)

BCS did not make any contributions to the defined benefit plan during the six months ended June 30, 2026. BCS and Coteau did not make any contributions to the defined benefit plans for the six months ended June 30, 2025.

13. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Level 1 inputs utilize observable market data in active markets for identical assets or liabilities. Level 2 inputs consist of observable market data, other than that included in Level 1, that is either directly or indirectly observable. Level 3 inputs consist of unobservable market data which are typically based on an entity's own assumptions of what a market participant would use in pricing an asset or liability 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. Basin Electric's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

On June 30, 2026, Basin Electric had equity securities and bond market funds and on December 31, 2025, Basin Electric had government obligations, equity securities, bond market funds, and corporate bonds included in restricted and designated investments and mine related assets, recorded at a fair value, using quoted prices in active markets for identical assets as the fair value measurement (Level 1).

Basin Electric recorded derivative financial instruments including commodity contracts and interest rate swaps using significant other observable inputs as the fair value measurement (Level 2). The fair value for commodity contracts is determined by comparing the difference between the net present value of the cash flows for the commodity contracts at their initial price and the current market price. The initial price is quoted in the commodity contract and the current market price is corroborated by observable market data. The fair value for interest rate swap contracts is determined by comparing the difference between the net present value of the cash flows for the swaps at their initial fixed rate and the current market interest rate. The initial fixed rate is quoted in the swap agreement and the current market interest rate is corroborated by observable market data.

The following table summarizes assets and liabilities measured at fair value on a recurring basis as of June 30, 2026, aggregated by the level in the fair value hierarchy within which those measurements fall:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)		
Assets:				
Investments:				
Equities and equity funds	$ 139,173	$ 139,173	$ —	$ —
Bond market funds	72,669	72,669	—	—
	211,842	211,842	—	—
Commodity derivatives	61,118	—	61,118	—
	$ 272,960	$ 211,842	$ 61,118	$ —
Liabilities:				
Interest rate swaps	$ 16,466	$ —	$ 16,466	$ —
Commodity derivatives	38,215	—	38,215	—
	$ 54,681	$ —	$ 54,681	$ —

The following table summarizes assets and liabilities measured at fair value on a recurring basis as of December 31, 2025, aggregated by the level in the fair value hierarchy within which those measurements fall:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)		
Assets:				
Investments:				
Equities and equity funds	$ 128,659	$ 128,659	$ —	$ —
Corporate and government bonds	1,971	1,971	—	—
Bond market funds	73,004	73,004	—	—
	203,634	203,634	—	—
Commodity derivatives	42,880	—	42,880	—
	$ 246,514	$ 203,634	$ 42,880	$ —
Liabilities:				
Interest rate swaps	$ 22,031	$ —	$ 22,031	$ —
Commodity derivatives	31,440	—	31,440	—
	$ 53,471	$ —	$ 53,471	$ —

14. SEGMENT REPORTING

Basin Electric's reportable segments include the Electric Utility, Gasification, and Coal and Limestone Operations. Certain activities that support the reportable segments, ancillary projects, or operating segments that do not meet the quantitative threshold for a reportable segment are presented as Other. The operating segments are based on Basin Electric's method of internal reporting that the Chief Operating Decision Maker (CODM) reviews to make decisions on overall resource allocation and to assess performance. The CODM is Basin Electric's Chief Executive Officer and General Manager. The CODM reviews actual financial information and forecasted financial information at an operating segment level and primarily uses segment net margin and earnings for making decisions on resource allocation and assessing performance. The CODM uses segment net income in assessing financial performance on a monthly basis, reviewing and approving annual operating budgets and long-term forecasts, allocating capital or financial resources to our segments and in making strategic decisions.

The Electric Utility reportable segment provides wholesale electric service and other ancillary services to Basin Electric's members throughout its service territory with its own electrical generation and transmission assets and various contractual arrangements.

The Gasification reportable segment includes Dakota Gas. Dakota Gas operates a gasification facility that converts lignite coal into synthetic natural gas and other products including fertilizers, diesel exhaust fluid, carbon dioxide, and other oil and chemical products.

The Coal and Limestone Operations reportable segment purchases coal and coordinates deliveries of coal to Basin Electric's Electric Utility generation facilities and Gasification operations. It also produces lime and limestone that is used for emissions control at the generation facilities.

Other consists of Basin Cooperative Services, Nemadji River Generation, and certain tax adjustments and other activity not associated with the reportable segments. Basin Cooperative Services provides certain nonutility property management services to Basin Electric. Nemadji River Generation owned an undivided interest in a proposed electric generation facility. In January 2026, Nemadji River Generation exited the project and the NRG subsidiary is expected to be fully dissolved by the end of 2026.

Substantially all of Basin Electric's assets and revenues are located in the United States. Revenues and assets outside the United States were not material for the periods presented.

Major Customer – For the six months ended June 30, 2026 and 2025, revenues from a single customer, Upper Missouri, represented approximately 30.1 percent and 30.2 percent respectively, of Basin Electric's consolidated revenues, all of which were attributable to the Electric Utility reportable segment. No other customer contributed 10 percent or more of consolidated revenues for the periods.

Information on Basin Electric's segments for the three months ended June 30, 2026 and 2025 was as follows:

	Three Months Ended June 30, 2026			
	Electric Utility	Gasification	Coal and Limestone Operations	Total Reportable Segments
	(In thousands)			
Operating revenue:				
External	$ 610,488	$ 156,698	$ 55,002	$ 822,188
Intersegment	—	—	28,249	28,249
	610,488	156,698	83,251	850,437
Elimination of intersegment revenue				(28,249)
Total operating revenue				$ 822,188
Less:				
Electric fuel and purchased power	229,129	—	—	
Electric operations and maintenance	237,832	—	—	
Cost of products sold:				
External	—	115,627	60,347	
Intersegment	—	28,249	—	
Nonelectric selling, general and administrative	—	23,538	2,095	
Depreciation, depletion and amortization	50,249	10,446	4,874	
Other income	(14,671)	(33,520)	(12,142)	
Interest and other charges:				
External	67,885	4,013	2,909	
Intersegment	(221)	—	—	
Income tax (benefit) expense	(2,040)	1,272	4,780	
Net margin and earnings attributable to noncontrolling interest	—	—	5,973	
Segment net margin and earnings	42,325	7,073	14,415	63,813
Elimination of intercompany gain				(221)
Other net expenses				(988)
Net margin and earnings attributable to Basin Electric				$ 62,604

