



TRANSMISSION COST RECOVERY RIDER Effective June 1, 2022

On March 1, 2022, Montana-Dakota Utilities Co. (Montana-Dakota) filed its initial application with the South Dakota Public Utilities Commission (Commission) to update its Transmission Cost Recovery Rider (TCRR) rate in accordance with the Company's Transmission Cost Recovery Rider Rate 59 tariff that states the rates will be revised annually to reflect the projected costs to be recovered through the next year. The TCRR rate includes South Dakota's allocation of transmission related revenues, credits, and expenses assessed by both the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) for transmission service, not currently recovered through electric service rates and a true-up amount from the current TCRR rate, and certain transmission projects benefitting South Dakota customers currently in service or expected to be in service in 2022.

On May 12, 2022, the Commission approved the Company's request to update the TCRR rate with the new rate effective June 1, 2022. The Transmission Cost Rider is shown as a separate line item on your electric bill.

The table below provides a comparison of a residential customer's summer bill at the current rate of \$0.00694 per Kwh and the new TCRR rate of \$0.01734 per Kwh, excluding taxes. A typical residential customer using 853 Kwh would see an increase of \$8.87 per month, or \$106.44 annually.

<u>Kwh</u>	<u>Current Rate</u>	<u>New Rate</u>	<u>Change</u>	<u>Percent Change</u>
500	\$64.96	\$70.16	\$5.20	8.00%
600	76.46	82.70	6.24	8.16%
700	87.97	95.25	7.28	8.28%
800	99.49	107.81	8.32	8.36%
900	110.99	120.35	9.36	8.43%
1,000	122.51	132.91	10.40	8.49%

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.