

## Secondary Service

|                                |                      |                 |
|--------------------------------|----------------------|-----------------|
| Basic Service Charge.....      | \$100.00 per mo..... | \$100.00 per mo |
| Energy Charge .....            | 2.936¢ per Kwh.....  | 2.883¢ per Kwh  |
| Demand Charge                  |                      |                 |
| October – May.....             | \$11.30 per Kw.....  | \$12.30 per Kw  |
| June – September.....          | \$12.65 per Kw.....  | \$13.65 per Kw  |
| Base Fuel & Purchased Power... | 2.542¢ per Kwh.....  | 2.900¢ per Kwh  |

## Other Rates Available:

Optional Time-of-Day Residential Electric Service – Rate 16; Irrigation Power Service – Rate 25; Optional Time of- Day Small General Electric Service – Rate 26; Optional Time-of-Day General Electric Service – Rate 31; General Electric Space Heating Service – Rate 32; Contract Service – Rate 35; Interruptible Large Power Demand Response – Rate 38; Public Lighting Service – Rate 41; Municipal Pumping Service – Rate 48; and Outdoor Lighting Service – Rate 52.



# NOTICE OF FILING

## Electric Rate Increase Requested

On November 4, 2022, Montana-Dakota Utilities Co., (Montana-Dakota) filed an application for authority to increase the Company's rates for electric service with the Montana Public Service Commission (Commission). The Company is requesting an increase of approximately \$10.5 million annually or an overall increase of 15 percent over current rates. Montana-Dakota's electric rates were last increased in two phases, first in September 2019 and then in September 2020.

The primary reason for the increase is increased investments necessary for providing safe and reliable service to the Company's Montana electric customers, in addition to increased operation and maintenance expenses, depreciation expenses, property taxes, and other expenses. The typical non-space heating residential customer using approximately 800 Kwh a month would see an increase of approximately \$17.00 per month or 19.2 percent. The Commission has up to ten months to issue a decision on the proposed increase.

Montana-Dakota has also requested an interim increase in revenues of \$1.7 million, or 2.7 percent over current rates. The proposed interim rate of 3.708%, if approved, would be applicable to the amounts billed under the Basic Service Charge, Energy Charge and Demand Charge and effective while the Commission considers the Company's application. The interim rate increase is subject to refund upon final approval of this case. A typical non-space heating residential customer using approximately 800 Kwh a month would see an

increase of approximately \$2.30 per month or 2.6 percent under the interim rate.

Montana-Dakota understands that prices have increased for many day-to-day activities because of rising inflation since mid-2021. A number of the investments that are a part of this request were made prior to this rising inflation and were prudent to ensuring safe and reliable electric service to the Company’s customers. The Company’s current rates do not reflect the cost of providing electric service to Montana customers and is the reason for the Company’s request to increase its electric rates at this time.

The proposed increase by rate class is as follows:

| <u>Customer Class</u>         | <u>Revenue Increase</u> |              |
|-------------------------------|-------------------------|--------------|
|                               | <u>\$</u>               | <u>%</u>     |
| Residential Service           | \$4,005,372             | 19.2%        |
| Small General Service         | \$1,877,835             | 15.1%        |
| Large General Service         | \$4,474,083             | 12.9%        |
| Municipal Pumping             | \$92,560                | 15.4%        |
| Lighting                      | \$49,565                | 10.3%        |
| <b>Total Montana Electric</b> | <b>\$10,499,415</b>     | <b>15.2%</b> |

The Company’s application, supporting testimony and exhibits are available by visiting the Company’s website at [www.montana-dakota.com/rates-and-services/rate-cases](http://www.montana-dakota.com/rates-and-services/rate-cases), the Commission’s website <https://psc.mt.gov/> or by contacting a customer service representative at 1-800-638-3278.

Proposed rates for various classes of service are shown below. The Fuel and Purchased Power rates are subject to change monthly.

**Current Rates      Proposed Rates**

**Residential Electric Service – Rate 10**

|                                |                     |                |
|--------------------------------|---------------------|----------------|
| Basic Service Charge.....      | \$0.19 per day..... | \$0.25 per day |
| Energy Charge                  |                     |                |
| October – May.....             | 6.520¢ per Kwh..... | 7.668¢ per Kwh |
| June – September.....          | 8.517¢ per Kwh..... | 9.665¢ per Kwh |
| Base Fuel & Purchased Power... | 2.542¢ per Kwh..... | 2.900¢ per Kwh |

**Small General Electric Service – Rate 20**

***Primary Service***

|                                |                     |                |
|--------------------------------|---------------------|----------------|
| Basic Service Charge.....      | \$0.65 per day..... | \$0.90 per day |
| Energy Charge                  |                     |                |
| October – May.....             | 3.764¢ per Kwh..... | 4.029¢ per Kwh |
| June – September.....          | 5.644¢ per Kwh..... | 5.909¢ per Kwh |
| Demand Charge                  |                     |                |
| First 10 Kw.....               | No Charge.....      | No Charge      |
| Over 10 Kw                     |                     |                |
| October – May.....             | \$12.00 per Kw..... | \$13.00 per Kw |
| June – September.....          | \$13.00 per Kw..... | \$14.00 per Kw |
| Base Fuel & Purchased Power... | 2.523¢ per Kwh..... | 2.714¢ per Kwh |

***Secondary Service***

|                                |                     |                |
|--------------------------------|---------------------|----------------|
| Basic Service Charge.....      | \$0.65 per day..... | \$0.90 per day |
| Energy Charge                  |                     |                |
| October – May.....             | 3.864¢ per Kwh..... | 4.129¢ per Kwh |
| June – September.....          | 5.744¢ per Kwh..... | 6.009¢ per Kwh |
| Demand Charge                  |                     |                |
| First 10 Kw.....               | No Charge.....      | No Charge      |
| Over 10 Kw                     |                     |                |
| October – May.....             | \$12.75 per Kw..... | \$13.75 per Kw |
| June – September.....          | \$14.00 per Kw..... | \$15.00 per Kw |
| Base Fuel & Purchased Power... | 2.542¢ per Kwh..... | 2.900¢ per Kwh |

**General Electric Service – Rate 30**

***Primary Service***

|                                |                      |                 |
|--------------------------------|----------------------|-----------------|
| Basic Service Charge.....      | \$230.00 per mo..... | \$255.00 per mo |
| Energy Charge.....             | 2.908¢ per Kwh.....  | 2.855¢ per Kwh  |
| Demand Charge                  |                      |                 |
| October – May.....             | \$11.10 per Kw.....  | \$12.10 per Kw  |
| June – September.....          | \$12.45 per Kw.....  | \$13.45 per Kw  |
| Base Fuel & Purchased Power... | 2.523¢ per Kwh.....  | 2.714¢ per Kwh  |

(over)