Attachment SEB-NSPI-2d

ALABAMA POWER
A SOUTHERN COMPANY

RATE ECR
ENERGY COST RECOVERY RATE

By order of the Alabama Public Service Commission dated November 5, 2001 in Docket # U-4373.

PAGE	EFFECTIVE DATE	REVISION
1 of 6	November, 2001 Billings	Second

AVAILABILITY

Same as the specific base rate schedule incorporating this Energy Cost Recovery Rate by reference.

APPLICABILITY

Applicable as an integral part of each base rate schedule of the Company in which reference is made to this Rate ECR.

EXPLANATORY STATEMENT

By its order in Docket #18148 (consolidating Docket #18152) issued May 29, 1981, the Alabama Public Service Commission abolished Rate FT, effective upon the replacement thereof by procedure to be defined in the rates, rules and regulations of the Commission incorporating, for application in Alabama, the Georgia fuel cost recovery system described in the order. That order also observed that it would be necessary in the transition to the new system "that the rate form be so arranged as not to constitute a revision or refiling of those general rate schedules of the Company now filed and under suspension and with respect to which the Commission must issue an order on or before October 18, 1981." To implement the Commission's May 29, 1981 order, Rate ECR (set forth below) will replace the Energy Cost Adjustment, Energy Cost Adjustment Calculation Procedure and the Special Rules Governing Administration of Rate FT, as last approved by the Commission. The tax provisions of Rate FT ("Income Tax Rate Adjustment," "General Tax Provisions," and "Adjustment for Local Taxes") continue to be effective and are designated as "Rate T."

GENERAL DESCRIPTION OF RATE

This Rate ECR is made a part of each of the base rate schedules of the Company to which Rate ECR is applicable and any modification to, amendment to or replacement of such base rate schedules. All bills rendered under such base rate schedules of the Company will be increased pursuant to the provisions of this Rate ECR and the effective Energy Cost Recovery factor calculated pursuant to this Rate ECR. This Rate ECR provides for the recovery by the Company of defined energy cost and establishes a procedure for the recovery of defined energy costs through the base rate schedules of the Company. After the development of the Energy Cost Recovery factor, it will be combined for billing purposes with the charges in the applicable rate schedule and shown as a single line item on the bill to the customer.

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ENERGY COST RECOVERY FACTOR CALCULATION PROCEDURE (RATE ECR FORMULA)

The Energy Cost Recovery factor to be applied to each kilowatt-hour supplied by the Company under any base rate schedule of which this Rate ECR is made a part shall be calculated in accordance with the following formula:

$$ECRF = \frac{ETEC}{ETS} + CF$$

Where:

ECRF = Energy cost recovery factor to be applied to the retail kilowatt-hour sales during the current billing period and computed to the nearest one-thousandth of a cent per kilowatt-hour.

ETEC = The sum of:

(1) Estimated cost of fossil fuel and emission allowances to be issued out of Accounts 151 and 158 and charged to Accounts 501, 509, 518 and 547 of the Uniform System of Accounts prescribed by the Alabama Public Service Commission for the current billing period (three months) at the Company's generating plants, including also the Company's portion of estimated fossil fuel cost and emission allowances at generating plants whose capacity is shared with others and the Company's portion of such estimated costs at plants owned or operated by any affiliated company.

(2) Estimated cost of nuclear fuel to be recorded in Account 518 (exclusive of any fossil fuel expense therein to be issued from Account 151) of such Uniform System of Accounts for the current billing period (three months) at the Company's generating plants, including also the Company's portion of estimated nuclear fuel cost at generating plants whose capacity is shared with others and the Company's portion of such estimated cost at plants owned or operated by any affiliated company.

