

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 January 1, 2019 will be billed at the old rate and any natural gas used on and after January 1, 2019 will be billed at the new rates.

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

Natural Gas Rate Decrease Effective January 1, 2019 Reflecting Effects of Tax Cuts and Job Act of 2017

On December 21, 2017, the South Dakota Public Utilities Commission (Commission) received a filing from the Commission Staff (Staff) requesting a docket be opened to investigate the impact of the Tax Cuts and Jobs Act of 2017 (TCJA) on South Dakota customers. On December 29, 2017, the Commission issued an Order Requiring Comments; Order Requiring Rates in Effect January 1, 2018, are Subject to Refund; and Order Granting Intervention. On September 28, 2018, Staff and Montana-Dakota Utilities Co. (Montana-Dakota) filed a Joint Motion for Approval of Settlement Stipulation and a Settlement Stipulation, which would capture the 2018 benefits of the TCJA for Montana-Dakota customers through a refund to customers for 2018 and reduced electric rates to be effective January 1, 2019.

The Commission issued an Order approving the Settlement Stipulation on October 23, 2018 authorizing that the Company's current gas rates be reduced by \$339,207, or 0.7 percent annually, with new rates to be effective January 1, 2019. The average residential customer using 6 Dk a month would see a decrease of \$0.33 per month.



The Commission also authorized a gas rate refund plan for refunding to South Dakota gas customers a total of \$1,326,915. Customers billed for service in 2018 will receive a one-time bill credit on their gas bill issued between February 15, 2019 and March 15, 2019, based on each customer's 2018 consumption. The bill credit will be shown as a separate line item on the bill and will be identified as "Tax Act Refund".

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

	New Rates Effective
Current Rates	January 1, 2019

Residential Gas Service – Rate 60

Basic Service Charge	\$0.30 per day	.....	\$0.30 per day
Distribution Delivery Charge..	\$1.891 per Dk	.....	\$1.836 per Dk
Cost of Gas	\$4.075 per Dk	.....	\$4.075 per Dk
Conservation Tracking Adjustment (CTA)			
.....	\$0.029 per Dk	.....	\$0.029 per Dk

**Firm General Service – Rate 70
Under 500 cubic feet per hour**

Basic Service Charge	\$0.55 per day	.....	\$0.55 per day
Distribution Delivery Charge..	\$0.98 per Dk	.....	\$0.930 per Dk
Cost of Gas	\$4.075 per Dk	.....	\$4.075 per Dk
Conservation Tracking Adjustment (CTA)			
.....	\$0.029 per Dk	.....	\$0.029 per Dk

Over 500 cubic feet per hour

Basic Service Charge	\$1.68 per day	.....	\$1.68 per day
Distribution Delivery Charge	\$1.187 per Dk	.....	\$1.147 per Dk
Cost of Gas	\$4.075 per Dk	.....	\$4.075 per Dk

Conservation Tracking Adjustment (CTA)			
.....	\$0.029 per Dk	.....	\$0.029 per Dk

Small Interruptible Sales Service – Rate 71

Basic Service Charge ..	\$180.00 per month	....	\$180.00 per month
Distribution Delivery Charge			
Maximum Rate	\$0.348 per Dk	.....	\$0.342 per Dk
Minimum Rate	\$0.047 per Dk	.....	\$0.047 per Dk
Cost of Gas	\$2.916 per Dk	.....	\$2.916 per Dk

Small Interruptible Transportation Service - Rate 81

Basic Service Charge ..	\$180.00 per month	....	\$180.00 per month
Distribution Delivery Charge			
Maximum Rate	\$0.348 per Dk	.....	\$0.342 per Dk
Minimum Rate	\$0.047 per Dk	.....	\$0.047 per Dk

Large Interruptible Transportation Service - Rate 82

Basic Service Charge ..	\$275.00 per month	....	\$275.00 per month
Distribution Delivery Charge			
Maximum Rate	\$0.199 per Dk	.....	\$0.191 per Dk
Minimum Rate	\$0.036 per Dk	.....	\$0.036 per Dk

Large Interruptible Sales Service – Rate 85

Basic Service Charge ..	\$275.00 per month	....	\$275.00 per month
Distribution Delivery Charge			
Maximum Rate	\$0.199 per Dk	.....	\$0.191 per Dk
Minimum Rate	\$0.036 per Dk	.....	\$0.036 per Dk
Cost of Gas	\$2.916 per Dk	.....	\$2.916 per Dk

**Other Rates Available: Optional Seasonal
General Gas Service – Rate 72.**