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April 28, 2005

Ms. Pamela Bonrud, Executive Director  
South Dakota Public Utilities Commission  
State Capitol  
500 East Capitol Street  
Pierre, SD 57501-5070

RECEIVED  
MAY 02 2005  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

**Re: In the Matter of Otter Tail Corporation d/b/a Otter Tail Power Company's  
Petition for approval of revisions to its Fuel Adjustment Clause Calculation  
SDPUC Case No. \_\_\_\_\_**

Dear Ms. Bonrud:

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota Part 20:10:13:12, enclosed for filing please find an original and 10 copies of Otter Tail Corporation d/b/a Otter Tail Power Company petition for approval of revisions to Otter Tail's Fuel Adjustment Clause calculation.

Should you have any questions with respect to this filing, please contact me at (218) 998-7108, [bgerhardson@ottertail.com](mailto:bgerhardson@ottertail.com) or Mr. Ron Spangler Jr., Regulatory Services Department, Otter Tail Power Company at (218) 739-8838, [rlspangler@otpc.com](mailto:rlspangler@otpc.com).

Very truly yours,

  
Bruce Gerhardson  
Associate General Counsel

Enclosures

**STATE OF SOUTH DAKOTA  
BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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In the Matter of Otter Tail Corporation  
d/b/a Otter Tail Power Company  
Petition for approval of revision to its  
Fuel Adjustment Clause Calculation

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Docket No.

PETITION

**I. INTRODUCTION.**

Pursuant to South Dakota Codified Laws Section 49-34A-10 and Administrative Rules of South Dakota (“ARSD”) Part 20:10:13:12, Otter Tail Corporation d/b/a Otter Tail Power Company (“Otter Tail”) petitions the South Dakota Public Utilities Commission (“the Commission”) for approval of a proposed change to the application of its Fuel Adjustment Clause (“FAC”) rate from a mid-month to a calendar month application. This change will allow all three state FAC rates to be applied on the same basis and allow for a better match of the kWh’s used in Otter Tail’s current true-up calculation. The calendar month application is also very desirable for internal budgeting and forecasting of energy costs and the FAC.

**II. GENERAL FILING INFORMATION.**

Pursuant to ARSD Part 20:10:13:12, Otter Tail provides the following general information.

**A. Name, Address, and Telephone Number of Utility.**

Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8200

**B. Name, Address, and Telephone Number of Utility Attorney.**

Bruce Gerhardson  
Associate General Council  
Otter Tail Corporation  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 998-7108

**C. Date of Filing and Date Changes Will Take Effect.**

This petition is being filed on April 28, 2005 and Otter Tail requests approval effective as of June 1, 2005.

**D. Statute Controlling Schedule for Processing the Filing.**

ARSD Part 20:10:13:15 requires a 30-day notice to the Commission of a proposed change in a utilities tariff schedule, after which time the proposed changes take effect unless suspended. Because no determination of Otter Tail's general revenue requirement is necessary, the report called for under Part 20:10:13:26 and the general notice provisions applicable to changes in rates is not applicable in this filing. Otter Tail requests an expedited and informal proceeding, including any variances that may be necessary.

**E. Title of Utility Employee Responsible for Filing.**

Ron Spangler Jr.  
Regulatory Services Department  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8838

### **III. DESCRIPTION OF FILING.**

#### **A. Background.**

The application of Otter Tail's FAC has been on a mid-month to mid-month basis for many years. In 2004, the Minnesota Public Utilities Commission required Otter Tail to propose an annual true-up mechanism to its Minnesota FAC. In order to simplify the implementation of the true-up, Otter Tail also requested permission to change the application of its Minnesota FAC from a mid-month application to a calendar month application. The Minnesota Public Utilities Commission approved Otter Tail's request for calendar month application of its FAC on December 27, 2004. Approval of this petition to the South Dakota Commission will allow Otter Tail to complete its efforts to have a consistent process in each of the three states in which it operates, as the Minnesota and North Dakota FAC rates are now applied on a calendar month basis. Application of the FCA rate for a calendar month will create a better match of the kWh's in the current true-up calculation.