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	Three Months Ended June 30, 2025			
	Electric Utility	Gasification	Coal and Limestone Operations	Total Reportable Segments
	(In thousands)			
Operating revenue:				
External	$ 533,820	$ 180,773	$ 31,444	$ 746,037
Intersegment	—	—	21,217	21,217
	533,820	180,773	52,661	767,254
Elimination of intersegment revenue				(21,217)
Total operating revenue				$ 746,037
Less:				
Electric fuel and purchased power	235,516	—	—	
Electric operations and maintenance	201,561	—	—	
Cost of products sold:				
External	—	121,828	56,544	
Intersegment	—	21,217	—	
Nonelectric selling, general and administrative	—	31,439	1,903	
Depreciation, depletion and amortization	53,542	10,811	4,559	
Other income	(15,981)	(26,095)	(7,948)	
Interest and other charges:				
External	55,011	8,469	3,305	
Intersegment	(7,832)	—	—	
Income tax (benefit) expense	(126)	4,923	(1,679)	
Net margin and earnings attributable to noncontrolling interest	—	—	4,894	
Segment net margin and earnings (loss)	12,129	8,181	(8,917)	11,393
Elimination of intercompany gain				(7,832)
Other net expenses				(347)
Net margin and earnings attributable to Basin Electric				$ 3,214

Information on Basin Electric's segments for the six months ended June 30, 2026 and 2025 was as follows:

	Six Months Ended June 30, 2026			
	Electric Utility	Gasification	Coal and Limestone Operations	Total Reportable Segments
	(In thousands)			
Operating revenue:				
External	$ 1,282,077	$ 271,151	$ 110,163	$ 1,663,391
Intersegment	—	—	59,215	59,215
	1,282,077	271,151	169,378	1,722,606
Elimination of intersegment revenue				(59,215)
Total operating revenue				$ 1,663,391
Less:				
Electric fuel and purchased power	564,428	—	—	
Electric operations and maintenance	419,544	—	—	
Cost of products sold:				
External	—	194,152	113,568	
Intersegment	—	59,215	—	
Nonelectric selling, general and administrative	—	47,278	4,245	
Depreciation, depletion and amortization	99,946	20,792	9,874	
Other income	(31,776)	(73,204)	(9,077)	
Interest and other charges:				
External	134,412	8,013	6,007	
Intersegment	(4,013)	—	—	
Income tax (benefit) expense	(3,152)	5,094	8,345	
Net margin and earnings attributable to noncontrolling interest	—	—	12,174	
Segment net margin and earnings	102,688	9,811	24,242	136,741
Elimination of intercompany gain				(4,013)
Other net earnings				5,242
Net margin and earnings attributable to Basin Electric				$ 137,970
Segment capital expenditures [(a)]	$ 463,336	$ 3,600	$ 10,047	$ 476,983
Other capital expenditures				—
Total consolidated capital expenditures				$ 476,983

(a) Does not include accruals for property, plant and equipment as disclosed in the supplemental cash flow information to the consolidated statements of cash flows.

	Six Months Ended June 30, 2025			
	Electric Utility	Gasification	Coal and Limestone Operations	Total Reportable Segments
	(In thousands)			
Operating revenue:				
External	$ 1,152,253	$ 291,729	$ 80,667	$ 1,524,649
Intersegment	—	—	49,821	49,821
	1,152,253	291,729	130,488	1,574,470
Elimination of intersegment revenue				(49,821)
Total operating revenue				$ 1,524,649
Less:				
Electric fuel and purchased power	546,174	—	—	
Electric operations and maintenance	378,804	—	—	
Cost of products sold:				
External	—	194,014	108,092	
Intersegment	—	49,821	—	
Nonelectric selling, general and administrative	—	53,679	4,298	
Depreciation, depletion and amortization	105,047	20,830	9,158	
Other income	(32,762)	(57,206)	(6,255)	
Interest and other charges:				
External	106,546	17,157	6,661	
Intersegment	(5,456)	—	—	
Income tax (benefit) expense	(401)	7,629	725	
Net margin and earnings attributable to noncontrolling interest	—	—	11,210	
Segment net margin and earnings (loss)	54,301	5,805	(3,401)	56,705
Elimination of intercompany gain				(5,456)
Other net expenses				(333)
Net margin and earnings attributable to Basin Electric				$ 50,916
Segment capital expenditures [(a)]	$ 278,067	$ 13,713	$ 9,926	$ 301,706
Other capital expenditures				—
Total consolidated capital expenditures				$ 301,706

(a) Does not include accruals for property, plant and equipment as disclosed in the supplemental cash flow information to the consolidated statements of cash flows.

Information on Basin Electric's segments as of June 30, 2026 and December 31, 2025 was as follows:

	June 30, 2026			
	Electric Utility	Gasification	Coal and Limestone Operations	Total Reportable Segments
	(In thousands)			
Segment total assets	$ 9,198,141	$ 1,036,155	$ 575,777	$ 10,810,073
Other assets				29,919
Elimination of intersegment assets				(1,258,957)
Total consolidated assets				$ 9,581,035

	December 31, 2025			
	Electric Utility	Gasification	Coal and Limestone Operations	Total Reportable Segments
	(In thousands)			
Segment total assets	$ 9,014,439	$ 1,053,066	$ 568,599	$ 10,636,104
Other assets				35,504
Elimination of intersegment assets				(1,273,951)
Total consolidated assets				$ 9,397,657

15. COMMITMENTS AND CONTINGENCIES

LEGAL

We are involved in claims, legal proceedings, investigations, and regulatory matters arising in the normal course of business. We regularly analyze relevant information and, as necessary, estimate and record accrued liabilities for legal, regulatory enforcement and other matters in which a loss or range of loss is probable of occurring and can be reasonably estimated. We believe the effect on our consolidated operating results, financial position and cash flows, if any, for the disposition of all matters pending as of June 30, 2026, other than those discussed below, will not be material.

LITIGATION–On November 7, 2019, McKenzie Electric Cooperative, Inc. (McKenzie), a Class C Member of Basin Electric and a member of Class A Member Upper Missouri G&T Electric Cooperative, Inc. (Upper Missouri), filed a lawsuit in North Dakota State Court against both Basin Electric and Upper Missouri. The complaint brought multiple claims against Basin Electric, some of which have since been dismissed. McKenzie's remaining claims against Basin Electric are: (1) breach of the wholesale power contract (WPC) between Basin Electric and Upper Missouri (either as an alleged three-tier contract among Basin Electric, Upper Missouri and McKenzie, or with McKenzie being a third-party beneficiary to the WPC) by including losses associated with Dakota Gas in rates; and (2) declaratory judgment that the WPC permits McKenzie to terminate its contract with Upper Missouri prior to the expiration of the contract. Summary judgment motions were argued in April 2025 and are currently pending before the court. In September 2025, the parties reached a non-binding settlement in principle. In July 2026, the parties entered into a settlement agreement, which is subject to contingencies and will not become effective until the satisfaction of certain implementation conditions, including all corporate and regulatory approvals, as applicable to certain of the parties, and Upper Missouri receiving financing under the Rural Electrification Act of 1936 (RE Act). Upon satisfaction of the contingencies, the parties expect to file a stipulation for dismissal of the case. In addition, Basin Electric agreed that, from and after January 1, 2031, it will not, directly or indirectly, include any amounts associated with Basin Electric's subsidiary Dakota Gas, its assets, or any successor-in-interest to Dakota Gas in wholesale power rates charged by Basin Electric to Upper Missouri for power purchased by McKenzie, subject to certain exceptions. The pre-tax accrual that was recorded in June 2026 associated with the settlement agreement was $40.0 million. Basin Electric will seek regulatory accounting treatment with the RUS.