(3) Estimated purchased energy cost, exclusive of capacity or demand charges, shall be that portion of the estimated cost to be recorded in Account 555 of such Uniform System of Accounts for the current billing period (three months), excluding the cost related to the generation at plants owned or operated by any affiliated company already reflected in the estimated fossil and nuclear fuel costs above, when such energy is purchased on an economic dispatch basis or, otherwise, the estimated actual identifiable fossil fuel cost issued from Account 151 and nuclear fuel cost recorded in Account 518 or the estimated average cost of such fossil and nuclear fuel when such costs are not actually identifiable; less the estimated actual

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identifiable cost of fossil and nuclear fuel (together with costs, gains, or losses associated with emission allowances) recovered through estimated inter-system sales or the estimated average cost of such fossil and nuclear fuel when such costs are not actually identifiable.

(4) Gains, losses and costs associated with Company's utilization of futures, options and over the counter derivatives (including, without limitation, futures contracts, puts, calls, caps, floors, collars, and swaps) for the purpose of hedging its energy and fuel costs.

(5) Gains, losses and costs recorded in Account 456 associated with sales of natural gas that are attributable to operating considerations at the Company's electric generating facilities.

ETS = Estimated total energy sales of the Company for the current billing period (three months), to be divided into the aforesaid sum (ETEC) so as to derive a factor (computed to the nearest one-thousandth of a cent per kilowatt-hour).

CF = The correction factor for prior periods represents the adjustment that is necessary to adjust prior estimates to actual data. This adjustment shall be computed as follows: Accumulate and total the actual monthly data in the categories of cost referred to in ETEC above. Deduct from this amount of total energy cost the following: (a) The energy cost recovery applicable to the wholesale customers, and (b) the energy cost recovery billed to the retail customers. The net amount represents the under- or over-recovery of energy cost applicable to retail customers for the month. The monthly amounts shall be accumulated through the end of the third month preceding the current billing period (three months). Then add the estimated under- or over-recovery of energy cost applicable to retail customers for the second (to be adjusted to Actual at the hearing if data available) and first months preceding the current billing period. This summation produces a dollar amount which, when divided by the estimated retail energy sales for the current billing period (three months), constitutes the correction factor (CF). The CF is computed to the nearest one-thousandth of a cent per kilowatt-hour.

In the development of the initial Energy Cost Recovery factor, the transition from the Energy Cost Adjustment contained in Rate FT to this Rate ECR must be recognized. Therefore, it will be necessary to estimate (later to be adjusted to actual) the under- or over-recovery for May and June 1981. This estimate shall be included as the correction factor in the initial Energy Cost Recovery factor. This estimate shall be computed as presently provided for in Rate FT.

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RULES AND REGULATION GOVERNING APPLICATION OF ENERGY COST RECOVERY RATE

These rules and regulations are applicable to and are an integral part of Rate ECR. These rules and regulations established the procedures to be used in the determination of the Energy Cost Recovery factor.

1. On or before June 10, 1981, the Company shall submit to the Commission an estimate of energy cost and estimated sales for the three (3) calendar months beginning on July 1, 1981, and a proposed, initial Energy Cost Recovery factor computed in accordance with the calculation procedure contained in this Rate ECR, to be incorporated in base rate schedules of the Company as provided in this Rate ECR. On or before June 19, 1981, the Commission shall conduct a public hearing on the information so submitted for the purpose of determining its accuracy. The Company's testimony shall be under oath and shall, with any corrections thereto, constitute the Company's affirmative case. The Commission will issue an order on or before June 24, 1981, establishing the initial Energy Cost Recovery factor to be incorporated in the base rate schedules of the Company beginning July 1, 1981, and continuing until changed by the provisions of this Rate ECR.

