

Natural Gas Interim Rate Increase Effective March 1, 2024

Montana-Dakota Utilities Co. (Montana-Dakota) is implementing an interim rate increase as part of the Company's pending 2023 natural gas rate increase application. As previously noticed in your September 2023 bill, Montana-Dakota filed a natural gas rate increase request with the South Dakota Public Utilities Commission (Commission) on August 15, 2023. If approved by the Commission as filed, the proposed new rates will result in an overall increase in revenue of \$7.4 million or 11.2 percent over current rates. The Company has made significant investments in its natural gas infrastructure to ensure safe and reliable service to customers, as well as investments in technology, causing the need for an increase in rates at this time.

On September 1, 2023 the Commission ordered the proposed rates be suspended for 180 days, pursuant to South Dakota law, as the Commission considered the Company's case. The 180 day suspension period expired on February 11, 2024.

Montana-Dakota will now implement interim rates effective with service rendered on and after March 1, 2024. If the final approved increase is lower than the interim increase implemented, Montana-Dakota will refund the difference to its customers with interest.

A typical residential customer using 66.3 dk on an annual basis will see an average increase of approximately \$7.28 per month or 13.3 percent.

The interim increase will be applied as a percentage of your natural gas service bill (excluding the Cost of Gas and Conservation Tracking Adjustment) and will be shown as a separate line item on your bill. The first bill you receive may be prorated, depending on the date your meter is read. This means that only the portion of your bill for service on and after March 1, 2024 will reflect the interim rate increase.

Applicable rates for various classes of service are shown below. *Gas costs are subject to change on a monthly basis.*

Residential Natural Gas Service – Rate 60

Rate:

Basic Service Charge	\$0.30 per day
Distribution Delivery Charge	\$1.836 per dk
Conservation Tracking Adjustment.....	\$0.015 per dk
Cost of Gas (as of December 1, 2023)	\$4.595 per dk
Interim Rate Adjustment	37.763%

Firm General Natural Gas Service – Rate 70

Rate:

Basic Service Charge:	
Meters rated under 500 cubic feet per hour	\$0.55 per day
Meters rated over 500 cubic feet per hour	\$1.68 per day

Distribution Delivery Charge:

Meters rated under 500 cubic feet per hour	\$0.930 per dk
Meters rated over 500 cubic feet per hour	\$1.147 per dk
Conservation Tracking Adjustment.....	\$0.015 per dk
Cost of Gas (as of December 1, 2023)	\$ 4.595 per dk
Interim Rate Adjustment	37.763%

Small Interruptible General Natural Gas Service – Rate 71

Rate:

Basic Service Charge	\$180.00 per month
Distribution Delivery Charge:	
Maximum Rate	\$0.342 per dk
Minimum Rate.....	\$0.047 per dk
Cost of Gas (as of December 1, 2023)	\$3.003 per dk
Interim Rate Adjustment	37.763%

Optional Seasonal General Natural Gas Service – Rate 72

Rate:

Basic Service Charge:	
Meters rated under 500 cubic feet per hour	\$0.55 per day
Meters rated over 500 cubic feet per hour	\$1.68 per day
Distribution Delivery Charge:	
Meters rated under 500 cubic feet per hour	\$0.930 per dk
Meters rated over 500 cubic feet per hour	\$1.147 per dk
Conservation Tracking Adjustment.....	\$0.015 per dk
Cost of Gas (as of December 1, 2023)	\$4.759 per dk
Interim Rate Adjustment	37.763%

Transportation Service General Natural Gas Service – Rate 81 & 82

Rate:

Basic Service Charge	
Rate 81	\$180.00 per month
Rate 82	\$275.00 per month
Distribution Delivery Charge:	
Maximum Rate	
Rate 81	\$0.342 per dk
Rate 82	\$0.191 per dk
Minimum Rate	
Rate 81	\$0.047 per dk
Rate 82	\$0.036 per dk
Interim Rate Adjustment	37.763%

Large Interruptible General Natural Gas Service – Rate 85

Rate:

Basic Service Charge	\$275.00 per month
Distribution Delivery Charge:	

Maximum Rate.....	\$0.191 per dk
Minimum Rate.....	\$0.036 per dk
Cost of Gas (as of December 1, 2023).....	\$3.003 per dk
Interim Rate Adjustment.....	37.763%

How to calculate your bill

This information is to assist you in checking your bill. A residential service (Rate 60) is used for this example.

1. Assume use of 10.5 dk in March.
 2. Basic Service Charge (31 days x \$0.30 per day)..... \$9.30
 3. Distribution Delivery Charge:
10.5 dk @ \$1.836 \$19.28
 4. Conservation Tracking
10.5 dk @ \$0.015 \$0.16
 5. Cost of Gas
10.5 dk @ \$4.595 \$48.25
 6. Interim Rate Increase
(\$9.30 + \$19.28) x 37.763% \$10.79
- Total Bill (not including Tax) \$87.78**

Further information, applicable rates, rules and regulations are available at www.montana-dakota.com or by calling 1-800-638-3278.