FERC PROCEEDINGS–Effective November 1, 2019, Basin Electric ceased qualifying for an exemption from FERC's jurisdiction under the Federal Power Act. As part of its new compliance requirements, Basin Electric submitted its WPCs and Rate Schedule A to FERC for approval. FERC accepted Basin Electric's WPCs and 2020 Rate Schedule A subject to hearing and settlement proceedings effective September 15, 2020, and dismissed Basin Electric's 2019 Rate Schedule A as moot. FERC subsequently accepted and consolidated Basin Electric's 2021 Rate Schedule A with the ongoing hearing and settlement proceedings effective January 1, 2021. The FERC presiding judge held a hearing on the WPCs and 2020 and 2021 Rate Schedules A from August 28, 2023, to October 27, 2023, and from February 5, 2024, through February 7, 2024. The FERC presiding judge issued his initial decision on June 11, 2024, addressing arguments raised by Class A Member Tri-State Generation and Transmission Association, Inc. (Tri-State), Class C Members McKenzie, Minnesota Valley Electric Cooperative (MVEC), and Wright-Hennepin Cooperative Electric Association (Wright-Hennepin), and the Sierra Club. In particular, the Sierra Club argued that Basin Electric should not be allowed to recover costs in its rates relating to certain of its coal generation assets; McKenzie argued that Basin Electric should not be allowed to recover costs in its rates relating to Dakota Gas; and Tri-State, MVEC, and Wright-Hennepin argued that Basin Electric's calculation of rates for depreciation expense and transmission service are not just and reasonable. The Initial Decision remains pending before FERC on exceptions. FERC has not indicated when it intends to act on the initial decision. In addition, FERC action remains pending on Basin Electric's 2022, 2023, 2024, and 2025 Rate Schedules A.

On July 16, 2025, Basin Electric received financing under the RE Act. Basin Electric subsequently filed notices of cancellation of its rate schedules, tariffs, and other agreements. On September 12, 2025, FERC issued an order accepting the notices of cancellation, finding that, due to Basin Electric's change of jurisdictional status, it is no longer required to maintain tariff records with FERC. The cancellation order has since been appealed by Tri-State to the D.C. Circuit Court of Appeals and remains pending with the appellate court. MVEC has subsequently voluntarily dismissed its objections in this proceeding and withdrawn as a participant in the matter. In September 2025, Basin Electric and McKenzie reached a settlement in principle, through which McKenzie agreed to withdraw its objections to Basin Electric's rates in the FERC proceedings and withdraw from any other FERC proceedings and/or appeals in which it had intervened against Basin Electric to the greatest extent possible. A settlement agreement with McKenzie was signed in July 2026, and is subject to contingencies and will not become effective until the satisfaction of certain implementation conditions. Upon satisfaction of the contingencies, McKenzie is expected to withdraw from these proceedings. See also "Litigation" above.

RUS FINANCING–On June 10, 2025, McKenzie filed with FERC a complaint against Basin Electric. The complaint requests that FERC find that Basin Electric is not authorized to obtain financing under the RE Act and that FERC retain jurisdiction over Basin Electric notwithstanding Basin Electric receiving such financing. Basin Electric contested the allegations of the complaint, and further contested McKenzie's right to the relief requested under the Federal Power Act. On May 21, 2026, FERC issued an order denying the complaint, finding that McKenzie had not demonstrated that Basin Electric's actions were in violation of either Section 204 of the Federal Power Act or its blanket authorization to obtain financing. McKenzie, Tri-State and Sierra Club filed motions for reconsiderations of the order. On July 23, 2026, FERC issued a notice denying reconsideration by operation of law. Pursuant to the settlement agreement entered into with McKenzie described herein,upon satisfaction of the contingencies in the settlement agreement, McKenzie is expected to file a motion to dismiss with prejudice its complaint in this matter. See also "Litigation" above.

NORTHWEST RURAL PUBLIC POWER DISTRICT–On March 25, 2024, Northwest Rural Public Power District (NRPPD) filed with FERC a complaint against Basin Electric and Tri-State. The complaint requested that FERC find that NRPPD is permitted to withdraw its membership in Tri-State, terminate its wholesale electric service contract (WESC) with Tri-State, and that its withdrawal and termination is permissible under the wholesale power contract between Basin Electric and Tri-State. In December 2024, FERC issued its order denying the complaint, but finding that NRPPD's withdrawal from Tri-State and termination of its WESC is not a breach of the wholesale power contract between Basin Electric and Tri-State. FERC denied rehearing and issued an order addressing the rehearing arguments. Basin Electric filed an appeal of the FERC order with the D.C. Circuit Court of Appeals and the matter remains pending with the appellate court. In April 2026, Basin Electric and NRPPD reached a settlement in principle, through which NRPPD will dismiss its pending appeal at the D.C. Circuit and the underlying FERC complaint. A mutually acceptable settlement agreement was signed in May 2026 by the parties and is subject to regulatory approval, as applicable to each party. Basin Electric considered this matter and currently has not made an accrual.

Additionally, NRPPD has filed a complaint against Basin Electric in federal district court in Nebraska. In its amended complaint, NRPPD seeks a declaratory judgment that Basin Electric and Tri-State are bound by the December 2024 FERC Order that NRPPD's withdrawal as a member of Tri-State, and therefore as a Class C Member of Basin Electric, is not a breach of the wholesale power contract for the Eastern Interconnection between Basin Electric and Tri-State. NRPPD further claims that it is a third-party beneficiary of the wholesale power contract between Basin Electric and Tri-State, and that Basin Electric has breached its obligations to Tri-State under the wholesale power contract by failing to provide NRPPD with an exit fee. Additional claims were added against Basin Electric for tortious interference with contract, tortious interference with a business relationship, and tortious interference with a prospective business relationship. Basin Electric contests the allegations of the complaint and has filed a motion to dismiss, which remains pending with the court. In April 2026, Basin Electric and NRPPD reached a settlement in principle, through which NRPPD will dismiss the pending complaint. A mutually acceptable settlement agreement was signed in May 2026 by the parties and is subject to regulatory approval, as applicable to each party. Basin Electric considered this complaint and currently has not made an accrual.

OTHER

DEBT GUARANTEE–Basin Electric guarantees, on an unsecured basis, a certain debt obligation of Dakota Coal totaling $19.9 million as of June 30, 2026. In the event Dakota Coal defaults under this obligation, Basin Electric would be required to make payments under its guarantee.

16. RELATED PARTY TRANSACTIONS

Basin Electric provides wholesale electricity sales and other services to its members. Basin Electric had accounts receivable from its members related to member wholesale power agreements of $230.1 million and $202.4 million as of June 30, 2026 and December 31, 2025, respectively.

Other receivables include $2.4 million and $2.3 million as of June 30, 2026 and December 31, 2025, respectively, for amounts Basin Electric, as operating agent, and its subsidiaries, have billed to MBPP. Included in special funds on the consolidated balance sheets is Basin Electric's advance to MBPP of approximately $17.0 million as of both June 30, 2026 and December 31, 2025.

