ENERGY ADJUSTMENT RIDER BY SERVICE CATEGORY C

ENERGY ADJUSTMENT CHARGE: There shall be added to the monthly bill an Energy Adjustment Charge calculated by multiplying the customers applicable monthly billing kilowatt hours (kWh) by the customers applicable billed Energy Adjustment Factor (EAF) per kWh. The billed EAF amount per kilowatt-hour (rounded to the nearest 0.001¢) will be the average monthly cost of Energy per kilowatt-hour as determined for that customers service category. The average cost of Energy per kilowatt-hour for the current period shall be calculated from data covering actual costs from the most recent four-month period as follows: NC N N N CN NC

Energy costs from actual months 1, 2, 3, and 4 plus unrecovered (or less over recovered) prior cumulative Energy costs divided by retail sales for actual months 1, 2, 3, and 4 equals the cost of Energy adjustment for month 6. C C

ENERGY ADJUSTMENT FACTOR (EAF): A separate EAF will be determined for each Customer service category defined by Customer class. The EAF for each service category is the sum of the Current Period Average Cost of Energy and applicable monthly true-up, multiplied by the applicable EAF Ratio. The applicable EAF for each calendar month will be applied to that calendar month's daily pro-ration of Energy usage included on the bill. N N N N N

Service Category	Section	EAF Ratio	
Residential	9.01, 9.02, 9.04	1.025	N
Farms	9.03	0.969	N
General Service	10.01, 10.02, 10.03	1.016	N
Large General Service	10.04, 10.05, 10.06	0.967	N
Irrigation Services	11.01, 11.02	0.937	N
Outdoor Lighting	11.03, 11.04, 11.07	0.784	N
OPA	11.05	1.011	N
Controlled Service-Water Heating	14.01	1.035	N
Controlled Service- Interruptible	14.04, 14.05, 14.12	1.037	N
Controlled Service - Deferred	14.06, 14.07	0.963	N

N N

The average cost of Energy shall be determined as follows: DC

1. The cost of fossil fuel, as recorded in Account 151, used in the Company's generating plants, and the costs of reagents and emission allowances for the Company to operate its generating plants in compliance with the associated Federal Environmental N N

Protection Agency rules and regulations. Energy from the Company's hydro generating plants shall be included at zero cost. **N**

2. The Energy cost of purchased power included in Account 555 when such Energy is purchased on an economic dispatch basis, exclusive of Capacity or Demand charges. This includes but is not limited to net costs linked to the utility's load serving obligation, associated with participation in wholesale electric Energy markets operated by Regional Transmission Organizations, Independent System Operators or similar entities that have received Federal Energy Regulatory Commission approval to operate the Energy markets. All Midwest Independent System Operator ("MISO") Energy and Ancillary service market charges and credits relating to retail sales and asset based sales, specifically including (but not limited to) Schedule 16 and 17 charges and credits shall be included in the calculation. **LC LC L LC L L LC L L L**

3. The actual identifiable fossil and nuclear fuel costs associated with Energy purchased for reasons other than identified in 2 above. **LC L**

4. The net Energy cost of Energy purchases from a renewable Energy source, including hydropower, wood, windpower, and biomass. **LC L**

5. Less the fuel-related costs recovered through intersystem sales. **L**

Asset-based Sales Margins, as defined below and in the amount calculated as described below, shall be reflected as a credit to the Energy adjustment calculation described in 1-5, above. **C**

Asset-based Sales Margins:

Asset-based Sales Margins are defined as wholesale Energy and ancillary services sales revenues from Company-owned generation resources less the sum of fuel, Energy costs (including costs associated with MISO markets that are recorded in FERC Account 555), and any additional transmission or other costs incurred that are required to make such sales (referred to as "margins"). **C C**

The amount of the Asset-based Sales Margin credit shall be determined as described below:

Credit calculation: The credit shall be eighty-five percent (85%) of Asset-based Sales Margins. The Asset-based Sales Margin credit shall be calculated monthly based on a forecast of the margins expected for that month and a true-up shall be made to adjust prior forecasted credits to reflect eighty-five percent (85%) of the actual margins earned in prior months. The true-up adjustments shall be made as soon as reasonably practical after the receipt of actual results and shall reflect MISO and other resettlements that would have impacted prior credits. **L L L L L L**