

Generation Resource
 Recovery Rider\$1.25361 per Kw
 Transmission Cost Adjustment\$0.00636 per Kwh

Secondary Service

Basic Service Charge.....\$56.00 per month
 Demand Charge:
 October – May\$10.08 per Kw
 June – September\$13.08 per Kw
 Energy Charge\$0.02606 per Kwh
 Fuel & Purchased Power.....\$0.02241 per Kwh
 Renewable Resource
 Cost Adjustment.....\$0.00838 per Kwh
 Generation Resource
 Recovery Rider\$1.25361 per Kw
 Transmission Cost Adjustment\$0.00636 per Kwh

Other Rates Available:

Optional Residential Electric Thermal Energy
 Storage Service – Rate 13; Optional Time-of Day
 Residential Electric Service – Rate 16; Irrigation
 Power Service – Rate 25; Optional Time-of-Day
 Small General Electric Service – Rate 26; Optional
 Time-of-Day General Electric Service – Rate 31;
 General Electric Space Heating Service – Rate
 32; Firm Service Economic Development – Rate
 34; Interruptible Large Power Demand Response
 – Rate 38; Small Municipal Electric Service – Rate
 40; Municipal Lighting Service – Rate 41; Municipal
 Pumping Service – Rate 48; Outdoor Lighting
 Service – Rate 52.



NOTICE OF FILING

North Dakota Electric Rate Increase Requested

On May 16, 2022, Montana-Dakota Utilities Co. (Montana-Dakota) filed an electric rate increase request with the North Dakota Public Service Commission (Commission). The Company is requesting an increase of approximately \$25.4 million in additional revenue or an overall increase of 12.3 percent over current rates if approved by the Commission. Montana-Dakota’s electric rates, excluding rate riders, were last increased in August 2017 as a result of the Company’s 2016 electric rate case.

The primary reason for the increase is increased investments necessary for providing safe and reliable electric service to the Company’s customers. If the increase is granted as filed, the typical non-space heating residential customer using 800 kilowatt hours a month would see an increase of approximately \$14.94 per month. The Commission has up to seven months to render a decision on the Company’s request.

Montana-Dakota has also requested an interim increase in revenues of \$11.4 million or an overall increase of 5.6 percent over current rates. The proposed interim rate of 9.317% would be applicable to the amounts billed under the Basic Service Charge, Energy Charge and Demand Charge of each rate schedule to be effective July 15, 2022. A typical non-space heating residential customer using 800 kwh a month would see an increase of approximately \$5.33 a month. This request was made in accordance with North Dakota

law that provides for the collection of a portion of the amount requested on a final basis to be effective on an interim basis, subject to refund, during the time the Commission is investigating the Company's request to change rates.

Montana-Dakota understands that prices have increased for many day-to-day activities because of rising inflation since mid-2021. A number of the investments that are a part of this request were made prior to this rising inflation and were prudent in ensuring safe and reliable electric service to the Company's customers. The Company's current rates do not reflect the cost of providing electric service to North Dakota customers and the reason for the Company's request to increase its electric rates at this time.

The proposed increase by rate class is as follows:

<u>Customer Class</u>	<u>Revenue Increase</u>	
	<u>\$</u>	<u>%</u>
Residential Service	\$14,305,328	17.3%
Small General Service	\$2,214,086	18.4%
General Service	\$8,262,936	7.8%
Municipal Lighting	\$84,752	7.3%
Municipal Pumping	\$480,570	13.8%
Outdoor Lighting Service	\$17,886	4.2%
Total North Dakota Electric	<u>\$25,365,558</u>	<u>12.3%</u>

The Company's application, supporting testimony, and exhibits are available by visiting the Company's website at <https://montana-dakota.com/rates-and-services/rate-cases>.

Proposed rates for various classes of service are shown below:

Residential Electric Service – Rate 10

Basic Service Charge.....	\$0.67 per day
Energy Charge:	
October – May	
First 750 Kwh.....	\$0.06512 per Kwh
Over 750 Kwh.....	\$0.03512 per Kwh
June – September.....	\$0.06512 per Kwh
Fuel & Purchased Power.....	\$0.02241 per Kwh
Renewable Resource	
Cost Adjustment.....	\$0.00899 per Kwh
Generation Resource	
Recovery Rider	\$0.00422 per Kwh
Transmission Cost Adjustment....	\$0.00801 per Kwh

Small General Electric Service – Rate 20

Basic Service Charge.....	\$1.15 per day
Energy Charge:	
October – May	
First 750 Kwh.....	\$0.06756 per Kwh
Over 750 Kwh.....	\$0.03756 per Kwh
June – September.....	\$0.06756 per Kwh
Fuel & Purchased Power.....	\$0.02241 per Kwh
Renewable Resource	
Cost Adjustment.....	\$0.00899 per Kwh
Generation Resource	
Recovery Rider	\$0.00422 per Kwh
Transmission	
Cost Adjustment.....	\$0.00801 per Kwh

General Electric Service – Rate 30

Primary Service

Basic Service Charge.....	\$100.00 per month
Demand Charge:	
October – May	\$12.85 per Kw
June – September	\$15.85 per Kw
Energy Charge	\$0.01689 per Kwh
Fuel & Purchased Power.....	\$0.02179 per Kwh
Renewable Resource	
Cost Adjustment.....	\$0.00838 per Kwh

(over)