

Northern States Power Company, a Minnesota corporation
Minneapolis, Minnesota 55401

SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

ENVIRONMENTAL COST RECOVERY RIDER

Section No. 5
3rd Revised Sheet No. 72
Cancelling 2nd Revised Sheet No. 72

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

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. ECR Adjustment Factors shall be rounded to the nearest \$0.000001 per kWh.

The ECR Adjustment Factor may be adjusted annually with approval of the South Dakota Public Utilities Commission (Commission). The ECR factor is:

All Customers

\$0.000000 per kWh

R

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 Environmental Cost Recovery 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 Environmental Tracker Account shall be eligible for recovery through this Rider, and all revenues recovered from the ECR Adjustment shall be credited to the Environmental 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 ECR 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 ECR Adjustment Factor effective with the start of the next designated recovery period.

For example, the Year 1 actual revenue requirements versus ECR 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 ECR Adjustment recoveries would be included in the calculation of the ECR Adjustment factor filed by September 1 of Year 2 to be effective January 1 of Year 3.

Date Filed: 06-30-11

By: Judy M. Poferi

Effective Date: 08-01-12

President and CEO of Northern States Power Company, a Minnesota corporation

Docket No. EL11-019

Order Date: 07-18-12