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## **Montana Public Service Commission to review Montana-Dakota Utilities' request for 21.1% electricity rate increase**

**Helena, Mont.- July 7<sup>th</sup>, 2015** -The Montana Public Service Commission will review a request from Montana-Dakota Utilities for an \$11.8 million, or 21.1%, rate increase for its approximately 25,000 customers in eastern Montana. MDU filed the "rate case" on June 25.

The increase to the average MDU ratepayer is estimated to be about \$14.80 per month. The Montana PSC must by law issue an order on the rate case within 270 days after MDU filed the request. MDU's last general electric rate review was in 2011, when the Montana PSC approved an increase of just over 6%.

"The increasing regulation of energy production proposed by the federal government has concerned me ever since I was elected to the Commission," said PSC District 2 Commissioner Kirk Bushman, who represents Custer County. "Utilities like MDU will have to continue to invest millions to meet new federal requirements, and I expect utilities will continue to request larger rate increases than they have in years past as a result of these costly regulations. The Montana PSC will most assuredly review the proposal by Montana-Dakota Utilities to determine if it meets all the necessary standards, including providing long-term benefit to Montana-ratepayers.

Public Service Commission Vice Chairman Travis Kavulla represents northeastern Montana, including Sidney, Glendive, Plentywood and Wolf Point where MDU electric customers are located. He said, "We will review the request to determine if the utility took the most cost effective approach to supply their customers with energy."

MDU's application asks the Commission to authorize a 10% return for the capital invested by the company's shareholders. In addition to increasing the per-kilowatt-hour charge for energy, it would also increase the fixed monthly charge. MDU is also asking the Commission to approve additional "rate riders" on customers bills related to environmental and transmission costs. It also includes a proposed revision to the net-metering tariff under which customers who generate their own electricity are credited for excess production.

To view Montana-Dakota Utilities' news release regarding the rate increase request, visit <http://www.montana-dakota.com/utility-menu/news>

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