



# **Electric Interim Rate**

**Effective April 1, 2019**

On September 28, 2018, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the Montana Public Service Commission (Commission) for authority to increase the Company's rates for electric service. If approved by the Commission, the proposed new rates will result in an increase in total revenue of \$11.9 million annually or 18.9 percent over current rates. The primary reason for the increase is increased investment in facilities necessary for providing safe and reliable service to the Company's electric customers, in addition to increased operation and maintenance expenses, depreciation, and property taxes. The price increase is being offset by tax savings associated with the Tax Cuts and Jobs Act of 2017.

The Administrative Rules of Montana allow Montana-Dakota to charge an interim rate, if authorized by the Commission, while the Commission considers the Company's request. On March 7, 2019, the Commission approved an interim rate increase in the amount of \$7,935,155 annually or an overall increase of 12.59 percent. The Commission is allowed nine months, from the date of the Company's filing, to issue a final decision. If the final approved increase is lower than the interim increase, Montana-Dakota will refund the difference to its customers with interest. On average, a residential customer using 767 Kwh a month will see an increase of \$10.06 a month.

The interim rate increase will be effective with service rendered on and after April 1, 2019. The Interim Rate of 19.958% will be applied to the Basic Service Charge, Energy Charges, and Demand Charges applicable under each rate schedule and will be shown as a separate line

(over)

item on your bill. The first bill you receive may be prorated, depending on the date your meter is read. This means that only the portion of your bill for service on and after April 1, 2019 will reflect the Interim Rate.

### How to calculate your bill

A residential (Rate 10) customer using 1,000 Kwh in winter is used in the following example.

Basic Service Charge (\$0.17 per day x 30 days) .....	\$5.10
Energy Charge (\$0.05176 x 1,000 Kwh).....	\$51.76
Fuel & Purchased Power* (\$0.02901 x 1,000 Kwh).....	\$29.01
USBC (\$0.001566 x 1,000 Kwh).....	\$1.57
Tax Tracking Adjustment (((\$5.10 + 51.76) x 10.7346%).....	\$6.10
Deferred Tax Recover (((\$5.10 + 51.76) x 0.331%).....	\$0.19
Interim Adjustment (((\$5.10 + 51.76) x 19.958%).....	\$11.35
<b>Total bill .....</b>	<b>\$105.08</b>

\*Fuel and Purchased Power Adjustment effective April 1, 2019.

The proposed rate schedules as submitted by the Company on September 28, 2018 and the rate schedules implemented on April 1, 2019 are on file at Montana-Dakota's offices and available for inspection upon request. The information can also be found at the Company's website noted below.

The Montana Consumer Counsel may be reached at 406-444-2771 and is available to represent customers interest regarding the Company's application for an increase in electric rates.

For further information, applicable rates, rules and regulations are available online at [www.montana-dakota.com](http://www.montana-dakota.com) or by calling 1-800-638-3278.