CONTRACTUAL COMMITMENTS–Basin Electric provides and receives power, various materials, supplies and services to and from affiliates which are under the following agreements:

- POWER SUPPLY–Basin Electric provides all electric capacity, energy and transmission service needed to meet Dakota Gas' Synfuels Plant requirements under an agreement that extends through 2050.

- SCREENED COAL–Dakota Gas' Synfuels Plant provides screened coal to Basin Electric under an agreement that extends through 2037.

- COAL SUPPLY–Dakota Coal provides all coal requirements of Dakota Gas' Synfuels Plant and Basin Electric's AVS and LOS. This agreement extends through 2037.

- ADMINISTRATIVE SERVICES–Basin Electric provides various administrative and financial services to Dakota Gas, Dakota Coal, MLC and BCS.

- LIME SALES–Dakota Coal provides lime to Basin Electric's AVS and LRS. The agreement with AVS extends through 2030.

- LIMESTONE SALES–Dakota Coal provides limestone to Basin Electric's LOS under an agreement that extends through 2040.

- WATER SUPPLY–Basin Electric provides water supply facilities for use by Dakota Gas' Synfuels Plant.
- SALE OF NATURAL GAS–Dakota Gas sells natural gas to Basin Electric for operation of utility gas generating plants and AVS (includes pipeline related costs).
- USE OF TRANSMISSION ASSETS–Basin Electric uses certain Dakota Gas transmission assets for a fee under an agreement that extends through 2047.
- SALE OF FERTILIZERS, UREA AND DEF-Dakota Gas sells fertilizers, urea and DEF to Basin Electric and MBPP for operation of power generation units.
- PROJECT SERVICES–Basin Electric provides the use of operational assets to Dakota Gas' Synfuels Plant.
- OTHER-Dakota Coal provides the maintenance of railroad facilities to Dakota Gas' Synfuels Plant and Basin Electric under an agreement that extends through 2040.

Related party amounts that were not eliminated in consolidation in accordance with ASC 980 were billed as follows for the three and six months ended June 30, 2026 and 2025:

	Three months ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Sales of goods and services to:				
Dakota Gas				
Power supply	$ 13,384	$ 14,136	$ 32,727	$ 30,028
Administrative services	6,891	6,952	14,770	13,869
Water supply	626	590	1,326	1,233
Project and other services	141	309	277	576
Dakota Coal				
Administrative services	537	512	1,074	1,142
Total	$ 21,579	$ 22,499	$ 50,174	$ 46,848
Goods and services provided by:				
Dakota Gas				
Screened coal	$ 17,728	$ 14,238	$ 34,979	$ 32,664
Natural gas	3,841	3,208	13,515	5,846
Transmission and other misc. services	264	255	528	512
Fertilizers, urea and DEF	1,328	875	2,659	1,859
Dakota Coal				
Coal supply	30,757	11,676	61,799	35,617
Lime	3,330	2,855	7,404	7,069
Limestone	1,019	671	1,448	1,112
Other	26	—	35	—
Total	$ 58,293	$ 33,778	$ 122,367	$ 84,679

Various other intercompany management, administrative and financial services were performed, which were not significant.

17. SUBSEQUENT EVENTS

On July 24, 2026, Basin Electric entered into a lease agreement for Antelope Valley Station Unit 2 to extend leases through 2040 that were to expire in 2030.

On August 10, 2026, our Board approved the liquidation of certain investments and the removal of their prior designation for mine closure and asset retirement obligation expenditures. As of June 30, 2026, $211.8 million of such investments was included in mine related assets and restricted and designated investments on the consolidated balance sheet. We are not legally required to maintain separately designated funds for these obligations. We expect to use the proceeds to reduce near-term borrowing needs and for other corporate purposes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Basin Electric's financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes that appear elsewhere in this report and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2025, included in our final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act on May 6, 2026 (the "Prospectus"). In addition to historical consolidated financial information, the following discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and "Forward-Looking Statements" included elsewhere in this report.

Executive Overview

We are a not-for-profit G&T cooperative corporation based in Bismarck, North Dakota, principally engaged in the business of providing wholesale electric services to our members through long-term wholesale power contracts. These electric services generally represent the capacity and energy requirements of our members beyond that available to them from other sources, primarily WAPA, which provides hydroelectric power and transmission services to our members.

We have three operating segments: Electric Utility, Gasification, and Coal and Limestone Operations. The Electric Utility segment provides wholesale electric service and other ancillary services to our members throughout their respective service territories with our own electrical generation and transmission assets and various contractual arrangements. The Gasification segment includes Dakota Gas, which operates a gasification facility that converts lignite coal into synthetic natural gas and other products, including fertilizers, DEF, carbon dioxide, and other oil and chemical products. The Coal and Limestone Operations segment includes Dakota Coal, which purchases coal and coordinates deliveries of coal to the Electric Utility generation facilities and Gasification operations and produces lime and limestone that is used for emissions control at the generation facilities.

For the six months ended June 30, 2026, we sold 20.2 million MWhs of electricity, of which 84% was sold to our Class A Members. Our consolidated net margin and earnings was $138.0 million in the six months ended June 30, 2026, compared to $50.9 million for the six months ended June 30, 2025. Our results for the six months ended June 30, 2026, were primarily impacted by the following factors:

Total operating revenue increased $138.7 million, or 9.1%.

- Operating revenue at our Electric Utility operating segment increased primarily due to a rate increase on electricity sales to our members effective January 1, 2026, as well as increased electricity sales to non-members.

- Operating revenue at our Gasification operating segment decreased mainly due to lower DEF and synthetic natural gas revenue. DEF and synthetic natural gas volumes sold decreased.

- Operating revenue at our Coal and Limestone Operations operating segment increased largely due to higher lignite coal sales resulting from increased volumes sold and higher average sales prices.

Total operating expenses increased $52.7 million, or 3.7%.

- Electric fuel and purchased power and Electric operations and maintenance increased largely due to increased fuel, general and administrative, transmission wheeling, and production expenses. Fuel expenses were higher as a result of higher natural gas generation and prices and higher coal expense. General and administrative expenses increased primarily due to a legal settlement accrual. Transmission wheeling expenses increased due to higher SPP wheeling expenses. Production expenses were higher due to increased emissions control products expense due to higher electricity generation and increased materials costs.

- Cost of products sold increased primarily due increased costs relieved from inventory and higher costs in lignite mine operations.

Other income increased $17.8 million primarily due to monetization of tax credits related to the capture and sequestration of CO_2 through Dakota Gas' investment in Dakota Carbon Services LLC.

Interest and other charges increased $17.7 million mainly due to an increase in net interest expense primarily due to higher debt balances resulting from additional capital expenditures in electric utility property.

Recent Developments

Sale of CO2 Pipeline. On May 29, 2026, Basin Electric entered into an Equity Purchase Agreement with a third party to sell the CO2 pipeline that runs from Dakota Gas to Canada. The agreement also provides for the sale of the stock of SVPL since the Canadian portion of the CO2 pipeline is owned by SVPL. Basin Electric expects to receive proceeds of approximately $90.0 million upon closing. The sale is expected to be completed by the end of 2026, subject to customary closing conditions. Dakota Gas will remain involved in the pipeline operations until the expiration of its current Canadian contracts at the end of 2027, after which Dakota Gas expects to redirect CO2 to its carbon sequestration project.

