

TRANSMISSION COST RECOVERY RIDER

Effective _____

On March 2, 2017, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the South Dakota Public Utilities Commission (Commission) to update its Transmission Cost Recovery Rider (TCRR) rate in accordance with the Company's Transmission Cost Recovery Rider Rate 59 tariff that states the rates will be revised annually to reflect the projected costs to be recovered through the next year. The TCRR rate recovers transmission related expenses assessed by both the Midwest Independent System Operator (MISO) and the Southwest Power Pool (SPP) for transmission service and a true-up amount from the current TCRR rate effective July 1, 2016.

On _____, the South Dakota Public Utilities Commission (PUC) approved the Company's request, as revised on April 19, 2017, to update the TCRR rate with the new rate effective _____. The Transmission Cost Recovery Rider rate is shown as a separate line item on your electric bill.

The table below provides a comparison of a residential customer's winter bill at the current rate of \$0.00366 per Kwh and the new TCRR rate of \$0.00438 per Kwh, excluding taxes. A typical residential customer using 853 Kwh would see an increase of \$0.61 per month, or \$7.32 annually.

Kwh	Current Rate	New Rate	Change	% Change
500	\$62.00	\$62.36	\$0.36	0.58%
600	72.91	73.34	0.43	0.59%
700	83.82	84.33	0.51	0.61%
800	93.24	93.81	0.57	0.61%
900	101.14	101.79	0.65	0.64%
1,000	109.07	109.79	0.72	0.66%

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.