#### **B. Authority.**

South Dakota Codified Laws Section 49-34A-25 states:

“The commission shall permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utility service in direct relation to changes in wholesale rates for energy delivered, the delivered costs of fuel used in generation of electricity, the delivered cost of gas, ad valorem taxes paid, or commission approved fuel incentives. The amended rate schedules shall be filed with the commission on or before the effective date of the change in costs, and if the commission determines that the revised rate schedule is in error, the commission may within ten days of receipt

thereof require by order the public utility to file a bond or other security upon such terms and conditions as the commission may require and for such purposes as contained in §§ 49-34A-17 and 49-34A-22. Such rates may go into effect on the date of the change in costs subject to the above refund provisions. Failure of the commission to enter an order in regard thereto shall be deemed approval. The public utility may appeal such order pursuant to and in accordance with § 49-34A-62.”

The statute does not state an application period to apply the FAC rate. Therefore, Otter Tail believes the statute allows flexibility for changing the FAC application from time to time. Otter Tail is not aware of any other statute or rule that would be more specific with respect to the application of the FAC rate.

**C. Proposed Changes.**

The proposed changes to the FAC Tariff are shown in Attachment 1 (redline version) and Attachment 2 (proposed final version). The original true-up calculation is shown in Attachment 3 and the changes to the true-up calculation as a result of changing the application of the FAC rate are shown in Attachment 4.

1. Change the application of the FAC rate.

We currently have our customer meters divided into twenty billing cycles. In the current FAC application, the calculated monthly FAC rate changes with the cycle 12 billing, which is just after the middle of the month. Otter Tail has used this method of mid-month application for at least 20 years. We believe applying the FAC rate on a calendar month basis is more consistent

with the costs and sales inputs for the FAC calculation, because these inputs are on a calendar month basis.

Administrative efficiency for handling the FAC would be greatly improved if FAC rates were applied on a calendar-month basis. The calendar month application is very desirable for internal budgeting and forecasting of energy costs and the FAC. As wholesale price volatility and levels increase, Otter Tail is devoting greater amounts of time to finding ways to make our annual budgets more accurate. The budgeting and analysis would be less complex and more accurate with the application of FAC rates on a calendar month basis. The greatest efficiency can be achieved if all three states in which we serve electric customers allow the same application timing.

The monthly FAC is calculated between the 12th and the 15th of a month, when accounting records for the previous month are complete. The new rate is then applied to customers' bills beginning with billing cycle 12, which usually falls between the 15th and 20th of the month. Rather than this mid-month rate change, we propose to apply the new FAC rate beginning on the first of the month following the calculation. This change adds about ten days to the lag between calculating the rate and applying the rate. In these times when the FAC is positive, this lag is not beneficial to the company; however, we believe the reasons described above for using a calendar month outweigh the delay in collecting the FAC revenue.

## 2. Changes to the true-up calculation.

Changing the application of the FAC rate requires changing the true-up portion of the FAC calculation. The current true-up calculation, which is shown in Attachment 3, compares the net energy costs recoverable with the energy costs recovered through the base and the application

of the FAC rate. However, the kWh's used to calculate the amount recovered through the base are on a different basis than the kWh's used to calculate the amount recovered through the application of the FAC rate. As shown on Line 3, Section II of Attachment 3, the kWh's used to calculate the amount recovered through the base are based on average kWh sales for the most recent 3-month true-up period. In contrast, the kWh's used to calculate the amount recovered through the application of the FAC rate are based on the most recent mid-month to mid-month kWh sales subject to the FAC, which is shown in Section I of Attachment 3. In order to eliminate this mismatch, the basis of the kWh sales subject to the FAC would be changed from the most recent mid-month to mid-month period to the most recent calendar month. As an example, Attachment 4 reflects this change made to the most recent true-up calculation filed as of the date of this petition.

**V. CONCLUSION.**

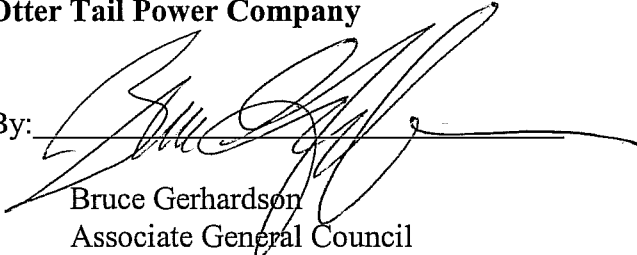
For the foregoing reasons, Otter Tail respectfully requests that the Commission approve the proposed revised FAC tariff and revised true-up calculation, to be effective as of June 1, 2005.

