



Natural Gas Interim Rates

Effective September 19, 2017

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. If approved by the Commission, the proposed new rates will result in an increase in total revenue of \$5.9 million annually or 5.4 percent over current rates. The increase is primarily due to increased investment in the Company's natural gas facilities to improve system safety and reliability and the depreciation and taxes associated with the increased investment.

State law allows Montana-Dakota to charge an interim rate while the Commission considers the Company's request for a change in rates. On September 6, 2017, the Commission authorized Montana-Dakota to implement an interim increase in the amount of \$4.6 million annually or 4.2 percent over current rates to be effective September 19, 2017. The Commission is allowed seven months from the date of the Company's filing to issue a final decision on the Company's request. 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 an increase of \$2.44 per month.

The interim rate of 12.486% is effective with service rendered on and after September 19, 2017. The interim rate will be applied to the amounts billed for the Basic Service Charge and Distribution



In the Community to Serve®

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 only the portion of your bill for service on and after September 19, 2017 will reflect the interim rate adjustment.

The current applicable rates for various classes of service are shown below:

Residential Natural Gas Service – Rate 60

Rate:

Basic Service Charge. \$0.6443 per day
 Cost of Gas (as of June 1, 2017). \$3.892 per dk
 Interim Rate Adjustment. 12.486%

Residential Propane Service – Rate 90

Rate:

Basic Service Charge. \$0.6443 per day
 Cost of Propane (as of June 1, 2017) . . . \$6.654 per dk
 Interim Rate Adjustment. 12.486%

Firm General Natural Gas Service – Rate 70

Rate:

Basic Service Charge:
 Meters rated under
 500 cubic feet per hour \$0.67 per day
 Meters rated over
 500 cubic feet per hour \$1.90 per day
 Distribution Delivery Charge. \$0.730 per dk
 Cost of Gas (as of June 1, 2017). \$3.892 per dk
 Interim Rate Adjustment. 12.486%

Firm General Propane Service – Rate 92

Rate:

Basic Service Charge:
 Meters rated under
 500 cubic feet per hour \$0.67 per day
 Meters rated over
 500 cubic feet per hour \$1.90 per day
 Distribution Delivery Charge. \$0.730 per dk

Cost of Propane (as of June 1, 2017) . . \$6.654 per dk
 Interim Rate Adjustment. 12.486%

Other Rates Available:

Small Interruptible General Gas Service – Rate 71,
 Optional Seasonal General Gas Service – Rate 72,
 Transportation Service – Rates 81 and 82, Large
 Interruptible General Gas Service – Rate 85

How to calculate your bill

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

1. Assume a month's use of 10.22 Mcf*
2. Multiply the Mcf x 1.1439 (the average thermal factor** in Bismarck) = 11.7 dk
3. Determine bill calculations:

Basic Service Charge
 (30 days @ \$0.6443 per day) \$19.33
 Cost of Gas
 (10.0 dk @ \$3.892 per dk) \$38.92
 Interim Rate Adjustment
 \$19.33 x 12.486% \$2.41
Total bill. \$60.66

*Natural gas is measured by your natural gas meter in units called Mcf, which means “thousand cubic feet.” The Mcf is converted to dk by applying a thermal factor.

**The thermal factor is a combination of the Btu content of natural gas and the average atmospheric pressure at your location. This factor appears on your monthly bill.

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