



Fergus Falls, Minnesota

ENVIRONMENTAL COST RECOVERY RIDER

Table with 2 columns: DESCRIPTION, RATE CODE. Row 1: Environmental Cost Recovery Rider, MECR

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

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company's retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (TailWinds).

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COST RECOVERY FACTOR: There shall be included on each Minnesota Customer's monthly bill an Environmental Cost Recovery ("ECR") charge based on the applicable cost recovery factor multiplied by the Customer's monthly bill. The Customer's monthly bill shall be based 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 Environmental Cost Recovery Charge 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 Environmental Cost Recovery charge will be included in the Resource Adjustment line item on the Customer's bill.

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The Environmental Cost Recovery Factor is (0.0) percent.

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 revenue for the upcoming year (or such other period as may be approved by the Minnesota Public Utilities Commission ("Commission")). The ECR Adjustment Factor shall be rounded to the nearest 0.001%. The ECR Adjustment Factor may be adjusted annually (or other approved periods) with approval of the Commission.

Recoverable Environmental Measures Costs shall be the annual revenue requirements associated with environmental measures eligible for recovery under MN Statute 216B.1692 that are determined by the Commission to be eligible for recovery under this ECR 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 ECR Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the ECR Adjustment shall be credited to the ECR Tracker account.



Fergus Falls, Minnesota

Minnesota Public Utilities Commission
Section 13.08
ELECTRIC RATE SCHEDULE
Environmental Cost Recovery Rider

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First Revision

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

TRUE-UP: For each recovery period, a true-up adjustment to the ECR Tracker account will be calculated reflecting the difference between actual prior period ECR Adjustment recoveries and the actual prior period revenue requirements. Any resulting over/under recovery will be reflected as a carryover balance and included in calculating the ECR Adjustment Factor.