Dakota Gas Strategic Options. Advancement continues in our evaluation of various strategic options for Dakota Gas, including the sale to potential buyers of the equity or remaining assets of Dakota Gas, in whole or in part, and the potential retirement or repurposing of the Synfuels Plant. Although we previously wrote off the value of the coal gasification assets of the Synfuels Plant, we could incur an additional impairment related to the value of our non-coal gasification assets investments in Dakota Gas, in whole or in part, as a result of any transaction to sell the equity or some or all of the remaining assets of Dakota Gas or decommissioning or repurposing of the Synfuels Plant. There is no assurance that any transaction will occur. Decommissioning or repurposing the Synfuels Plant could require substantial costs including site reclamation, employee severances and the loss of our synergies with Dakota Gas. See “Key Factors Affecting Results” below.

McKenzie Settlement Agreement. On July 9, 2026, Basin Electric entered into a settlement agreement with McKenzie, a Class C Member of Basin Electric and a member of Upper Missouri, a Class A Member of Basin Electric, together with Upper Missouri and Mountrail-Williams, a Class C Member of Basin Electric and a member of Upper Missouri, relating to certain previously disclosed disputes between McKenzie, on the one hand, and Upper Missouri, Basin Electric, and Mountrail-Williams, on the other hand, regarding certain claims made, and which remain pending, in North Dakota state court and before FERC. For additional information on these proceedings, see the Legal section within Note 15, ”Commitments and Contingencies" to the consolidated financial statements included in this report. The settlement agreement is subject to contingencies and will not become effective until the satisfaction of certain implementation conditions, including all corporate and regulatory approvals, as applicable to each party, and Upper Missouri receiving financing under the RE Act. Basin Electric disclosed the material terms of the settlement agreement in its Current Report on Form 8-K filed on July 13, 2026. Basin Electric recorded a pre-tax accrual in June 2026 associated with the settlement agreement of $40.0 million and will seek regulatory accounting treatment with the RUS.

Wind turbine repowering projects. We are progressing planned wind turbine repowering projects within our generation fleet in North and South Dakota. Certain projects have experienced delays in permitting approvals due to certain review requirements. These delays may shift anticipated construction timelines and the timing of related capital expenditures, and could increase project costs or reduce expected economic benefits. As of June 30, 2026, Basin Electric's investment in these repowering projects was $136.3 million. All or a portion of this investment may be utilized in other projects currently in progress or in future projects that may be identified, which could mitigate the impact of delays to the current repowering projects. If such impacts occur, we could incur impairment charges or other adverse financial effects associated with these assets. In such circumstances, we would expect to seek regulatory accounting treatment from RUS or other applicable regulators to defer and amortize such costs over a future period. Failure to obtain such regulatory accounting treatment could adversely affect our results of operations, financial condition, and cash flows.

Key Factors Affecting Results

In addition to commodity prices, changes in rates and weather conditions, other factors have been important to our results of operations and financial condition and may significantly impact our outlook in future periods. Some of these factors include: changes in member load growth; major capital expenditures; commodities and asset management; changes in regional transmission organizations; changes in our membership; our rate structure; the rate covenant in our Indenture; our net margin and patronage capital; the future of Dakota Gas; our tax status; environmental regulations; our large load commercial program; and available financing from RUS. For information regarding these and other factors affecting our results, see “Key Factors Affecting Results” in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of the Prospectus.

Results of Operations

Provided below is a summary and discussion of our operating results on a consolidated basis for the three and six months ended June 30, 2026 and 2025, followed by a discussion of the operating results of each of our operating segments for the three and six months ended June 30, 2026 compared to 2025.

Consolidated Summary

The following table summarizes our consolidated net margin and earnings for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	2026	2025	% Change	2026	2025	% Change
Electric Utility	$ 42,325	$ 12,129	249.0 %	$ 102,688	$ 54,301	89.1 %
Gasification	7,073	8,181	(13.5)%	9,811	5,805	69.0 %
Coal and Limestone Operations	14,415	(8,917)	261.7 %	24,242	(3,401)	812.8 %
Other (a)	(1,209)	(8,179)	(85.2)%	1,229	(5,789)	121.2 %
Net margin and earnings attributable to Basin Electric	$ 62,604	$ 3,214	1,847.9 %	$ 137,970	$ 50,916	171.0 %

(a) Includes intersegment eliminations.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

- Electric Utility net margin increased primarily due to increased revenue from member sales due to higher average rates effective January 1, 2026, partially offset by increased operations and maintenance expenses, fuel and interest and other charges.

- Gasification net earnings decreased primarily due to lower DEF and synthetic natural gas revenues, partially offset by lower freight expense related to lower volumes sold, higher monetization of tax credits related to the capture and sequestration of CO_2, lower interest and other charges, and higher fertilizer revenues from increased prices.

- Coal and Limestone Operations net earnings increased primarily due to increased volumes sold and higher average sales prices of lignite coal.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

- Electric Utility net margin increased primarily due to increased revenue from member sales largely due to higher average rates effective January 1, 2026, as well as higher electricity sales to non-members, partially offset by increased fuel, operations and maintenance expenses and interest and other charges.
- Gasification net earnings increased primarily due to higher monetization of tax credits related to the capture and sequestration of CO_2, lower interest and other charges, lower freight expense related to lower volumes sold, and higher fertilizer revenues, partially offset by lower DEF revenues and higher operating expenses related to increased cost of products sold.
- Coal and Limestone Operations net earnings increased primarily due to increased volumes sold and higher average sales prices of lignite coal.

Electric Utility Results

Our operating revenue from Electric Utility operations is derived from electricity sales to our members and to non-members (including Dakota Gas). Our revenues from our sales to our members are a function of the volume of those sales and our rates, particularly our rate to our Class A Members. For a discussion of certain factors affecting demand for power from our members and sales to non-members, see "Electric Utility Results" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Prospectus.