Dated: April 28, 2005

Respectfully submitted,

**Otter Tail Corporation d/b/a  
Otter Tail Power Company**

By: \_\_\_\_\_



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Associate General Council  
Otter Tail Corporation  
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Regulatory Services Department  
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Otter Tail Corporation d/b/a  
 OTTER TAIL POWER COMPANY,  
 Fergus Falls, Minnesota  
 ELECTRIC RATE SCHEDULE

Section No. 3, Volume I  
 87th Rev. Sheet No. 98-Super. 52 (T)  
 Canceling 76th Revised Sheet No. 52 (T)  
 Rate Designation M-60S, Page 1 of 2

### FUEL ADJUSTMENT CLAUSE

There shall be added to or deducted from the monthly bill the amount per kilowatt-hour (rounded to the nearest 0.001¢) that the average cost of fuel is above or below 1.5460¢ per kilowatt-hour. The average cost of fuel per kilowatt-hour for the current period shall be calculated from data covering actual costs from the most recent three month period as follows:

Energy costs from actual months 1, 2 and 3 plus unrecovered (or less over recovered) prior cumulative energy costs plus (or minus) the carrying charge, divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2 and 3 equals the cost of energy amount.

The applicable adjustment will be applied month to month on a uniform billing cycle to each customer's bill beginning with cycle 1 of the calendar month following the month when the adjustment is calculated. ~~at the earliest practical date following the three month period.~~ The cost of fuel shall be determined as follows: (T)

1. The expense of fossil and other fuels, including but not limited to, biomass, wood, refuse-derived fuel (RDF), and tire-derived fuel (TDF), as recorded in Account 151 of the FERC's Uniform System of Accounts for Public Utilities and Licensees, used in the Company's generating plants.
2. The utility's share of the expense of fossil fuel, as recorded in Account 151, used in jointly owned or leased plants.
3. The net energy cost of energy purchases when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges.
4. The net cost of energy purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis.
5. Renewable energy purchased for the TailWinds program is not included in the fuel clause adjustment calculation.
6. Costs or revenues linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets.
7. The actual identifiable fossil and nuclear fuel expense associated with energy purchased for reasons other than identified in 3 and 4 above.
8. Less the fossil fuel and other related costs recovered through intersystem sales, including the fuel costs and or renewal energy costs related to economy energy sales and other energy sold on an economic dispatch basis.

SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION  
 Approved: \_\_\_\_\_ April 7, 2005  
 Docket No. EL05-009

EFFECTIVE for services rendered on  
 and after ~~June~~ April 1, 2005  
 APPROVED: Bernadeen Brutlag (T)  
 Manager, Regulatory Services  
 Otter Tail Power Company

Otter Tail Corporation d/b/a  
OTTER TAIL POWER COMPANY,  
Fergus Falls, Minnesota  
ELECTRIC RATE SCHEDULE

Section No. 3, Volume I  
87th Rev. Sheet No. 98-Super. 52 (T)  
Canceling 76th Revised Sheet No. 52 (T)  
Rate Designation M-60S, Page 2 of 2

Where, for any reason, billed system sales cannot be coordinated with fuel and other related costs, sales may be equated to the total of:

1. Net generation
2. Purchases and net interchange in, less
3. Intersystem sales, less
4. Losses on system retail sales

A carrying charge or credit will be included to determine the monthly fuel adjustment factor. The carrying charge or credit will be determined by applying one twelfth (1/12) of the overall rate of return granted by the Commission in the most recent rate decision to the recorded deferred fuel cost balance of the latest fuel adjustment calculation.

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION  
Approved: \_\_\_\_\_ April 7, 2005  
Docket No. EL05-009

EFFECTIVE for services rendered on  
and after ~~June~~ April 1, 2005  
APPROVED: Bernadeen Brutlag (T)  
Manager, Regulatory Services  
Otter Tail Power Company

Otter Tail Corporation d/b/a  
 OTTER TAIL POWER COMPANY,  
 Fergus Falls, Minnesota  
 ELECTRIC RATE SCHEDULE

Section No. 3, Volume I  
 8th Rev. Sheet No. 98-Super. 52 (T)  
 Canceling 7th Revised Sheet No. 52 (T)  
 Rate Designation M-60S, Page 1 of 2

### FUEL ADJUSTMENT CLAUSE

There shall be added to or deducted from the monthly bill the amount per kilowatt-hour (rounded to the nearest 0.001¢) that the average cost of fuel is above or below 1.5460¢ per kilowatt-hour. The average cost of fuel per kilowatt-hour for the current period shall be calculated from data covering actual costs from the most recent three month period as follows:

Energy costs from actual months 1, 2 and 3 plus unrecovered (or less over recovered) prior cumulative energy costs plus (or minus) the carrying charge, divided by the associated energy (reduced for average system losses) associated with retail sales for actual months 1, 2 and 3 equals the cost of energy amount.

