

**SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2**

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**INFRASTRUCTURE RIDER**

Section No. 5  
2nd Revised Sheet No. 74  
Cancelling 1st Revised Sheet No. 74

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**APPLICATION**

Applicable to bills for electric service provided under the Company's retail rate schedules.

**RIDER**

There shall be included on each customer's monthly bill an Infrastructure Rider adjustment charge, which shall be the Infrastructure Rider Adjustment Factor multiplied by the customer's monthly billing kWh for electric service. This Infrastructure Rider adjustment charge shall be calculated before any city surcharge or city and state sales tax.

**DETERMINATION OF INFRASTRUCTURE RIDER ADJUSTMENT FACTOR**

The Infrastructure Rider Adjustment Factor shall be calculated by dividing the forecasted balance of the Infrastructure Rider Tracker Account by the forecasted retail sales for the upcoming recovery period. The Infrastructure Rider Adjustment Factor shall be rounded to the nearest \$0.000001 per kWh.

The Infrastructure Rider Adjustment Factor may be adjusted annually subject to approval of an annual filing with the South Dakota Public Utilities Commission (Commission). Revisions to the Infrastructure Rider Adjustment Factor shall apply to bills rendered on and after January 1. The Infrastructure Rider Adjustment Factor for all rate schedules is:

All Customers	\$0.000792 per kWh
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A standard model will be used to calculate the total forecasted revenue requirements for each eligible project for the designated period, including a carrying charge, and these revenue requirements will be charged to the Infrastructure Rider Tracker Account. All costs appropriately charged to the Infrastructure Rider Tracker Account shall be eligible for recovery through this Infrastructure Rider. All revenues recovered from Infrastructure Rider Adjustment Factors shall be credited to the Infrastructure Rider Tracker Account.

Forecasted retail sales shall be the estimated total retail electric sales for the designated recovery period.

Projects eligible for inclusion in Infrastructure Rider

Projects eligible for recovery in the Infrastructure Rider effective on or after July 1, 2015 include 2015 capital projects specified in the settlement agreement in Docket No. EL14-058. For an Infrastructure Rider adjustment factor effective January 1, 2016 projects eligible for recovery include those projects as specified in the settlement agreement in Docket No. EL14-058 and capital investments consistent with SDCL § 49-34A-73 and that are not yet included in base rates or recovered through other mechanisms, subject to Commission approval.

(Continued on Sheet No. 5-75)

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		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	EL14-058		Order Date:	

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**INFRASTRUCTURE RIDER (Continued)**

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**ANNUAL ADJUSTMENT AND TRUE-UP**

An annual true-up will be filed by October 1 of each year with any changes in the Infrastructure Rider Adjustment Factor implemented the following January 1. The Infrastructure Rider will be updated to true-up the difference between actual costs and revenues for the prior period, reconciling any differences between estimated cost and in-service date and actual cost and in-service date, and include projected revenue requirements for the allowed investments in the following year. This process of true up to actual costs and reset of the Infrastructure Rider factor based on forecast for the following year will continue until the revenue requirements related to investments in the rider are moved into base rates in a future rate case. For each annual true-up, the Infrastructure Rider revenue requirements and carrying charge shall be calculated using the rate of return established in the most recently completed electric rate case. The Company's annual filing with the Commission shall include the total costs of the investments proposed for inclusion, the calculation of the annual revenue requirements for the investments included in the Infrastructure Rider, and the forecasted retail sales. All investments and costs proposed for inclusion in the Infrastructure Rider are subject to approval by the Commission

**CUSTOMER NOTICE**

The Company shall provide notice to customers of the change in the Infrastructure Rider Adjustment Factor by a bill message in the month the change is effective.

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