

Standard Fuel Charge Clause

The fuel charge per kWh applicable to customers billed on a monthly basis will be the month's estimated energy cost divided by the estimated sales of kWh in that month, adjusted by over and under collections in the previous month.

Adjustments will be made periodically to account for over and under recovery of purchased energy costs. The object is to continually balance fuel costs with fuel charges. Adjustments will be calculated to credit over collections or charge under collections in no less than a three-month period.

The purpose of the fuel charge is to recover only that portion of the wholesale power costs, which can be classified as fuel related. This is to include all expenses in the short term capacity and transmission purchased only to reduce energy costs on jointly owned generating plants or unit contracts under long term purchase agreement.

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Effective: On Billings on or After June 1, 2002

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