

Transmission Cost Recovery Rider

Effective May 1, 2020

On February 28, 2020, Montana-Dakota Utilities Co. (Montana-Dakota) filed its initial 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 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 2020 costs.

On April 20, 2020, the Commission approved the Company's request to update the TCRR rate with the new rate effective May 1, 2020. The Transmission Cost Rider 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 \$0.00515 per Kwh and the new TCRR rate of \$0.00513 per Kwh, excluding taxes. A typical residential customer using 853 Kwh would see a decrease of \$0.02 per month, or \$0.24 annually.

Kwh	Current Rate	New Rate	Change	% Change
500	63.28	63.27	(0.01)	-0.02%
600	74.44	74.43	(0.01)	-0.01%
700	85.62	85.6	(0.02)	-0.02%
800	95.29	95.27	(0.02)	-0.02%
900	103.47	103.45	(0.02)	-0.02%
1,000	111.64	111.62	(0.02)	-0.02%

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