

ENERGY EFFICIENCY PARTNERSHIP (EEP) COST RECOVERY RIDER

APPLICATION OF SCHEDULE: This rate schedule is applicable to electric service under all of Otter Tail Power Company's retail rate schedules.

ENERGY EFFICIENCY ADJUSTMENT: There shall be added to each customer's bill an Energy Efficiency Adjustment based on the applicable adjustment factor multiplied by the customer's monthly energy (kWh) usage.

DETERMINATION OF ENERGY EFFICIENCY ADJUSTMENT: The Energy Efficiency Adjustment shall be the quotient of the recoverable EEP Tracker Balance, divided by projected retail sales (kWh) for a designated 12-month recovery period. The Adjustment may be updated annually by approval of the South Dakota Public Utilities Commission (SD PUC). The recoverable EEP Tracker Balance is determined as follows:

1. EEP Tracker account balance as of the end of the prior year;
2. Plus EEP expenditures;
3. Plus financial incentives awarded by the SD PUC;
4. Plus carrying charge;
5. Minus EEP cost recovery through this Rider or base rates, if any.

All costs appropriately charged to the EEP Tracker account shall be eligible for recovery through this Rider and all revenues received from the application of the Energy Efficiency Adjustment shall be credited to the EEP Tracker account.