

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 natural gas used prior to December 1, 2018 will be billed at the old rate and any natural gas used on and after December 1, 2018 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. A charge of \$15.00 will be collected by the Company for each check charged back to the Company by a bank.

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



Natural Gas Distribution Rate Increase



On July 21, 2017, Montana Dakota Utilities, Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to increase the Company's natural gas rates. At that time, Montana-Dakota proposed an increase of approximately \$5.9 million annually or 5.4 percent over current rates. The increase was primarily driven by increased investment in the Company's natural gas facilities to improve system safety and reliability and the depreciation and taxes associated with the increased investment.

On September 26, 2018 the Commission approved a Settlement Agreement between Montana-Dakota, the Advocacy Staff of the Commission, and the Federal Executive Agencies, authorizing an overall increase in distribution revenues of \$2,500,000 annually or 2.3 percent over current rates. On November 20, 2018, the Commission approved Montana-Dakota's natural gas rates reflecting the authorized increase with rates to be effective with service rendered on or after December 1, 2018.

The revenue increase was allocated to the following customer classes:

Residential	\$1,474,080	2.5%
Firm General	1,025,920	2.3%
Total	\$2,500,000	2.3%

A residential customer will see an increase of \$1.27 per month or \$15.19 annually.

As provided for in the Administrative Rules of North Dakota, and authorized by the Commission on September 6, 2017, Montana-Dakota implemented the first of two Interim Rates effective September 19, 2017 applicable to the amounts billed under the Basic Service Charge and Distribution Delivery Charge components of a customer's bill for all rate classes subject to refund pending a final Commission decision in this proceeding. On February 27, 2018, the Commission authorized updated Interim Rates to be effective March 1, 2018 reflecting the reduction in the federal corporate income tax rate, effective with the passage of the Tax Cuts and Jobs Act of 2017, on the Company's revenue requirement. As the final revenue increase authorized by the Commission was less than the interim rate increases implemented on September 19, 2017 and March 1, 2018, Montana-Dakota will refund the differences with interest to customers no later than March 1, 2019 in the form of a one time bill credit.

Applicable rates for various classes of service are shown below. The Cost of Gas is subject to change on a monthly basis.

	Current Rates	Effective December 1, 2018
Residential Service – Rate 60		
Basic Service Charge	\$0.6443 per day....	\$0.6860 per day
Cost of Gas	\$4.258 per dk	\$4.258 per dk
Firm General Service – Rate 70		
Basic Service Charge		
Under 500 cubic ft per hour	\$0.67 per day.....	\$0.70 per day
Over 500 cubic ft per hour	\$1.90 per day.....	\$2.05 per day
Distribution Delivery Charge ...	\$0.730 per dk	\$0.811 per dk
Cost of Gas	\$4.258 per dk	\$4.258 per dk

Small Interruptible General Gas Service – Rate 71

Basic Service Charge	\$175.00 per month ...	\$190.00 per month
Distribution Delivery Charge		
Maximum Rate	\$1.112 per dk	\$1.063 per dk
Minimum Rate	\$0.668 per dk	\$0.668 per dk
Cost of Gas	\$3.102 per dk	\$3.102 per dk

Transportation Service – Rates 81 and 82

Small Interruptible Rate 81		
Basic Service Charge	\$175.00 per month ...	\$190.00 per month
Maximum Rate	\$0.668 per dk	\$0.668 per dk
Minimum Rate	\$0.102 per dk	\$0.102 per dk
Large Interruptible Rate 82		
Basic Service Charge	\$1,000.00 per month ...	\$1,500.00 per month
Maximum Rate	\$0.297 per dk	\$0.231 per dk
Minimum Rate	\$0.061 per dk	\$0.061 per dk

Large Interruptible General Gas Service – Rate 85

Basic Service Charge	\$1,000.00 per month ...	\$1,500.00 per month
Distribution Delivery Charge		
Maximum Rate	\$0.718 per dk	\$0.718 per dk
Minimum Rate	\$0.297 per dk	\$0.231 per dk
Cost of Gas	\$3.102 per dk	\$3.102 per dk

Other Rates Available: Optional Seasonal General Gas Service Rate 72, Firm General Contracted Demand Service Rate 74, Residential Propane Service Rate 90, and Firm General Propane Service Rate 92. Rates 90 and 92 are applicable in the community of Hettinger, North Dakota only.

Firm General Contracted Demand Service Rate 74: new rate schedule applicable to non-residential customers with standby natural gas generators or for non-residential customers who otherwise qualify for interruptible service but have requested, and received, Company approval for firm gas service.