Wholesale Energy Cost Adjustment

PREAMBLE

The Energy Cost Adjustment shall provide for periodic adjustments for kWh of sales equal to the difference between the fuel and purchased power and energy costs per kWh of sales in the current period and in the base period.

APPLICABILITY

The Energy Cost Adjustment is applicable to all of the Company's wholesale transmission service tariffs or sales tariffs as specified in the individual sales tariff.

FREQUENCY OF COMPUTATION

This Energy Cost Adjustment will be computed each month.

COMPUTATION FORMULA

The Rates for energy to which this adjustment is applicable will be increased or decreased by: 0.001¢ per kilowatt-hour (kWh) for each 0.001¢ (or major fraction thereof) increase or decrease in the aggregate cost of energy per KWh as computed by the following formula:

\[(C - b) / L = \text{Adjustment}\]

Where:

\(C\) = The actual total cost of retail purchased power capacity, energy and transmission, Account No. 555, and the fossil fuel burned in generation, Account Nos. 501 and 547, expressed in ¢ per kWh for the latest month for which data is available as established on Sheets 1 and 2 of the Company's monthly filed retail ECA tariff sheets. The value is equal to the energy-weighted M and W System "Total Actual Cost, Cents per kWH" as shown for the individual systems at line three of Section I of ECA Sheet 1 (M System) and ECA Sheet 2 (W System).

\(b\) = Base-period (calendar year 1994) power costs which are 3.31¢ per kWh.
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\( L = \) The system average Line Loss Factor. This factor is the annual average line loss factor established in Section II, line 2e of Sheet 1 of the Company’s monthly-filed retail ECA Tariff sheets.

REPORING REQUIREMENTS

The Company will submit to The State Corporation Commission on or before the fifteenth (15th) day of each month an Energy Cost Adjustment report, in a format prescribed by the Commission, showing the calculations for the Energy Cost Adjustment to be applied to the following month’s bills.