The following table summarizes the performance and certain operating statistics of the Electric Utility segment for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	2026	2025	% Change	2026	2025	% Change
Operating revenue:						
Sales of electricity to members	$ 575,365	$ 502,901	14.4 %	$1,176,142	$1,058,579	11.1 %
Sales of electricity to non-members	33,339	28,888	15.4 %	102,143	89,066	14.7 %
Other	1,784	2,031	(12.2)%	3,792	4,608	(17.7)%
Total operating revenue	610,488	533,820	14.4 %	1,282,077	1,152,253	11.3 %
Fuel and purchased power	229,129	235,516	(2.7)%	564,428	546,174	3.3 %
Operations and maintenance	237,832	201,561	18.0 %	419,544	378,804	10.8 %
Depreciation and amortization	50,249	53,542	(6.2)%	99,946	105,047	(4.9)%
Total operating expenses	517,210	490,619	5.4 %	1,083,918	1,030,025	5.2 %
Operating margin	93,278	43,201	115.9 %	198,159	122,228	62.1 %
Other income	14,671	15,981	(8.2)%	31,776	32,762	(3.0)%
Interest and other charges	67,664	47,179	43.4 %	130,399	101,090	29.0 %
Income tax benefit	(2,040)	(126)	NM*	(3,152)	(401)	686.0 %
Net margin	$ 42,325	$ 12,129	249.0 %	$ 102,688	$ 54,301	89.1 %
NM - not meaningful						
Electricity energy sales (in thousand MWh):						
Member sales	8,089	7,822	3.4 %	16,867	16,928	(0.4)%
Non-member sales	1,394	1,525	(8.6)%	3,312	2,971	11.5 %
Total electricity energy sales	9,483	9,347	1.5 %	20,179	19,899	1.4 %
Peak billing demand (in MW)	4,639	4,516	2.7 %	5,071	5,150	(1.5)%
Average rate per MWh:						
Member sales	$ 71.13	$ 64.29	10.6 %	$ 69.73	$ 62.54	11.5 %
Non-member sales	$ 23.91	$ 18.94	26.2 %	$ 30.84	$ 29.98	2.9 %

*NM - not meaningful

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Electric Utility net margin increased $30.2 million as a result of:

Operating revenue increased $76.7 million mainly due to:

- Sales of electricity to members increased $72.5 million primarily due to higher average member rates effective January 1, 2026, and higher energy volumes sold.
- Sales of electricity to non-members increased $4.5 million primarily due to higher prices, partially offset by decreased energy sold of 131,000 MWhs.

Fuel and purchased power decreased by $6.4 million mainly due to a decrease in purchased power of $33.7 million due to lower volumes purchased and lower prices. Partially offsetting the decrease was an increase in fuel expense of $27.3 million due to higher coal expense resulting from increased coal electricity generation. Natural gas expense was higher due to higher generation from natural gas facilities including new gas generation coming online in mid-2025, partially offset by lower natural gas prices.

Operations and maintenance increased $36.3 million mainly due to:

- Increased general and administrative expenses of $38.7 million mainly due to a legal settlement accrual of $40.0 million.
- Increased transmission wheeling expenses of $8.5 million due to higher SPP wheeling expenses, partially offset by higher cost recovery on owned transmission facilities.
- Increased production expenses of $3.6 million primarily due to higher emissions control products expense due to higher electricity generation, partially offset by lower contracted services.
- Maintenance expense decreased $17.4 million mainly due to less scheduled maintenance work in 2026.

Interest and other charges increased $20.5 million mainly due to an increase in net interest expense primarily due to higher debt balances.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Electric Utility net margin increased $48.4 million as a result of:

Operating revenue increased $129.8 million mainly due to:

- Sales of electricity to members increased $117.6 million primarily due to higher average member rates effective January 1, 2026.
- Sales of electricity to non-members increased $13.1 million primarily due to increased energy sold. Energy sold increased 341,000 MWhs.

Fuel and purchased power increased by $18.3 million mainly due to increased fuel expense of $61.8 million due to higher natural gas expense resulting from higher generation from natural gas facilities somewhat due to new gas generation coming online in mid-2025 and higher prices. Coal expense was higher due to increased coal prices and higher coal generation. Partially offsetting the increase was a decrease in purchased power of $43.6 million due to lower volumes purchased and lower prices.

Operations and maintenance increased $40.7 million mainly due to:

- Increased general and administrative expenses of $42.3 million mainly due to a legal settlement accrual of $40.0 million.
- Increased transmission wheeling expenses of $9.1 million due to higher SPP wheeling expenses, partially offset by higher cost recovery on owned transmission facilities.

- Increased production expenses of $7.0 million primarily due to higher emissions control products expense due to higher electricity generation and increased materials costs.
- Maintenance expense decreased $21.2 million mainly due to less scheduled maintenance work in 2026.

Interest and other charges increased $29.3 million mainly due to an increase in net interest expense primarily due to higher debt balances.

Gasification Results

Gasification operating revenue is mainly derived from the sale of synthetic natural gas, carbon dioxide, anhydrous ammonia, urea, DEF and various other products produced by Dakota Gas.

The following table summarizes the performance and certain operating statistics of the Gasification segment for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	2026	2025	% Change	2026	2025	% Change
Operating revenue:						
Synthetic natural gas	$ 17,130	$ 25,086	(31.7)%	$ 58,914	$ 65,796	(10.5)%
Fertilizers and diesel exhaust fluid	118,350	137,438	(13.9)%	174,251	188,849	(7.7)%
Other byproducts and miscellaneous	21,218	18,249	16.3 %	37,986	37,084	2.4 %
Total operating revenue	156,698	180,773	(13.3)%	271,151	291,729	(7.1)%
Cost of products sold	143,876	143,045	0.6 %	253,367	243,835	3.9 %
Selling, general and administrative	23,538	31,439	(25.1)%	47,278	53,679	(11.9)%
Depreciation and amortization	10,446	10,811	(3.4)%	20,792	20,830	(0.2)%
Total operating expenses	177,860	185,295	(4.0)%	321,437	318,344	1.0 %
Operating deficit	(21,162)	(4,522)	368.0 %	(50,286)	(26,615)	88.9 %
Other income	33,520	26,095	28.5 %	73,204	57,206	28.0 %
Interest and other charges	4,013	8,469	(52.6)%	8,013	17,157	(53.3)%
Income tax expense	1,272	4,923	(74.2)%	5,094	7,629	(33.2)%
Net earnings	$ 7,073	$ 8,181	(13.5)%	$ 9,811	$ 5,805	69.0 %
Sales volumes:						
Synthetic natural gas (dekatherms in millions)	7.5	10.0	(25.0)%	14.6	20.1	(27.4)%
Fertilizer products (tons in thousands)	168.7	184.5	(8.6)%	251.8	268.3	(6.1)%
Diesel exhaust fluid (gallons in millions)	8.9	26.2	(66.0)%	22.4	37.3	(39.9)%

<u>Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025</u>

Gasification net earnings decreased $1.1 million as a result of:

Operating revenue decreased $24.1 million mainly due to:

- Synthetic natural gas revenue decreased by $8.0 million primarily as a result of lower volumes sold and lower prices. Realized prices of $2.27 per dekatherm were 9 percent lower.
- Fertilizer and DEF revenue decreased by $19.1 million. DEF sales revenue decreased $22.3 million largely due to lower DEF volumes sold on behalf of third parties. Fertilizer sales revenue increased $3.2 million due to higher prices, partially offset by a decrease in volumes sold.

Cost of products sold increased by $831,000 primarily due to higher operating costs relieved from inventory and higher coal expense, substantially offset by lower third party DEF purchases.

Selling, general and administrative decreased by $7.9 million primarily due to lower freight expense resulting from a decrease in volumes sold.

Other income was $7.4 million higher largely due to increased benefits from the monetization of tax credits related to the capture and sequestration of CO_2 through Dakota Gas's investment in DCS resulting from higher CO_2 volumes sequestered.

