Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of South Dakota
Electric Rate Schedule – SDPUC Volume No. 2

Section No. 3
Original Sheet No. 26

ENVIRONMENTAL COST RECOVERY RIDER Rate 57

N

1. Applicability:
This rate schedule represents an Environmental Cost Recovery Rider (ECRR) and specifies the procedure to be utilized to recover the jurisdictional costs to be incurred by the Company in complying with federal and state environmental mandates determined to be eligible for recovery under SDCL 49-34A-97. Costs to be recovered may include capital costs and operating expenses incurred for environmental improvements to existing generation facilities. Costs being recovered under this tariff are currently not included in the rates established at the time of the Company's last general rate case.

2. Environmental Cost Recovery Rider:

a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a South Dakota jurisdictional revenue requirement to be recovered through the ECRR. The return component of the revenue requirement calculation will be the authorized rate of return from the Company's most recent general rate case.
b. The ECRR is applicable to all retail customers for electric energy sold, except those served under special contracts, and are allocated amongst the rate classes based on the Company's AED Factor No. 2 established in the Company's most recent general rate case.
c. The ECRR will be adjusted annually (or other period authorized by the Commission) to reflect the Company's most recent projected capital costs and related expenses for projects determined to be eligible under SDCL 49-34A-97.
d. A true-up will reflect any over or under collection of revenue under the ECRR based on actual expenditures from the preceding twelve month recovery period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

3. Time and Manner of the Filing:
Montana-Dakota shall file the ECRR at least 30 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised ECRR tariff sheet identifying the amounts of the adjustment, the derivation of the ECRR and the resulting ECRR by class.

N

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ENVIRONMENTAL COST RECOVERY RIDER Rate 57

4. Environmental Cost Recovery Rider: N

Residential and Small General	0.000¢ per Kwh
Large General	0.000¢ per Kwh
Lighting	0.000¢ per Kwh

N

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TRANSMISSION COST RECOVERY RIDER Rate 59

N

3. Time and Manner of Filing:
Montana-Dakota shall file the Transmission Adjustment at least 30 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised Transmission Adjustment tariff sheet identifying the amounts of the adjustment, the derivation of the adjustment and the resulting Transmission Adjustment rate.

4. Transmission Cost Adjustment Rate by class:

Residential & Small General	0.000¢
Large General	0.000¢
Lighting	0.000¢

N

Date Filed: June 30, 2015 **Effective Date:**

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Docket No.: