

FUEL CLAUSE RIDER (Continued)

Section No. 5
2nd Revised Sheet No. 64.2
Cancelling 1st Revised Sheet No. 64.2

INTERSYSTEM SALES MARGINS

Intersystem Sales Margins are defined as intersystem sales revenues less the sum of fuel, energy costs (including costs associated with MISO markets that are recorded in FERC Account 555), and any additional transmission costs incurred that are required to make such sales (referred to as "margins"). Retail customers will receive a per kWh credit for the retail share of total intersystem sales margins, as defined below:

1. Asset Based Margins: One hundred percent (100%) of the South Dakota state jurisdictional share of margins from asset based intersystem energy sales and ancillary services. These margins shall be the actual amounts of such margins recorded, subject to any MISO resettlements.
2. Non-Asset Based Margins: Thirty percent (30%) of the South Dakota state jurisdictional share of non-asset based margins from intersystem sales. These margins shall be the actual amounts of such margins recorded, subject to the FERC approved Joint Operating Agreement and any MISO resettlements. The retail share of the Non-Asset Based Margins will be calculated annually after the close of the calendar year, and will be credited to the Fuel Cost True-up Factor only if calendar year margins are positive. Margins equal to or less than \$100,000 will be refunded in one month and margins greater than \$100,000 will be refunded over 12 months.

The Company's retail customers will be served with the lowest cost resources available when the Company is engaged in asset-based transactions. For purposes of comparing which resources are lowest cost and for purposes of determining what order of dispatch constitutes "economic dispatch" under this rider, must-take and take-or-pay energy purchases and must-run resources, such as generation with minimum operating levels, intermittent wind, and run-of-river hydroelectric generation shall always be assigned to retail. Energy purchases that are necessary for reliable and adequate service to retail customers shall be procured at the lowest cost to the extent allowed by state or federal law or regulatory authority.

PROPERTY TAX ADJUSTMENT PROVISION

As permitted by SDCL 49-34A-25, a property tax adjustment will be determined annually and is defined as the difference between the South Dakota state jurisdictional share of property tax forecast for the calendar-year and the amount reflected in South Dakota base rates plus a true-up for prior year actual property tax recorded compared to that year's forecast. The resultant adjustment amount shall be recovered from customers. An annual adjustment amount equal to or less than \$100,000 will be recovered in one month and for an amount greater than \$100,000 will be recovered over a 12 month period beginning in April.

RATE SCHEDULES BY SERVICE CATEGORY

The FAF for each service category is applicable to the rate schedules as defined below:

Residential

Residential (E01, E03)
Residential TOD (E02, E04)
Residential Heat Pump Service (E06)
Energy Controlled Non-Demand (E10)
Limited Off-Peak (E11)

Commercial and Industrial Demand – Non-TOD

General (E15)
Peak Controlled (E20)

Commercial and Industrial Demand – TOD

General TOD (E16)
Peak Controlled TOD (E21)

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Commercial and Industrial Non-Demand

Energy Controlled Non-Demand (E10)

Limited Off Peak (E11)

Small General (E13)

Small General TOD (E14, E18)

Fire and Civil Defense Siren (E40)

Energy Controlled (E22)

Outdoor Lighting

Automatic Protective (E12)

Street Lighting System (E30)

Street Lighting Energy (E31)

Street Lighting Energy – Metered (E32)

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