



Natural Gas Distribution Rate Increase

Effective January 1, 2016

Montana-Dakota Utilities Co. (Montana-Dakota) filed a Natural Gas rate increase request with the South Dakota Public Utilities Commission (South Dakota PUC) on June 30, 2015. If approved, the request represents an overall increase of \$1.53 million or 3.1 percent. Montana-Dakota's last natural gas rate increase in South Dakota was in 2013 and resulted in an approximate 2 percent increase to customers. The primary reasons for this request to increase rates are increased operating costs, along with increased investment in the natural gas system servicing South Dakota customers.

On July 22, 2015 the Commission ordered the proposed rates suspended for 180 days, pursuant to South Dakota law, as the Commission considered the Company's case. The 180 day suspension period expired on December 27, 2015.

Montana-Dakota will implement interim rates effective with service rendered on and after January 1, 2016. If the final approved increase is lower than the interim increase, Montana-Dakota will refund the difference to its customers with interest.

A typical residential customer using 72 dk on an annual basis will see an average increase of approximately \$1.71 per month.