

Montana-Dakota Utilities Co.

NOTICE OF FILING

Natural Gas Distribution Rate Increase Requested

On June 22, 2020, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application for authority to increase the Company's rates for natural gas service with the Montana Public Service Commission (Commission). The Company is requesting an increase of approximately \$8.56 million annually or an overall increase of 13.4 percent over current rates. The primary reason for the increase is increased investments necessary for providing safe and reliable service to the Company's natural gas customers, in addition to increased operation and maintenance expense, depreciation expense, and property taxes. The Commission has up to ten months to issue a decision on the proposed increase.

If the Company's request is approved as filed, a residential customer's monthly bill would increase by an average of \$8.24 per month. A summary of the proposed increase by rate class and current and proposed rates is shown below. The Company's application, supporting testimony and exhibits are available by visiting the Company's website at www.montana-dakota.com/rates-and-services/rate-cases, the Commission's web site at <http://psc.mt.gov/> or by contacting a customer service representative at 1-800-638-3278.

Montana-Dakota has also requested an interim increase in revenues of \$4.9 million annually or an overall increase of 8.2 percent to be

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effective February 1, 2021. The interim increase, if approved, would allow the Company to implement an interim rate while the Commission considers the Company's application. The interim rate increase is subject to refund upon final approval in this case. A residential customer's bill would increase \$3.29 per month under the interim rate.

The proposed increase by rate class is as follows:

<u>Rate Class</u>	<u>Revenue Increase</u>	<u>% Increase</u>
Residential.....	\$7,571,275	19.81%
Firm General	892,944	3.76%
Small Interruptible	70,922	7.17%
Large Interruptible	24,388	2.95%
Total Montana	\$8,559,529	13.42%

Proposed rates for various classes of service are shown below. The Cost of Gas rates are subject to change monthly:

Current Rates Proposed Rates

Residential Gas Service – Rate 60

Basic Service Charge.....	\$0.26 per day	\$0.38 per day
Distribution Delivery Charge....	\$1.034 per dk	\$1.457 per dk
Cost of Gas Eff. 6-1-20	\$3.415 per dk	\$3.415 per dk
CTA (Rate 90)	\$0.014 per dk	\$0.014 per dk
Tax Tracking Adjustment.....	19.9336%	22.8468%

Residential Gas Service – Rate 70

Basic Service Charge		
Under 500 cubic ft per hr.....	\$0.45 per day	\$0.60 per day
Over 500 cubic ft per hr.....	\$0.90 per day	\$1.75 per day
Distribution Delivery Charge		
Under 500 cubic ft per hr.....	\$1.390 per dk	\$1.195 per dk
Over 500 cubic ft per hr.....	\$1.390 per dk	\$1.237 per dk

Cost of Gas Eff. 6-1-20	\$3.415 per dk	\$3.415 per dk
CTA (Rate 90)	\$0.014 per dk	\$0.014 per dk
Tax Tracking Adjustment.....	19.9336%	22.8468%

Small Interruptible General Gas Service - Rate 71

Basic Service Charge.....	\$225.00 per month	\$312.00 per month
Distribution Delivery Charge		
Maximum Rate	\$0.673 per dk	\$0.665 per dk
Minimum Rate	\$0.101 per dk	\$0.101 per dk
Cost of Gas Eff. 6-1-20.....	\$2.224 per dk	\$2.224 per dk
Tax Tracking Adjustment	19.9336%	22.8468%

Large Interruptible General Gas Service - Rate 85

Basic Service Charge.....	\$567.25 per month	\$567.25 per month
Distribution Delivery Charge		
Maximum Rate	\$0.460 per dk	\$0.500 per dk
Minimum Rate	\$0.050 per dk	\$0.050 per dk
Cost of Gas Eff. 6-1-20.....	\$2.224 per dk	\$2.224 per dk
Tax Tracking Adjustment	19.9336%	22.8468%

Other Rates Available:

Optional Seasonal General Gas Service – Rate 72, Transportation Service – Rates 81 and 82.

A hearing will be held on the Company's request at a time and location to be determined by the Commission. For more information, please contact the Montana Public Service Commission at (800) 646-6150. The Montana Consumer Counsel is also available to represent consumer interests regarding the Company's request at (406) 444-2771.