



STEAM FUEL COST ADJUSTMENT

Purpose - The Fuel Cost Adjustment permits the monthly adjustment of rates for the costs of fuel incurred in supplying steam. All general, contract, industrial and residential service rates are subject to the Fuel Cost Adjustment. In applying the Fuel Cost Adjustment, the applicable rate per Mlbs. shall be increased or decreased by the amount of the current Fuel Cost Adjustment.

The Fuel Cost Adjustment shall be reviewed and, as necessary, revised periodically in accordance with the provisions of this schedule, but not less frequently than every twelve months.

Fuel Cost Adjustment - the amount per Mlbs. by which the applicable rates shall be adjusted for billing in each month.

Fuel Costs - those costs incurred in supplying steam. Costs include, but are not limited to, fuel burned and fuel related cost, fuel transportation, pre and post combustion fuel additives, fuel procurement, and environmental allowances.

Over/Under Recovery - the difference between actual Fuel Costs for prior months and the amount of Fuel Cost recovered by means of the Base Cost of Fuel and the Fuel Cost Adjustment. The Over/Under Recovery shall be added to the Fuel Costs for purposes of computing the Fuel Cost Adjustment for each month.

Base Cost of Fuel - the average Fuel Cost included in the fuel rates of the various rate schedules. Such amount shall not be recovered by means of the Fuel Cost Adjustment. The current Base Cost of Fuel is \$4.7831 per thousand pounds of steam (Mlbs.) sold.