2. After the initial Energy Cost Recovery factor is established, the Company can change such Energy Cost Recovery factor because of increased or decreased energy cost only after a submittal to the commission of an estimate of the Company's energy cost and sales for the three (3) consecutive calendar months beginning forty-five (45) days following the submittal and a proposed Energy Cost Recovery factor to recover those costs adjusted as required by the provisions of the Rate ECR Formula and subsection 4 of these rules and regulations. The Company shall submit its proposed Energy Cost Recovery factor and testimony forty-five (45) days in advance of the date the new Energy Cost Recovery factor is to be made effective as a part of the base rate schedules of the Company. Not less than twenty (20) days after any such submittal or after a Commission show cause order concerning the existing Energy Cost Recovery factor, the Commission shall conduct a public hearing on the information so submitted for the purpose of determining its accuracy. The Company's testimony shall be under oath and shall, with any corrections thereto, constitute the Company's affirmative case. At any such hearing, the burden of proof to show that an increased Energy Cost Recovery factor, based on fluctuations in energy cost, is just and reasonable shall be upon the Company.

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Formal intervention by customers of the Company shall be permitted. The staff of the Commission and formal intervenors shall have the right to examine all of the Company's records used in preparation of the testimony and exhibits of the Company, to cross-examine the Company's witnesses and present rebuttal testimony. If the staff of the Commission or any formal intervenors intend to submit rebuttal testimony recommending a different estimate of the Energy Cost Recovery factor, such testimony shall be reduced to writing and delivered to the Company five (5) days in advance of the scheduled hearing date. Following such hearing, the Commission shall issue an order stating the Energy Cost Recovery factor to be used by the Company during the next three (3) consecutive calendar months, or until changed as provided in this paragraph. The hearing shall be completed and submitted for issuance of an order within thirty-five (35) days from the Company's initial submittal. Should the Commission fail to issue such an order by the forty-fifth (45th) day after the Company's submittal, the Energy Cost Recovery factor proposed by the Company thereupon be deemed effective.

3. The Company shall compute, record and report to the Commission the monthly and accumulated over or under-recovery of actual energy cost resulting from application of the Energy Cost Recovery factor as soon as available.

4. It is the express purpose of this Rate ECR to allow the Company to recover the energy costs specifically identified in the Rate ECR Formula. Accordingly, the Rate ECR Formula contains an adjustment which requires the Company to collect or refund any accumulated under-recovery or over-recovery resulting from the difference between actual energy cost and revenues recovered pursuant to the estimated Energy Cost Recovery factor established by the Commission pursuant to this Rate ECR. At any time the Commission orders a change in the Energy Cost Recovery factor, recognition will be given to such accumulated over or under-recoveries so as to provide that the Company will neither recover more than nor less than its actual energy cost as defined in the ECR formula contained in this Rate ECR. Further, to provide for an orderly transition from the Energy Cost Adjustment contained in Rate FT to this Rate ECR, the under or over-recoveries under the Energy Cost Adjustment contained in Rate FT for the months of May and June, l981, will be incorporated and recognized in the accumulated over and under-recoveries provided for in the Rate ECR formula contained in this Rate ECR.

5. The Commission shall disallow and make appropriate adjustments for any reported energy cost that is the result of illegal or clearly imprudent conduct on the part of the Company.

6. All Commission orders establishing a changed Energy Cost Recovery factor pursuant to this Rate ECR shall contain the Commission's findings of fact and conclusions of law upon which the Commission's action is based. Such order shall be deemed a final order subject to judicial review under Alabama law.

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7. The Commission shall not prohibit or limit the operation of this Rate ECR to the extent it permits rate increases or decreases to adjust for increased or decreased purchase power costs where such increased or decreased purchase power costs shall have become effective under the procedures of a Federal regulatory agency or under a contract approved by a Federal regulatory agency. Any subsequent refunds received by the Company with respect to such increased purchase power costs which become effective under procedures of a Federal regulatory agency, or otherwise, shall be refunded by the Company to its customers in the manner directed by the Commission.

