

NATURAL GAS INTERIM RATE REFUND

Natural gas service customers in South Dakota taking service between January 1, 2016 and June 30, 2016 will see an Interim Rate Refund bill credit on their bill issued in October. The refund is associated with the interim increase Montana-Dakota implemented on January 1, 2016 in its Application to increase natural gas rates filed with the South Dakota Public Utilities Commission (Commission) on June 30, 2015.

Montana-Dakota initially requested approval to increase rates for natural gas service by approximately \$1.53 million or 3.1 percent. The Commission authorized an increase in revenues of \$1.2 million or 2.45 percent annually on a final basis resulting in a refund to customers assessed the interim increase. Final rates were implemented with service rendered on and after July 1, 2016.

The refund is calculated by multiplying the customer's actual interim rate charges assessed during the period January 1, 2016 through June 30, 2016 by a refund factor of 21.817 percent. The bill credit includes interest, calculated by applying a 7% annual interest rate equal to the average refund balance for each month that interim revenues were collected. Applicable state and local taxes paid on the amount to be refunded are included in the Interim Rate Refund line item on your bill.



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