



Fergus Falls, Minnesota

Third Revised Sheet No. 1 Cancelling Second Revised Sheet No. 1

ENVIRONMENTAL COST RECOVERY RIDER

DESCRIPTION	RATE CODE
Environmental Costs	71-570

REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

APPLICATION OF SCHEDULE: This rider is applicable to any electric service under all of the Company’s retail rate schedules.

COST RECOVERY ADJUSTMENT: There shall be included on each South Dakota Customer’s monthly bill an Environmental Cost Recovery (ECR) Adjustment, which shall be the ECR Adjustment Factor multiplied by the customer’s billing kWh for electric service. The ECR Adjustment shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company’s electric service. The following charges are applicable in addition to all charges for service being taken under the Company’s rate schedules.

RATE:

ENVIRONMENTAL COST RECOVERY ADJUSTMENT FACTOR	
Energy Charge per kWh: All Customers	0.484 ¢/kWh

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.



Fergus Falls, Minnesota

First Revised Sheet No. 2

DETERMINATION OF ECR ADJUSTMENT FACTOR: An ECR Adjustment Factor shall be determined by dividing the forecasted balance of the ECR Tracker account by the forecasted retail sales for the upcoming year (or such other period as may be approved by the South Dakota Public Utilities Commission (Commission)). The ECR Adjustment Factor shall be rounded to the nearest \$0.00001 per kWh. The ECR Adjustment Factor may be adjusted annually (or other approved periods) with approval of the Commission.

Recoverable Environmental Measure Costs shall be the annual revenue requirements associated with environmental measures eligible for recovery under SDCL 49-34A-97 that are determined by the Commission to be eligible for recovery under this ECR Rider. A standard model will be used to calculate the total forecasted revenue requirements for eligible measures for the designated period. All costs appropriately charged to the ECR Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the ECR Adjustment shall be credited to the ECR Tracker account.

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

TRUE-UP: For each recovery period, a true-up adjustment to the ECR Tracker account will be calculated reflecting the difference between actual prior period ECR Adjustment recoveries and actual prior period revenue requirements. Any resulting over/under recovery will be reflected as a carryover balance and included in calculating the ECR Adjustment Factor.