



**Updated Natural Gas
Interim Rate Effective
March 1, 2018
and Notification of
Change in Hearing Date**



On July 21, 2017, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) for an increase in the Company's natural gas rates in Case No. PU-17-295. Included with the Company's request was an application to charge an interim rate while the Commission considers the Company's request. On September 6, 2017, the Commission authorized Montana-Dakota to implement an interim increase in the amount of \$4.6 million annually, subject to refund upon a final Commission Order in the Company's pending rate case. On September 19, 2017, Montana-Dakota implemented an interim rate of 12.486% applicable to the amounts billed under the Basic Service Charge and the Distribution Delivery Charge components of a customer's bill.

On February 14, 2018, Montana-Dakota submitted an update to the Company's interim rate application to reflect the reduction in the federal corporate income tax rate from 35 percent to 21 percent effective with the passage of the Tax Cuts and Jobs Act of 2017 (TCJA) on December 22, 2017 effective for the 2018 tax year. On February 27, 2018 the Commission authorized Montana-Dakota to implement its updated interim increase in the amount of \$2.7 million annually, subject to refund upon a final Commission Order in the Company's pending rate case. This updated request reflects a decrease of \$1.9 million annually from the Company's request implemented in September 2017. The updated interim rate of 7.357% is effective with service rendered on and after March 1, 2018 and is applicable to the Basic Service Charge and the Distribution Delivery Charge components of a customer's bill. With the Company's updated interim request, a residential customer will see an interim rate adjustment of

approximately \$1.44 per month on their bill, or a reduction of approximately \$1.00 per month from the interim rates being charged today.

Also on February 14, 2018, the Commission voted to move the hearing regarding the Company's application that was originally scheduled to begin on February 28, 2018 to begin May 30, 2018 in order to allow Montana-Dakota to update its request to reflect all provisions of the TCJA and provide Commission Advocacy Staff and intervenors time to review the Company's updated request.

How to calculate your bill:

This information is to assist you in checking your Residential Rate 60 service bill, assuming a month's use of 10 dk.

A residential rate is used for this example.

1. Basic Service Charge 30 days @ \$0.6443 per day . \$19.33
2. Cost of Gas 10 dk @ \$4.266 per dk 42.66
3. Interim Adjustment 7.357% x \$19.33 \$1.42
4. Total Gas charges \$63.41

The first bill you receive may be prorated, depending on the date your meter is read. This means that the portion of your bill for service rendered from the start date of your bill period through February 28, 2018 is priced at the interim rate of 12.486% and the service rendered on and after March 1, 2018 is priced at the interim rate of 7.357%.

For further information, applicable rates, rules and regulations are available at www.montana-dakota.com or by calling 1-800-638-3278.