



FUEL COST ADJUSTMENT

(1) **APPLICATION**

This adjustment clause is applicable to electric service furnished under all rate Schedules incorporating Adjustment Clause FA.

(2) **FUEL COST ADJUSTMENT**

There shall be added to each monthly bill for service an adjustment per kilowatt-hour (kWh) based upon the cost of fuel used during the most recent calendar month for which actual costs are known. This adjustment per kWh, rounded to the nearest \$0.00001, will be determined as follows:

$$\text{Fuel Cost Adjustment (FCA)} = (F / E \times L) \pm S$$

Where: F = fuel costs for the month consisting of:

- (1) the cost of fuel consumed in the Company's own plants and the Company's share of such fuels consumed in jointly owned or leased plants, plus
- (2) the delivered, energy cost of economy or emergency energy purchases,
plus
- (3) the delivered, energy cost of other energy purchases, less
- (4) the energy revenue from economy, wholesale sales, less
- (5) the energy revenue from firm, wholesale sales, less
- (6) net excluded costs under the LPSC General Order No. U-21497

E = the system kWh requirements consisting of:

- (1) the Company's net generation, plus
- (2) inter-system purchases, less
- (3) inter-system sales.

L = the average system loss expansion factor determined by dividing the system kWh requirements for the last 12 months by the system kWh sales for the same period. For service at the transmission and primary voltage level, the loss factor L will be based on the most current approved loss study value.

S = an adjustment per kWh to correct for the variance in fuel expense and fuel recovery in previous periods. This value is determined by dividing the cumulative over-recovery or under-recovery of fuel costs by the system kWh sales for the last 12 months. Over-recovery adjustments are subtractive and under-recovery adjustments are additive.