

## Electric 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 electric rate increase application. As previously noticed in your September 2023 bill, Montana-Dakota filed an electric 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 of \$3.0 million or 17.3 percent over current rates. The Company has made significant investments in its electric infrastructure to ensure safe and reliable service to customers, as well as investments in technology to provide better service since the Company's last rate case in 2015 causing the need for an increase in rates.

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.

On January 26, 2024, Montana-Dakota filed a Notice of Intent to Implement Interim Electric Service Rates with the Commission, reflecting an interim revenue increase of \$2.7 million. Interim rates will be implemented effective with service rendered on and after March 1, 2024. If the final approved increase is lower than the interim increase, Montana-Dakota will refund the difference to customers with interest. The Company's Infrastructure Rider, Transmission Cost Recovery Rider, and Fuel and Purchased Power Adjustment will change effective March 1, 2024. The March 1, 2024 changes are summarized in the table below.

Rates Effective	Electric Rates	Transmission Rider/Kwh	Infrastructure Rider/Kwh	Fuel and Purchased Power/Kwh
March 1, 2024	58.376%*	0.370¢	0.273¢	3.911¢
Current Rate		1.632¢	0.523¢	4.471¢
Difference	58.376%	(1.262¢)	(0.250¢)	(0.560¢)
% Change	100.0%	(77.3%)	(47.8%)	(12.5%)

\*The interim increase will be applied as a percent of your electric service bill (excluding the Fuel and Purchased Power and the Transmission Cost Recovery and Infrastructure Riders) 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.

**Residential Electric Service – Rate 10**

**Rate:**

Basic Service Charge.....	\$0.247 per day
Energy Charge	
First 750 Kwh per month .....	7.862¢ per Kwh
Over 750 Kwh per month.....	4.862¢ per Kwh
F&PP Adjustment (as of March 1, 2024).....	3.911¢ per Kwh
Transmission Cost Rider.....	0.370¢ per Kwh
Infrastructure Rider .....	0.273¢ per Kwh
Interim Rate Increase .....	58.367%

**Small General Natural Electric Service – Rate 20**

**Rate:**

*Secondary Service:*

Basic Service Charge.....	\$0.54 per day
Demand Charge:	
First 10 Kw or less in billing demand .....	No Charge
Over 10 Kw per month of billing demand.....	\$6.00 per Kw
Energy Charge:	
October - May	
First 2,000 Kwh per month.....	6.187¢ per Kwh
Over 2000 Kwh per month .....	4.187¢ per Kwh
June - September .....	6.187¢ per Kwh
F&PP Adjustment (as of March 1, 2024).....	3.911¢ per Kwh
Transmission Cost Rider.....	0.370¢ per Kwh
Infrastructure Rider .....	0.273¢ per Kwh
Interim Rate Adjustment.....	58.367%

**Large General Natural Electric Service – Rate 30**

**Rate:**

*Secondary Service*

Basic Service Charge.....	\$30.00 per month
Demand Charge	
October – May .....	\$7.25 per Kw
June – September .....	\$8.25 per Kw
Energy Charge: .....	2.487¢ per Kwh
F&PP Adjustment (as of March 1, 2024).....	3.911¢ per Kwh
Transmission Cost Rider.....	0.370¢ per Kwh
Infrastructure Rider .....	0.273¢ per Kwh
Interim Rate Adjustment.....	58.367%

**How to calculate your bill**

This information is to assist you in checking your bill and to show the bill impact due to the change in rates March 1, 2024. A residential Rate 10 customer's bill is used for this example. Assume a monthly use of 900 Kwh.

	March 1, 2024 Rates	Current Rates	\$ Change
Basic Service Charge (31 days @ \$0.247/day)	\$7.66	\$7.66	\$0.00
Energy Charge:			
750 Kwh @ \$0.07862/Kwh	\$58.97	\$58.97	\$0.00
150 Kwh @ \$0.04862/Kwh	\$7.29	\$7.29	\$0.00
Fuel & Purchased Power	\$35.20	\$40.24	(\$5.04)
Transmission Cost Rider	\$3.33	\$14.69	(\$11.36)
Infrastructure Rider	\$2.46	\$4.71	(\$2.25)
Interim Rate Adjustment (\$73.92 x 58.367%)	\$43.14	\$0.00	\$43.14
<b>Total Bill (not including Taxes)</b>	<b>\$158.05</b>	<b>\$133.56</b>	<b>\$24.49</b>

**Other Rates Affected**

Rate 16-Optional Time-of-Day Residential Electric Service; Rate 20-Small General Electric Service (Primary); Rate 24-Outdoor Lighting Service; Rate 25-Irrigation Power Service; Rate 26-Optional Time-of-Day Small General Electric Service; Rate 30-Large General Electric Service (Primary); Rate 32-General Electric Space Heating Service; Rate 33-Optional Time-of-Day Large General Electric Service; Rate 34-Firm Service Economic Development; Rate 41-Street Lighting Service; Rate 45-High Density Contracted Demand Response; Rate 48-Municipal Pumping Service; Rate 53- Residential Electric Dual Fuel Space Heating Service; Rate 95-Occasional Power Purchase – Non-Time Differentiated; Rate 96 – Power Purchase Time Differentiated

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.