



Natural Gas Interim Rate

Effective February 1, 2021

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). If approved by the Commission, the proposed new rates will result in an increase in total revenue of \$8.56 million annually or 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 Administrative Rules of Montana allow Montana-Dakota to charge an interim rate, if authorized by the Commission, while the Commission considers the Company request. On January 14, 2021, the Commission approved an interim increase in the amount of \$4.9 million or 7.66 percent over current rates to be effective February 1, 2021. The Commission has up to ten months to issue a decision on the proposed increase. If the final approved increase is lower than the interim increase, Montana-Dakota will refund the difference to its customers with interest. Residential customers will see, on average, an increase of \$3.29 per month.

The interim rate of 22.658% is effective with service rendered on and after February 1, 2021. The interim rate will be applied to the amounts billed under the Basic Service Charge and Distribution Delivery Charge applicable under each rate schedule and will be shown as a separate line item on your bill. The first bill you receive may be prorated, depending on the date your meter is read. This means that

(over)

only the portion of your bill for service on and after February 1, 2021 will reflect the interim rate adjustment.

How to calculate your bill

This information is to assist you in checking your bill. A residential customer using 13 Dk (Rate 60) is used for this example.

Basic Service Charge	
(\$0.26 per day x 28 days)	\$7.28
Distribution Delivery Charge	
(\$1.034 per dk x 13 dk).....	\$13.44
Cost of Gas*	
(\$4.131 per dk x 13 dk).....	\$53.70
USBC	
(\$0.0655 per dk x 13 dk).....	\$0.85
Conservation Tracking Adjustment	
(\$0.014 per dk x 13 dk).....	\$0.18
Tax Tracking Adjustment	
(29.9694% x \$20.72**).....	\$6.21
Interim Adjustment	
(22.658% x \$20.72**).....	\$4.69
Total bill	\$86.35

*Cost of Gas effective January 1, 2021

** \$20.72 = Basic Service Charge of \$7.28 + Distribution Delivery Charge of \$13.44

The proposed rate schedules as submitted by the Company on June 22, 2020 and the rate schedules implemented on February 1, 2021 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 or by calling 1-800-638-3278.