Legislative

TRANSMISSION COST RECOVERY RIDER

Section No. 5
~~5th~~6th Revised Sheet No. 71
Cancelling ~~4th~~5th Revised Sheet No. 71

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 a Transmission Cost Recovery (TCR) adjustment, which shall be the TCR Adjustment Factor multiplied by the customer's monthly billing kWh for electric service. This TCR Adjustment shall be calculated before city surcharge and sales tax.

DETERMINATION OF TCR ADJUSTMENT FACTOR
The TCR Adjustment Factor shall be calculated by dividing the forecasted balance of the TCR Tracker Account by the forecasted retail sales for the calendar year. The TCR Adjustment Factor shall be rounded to the nearest $0.000001 per kWh.

The TCR Adjustment Factor may be adjusted annually with approval of the South Dakota Public Utilities Commission (Commission). The TCR Adjustment Factor shall apply to bills rendered on and after January 1st of the year. The TCR factor for all rate schedules is:

All Classes ~~$0.002417~~$0.002688 per kWh ~~R~~I

Recoverable Transmission Costs shall be the annual revenue requirements associated with transmission projects eligible for recovery under SDCL 49-34A-25.1 that are determined by the Commission to be eligible for recovery under this Transmission Cost Recovery Rider. A standard model will be used to calculate the total forecasted revenue requirements for eligible projects for the designated period. All costs appropriately charged to the Transmission Tracker Account shall be eligible for recovery through this Rider, and all revenues recovered from the TCR Adjustment shall be credited to the Transmission Tracker Account.

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

TRUE-UP
For each 12-month period ending December 31, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between the TCR Adjustment recoveries and the actual revenue requirements for such period. The true-up adjustment shall be calculated and recorded by no later than May 1 of the following calendar year and will be included in calculating the TCR Adjustment Factor effective with the start of the next designated recovery period.

For example, the Year 1 actual revenue requirements versus TCR Adjustment recoveries would be determined by May 1 of Year 2, at which time the Company would record an adjustment to the Tracker Account. The difference between the Year 1 actual revenue requirements and Year 1 TCR Adjustment recoveries would be included in the calculation of the TCR Adjustment factor filed by September 1 of Year 2 to be effective January 1 of Year 3.