8. In submitting any estimate of energy costs under this Rate ECR, the Company shall disclose the name and address of each person, firm or corporation from whom the Company expects to purchase fuel, or the transportation of fuel, during the period covered by such estimate. Each such submittal shall also disclose, when applicable, any financial interests the Company has in any person, firm or corporation expected to supply fuel or transport fuel to the Company during the period covered by the estimate. It shall be the duty of the Commission to make public at each public hearing held pursuant to this Rate ECR any information disclosed by the Company pursuant to the requirements of this paragraph. It shall constitute a financial interest within the meaning of this paragraph:

   (a) For any member of the Board of Directors of the Company to be a member of the Board of Directors of a corporation supplying fuel, or transporting fuel, to the Company;

   (b) For any member of the Board of Directors of the Company to be the proprietor of, or a partner in, any business supplying fuel, or transporting fuel, to the Company; or

   (c) For any member of the Board of Directors of the Company or the Company to own ten percent (10%) or more of the stock of any corporation supplying fuel, or transporting fuel, to the Company.

9. The procedures provided for in Rate ECR and these Rules and Regulations are for the purpose of calculating, at a hearing, the energy costs of the Company, which are recoverable in full (but no more) as part of the application of Rate ECR and the rates to which it applies. Therefore, the submittals of the Company to initiate the calculation procedures and hearing are not "new schedules" subject to suspension within the meaning of Section 37-1-81, Code of Alabama 1975. The procedures and hearing are governed by the 45-day time limitation hereinabove specified.

FUEL COST ADJUSTMENT RIDER

AVAILABILITY (North Carolina Only)

Service supplied under the Company's rate schedules are subject to approved fuel charge adjustments, if any, over or under the Rate set forth in the approved rate schedules. Adjustments are made pursuant to North Carolina General Statute 62-133.2 as ordered by the North Carolina Utilities Commission.

APPROVED FUEL CHARGE ADJUSTMENTS

The Commission has ordered effective for service rendered on and after July 1, 2006 that such an adjustment shall be included in the Company's rate schedules and an appropriate fuel cost adjustment rider be filed together with the rate schedules to implement the changes to the fuel component.

Effective July 1, 2006 the Approved Fuel Cost was ordered increased from the 1.1032 ¢ / kWh Base Fuel Cost established November 12, 1991 in the general rate case Docket No. E-7, Sub 487 to 1.6770 ¢ / kWh.

APPROVED FUEL COST

The Approved Fuel Cost of 1.6770 ¢ / kWh will remain in effect until a new cost of fuel is established by the Commission.

EXPERIENCE MODIFICATION FACTOR

An Experience Modification Factor (EMF) decrement of 0.0069 ¢ / kWh and EMF interest decrement of 0.0010 ¢ / kWh is effective for service on and after July 1, 2006 and will continue until June 30, 2007

The following shows the calculation of the Approved Fuel Charge Adjustments:

	Fuel Cost Effective July 1, 2005, E-7, Sub 780	Fuel Cost Effective July 1, 2006, E-7, Sub 805
Base Fuel Cost Effective November 12, 1991 Docket No. E-7, Sub 487	1.1032 ¢/kWh	1.1032 ¢/kWh
Adjustment to Base Fuel Cost	.3429 ¢/kWh	.5738 ¢/kWh
Approved Fuel Cost	1.4461 ¢/kWh	1.6770 ¢/kWh
Experience Modification Factor	.0308 ¢/kWh	-.0069 ¢/kWh
Experience Modification Factor Interest	-------n/a-------	-.0010 ¢/kWh
Net Fuel Factor	1.4769 ¢/kWh	1.6691 ¢/kWh
Deferred Tax Decrement Rider	-.1975 ¢/kWh	----- n/a------
Net Factor	1.2794 ¢/kWh	1.6691 ¢/kWh
Change in Net Factor		.3897 ¢/kWh
Gross Receipts Tax Multiplier		X 1.033271
Change in Rates		.4027 ¢/kWh

EFFECT ON RATES

As a result of the Commission June 27, 2006 Order in Docket No. E-7, Sub 805, the Approved Fuel Cost, Experience Modification Factor and Deferred Tax Decrement Rider are included in the current rate schedules effective for service on and after July 1, 2006. The effect of the Commission's Order, including its impact on the Company's gross receipts tax expense, is an increase in all rate schedules of 0.4027 ¢/kWh as compared to the rates in effect immediately prior to July 1, 2006.

