



NATURAL GAS INTERIM RATE REFUND

Natural gas service customers in North Dakota taking service from Montana-Dakota Utilities Co. (Montana-Dakota) between September 19, 2017 and December 1, 2018 will see a one-time bill credit on this bill, titled "Interim Rate Refund". This refund is associated with the interim increase Montana-Dakota implemented on September 19, 2017 in the Company's Application to Increase Natural Gas Service Rates filed with the North Dakota Public Service Commission (Commission) on July 21, 2017.

In its July 2017 application, Montana-Dakota requested Commission approval to increase its natural gas rates by approximately \$5.9 million annually or 5.4 percent over current rates. On September 26, 2018, the Commission issued its Final Order, authorizing a final increase in rates of \$2.5 million annually or 2.3 percent over current rates. The final rates also reflect the decrease associated with the Tax Cuts and Jobs Act of 2017 enacted after Montana-Dakota's request to change rates was filed. As the final authorized increase was less than that implemented in September 2017 on an interim basis, Montana-Dakota must now refund to customers assessed the interim rate, an interim rate refund for the differential.

The refund was calculated by multiplying the customer's actual interim rate charges assessed for service provided during the period September 17, 2017 through December 1, 2018 by a refund factor of 13.546% percent. The bill credit includes interest at the three-month Treasury Bill rate as published by the Federal Reserve Board to the average monthly balances applicable during the interim rate period.



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