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2. The utility's share of the expense of fossil fuel, as recorded in Account 151, used in jointly owned or leased plants.
3. The net energy cost of energy purchases when such energy is purchased on an economic dispatch basis, exclusive of capacity or demand charges.
4. The net cost of energy purchases from any facility utilizing wind or other renewable energy conversion systems for the generation of electric energy, whether or not those purchases occur on an economic dispatch basis.
5. Renewable energy purchased for the TailWinds program is not included in the fuel clause adjustment calculation.
6. Costs or revenues linked to the utility's load serving obligation, associated with participation in wholesale electric energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the energy markets.
7. The actual identifiable fossil and nuclear fuel expense associated with energy purchased for reasons other than identified in 3 and 4 above.
8. Less the fossil fuel and other related costs recovered through intersystem sales, including the fuel costs and or renewal energy costs related to economy energy sales and other energy sold on an economic dispatch basis.

SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION  
 Approved: \_\_\_\_\_  
 Docket No. EL05-

EFFECTIVE for services rendered on  
 and after June 1, 2005 (T)  
 APPROVED: Bernadeen Brutlag  
 Manager, Regulatory Services  
 Otter Tail Power Company

Otter Tail Corporation d/b/a  
 OTTER TAIL POWER COMPANY,  
 Fergus Falls, Minnesota  
 ELECTRIC RATE SCHEDULE

Section No. 3, Volume I  
 8th Rev. Sheet No. 98-Super. 52 (T)  
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A carrying charge or credit will be included to determine the monthly fuel adjustment factor. The carrying charge or credit will be determined by applying one twelfth (1/12) of the overall rate of return granted by the Commission in the most recent rate decision to the recorded deferred fuel cost balance of the latest fuel adjustment calculation.

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SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION

Approved: \_\_\_\_\_

Docket No. EL05-

EFFECTIVE for services rendered on  
 and after June 1, 2005

APPROVED: Bernadeen Brutlag  
 Manager, Regulatory Services  
 Otter Tail Power Company

(T)

**COST OF ENERGY CALCULATION  
SOUTH DAKOTA OVER/UNDER  
MARCH 17, 2005**

**I. SYSTEM KWH SALES**

BILLINGS EFFECTIVE JANUARY 18, 2005 THRU FEBRUARY 15, 2005

	KWH SALES SUBJECT TO F.A.C.	TOTAL KWH SALES
(1) KWH SALES (END OF JANUARY)	359,228,282	408,582,111
(2) KWH SALES (BEFORE CY. "11" BILLS-JANUARY).	210,396,388	235,047,257
(3) KWH SALES (CYCLE 12-20) (LINE 1 - 2)	148,831,894	173,534,854
(4) KWH SALES (BEFORE CY. "11" BILLS-FEBRUARY).	205,616,243	230,232,462
(5) KWH SALES (PERIOD TOTAL) (LINE 3 + 4)	<u>354,448,137</u>	<u>403,767,316</u>

SOURCE: LINE (1)--FROM DAILY REVENUE REPORT (MONTH TO DATE - 1ST MONTH).  
LINE (2)--FROM DAILY REVENUE REPORT (MONTH TO DATE - 1ST MONTH).  
LINE (4)--FROM DAILY REVENUE REPORT (MONTH TO DATE - 2ND MONTH).

