

**Montana-Dakota Utilities Co.
Notice of Annual Update to the
Generation Resource Recovery
Rider Filed with the North Dakota
Public Service Commission**

On November 2, 2018, Montana-Dakota Utilities Co. (Montana-Dakota) filed its application with the North Dakota Public Service Commission (Commission) to update its Generation Resource Recovery Rider (GRRR) rates in accordance with the Company's Generation Resource Recovery Rider Adjustment Rate 56 tariff that states the rates will be revised annually to reflect the most recent projected costs to be recovered.

The proposed GRRR rates include North Dakota's allocation of the Company's investment in its Reciprocating Internal Combustion Engines (RICE) units at its Lewis & Clark Generation Station that are not being recovered through the Company's electric rates.

Montana-Dakota has requested the proposed GRRR rates be effective with service rendered on and after February 1, 2019, subject to Commission review and approval. This change is only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a typical residential customer using 894 Kwh will see a decrease of \$0.57 per month or a decrease of \$6.84 annually. The GRRR is shown as a separate line item on your bill.

**Notice of Annual Update to the Generation
Resource Recovery Rider (Cont.)**

RESIDENTIAL & SMALL GENERAL

Applicable Rate Schedules .. 10, 13, 16, 20, 25, & 40	
Current Rate	\$0.00251 per Kwh
Proposed Rate	\$0.00187 per Kwh
Change	\$0.00064 per Kwh

LARGE GENERAL

Applicable Rate Schedules	30, 31, 38, & 48
Current Rate	\$0.72702 per Kw
Proposed Rate	\$0.55642 per Kw
Change	\$0.17060 per Kw

SPACE HEATING

Applicable Rate Schedule	32
Current Rate	\$0.40665 per Kw
Proposed Rate	\$0.25220 per Kw
Change	\$0.15445 per Kw

LIGHTING

Applicable Rate Schedules	41 & 52
Current Rate	\$0.00097 per Kwh
Proposed Rate	\$0.00087 per Kwh
Change	\$0.00010 per Kwh

For more information, please contact a
Montana-Dakota representative
at 1-800-638-3278.



**Montana-Dakota Utilities Co.
Notice of Annual Update to the
Renewable Resource Cost
Adjustment Filed with the North Dakota
Public Service Commission**

On November 2, 2018, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered.

The proposed Renewable Resource Cost Adjustment rates include North Dakota's allocation of the Company's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates and the amortization of the under-recovered RRCA balance through 2018.

Montana-Dakota has requested the proposed RRCA rates be effective with service rendered on and after February 1, 2019, subject to Commission review and approval. This change is only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a typical residential customer using 894 Kwh will see an increase of \$1.52 per month, or \$18.24 annually. The RRCA is shown as a separate line item on your bill.

**Notice of Annual Update to the
Renewable Resource Cost
Adjustment (Cont.)**

RESIDENTIAL & SMALL GENERAL

Applicable Rate Schedules .. 10, 13, 16, 20, 25, & 40
Current Rate.....\$0.00607 per Kwh
Proposed Rate\$0.00777 per Kwh
Change.....\$0.00170 per Kwh

LARGE GENERAL

Applicable Rate Schedules 30, 31, 32, 38, & 48
Current Rate.....\$0.00586 per Kwh
Proposed Rate\$0.00754 per Kwh
Change.....\$0.00168 per Kwh

LIGHTING

Applicable Rate Schedules41 & 52
Current Rate.....\$0.00526 per Kwh
Proposed Rate\$0.00813 per Kwh
Change.....\$0.00287 per Kwh

For more information, please contact a
Montana-Dakota representative
at 1-800-638-3278.

**Montana-Dakota Utilities Co.
Notice of Annual Update to the
Transmission Cost Adjustment
Filed with the North Dakota Public
Service Commission**

On November 1, 2018, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Transmission Cost Adjustment (TCA) rates in accordance with the Company's Transmission Cost Adjustment Rate 59 tariff that states the rates will be revised annually to reflect the current level of costs to be recovered.

The proposed TCA rates include North Dakota's allocation of transmission related net expenses assessed by both the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) for transmission-related services currently not being recovered through the Company's electric service rates and a projected under-recovery of the deferred TCA balance.

Montana-Dakota has requested the proposed TCA rates be effective with service rendered on and after February 1, 2019, subject to Commission review and approval. The changes are only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a residential customer using 894 Kwh will see a decrease of \$0.69 per month or a decrease of \$8.28 annually. The TCA is shown as a separate line item on your bill.

**Notice of Annual Update to the
Transmission Cost Adjustment (Cont.)**

RESIDENTIAL & SMALL GENERAL

Applicable Rate Schedules .. 10, 13, 16, 20, 25, & 40
Current Rate.....\$0.00523 per Kwh
Proposed Rate\$0.00446 per Kwh
Change.....\$0.00077 per Kwh

LARGE GENERAL

Applicable Rate Schedules 30, 31, 38, & 48
Current Rate.....\$0.00444 per Kwh
Proposed Rate\$0.00372 per Kwh
Change.....\$0.00072 per Kwh

LIGHTING

Applicable Rate Schedules41 & 52
Current Rate.....\$0.00204 per Kwh
Proposed Rate\$0.00209 per Kwh
Change.....\$0.00005 per Kwh

For more information, please contact a
Montana-Dakota representative
at 1-800-638-3278.