



**SOUTH DAKOTA ELECTRIC RATE BOOK**

**ENVIRONMENTAL IMPROVEMENT ADJUSTMENT**

Section No. 3C

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**ENVIRONMENTAL IMPROVEMENT ADJUSTMENT**

**APPLICABLE**

This Environmental Improvement Adjustment (EIA) applies to all rate schedules for all classes of service authorized by the Commission.

The EIA shall be calculated annually based on actual kWh retail sales for the twelve months of June through May as compared to the actual costs, and shall include an over or under recovery from prior years' adjustments through the Balancing Account. The Company will update and make an EIA filing with the Commission on an annual basis no later than February 15<sup>th</sup>.

**ENVIRONMENTAL IMPROVEMENT ADJUSTMENT RATE**

An EIA rate shall be determined by dividing the environmental improvement revenue requirement for the period April 1<sup>st</sup> through March 31<sup>st</sup> of each year and the forecasted balance of the EIA Balancing Account divided by the forecasted retail sales volumes for the period June 1<sup>st</sup> through May 31<sup>st</sup> for each upcoming year. The EIA rate shall be rounded to the nearest \$0.0001 per kWh.

The EIA rate may be adjusted annually with approval of the Commission. The EIA rate is:

Residential	\$ <del>0.0019</del> <u>0.0005</u> per kWh
Small General Service	\$ <del>0.0023</del> <u>0.0005</u> per kWh
Large General Service and Industrial	\$ <del>0.0016</del> <u>0.0003</u> per kWh
Lighting	\$ <del>0.0025</del> <u>0.0002</u> per kWh

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Environmental Improvement Revenue Requirement shall be the annual revenue requirements associated with environmental improvements eligible for recovery under SDCL 49-34A-97 and approved by the Commission.

EIA Balancing Account shall be the annual environmental improvement amount approved by the Commission from the previous filing less the actual environmental improvement adjustment amount recovered during the year. The Balancing Account amount shall have interest applied or credited monthly at the annual rate of seven percent (7%).

Forecasted Retail Sales Volumes shall be the estimated total retail electric sales kWh for the designated recovery period.

**EFFECTIVE DATE**

The EIA will be updated and filed each year on or before February 15<sup>th</sup> with forecasted financial information and then again no later than April 30<sup>th</sup> with actual financial information, and with the effective date of June 1<sup>st</sup>.

Date Filed: ~~April 16, 2012~~  
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Effective Date: ~~June 1, 2012~~  
June 1, 2013