Interest and other charges decreased $4.5 million primarily due to lower interest expense as a result of lower debt balances due to certain third-party debt being paid off in December 2025.

Income tax expense was lower primarily due to lower income before income taxes.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Gasification net earnings increased $4.0 million as a result of:

Operating revenue decreased $20.6 million mainly due to:

- Synthetic natural gas revenue decreased by $6.9 million primarily as a result of lower volumes sold, partially offset by higher prices. Realized prices of $4.04 per dekatherm were 26 percent higher.
- Fertilizer and DEF revenue decreased by $14.6 million. DEF sales revenue decreased $20.0 million primarily due to lower DEF volumes sold on behalf of third parties. Fertilizer sales revenue increased $5.4 million due to higher prices, partially offset by a decrease in volumes sold.

Cost of products sold increased by $9.5 million primarily due to higher operating costs relieved from inventory and higher coal expense, partially offset by lower third party DEF purchases.

Selling, general and administrative decreased by $6.4 million primarily due to lower freight expense resulting from a decrease in volumes sold.

Other income was $16.0 million higher largely due to increased benefits from the monetization of tax credits related to the capture and sequestration of CO_2 through Dakota Gas's investment in DCS resulting from higher CO_2 volumes sequestered.

Interest and other charges decreased $9.1 million primarily due to lower interest expense as a result of lower debt balances due to certain third-party debt being paid off in December 2025.

Income tax expense was lower primarily due to a decrease to the valuation allowance on deferred income tax assets.

Coal and Limestone Operations Results

Coal and Limestone Operations revenue is mainly derived from the sale by Dakota Coal of lignite coal for use at our generating facilities and for coal gasification at Dakota Gas. In addition, Dakota Coal operates a limestone quarry and sells lime and limestone to Basin Electric and other third parties.

The following table summarizes performance and certain operating statistics of the Coal and Limestone Operations segment for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	2026	2025	% Change	2026	2025	% Change
Operating revenue	$ 83,251	$ 52,661	58.1 %	$ 169,378	$ 130,488	29.8 %
Cost of products sold	60,347	56,544	6.7 %	113,568	108,092	5.1 %
Selling, general and administrative	2,095	1,903	10.1 %	4,245	4,298	(1.2)%
Depreciation, depletion and amortization	4,874	4,559	6.9 %	9,874	9,158	7.8 %
Total operating expenses	67,316	63,006	6.8 %	127,687	121,548	5.1 %
Operating margin	15,935	(10,345)	254.0 %	41,691	8,940	366.3 %
Other income	12,142	7,948	52.8 %	9,077	6,255	45.1 %
Interest and other charges	2,909	3,305	(12.0)%	6,007	6,661	(9.8)%
Income tax expense (benefit)	4,780	(1,679)	384.7 %	8,345	725	NM*
Earnings (loss) including noncontrolling interest	20,388	(4,023)	606.8 %	36,416	7,809	366.3 %
Earnings attributable to noncontrolling interest	(5,973)	(4,894)	22.0 %	(12,174)	(11,210)	8.6 %
Net earnings (loss)	$ 14,415	$ (8,917)	261.7 %	$ 24,242	$ (3,401)	812.8 %
NM - not meaningful						
Sales volumes:						
Lignite coal (tons in millions)	3.1	2.1	47.6 %	6.3	5.4	16.7 %

*NM - not meaningful

<u>Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025</u>

Coal and Limestone Operations net earnings increased $23.3 million as a result of:

Operating revenue increased $30.6 million primarily due to higher lignite coal sales of $29.6 million resulting from increased volumes and higher average sales prices.

Cost of products sold increased $3.8 million primarily due to higher costs in lignite coal mining operations.

Selling, general and administrative increased $192,000 primarily due to higher general and administrative and freight expenses.

Depreciation and amortization increased $315,000 mainly due to investments in mining equipment.

Other income increased $4.2 million primarily due to unrealized gains on investments.

Interest and other charges decreased $396,000 as a result of lower debt balances.

Income tax expense was $6.5 million higher due to higher income before taxes.

Earnings attributable to noncontrolling interest were $1.1 million higher.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Coal and Limestone Operations net earnings increased $27.6 million as a result of:

Operating revenue increased $38.9 million primarily due to higher lignite coal sales of $37.7 million resulting from increased volumes and higher average sales prices.

Cost of products sold increased $5.5 million primarily due to higher costs in lignite coal mining operations.

Depreciation and amortization increased $716,000 mainly due to investments in mining equipment.

Other income increased $2.8 million primarily due to unrealized gains on investments.

Interest and other charges decreased $654,000 as a result of lower debt balances.

Income tax expense was $7.6 million higher due to higher income before taxes.

Earnings attributable to noncontrolling interest was $964,000 higher.

Other Results

Other consists of the operations of BCS, NRG, certain tax adjustments, intersegment eliminations, and other activity not associated with the Electric Utility, Gasification, and Coal and Limestone Operations segments.

BCS provides certain nonutility property management services to Basin Electric.

NRG owned an undivided interest in a proposed electric generation facility. In January 2026, NRG exited the project. In June 2026, NRG was fully written-off for financial reporting purposes and Basin Electric is still in the process of completing the required legal and administrative procedures necessary to formally dissolve the entity. NRG is expected to be fully dissolved by the end of 2026.

Three Months Ended June 30, 2026, Compared to Three Months Ended June 30, 2025

Other increased by $7.0 million. The change in other is primarily related to a consolidating tax adjustment made in 2026 of $5.8 million and the intersegment elimination of the decreased gain at the Gasification segment. See "—*Gasification Results*" above for further detail on the decreased gain.

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Other increased by $7.0 million. The change in other is primarily related to a consolidating tax adjustment made in 2026 of $11.0 million, partially offset by the intersegment elimination of the increased gain at the Gasification segment. See "—*Gasification Results*" above for further detail on the increased gain.

Liquidity and Capital Resources

General

Our liquidity is provided through a combination of cash generated from operations (including the operations of our subsidiaries), the MIP, the net proceeds of our financings and available commitments under existing credit facilities. While we fund operational costs with cash generated from our operations and our subsidiaries' operations, we also issue commercial paper and periodically access our existing credit facilities to manage our liquidity. We also utilize the credit facilities to fund capital expenditures on an interim basis, which we intend to repay with the proceeds of the issuance of long-term debt secured under our Indenture.

Capital Resources

We had cash, restricted and designated cash and short-term investments of $751.6 million as of June 30, 2026. This is inclusive of cash and investments of $272.0 million designated for regulatory revenue deferrals as of June 30, 2026.

Our liquidity is supported by two revolving credit facilities. We have a $1.3 billion unsecured syndicated revolving credit agreement. As of June 30, 2026, we had no amounts outstanding under this facility. We have a $500.0 million taxable commercial paper program that is supported by this facility and had $99.0 million outstanding as of June 30, 2026.

We also have a tax-exempt commercial paper program supported by a $100.0 million credit facility with National Rural Utilities Cooperative Finance Corporation ("CFC"). As of June 30, 2026, $100.0 million of the CFC facility was used to support commercial paper issuances.

