

Electric Rate Increase Effective September 1, 2024

On August 15, 2023, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the South Dakota Public Utilities Commission (SD PUC) for authority to increase its rates for electric service in South Dakota by approximately \$3.0 million or 17.3 percent. Montana-Dakota's last electric rate case increase in South Dakota was in 2016. 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 that time causing the need for an increase in its electric rates.

On March 1, 2024, as previously noticed in customers' March 2024 bills, Montana-Dakota implemented an interim rate applicable to all South Dakota customers. At that same time, Montana-Dakota also implemented proposed changes to the Company's two riders, the Transmission Cost Recovery Rider Rate 59 (Transmission Rider) and the Infrastructure Rider Rate 56 (Infrastructure Rider). Together, the interim rates and riders amounted to a net increase of \$2.7 million effective March 1, 2024.

On August 13, 2024, the South Dakota PUC authorized an overall net increase in revenues of approximately \$1.3 million or 7.93 percent annually to be effective September 1, 2024. As the final net revenue increase authorized was less than the interim rate increase implemented, Montana-Dakota will refund the difference with interest to customers no later than November 29, 2024. More information will be provided at the time the refund is applied to customers' accounts.

The current and new rates for various classes of service are shown below.

Residential Electric Service – Rate 10

	New Rates September 1, 2024	Interim Rates March 1, 2024
Basic Service Charge	\$0.329 per day	\$0.247 per day
Energy Charge		
October–May First 750 Kwh/mo.	\$0.10793 per Kwh	\$0.07862 per Kwh.
October–May Over 750 Kwh/mo.	\$0.07793 per Kwh	\$0.04862 per Kwh.
June–September	\$0.10793 per Kwh	\$0.07862 per Kwh.
Fuel & Purchased Power	\$x.xxxxx per Kwh	\$x.xxxxx per Kwh
Transmission Rider	(\$0.00216) per Kwh	(\$0.00216) per Kwh
Infrastructure Rider	\$0.00394 per Kwh	\$0.00394 per Kwh
Interim Rate		58.367%

Small General Electric Service – Rate 20 Secondary

	New Rates September 1, 2024	Interim Rates March 1, 2024
Basic Service Charge	\$0.90 per day	\$0.54 per day
Energy Charge		

October–May First 750 Kwh/mo.	\$0.08301 per Kwh	\$0.06187 per Kwh
October–May Over 750 Kwh/mo.	\$0.06301 per Kwh	\$0.04187 per Kwh
June–September	\$0.08301 per Kwh	\$0.06187 per Kwh
Demand Charge		
First 10 Kw	No Charge	No Charge
Over 10 Kw	\$8.00 per Kw	\$6.00 per Kw
Fuel & Purchased Power	\$x.xxxxx per Kwh	\$x.xxxxx per Kwh
Transmission Rider	(\$0.00216) per Kwh	(\$0.00216) per Kwh
Infrastructure Rider	\$0.00394 per Kwh	\$0.00394 per Kwh
Interim Rate		58.367%

Large General Electric Service – Rate 30 Secondary

	New Rates	Interim Rates
	September 1, 2024	March 1, 2024
Basic Service Charge	\$70.00 per month	\$30.00 per month
Energy Charge	\$0.04217 per Kwh	\$0.02487 per Kwh
Demand Charge		
October–May	\$10.25 per Kw	\$7.25 per Kw
June–September	\$11.25 per Kw	\$8.25 per Kw
Fuel & Purchased Power	\$x.xxxxx per Kwh	\$x.xxxxx per Kwh
Transmission Rider	(\$0.00216) per Kwh	(\$0.00216) per Kwh
Infrastructure Rider	\$0.00394 per Kwh	\$0.00394 per Kwh
Interim Rate		58.367%

Other Rates Available: Optional Time-of-Day Residential Rate 16, Small General Electric Rate 20 – Primary, Outdoor Lighting Rate 24, Irrigation Power Rate 25, Large General Rate 30 - Primary, General Electric Space Heating Rate 32, Optional Time-of-Day Rate 33, Firm Service Economic Development Rate 34, Public Lighting Service Rate 41 (formerly known as Street Lighting Service Rate 41), High Density Contracted Demand Response Rate 45, and Municipal Pumping Rate 48.

