

## Natural Gas Distribution Rate Increase East River

On December 21, 2012, Montana Dakota Utilities, Co. (Montana-Dakota) filed an application for authority to increase rates for natural gas service to customers in its South Dakota Service Territory with the Public Utilities Commission (Commission). The Company proposed an increase of approximately \$1.5 million annually or 3.3 percent of total retail revenues, based on Montana-Dakota's test year ending June 30, 2012. In its application, Montana-Dakota also requested that the Black Hills and East River service areas be consolidated into one rate jurisdiction. The rate increase is driven primarily by the need to recover investments made in infrastructure and technology improvements.

On October 31, 2013 the Commission authorized an increase in revenues of \$898,778 or approximately 2 percent annually.

A typical residential customer in the East River area using 61 dk on an annual basis will see an average decrease of approximately \$2.00 per month.

Applicable rates for various classes of service are shown below. *Gas costs are subject to change December 1, 2013.*

	Current	Effective December 1, 2013
<b>Residential Gas Service</b>	<b>Rate 66</b>	<b>Rate 60</b>
– Basic Service Charge	\$ 0.15 per day	\$ 0.28 per day
– Distribution Delivery Charge	\$ 2.915 per dk	\$ 1.744 per dk
– Cost of Gas (as of November 1, 2013)	\$ 4.846 per dk	\$ 4.867 per dk
<b>Firm General Gas Service</b>	<b>Rate 76</b>	<b>Rate 70</b>
– Basic Service Charge		
Under 500 cubic ft per hour	\$ 0.25 per day	\$ 0.35 per day
Over 500 cubic ft per hour	\$ 0.50 per day	\$ 1.07 per day
– Distribution Delivery Charge	\$ 2.598 per dk	\$ 1.302 per dk
– Cost of Gas (as of November 1, 2013)	\$ 4.846 per dk	\$ 4.867 per dk

**Small Interruptible General Gas Service***Not Applicable***Rate 71**

- Basic Service Charge		\$ 150.00 per month
- Distribution Delivery Charge		
Maximum Rate		\$ 0.378 per dk
Minimum Rate		\$ 0.047 per dk
- Cost of Gas (as of November 1, 2013)		\$ 3.885 per dk

**Transportation Service****Rate 86****Rate 81**

- Small Interruptible			
Basic Service Charge	\$ 125.00 per month	\$ 150.00 per month	
Maximum Rate	\$ 2.598 per dk	\$ 0.378 per dk	
Minimum Rate	\$ 0.050 per dk	\$ 0.047 per dk	

**Rate 86****Rate 82**

- Large Interruptible			
Basic Service Charge	\$ 125.00 per month	\$ 230.00 per month	
Maximum Rate	\$ 2.598 per dk	\$ 0.198 per dk	
Minimum Rate	\$ 0.050 per dk	\$ 0.036 per dk	

**Large Interruptible General Gas Service***Not Applicable***Rate 85**

- Basic Service Charge		\$ 230.00 per month
- Distribution Delivery Charge		
Maximum Rate		\$ 0.198 per dk
Minimum Rate		\$ 0.036 per dk
- Cost of Gas (as of November 1, 2013)		\$ 4.049 per dk

Further information, applicable rates, rules and regulations are available at [www.montana-dakota.com](http://www.montana-dakota.com) or by calling 1-800-638-3278.

## RESIDENTIAL RATE COMPARISON

DK	RATE			
	PRESENT RATE	EFFECTIVE DEC 1, 2013	AMOUNT OF INCREASE	% INCREASE
0	\$4.56	\$8.51	\$3.95	86.62%
10	82.17	74.62	(7.55)	-9.19%
20	159.78	140.73	(19.05)	-11.92%
30	237.39	206.84	(30.55)	-12.87%
40	315.00	272.95	(42.05)	-13.35%
50	392.61	339.06	(53.55)	-13.64%
60	470.22	405.17	(65.05)	-13.83%