**II. PORTION OF NET ENERGY COSTS COLLECTED THRU F.A.C. BASE**

PERIOD: OCTOBER 2004 THRU DECEMBER 2004

	MONTH OCTOBER	MONTH NOVEMBER	MONTH DECEMBER	TOTAL FOR PERIOD	AVERAGE FOR PERIOD
(1) KWH SALES	280,363,335	304,251,894	342,228,034		
(2) F.A.BASE	\$0.015460	\$0.015460	\$0.015460		
(3) AMT. COLLECTED FROM F.A. BASE (LINE 1 X 2)	<u>\$4,334,417</u>	<u>\$4,703,734</u>	<u>\$5,290,845</u>	<u>\$14,328,996</u>	<u>\$4,776,332</u>

SOURCE: LINE (1)--FROM MONTHLY REVENUE REPORT BY REVENUE CLASS (SUBTOTAL).  
(EXCLUDES - CO. USE, FREE SERVICE, INTERSYSTEM SALES).  
LINE (2)--BASE AMOUNT THAT WAS APPLIED TO SALES ON LINE 1.  
LINE (3)--THREE MONTHS' TOTALS EXTENDED TO TOTAL FOR PERIOD...  
DIVIDED FOR AVERAGE FOR PERIOD.

III. OVER/(UNDER) RECOVERY CALCULATION

SD OVER/(UNDER) RECOVERY WORKSHEET

MARCH 17, 2005

BILLINGS EFFECTIVE JANUARY 18, 2005 THRU FEBRUARY 15, 2005

(1) KWH SALES FOR THE PERIOD SUBJECT TO F.A.C.		<u>354,448,137</u>
(2) TOTAL KWH SALES FOR THE PERIOD		<u>403,767,316</u>
(3) NET ENERGY COSTS RECOVERABLE FOR THE PERIOD THRU F.A.C.		
(4) NET ENERGY COST TO BE RECOVERED EXCL. PRIOR OVER/(UNDER) RECOVERIES	<u>\$6,472,980</u>	
(5) PORTION OF SUBTOTAL PREVIOUSLY COLLECTED THRU F.A.C. BASE	<u>\$4,776,332</u>	
(6) REMAINING PORTION OF NET ENERGY COSTS (LINE 4 - 5)	<u>\$1,696,648</u>	
(7) PERCENTAGE OF TOTAL KWH SUBJECT TO F.A.C. (LINE 1 / LINE 2)	<u>0.87785</u>	
(8) REMAINING NET ENERGY COSTS TO BE COLLECTED THRU F.A.C.(LINE 6 X LINE 7)	<u>\$1,489,402</u>	
(9) PRIOR OVER/(UNDER) RECOVERIES	<u>\$173,456</u>	
(10) NET ENERGY COSTS RECOVERABLE THRU F.A.C. (LINE 8 - LINE 9)	<u>\$1,315,947</u>	<u>\$1,315,947</u>
(11) F.A.C. RECOVERY RATE		<u>\$0.00320</u>
(12) AMOUNT RECOVERED BY THE F.A.C. (LINE 1 X LINE 11)		<u>\$1,134,234</u>
(13) OVER/(UNDER) RECOVERY BEFORE CARRYING CHARGE (LINE 12 - LINE 10)		<u>(\$181,713)</u>
(14) CARRYING CHARGE (ROR / 12 X LINE 13)		<u>(\$1,509)</u>
(15) OVER/(UNDER) RECOVERY (LINE 13 + LINE 14)		<u>(\$183,222)</u>

SOURCE: LINES 1 & 2 FROM MANUAL WORKSHEET FOR SYSTEM KWH SALES.

LINE 4 FROM TWO MONTHS' PREVIOUS F.A.C. CALCULATION FOR SO. DAK. (NET ENERGY COST BEFORE ADJ.)

LINE 5 FROM MANUAL WORKSHEET FOR ENERGY COSTS COLLECTED THRU F.A.C. BASE.

LINE 9 FROM LINE 15 OF THE WORKSHEET CALCULATED TWO MONTHS PREVIOUS.

LINE 11 F.A.C. RECOVERY RATE FOR SOUTH DAKOTA FROM TWO MONTHS' PREVIOUS CALCULATION.

LINE 14 CARRYING CHARGE (DEBIT OR CREDIT).

R.O.R. (OVERALL RATE OF RETURN) = 9.964

RATE GRANTED BY COMMISSION IN MOST RECENT RATE CASE.

**COST OF ENERGY CALCULATION  
SOUTH DAKOTA OVER/UNDER  
MARCH 17, 2005**

**I. SYSTEM KWH SALES**

BILLINGS EFFECTIVE FEBRUARY 1, 2005 THRU FEBRUARY 28, 2005

	KWH SALES SUBJECT TO F.A.C.	TOTAL KWH SALES
(1) KWH SALES FEBRUARY	340,802,713	387,820,454

SOURCE: LINE (1)--FROM MONTHLY REVENUE REPORT BY REVENUE CLASS (MONTH TO DATE)  
(EXCLUDES - CO. USE, FREE SERVICE, INTERSYSTEM SALES).