Residential Rate 10 Bill Comparison by Component

Following is a comparison to show the bill impact by rate component for a residential customer served under Rate 10. The example assumes a monthly use of 900 Kwh billed at the rates prior to the Company's request, the interim rates implemented March 1, 2024, and the new rates effective September 1, 2024.

	New Rates	Interim Rates	Rates Effective
	September 1, 2024	March 1, 2024	August 1, 2023
Basic Service Charge (31 days)	\$10.20	\$7.66	\$7.66
Energy Charge			
Summer Rate	\$97.14	\$70.76	\$70.76
Fuel & Purchased Power	\$xx.xx	\$xx.xx	\$xx.xx
Transmission Rider	(\$1.94)	\$3.33	\$14.69
Infrastructure Rider	\$3.55	\$2.46	\$4.71
Interim Rate		\$45.77	
Total Bill (not including taxes)	\$xxx.xx	\$xxx.xx	\$xxx.xx

Prorated Bill:

The first bill you receive may be prorated, depending on the date the meter is read. This means that any electric consumption used prior to September 1, 2024 will be billed at the old rate and any electric consumption used on and after September 1, 2024 will be billed at the new rate.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. An amount equal to 1% per month will be applied to any unpaid balance existing at the immediate subsequent billing date.

NSF/Returned Check Charge:

A charge of \$40.00 will be collected by Montana-Dakota for each check charged back to the Company by the customer’s financial institution.

Seasonal Reconnection Charges:

A charge of \$20.00 to customers with non-demand meters and \$40.00 to customers with demand meters will be collected for reconnecting electric service to a customer who requests reconnection of service, at a location where the same customer discontinued the same service during the preceding twelve months.

In accordance with the Administrative Rules of the South Dakota Public Utilities Commission 20:10:16:01, the Company must provide a comparison showing the bill impact at various levels of monthly consumption for customers served under Montana-Dakota’s standard residential rate, Residential Electric Service Rate 10. The actual impact to customers’ bills as a result of this rate increase will vary depending on the customer’s rate class, the amount of energy, and the season. The rates included in the table below do not include the interim rate as the intent is to show the impact to residential customers prior to and resulting from the Company’s request to increase rates in South Dakota.

Kwh	Summer Rates					Winter Rates				
	Present	Proposed	Amount of	Percent	Present Bill	Proposed Bill	Amount of	Percent		
	Bill	Bill	Increase	Increase					Increase	Increase
0	\$ 7.51	\$ 10.00	\$ 2.49	33.20%	\$ 7.51	\$ 10.00	\$ 2.49	33.20%		
400	\$ 56.47	\$ 61.53	\$ 5.06	8.96%	\$ 56.47	\$ 61.53	\$ 5.06	8.96%		
500	\$ 68.71	\$ 74.41	\$ 5.70	8.29%	\$ 68.71	\$ 74.41	\$ 5.70	8.29%		
600	\$ 80.95	\$ 87.29	\$ 6.34	7.83%	\$ 80.95	\$ 87.29	\$ 6.34	7.83%		
700	\$ 93.19	\$ 100.17	\$ 6.98	7.49%	\$ 93.19	\$ 100.17	\$ 6.98	7.49%		
800	\$ 105.43	\$ 113.05	\$ 7.62	7.23%	\$ 103.93	\$ 111.55	\$ 7.62	7.33%		
900	\$ 117.67	\$ 125.93	\$ 8.26	7.02%	\$ 113.17	\$ 121.43	\$ 8.26	7.30%		
1000	\$ 129.91	\$ 138.81	\$ 8.90	6.85%	\$ 122.41	\$ 131.31	\$ 8.90	7.27%		

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