

Service – Rate 41; High Density Contracted Demand Response – Rate 45; Municipal Pumping Service – Rate 48; Outdoor Lighting Service – Rate 52.

Prorated Bill:

The first bill you receive may be prorated, depending on the date your meter was read. Bills are prorated to reflect the rates in effect at the time service was rendered, rather than when your bill is processed. This means that any electricity used prior to July 1, 2023 will be billed at the old rate and any electricity used on and after July 1, 2023 will be billed at the new rates.

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 \$15.00 will be collected by the Company for each check charged back to the Company by the customer's financial institution.

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



Electric Rate Increase Approved

New Rates Effective July 1, 2023



On May 16, 2022, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to increase the Company's electric rates. At that time, Montana-Dakota proposed an increase of approximately \$25.4 million annually or 12.3 percent over current rates. The primary reason for the increase was increased investments necessary for providing safe and reliable electric service to the Company's customers.

Effective July 15, 2022, the Commission approved an interim rate increase in the amount of \$10.9 million annually or an overall increase in rates of 5.3%. The interim rate of 8.909% was applicable to the amounts billed under the Basic Service Charge, Energy Charge, and Demand Charge.

On June 7, 2023, the Commission approved a Settlement Agreement between Montana-Dakota, the Advocacy Staff of the Commission, the AARP, Walmart Inc. and Marathon Petroleum Company LP, authorizing an overall increase in revenues of \$15.3 million or an overall increase in rates of 7.4 percent. This includes a movement in the recovery of costs related to the closure of three of the Company's generating units to now be collected through the Company's Generation Resource Recovery Rider rates instead of through the Company's other electric rate charges.

New electric rates will be effective with service rendered on and after July 1, 2023. The actual impact to customer's bills will vary depending on the customer's rate class and amount of energy used. A typical non-space heating residential customer using 800 kilowatt hours a month will see, on average, an increase of approximately \$8.27 per month under the new rates; however, \$5.09 was already being collected through the interim rates implemented July 15, 2022. The final average monthly increase is \$3.18

more than the rates a customer has been paying under the interim rates approved in July 2022.

The revenue increase was allocated to the following customer classes:

<u>Rate Class</u>	<u>Overall Increase</u>
Residential Service	9.5%
Small General Service	9.7%
General Service	5.5%
Public Lighting	7.3%
Municipal Pumping	8.6%
Outdoor Lighting Service	2.5%
Total North Dakota Electric	7.4%

The new rates, effective July 1, 2023, for various classes are shown below.

Residential Electric Service – Rate 10

Basic Service Charge	\$0.501 per day
Energy Charge October – May	
First 750 Kwh	\$0.06321 per Kwh
Over 750 Kwh	\$0.03321 per Kwh
Energy Charge June – September	\$0.06321 per Kwh
Renewable Resource Adjustment	\$0.00844 per Kwh
Generation Resource Recovery Rider	\$0.00422 per Kwh
Environmental Cost Recovery Rider	\$0.00000 per Kwh
Fuel & Purchased Power (eff 7/1/23)	\$0.01978 per Kwh
Transmission Cost Adjustment	\$0.00704 per Kwh

Small General Electric Service – Rate 20

Basic Service Charge	\$1.15 per day
Energy Charge October – May	
First 750 Kwh	\$0.05654 per Kwh
Over 750 Kwh	\$0.02654 per Kwh
Energy Charge June – September	\$0.05654 per Kwh
Renewable Resource Adjustment	\$0.00844 per Kwh
Generation Resource Recovery Rider	\$0.00422 per Kwh

Environmental Cost Recovery Rider	\$0.00000 per Kwh
Fuel & Purchased Power (eff 7/1/23)	\$0.01978 per Kwh
Transmission Cost Adjustment	\$0.00704 per Kwh

General Electric Service – Rate 30

Primary Service

Basic Service Charge	\$108.03 per month
Demand Charge	
October – May	\$12.05 per Kw
June – September	\$15.05 per Kw
Energy Charge	\$0.01538 per Kwh
Renewable Resource Adjustment	\$0.00768 per Kwh
Generation Rider	\$1.25361 per KW
Environmental Cost Recovery Rider	\$0.00000 per Kwh
Fuel & Purchased Power (eff 7/1/23)	\$0.01920 per Kwh
Transmission Cost Adjustment	\$0.00562 per Kwh

Secondary Service

Basic Service Charge	\$58.72 per month
Demand Charge	
October – May	\$10.01 per Kw
June – September	\$13.01 per Kw
Energy Charge	\$0.02444 per Kwh
Renewable Resource Adjustment	\$0.00768 per Kwh
Generation Resource Recovery Rider	\$1.25361 per KW
Environmental Cost Recovery Rider	\$0.00000 per Kwh
Fuel Clause Adjustment (eff 7/1/23)	\$0.01978 per Kwh
Transmission Cost Adjustment	\$0.00562 per Kwh

Other Rates Available:

Optional Residential Electric Thermal Energy Storage Service – Rate 13; 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; Firm Service Economic Development – Rate 34; Interruptible Large Power Demand Response – Rate 38; Small Municipal Electric Service – Rate 40; Public Lighting