PHASE-IN RIDER

DESCRIPTION	RATE
	CODE
Percent of Bill	SPIR
Per Meter Charge	
Residential	SPIRS
Residential RDC	SPIRC
Farm	SPIFM
General Service	SPIGS
General Service TOU	SPIGU
Large General Service – Primary / Transmission	SPILP
Large General Service – Secondary	SPILS
Irrigation Service	SPIIR
Outdoor Lighting (Metered)	SPILT
OPA (Metered)	SPIOP
Controlled Service Water Heating	SPIWH
Controlled Service Interruptible – Small Dual Fuel	SPICS
Controlled Service Interruptible – Large Dual Fuel	SPICT
Controlled Service Deferred	SPICD

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

PHASE-IN RIDER INCLUDES TWO BILLING COMPONENTS (Percent of Bill Rate / Per Meter Charge)

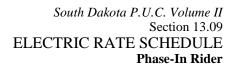
PERCENT OF BILL RATE:

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

<u>COST RECOVERY FACTOR</u>: There shall be included on each South Dakota Customer's monthly bill a Phase-In Rider Percent of Bill charge based on the applicable cost recovery factor multiplied by the Customer's monthly bill. The Customer's monthly bill shall be based

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Fergus Falls, Minnesota

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(Continued)

on all applicable charges and credits under the Company's retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (TailWinds). The Phase-In Rider will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company's electric service. The Phase-In Rider charge will be displayed as its own line item on the Customer's bill.

RATE:

The Phase-In Rider Factor is 9.923 percent.

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DETERMINATION OF PIR ADJUSTMENT FACTOR: A Phase-In Rider Percent of Bill shall be determined by dividing the forecasted balance of the PIR Tracker account by the forecasted retail revenue for the upcoming year (or such other period as may be approved by the South Dakota Public Utilities Commission ("Commission")). The Phase-In Rider Percent of Bill shall be rounded to the nearest 0.001%. The Phase-In Rider may be adjusted annually (or other approved periods) with approval of the Commission.

A standard model will be used to calculate the total forecasted revenue requirements for eligible components for the designated period. All components appropriately included in the PIR Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the PIR Adjustment shall be credited to the PIR Tracker account.

Forecasted retail revenue shall be the estimated total retail electric revenue as described above for the designated recovery period.

PER METER CHARGE:

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

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Fergus Falls, Minnesota

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(Continued)

COST RECOVERY CHARGE: There shall be included on each South Dakota Customer's monthly bill for a metered service a Phase-In Rider Per Meter Charge, which 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 standard rate schedules.

RATE:

Service Category	Section	Per Meter
		Charge
Residential	9.01	\$0.59
Residential RDC	9.02	\$1.47
Farm	9.03	\$1.49
General Service	10.01, 10.02	\$2.27
General Service -TOU	10.03	\$4.76
Large General Service - Primary / Transmission	10.04, 10.05,	\$24.63
	10.06, 11.01	
Large General Service - Secondary	10.04, 10.05,	\$5.60
	11.01	
Irrigation Service	11.02	\$3.82
Outdoor Lighting (Metered)	11.03	\$1.51
OPA (Metered)	11.05	\$1.52
Controlled Service Water Heating	14.01	\$1.47
Controlled Service Interruptible – Small Dual Fuel	14.05	\$1.49
Controlled Service Interruptible – Large Dual Fuel	14.04, 14.12	\$6.09
Controlled Service Deferred	14.06, 14.07	\$1.82

<u>MANDATORY AND VOLUNTARY RIDERS</u>: 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.