USE OF RIDER

Since adjustments are already included in the Rates of the Company's current rate schedules which are effective for service on and after July 1, 2006, this Rider should not be used in addition to such rate schedules for bill calculations.

ADJUSTMENT FOR FUEL COSTS

APPLICABILITY

This adjustment is applicable to and is a part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of Fuel in an amount to the nearest one ten-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission.

$$F = E / S + G / S_1$$

Where:

F = Fuel cost per kilowatt-hour included in base rate, rounded to the nearest one ten-thousandth of a cent.

E = Total Projected system Fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees plus SO2 emission allowances recorded in Account 509. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

Plus

(B) Fuel costs related to purchased power (and applicable SO2 emission allowances) such as those incurred in unit power and limited term power purchases where the fossil fuel costs and applicable SO2 emission allowances associated with energy purchased are identifiable and are identified in the billing statement. Also the cost of 'firm generation capacity purchases' which are defined as purchases made to cure a capacity deficiency or to maintain adequate reserve levels. "Costs of firm generation capacity purchases" include the total delivered costs of firm generation capacity purchased and excludes generation capacity reservation charges, generation capacity option charges and any other capacity charges.

Plus

(C) Fuel costs related to purchased power (including transmission charges and applicable SO2 emission allowances), such as short term, economy and other such purchases, where the energy is purchased on an economic dispatch basis, including the total delivered cost of economy purchases of electric power defined as purchases made to displace higher cost generation at a cost which is less than the purchasing utility's avoided variable costs for the generation of an equivalent quantity of electric power. Energy receipts that do not involve money payments such as Diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

Minus

(D) The cost of fuel and applicable SO_2 emission allowances recovered through intersystem sales including the fuel costs and applicable SO_2 emission allowances related to economy energy sales and other energy sold on an economic dispatch basis.
Energy deliveries that do not involve billing transactions such as Diversity energy and payback of storage energy are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S_1 = Projected jurisdictional kilowatt-hour sales for the period covered by the fuel costs included in E.

The appropriate revenue-related tax factor is to be included in these calculations.

The fuel cost F as determined by SCPSC Order No. 2006-554 for the period October 2006 through September 2007 is 1.7760 cents per kilowatt-hour.

Duke Energy Indiana, Inc.
1000 East Main Street
Plainfield, Indiana 46168

IURC No. 14
Eleventh Revised Sheet No. 60
Canceling Tenth Revised Sheet No. 60

STANDARD CONTRACT RIDER NO. 60
FUEL COST ADJUSTMENT APPLICABLE
TO ALL RETAIL RATE SCHEDULES

A. The applicable charges for electric service to the Company's retail customers shall be increased or decreased, to the nearest 0.001 mill ($0.000001) per KWH to recover and/or credit the cost for fuel in accordance with the following formula:

Fuel Cost Adjustment Factor = F/S - $0.014484

where:

1. "F" is the estimated expense of fuel based on a three-month average cost beginning with the first month of the billing cycle and consisting of the following costs:

   (a) the average cost of fossil fuel consumed due to the operation of Company's own generating units incurred to serve native load customers, including only those items listed in Account 151, of the Federal Energy Regulatory Commisssion's Uniform System of Accounts for Class A and B Public Utilities and Licensees (FERC US of A);

   (b) the actual identifiable fossil and nuclear fuel costs, or, if fuel costs are not specifically identified, costs computed in accordance with applicable Commission Orders, associated with energy purchased or transferred to serve native load customers for reasons other than identified in (c) below;

   (c) the net energy cost, exclusive of capacity or demand charges, of energy purchased or transferred to serve native load customers on an economic dispatch basis, and energy purchased or transferred to serve native load customers resulting from the scheduled outage of a Company owned generating unit, when the costs thereof are less than the Company's fuel costs of replacement net generation from its own system, as computed in accordance with applicable Commission Orders,

2. "S" is the estimated kilowatt-hour sales as recorded on the Company's books and records in accordance with the FERC US of A for the same estimated period set forth in "F,"

B. The factor as computed above shall be modified to allow the recovery of utility receipts taxes and/or other similar revenue based taxes incurred due to the recovery of fuel costs.