We have a MIP available to all Class A and Class C Members. As of June 30, 2026, our obligations under the MIP totaled $158.8 million.

The following table summarizes amounts outstanding under our lines of credit to our subsidiaries:

(In thousands)	Facility Limit	Outstanding Amounts as of June 30, 2026
Dakota Gas	$ 500,000	$ 90,000
Dakota Coal	250,000	153,152
Basin Cooperative Services	3,000	—
Total	$ 753,000	$ 243,152

Dakota Coal. In addition to our revolving credit facility, Dakota Coal issued a promissory note to us that it used for the expenditures associated with a truck dump and unit train load-out facility. As of June 30, 2026, $13.7 million was outstanding under this note. Also, Dakota Coal issued two notes to us that it used for the expenditures associated with development of coal reserves. As of June 30, 2026, $7.5 million was outstanding under these notes.

Cash Flows

Cash is provided by operating activities and issuance of debt. Capital expenditures comprise a significant use of cash.

	Six Months Ended June 30,		
(In thousands)	2026	2025	% Change
Net cash provided by (used in)			
Operating activities	$ 246,217	$ 230,960	6.6 %
Investing activities	(470,232)	(299,160)	57.2 %
Financing activities	(11,889)	(25,989)	(54.3)%
Net decrease in cash and cash equivalents and restricted and designated cash and cash equivalents	(235,904)	(94,189)	150.5 %
Cash and cash equivalents and restricted and designated cash and cash equivalents, beginning of period	987,493	693,910	42.3 %
Cash and cash equivalents and restricted and designated cash and cash equivalents, end of period	$ 751,589	$ 599,721	25.3 %

Six Months Ended June 30, 2026, Compared to Six Months Ended June 30, 2025

Operating activities. Net cash provided by operating activities increased $15.3 million primarily due to higher net margin and earnings driven by the rate increase effective January 1, 2026, partially offset by the timing of payment of accounts payable and decreased other current liabilities.

Investing activities. Net cash used in investing activities increased $171.1 million primarily due to $175.3 million in incremental capital expenditures in 2026 mainly resulting from expenditures associated with the Bison Generating Station capital project.

Financing activities. Net cash used in financing activities decreased $14.1 million primarily due to higher proceeds from notes payable, partially offset by lower proceeds from long-term debt and decreased investment from our Members under the MIP.

Projected Capital Expenditures

For additional information on our projected capital expenditures, see "Project Capital Expenditures" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the Prospectus.

Electric Utility

We annually forecast expenditures required for additional electric generation and transmission facilities and capital for enhancement of existing facilities. We review these projections periodically to update our calculations to reflect changes in our future plans, construction costs, market factors and other items affecting our forecasts. Our actual capital expenditures could vary significantly from these projections because of, among other things, unforeseen construction, changes in resource requirements, changes in actual or forecasted load growth, labor market uncertainty, weather or other issues. Our long-range capital plan details actual and projected construction requirements and system upgrades of approximately $7.1 billion for the years 2026 through 2030.

Gasification

Construction and equipment requirements of Dakota Gas are projected to result in capital expenditures of approximately $146 million over the period of 2026 through 2030.

Coal and Limestone Operations

Mine development and equipment requirements of Dakota Coal are projected to result in capital expenditures of approximately $262 million for the years 2026 through 2030.

Material Cash Requirements

Our material cash requirements relate primarily to operating expenses, capital expenditures and debt service. There were no material changes to our contractual and other obligations from those reported within *Management's Discussion and Analysis of Financial Condition and Results of Operations* of the Prospectus.

Credit Rating Triggers

Basin Electric Power Cooperative's senior secured debt and commercial paper have been assigned credit ratings by independent credit rating agencies. The current ratings are as follows:

	Senior Secured	Commercial Paper	Outlook
S&P	A	A1	Negative
Moody's	A3	P-2	Stable
Fitch	A	F1+	Stable

These credit ratings are based on rating criteria developed by each rating agency and reflect their respective assessments of Basin Electric's creditworthiness. Each rating agency applies its own methodologies, and the significance of a particular rating may differ among rating agencies. Credit ratings are not recommendations to purchase, sell, or hold securities, and do not address market price, liquidity, or the suitability of any security for a particular investor. Credit ratings may be revised or withdrawn at any time by the respective rating agencies.

Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used for items such as present value of lease assets and lease liabilities, plant depreciable lives, actuarially determined benefit costs, valuation of derivatives, asset retirement obligations, present value of expected tax credits, and income tax expense or benefits. Ultimate results could differ from those estimates. We refer to accounting estimates of this type as critical accounting policies and estimates.

Our significant accounting policies are discussed in Note 2 to our consolidated financial statements included in the Prospectus. There have been no significant changes to these policies from those reported in the Prospectus.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have not been any material changes in our market risks from those reported in the Prospectus.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2026, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to affect, our internal control over financial reporting.

Part II - Other Information

ITEM 1. LEGAL PROCEEDINGS

Information required by this Item is contained in the Legal section within Note 15, ”Commitments and Contingencies" to the consolidated financial statements in Part I, Item 1.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors described under "RISK FACTORS" in Part II, Item 1A of Basin Electric's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026. In addition to the risks and uncertainties described in that report, you should carefully consider the other information included in this report, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, as they could harm our business, financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this report.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
3.1	Restated Articles of Incorporation of Basin Electric Power Cooperative (incorporated by reference to Exhibit 3.1 to the registrant's Registration Statement on Form S-4 (Registration No. 333-295074), filed with the SEC on April 15, 2026).
3.2	Amended and Restated Bylaws of Basin Electric Power Cooperative (incorporated by reference to Exhibit 3.2 to the registrant's Registration Statement on Form S-4 (Registration No. 333-295074), filed with the SEC on April 15, 2026).
10.1§	Amended employment agreement, dated July 16, 2026, of Basin Electric Power Cooperative and agreed and accepted by Todd Brickhouse.
10.2	Short-Term Incentive Plan, dated July 15, 2026.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95	Mine Safety Disclosure Exhibit.

Exhibit No.	Description of Exhibit
101	The following information from the registrant's Form 10-Q for the quarter ended June 30, 2026, formatted in Inline XBRL: (i) Consolidated Balance Sheets (unaudited); (ii) Consolidated Statements of Operations (unaudited); (iii) Consolidated Statements of Comprehensive Income (unaudited); (iv) Consolidated Statements of Changes in Equity (unaudited); (v) Consolidated Statements of Cash Flows (unaudited); and (vi) the Condensed Notes to the Consolidated Financial Statements (unaudited).
104	Cover Page Interactive Data File, formatted in Inline XBRL (contained in Exhibit 101).

§ Portions of this exhibit have been redacted in accordance with Item 601(a)(6) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BASIN ELECTRIC POWER COOPERATIVE

Date: August 11, 2026	/s/ Todd Brickhouse Name: Todd Brickhouse Title: Chief Executive Officer and General Manager (Principal Executive Officer)
Date: August 11, 2026	/s/ Christopher A. Johnson Name: Christopher A. Johnson Title: Senior Vice President and Chief Financial Officer (Principal Financial Officer)