**II. PORTION OF NET ENERGY COSTS COLLECTED THRU F.A.C. BASE**

PERIOD: OCTOBER 2004 THRU DECEMBER 2004

	MONTH OCTOBER	MONTH NOVEMBER	MONTH DECEMBER	TOTAL FOR PERIOD	AVERAGE FOR PERIOD
(1) KWH SALES	280,363,335	304,251,894	342,228,034		
(2) F.A.BASE	\$0.015460	\$0.015460	\$0.015460		
(3) AMT. COLLECTED FROM F.A. BASE (LINE 1 X 2)	\$4,334,417	\$4,703,734	\$5,290,845	\$14,328,996	\$4,776,332

SOURCE: LINE (1)--FROM MONTHLY REVENUE REPORT BY REVENUE CLASS (SUBTOTAL).  
(EXCLUDES - CO. USE, FREE SERVICE, INTERSYSTEM SALES).

LINE (2)--BASE AMOUNT THAT WAS APPLIED TO SALES ON LINE 1.

LINE (3)--THREE MONTHS' TOTALS EXTENDED TO TOTAL FOR PERIOD...  
DIVIDED FOR AVERAGE FOR PERIOD.

III. OVER/(UNDER) RECOVERY CALCULATION

SD OVER/(UNDER) RECOVERY WORKSHEET

MARCH 17, 2005

BILLINGS EFFECTIVE FEBRUARY 1, 2005 THRU FEBRUARY 28, 2005

(1) KWH SALES FOR THE PERIOD SUBJECT TO F.A.C.		<u>340,802,713</u>
(2) TOTAL KWH SALES FOR THE PERIOD		<u>387,820,454</u>
(3) NET ENERGY COSTS RECOVERABLE FOR THE PERIOD THRU F.A.C.		
(4) NET ENERGY COST TO BE RECOVERED EXCL. PRIOR OVER/(UNDER) RECOVERIES	<u>\$6,472,980</u>	
(5) PORTION OF SUBTOTAL PREVIOUSLY COLLECTED THRU F.A.C. BASE	<u>\$4,776,332</u>	
(6) REMAINING PORTION OF NET ENERGY COSTS (LINE 4 - 5)	<u>\$1,696,648</u>	
(7) PERCENTAGE OF TOTAL KWH SUBJECT TO F.A.C. (LINE 1 / LINE 2)	<u>0.87876</u>	
(8) REMAINING NET ENERGY COSTS TO BE COLLECTED THRU F.A.C.(LINE 6 X LINE 7)	<u>\$1,490,946</u>	
(9) PRIOR OVER/(UNDER) RECOVERIES	<u>\$173,456</u>	
(10) NET ENERGY COSTS RECOVERABLE THRU F.A.C. (LINE 8 - LINE 9)	<u>\$1,317,491</u>	<u>\$1,317,491</u>
(11) F.A.C. RECOVERY RATE		<u>\$0.00320</u>
(12) AMOUNT RECOVERED BY THE F.A.C. (LINE 1 X LINE 11)		<u>\$1,090,569</u>
(13) OVER/(UNDER) RECOVERY BEFORE CARRYING CHARGE (LINE 12 - LINE 10)		<u>(\$226,922)</u>
(14) CARRYING CHARGE (ROR / 12 X LINE 13)		<u>(\$1,884)</u>
(15) OVER/(UNDER) RECOVERY (LINE 13 + LINE 14)		<u>(\$228,806)</u>

SOURCE: LINES 1 & 2 FROM MANUAL WORKSHEET FOR SYSTEM KWH SALES.

LINE 4 FROM TWO MONTHS' PREVIOUS F.A.C. CALCULATION FOR SO. DAK. (NET ENERGY COST BEFORE ADJ.)

LINE 5 FROM MANUAL WORKSHEET FOR ENERGY COSTS COLLECTED THRU F.A.C. BASE.

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LINE 11 F.A.C. RECOVERY RATE FOR SOUTH DAKOTA FROM TWO MONTHS' PREVIOUS CALCULATION.

LINE 14 CARRYING CHARGE (DEBIT OR CREDIT).

R.O.R. (OVERALL RATE OF RETURN) = 9.964

RATE GRANTED BY COMMISSION IN MOST RECENT RATE CASE.