C. The factor shall be further modified commencing with the fifth succeeding billing cycle month to reflect the difference between the estimated incremental fuel cost billed and the incremental fuel cost actually incurred during the first and succeeding billing cycle month(s) in which such estimated incremental fuel cost was billed.

D. Effective for all bills rendered beginning with and subsequent to the later of the effective date of the Commission's Order or the first billing cycle of January 2007, the fuel cost adjustment shall be $0.004520 per kilowatt-hour.

E. From time to time, and subject to approval of the Commission, the factor shall be further modified to include the separate recovery, pursuant to Ind. Code 8-1-2-42(a), of costs applicable to certain power purchases in excess of the monthly purchased power benchmark.

EL PASO ELECTRIC COMPANY

EXHIBIT TLN-1
PAGE 1 OF 1

SCHEDULE NO. 98 - FFF
FIXED FUEL FACTOR

APPLICABILITY

Electric service billed under rate schedules having a Fixed Fuel Factor Clause shall be subject to a Fixed Fuel Factor.

TERRITORY

Texas Service Area

FORMULA

The Fixed Fuel Factors recognize loss adjustments due to different voltage levels of service:

	Energy Loss Factor	Fixed Fuel Factor ($/KWH)	
A. Texas System	1.00000	0.03631	(I)
B. Transmission Voltage (If customer is not specified below and takes service and is metered at 69,000 volts and higher)			
Schedule No. 15	0.94669	0.03437	(I)
Schedule No. 24/44	0.94669	0.03437	(I)
Schedule No. 24	0.94050	0.03415	(I)
Schedule No. 25	0.94669	0.03437	(I)
Schedule No. 26	0.93665	0.03401	(I)
Schedule No. 30, 27	0.93774	0.03405	(I)
Schedule No. 31, 27	0.93665	0.03401	(I)
C. Primary Voltage (If customer takes service and is metered at 2,400 volts or higher but less than 69,000 volts)	0.96302	0.03497	(I)
D. Secondary Voltage (If customer takes service and is metered at 480 volts and below)	1.01564	0.03688	(I)

ARKANSAS PUBLIC SERVICE COMMISSION

Revised	Sheet No. 34		
Replacing	Sheet No. 34	Issued	4/10/95
Name of Company:	THE EMPIRE DISTRICT ELECTRIC COMPANY		
Kind of Service:	Electric	Class of Service:	All
Issue Date:		Effective Date:	8-24-98

Part III. Rate Schedule No.: 16

Title: **ENERGY COST RECOVERY RIDER** (Rider ECR) PSC File Mark Only

16. ENERGY COST RECOVERY RIDER (CT)

16.1. AVAILABILITY:
This Energy Cost Recovery Rider is available to the Company for application on rate schedules in this Tariff only. (CT)

16.2. APPLICABILITY:
The Energy Cost Rate shall recover the Company's net fuel and purchased energy cost as defined in this rider and shall be applied to each customer's monthly kilowatt-hours billed under the Company's rate schedules herein subject to this rider by reference. (CT)

16.3. ENERGY COST RATE FORMULA: (CT)
The charge or credit per kilowatt-hour, rounded to the nearest one-thousandth of a cent shall be determined as follows:

$$ECR = \text{Energy Cost Rate} \quad \text{(CT)}$$

$$ECR = \frac{TUA + (PEC * EAF)}{PES} \quad \text{(CT)}$$

Where: TUA = True-up adjustment for the energy cost period including carrying charges (1). (CT)

$$TUA = \sum_{j=1}^{12} (EC_j * EAF - (RR_j - PTU_j)) * (1 + CCR * \frac{(21-j)}{12}) \quad \text{(CT)}$$

