

FUEL COST ADJUSTMENT CLAUSE

I. APPLICATION

This adjustment clause is applicable to electric service furnished under certain rate schedules of the Cooperative.

II. 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 of its power supplier 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:

$$\text{Fuel Cost Adjustment} \quad (\text{FCA}) - (\text{F} \times \text{L}) \pm \text{S}$$

- Where:
- F = Fuel cost per kWh purchased for its power supplier for the month
  - L = The average system loss factor determined by dividing the system kWh purchases for the last 12 months by the system kWh sales for the same period.
  - S = An adjustment per kWh to correct for the variance in fuel cost 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.