

Montana-Dakota Utilities Co.

NOTICE TO CUSTOMERS OF FILING

TRANSMISSION COST RECOVERY RIDER

On March 1, 2019, Montana-Dakota Utilities Co. (Montana-Dakota) filed its 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 proposed TCRR rate includes South Dakota's allocation of transmission related revenues, credits, and expenses assessed by both the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) for transmission service, not currently recovered through electric service rates and a true-up amount from the current TCRR rate. In addition, the Company is including the revenue requirement associated with two transmission projects in its projected 2019 costs.

Montana-Dakota has requested the proposed TCRR rate effective with service rendered on and after May 1, 2019, subject to Commission review and approval. This change is only being proposed at this time and will not be effective until Commission action has been taken.

Proposed Transmission Cost Recovery Rate: \$0.00530 per Kwh

If approved, a typical residential customer using 853 Kwh would see a decrease of \$0.13 per month, or \$1.56 annually.

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