



RATE SCHEDULES
STEAM FUEL COST ADJUSTMENT

The Fuel Cost Adjustment permits the monthly adjustment of rates for the costs of fuel incurred in supplying steam to customers. All general and industrial service rates are subject to the Fuel Cost Adjustment. In applying the Fuel Cost Adjustment the applicable rate per Mlb shall be increased or decreased by the amount of the current Fuel Cost Adjustment. The following definitions and procedures will be followed in calculating the monthly Fuel Cost Adjustment.

Definitions

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

Fuel Costs - those costs incurred in supplying steam. Such costs include fuel burned. The cost of fuel burned shall include the delivered cost of fuel (base cost, escalations, premiums/penalties, transportation, demurrage), outside lab fees and other outside costs related to fuel procurement, and fuel additives such as freeze proofing.

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 (Mlb) sold.

Procedures

Estimated Fuel Cost shall be projected for a twelve-month period. Any amount of Over/Under Recovery (positive or negative) shall be added to the Fuel Cost to determine the total cost basis for the Fuel Cost Adjustment. The total cost basis shall be divided by the projected total billed sales for the twelve-month period resulting in the average Fuel cost per Mlb. The Base Cost of Fuel shall be subtracted from the average Fuel cost to result in the 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.

Adopted: March 26, 2009

Effective: May 1, 2009