RESOURCE ADJUSTMENT RIDER

Application

Applicable to all bills for retail electric service that include a purchased power cost adjustment clause.

Resource Adjustment (RA)

Monthly member energy charges shall be adjusted for changes in purchased power costs and changes in Dakota Electric's Tracker Account balance. These two changes shall be reflected on member bills through a Resource Adjustment. The applicable RA factor shall be determined annually as described below.

Determination of the Resource Adjustment Factor

The Resource Adjustment factor shall be determined by adding the annualized power cost adjustment factor to the most recent year-ending Tracker Account factor. The Tracker Account factor shall be the quotient of the recoverable Tracker balance, divided by projected retail energy sales that are applied in the power cost adjustment factor

The year used for the annualized Resource Adjustment will be January 1 through December 31. The projection shall be reviewed after six months (July) and adjusted if necessary. The RA shall be filed with the Public Utilities Commission each year before implementation.

All costs appropriately charged to Dakota Electric's Tracker Account shall be eligible for recovery through this adjustment. Revenues received from the application of the RA shall be applied toward power costs and the Tracker Account in a manner consistent with the determination of the RA factor.