



SOUTH DAKOTA ELECTRIC RATE BOOK

ENVIRONMENTAL IMPROVEMENT ADJUSTMENT

Section No. 3C

Seventh Revised Sheet No. 20

Page 1 of 1

Cancels Sixth Revised Sheet No. 20

ENVIRONMENTAL IMPROVEMENT ADJUSTMENT

APPLICABLE

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

To the extent the Company requests cost recovery under the EIA, 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, to the extent the Company requests cost recovery under the EIA. The Company will update and make an EIA filing with the Commission on an annual basis no later than February 15th.

ENVIRONMENTAL IMPROVEMENT ADJUSTMENT RATE

An EIA rate shall be determined by dividing the environmental improvement revenue requirement for the period April 1st through March 31st of each year and the forecasted balance of the EIA Balancing Account divided by the forecasted retail sales volumes for the period June 1st through May 31st 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. Pursuant to the stipulation in Docket EL17-008, the over-collection balance will be returned to customers through the following EIA refund rates:

Residential	\$0.00000 per kWh
Small General Service	\$0.00000 per kWh
Large General Service and Industrial	\$0.00000 per kWh
Lighting	\$0.00000 per kWh

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 consistent with the Commission's orders related to the EIA.