Where: EC_j = Energy cost for month $_j$ of the energy cost period. (CT)

$EC_j = FE_j + PEj.$ (CT)

Where:

FE_j = Fuel expense charged to accounts 501 and 547 in month $_j$ of the energy cost period. (CT)

PE_j = Purchased energy expense charged to account 555 in month $_j$ of the energy cost period (2). (CT)

EAF = Energy cost allocation factor most recently approved by the commission for application in this Rider ECR (3). (CT)

RR_j = Revenue under Rider ECR for month $_j$ of the energy cost period. (CT)

ARKANSAS PUBLIC SERVICE COMMISSION

Revised	Sheet No. 35		
Replacing	Sheet No. 35	Issued	4/10/95
Name of Company:	THE EMPIRE DISTRICT ELECTRIC COMPANY		
Kind of Service:	Electric	Class of Service:	All
Issue Date:		Effective Date:	8-24-98

Part III. Rate Schedule No.: 16

Title: **ENERGY COST RECOVERY** (Rider ECR) PSC File Mark Only

PTU_j = Prior period true-up adjustment applicable for month $_j$ of the energy cost period (4).(CT)

CCR = Carrying charge rate (5). (CT)

PEC = Projected energy cost for the projected energy cost period (6). (CT)

$$PEC = \sum_{J=1}^{12} EC_j \quad (7)$$ (CT)

PES = Projected energy sales (kWh) subject to this Rider ECR for the projected energy cost period. (CT)

16.4. NOTES TO FORMULA:

(1) The Energy Cost Period is the calendar year immediately preceding the filing year. (CT)

(2) Only energy related-portion of Account 555 shall be included in calculation. (CT)

(3) The initial effective value of the EAF shall be 0.0311. (CT)

(4) The value of PTU_j for month $_j$ of the then current Energy Cost Period shall be equal to one-twelfth of the True-up Adjustment (TUA) previously determined under the provisions of this Rider ECR for the second preceding Energy Cost Period for j=1,3 (January through March) and equal to one-twelfth of the True-up Adjustment (TUA) for the immediately preceding Energy Cost Period for j=4, 12(April through December). (CT)

(5) The Carrying Charge Rate shall be the authorized rate of return on rate base most recently approved for Empire by the Commission in a non-appealable final order. The initial Carrying Charge shall be 7.718%. (CT)

(6) The projected Energy Cost Period is the twelve month period commencing on April 1 of the filing year. The Projected Energy Cost is the energy costs recorded in Accounts 501, 547, and 555 for the calendar year immediately preceding the filing year. (CT)

(7) Should there be unusual circumstances associated with any Projected Cost Period either the Company or Staff may propose use of a Projected Energy Cost (Variable PEC) different from that defined by this formula. (CT)

ARKANSAS PUBLIC SERVICE COMMISSION

Revised	Sheet No. 35.1		
Replacing	Sheet No. _____	Issued	_____
Name of Company:	**THE EMPIRE DISTRICT ELECTRIC COMPANY**		
Kind of Service:	Electric	Class of Service:	All
Issue Date:	_____	Effective Date:	5-14-05

Part III. Rate Schedule No.: 16

Title: **ENERGY COST RECOVERY RIDER** (Rider ECR) PSC File Mark Only

16.5. ATTACHMENT A: (AT)

If, prior to the annual redetermination of the Energy Cost Rate, Staff or the Company becomes aware of an event that is reasonably expected to occur and/or has occurred which will materially impact the company's Energy Cost, either the Staff or the Company may propose an adjustment to the Energy Cost Rate Formula set out in Rider ECR. Furthermore, should a cumulative over-recovery or under-recovery balance arise during any Rider cycle which exceeds ten percent (10%) of the Historical Energy Cost Period, then either the Staff or the Company may propose an interim revision to the then currently effective Energy Cost Rate.

ARKANSAS PUBLIC SERVICE COMMISSION

Original	Sheet No. 38.1	Docket No.: 96-360-U
Replacing	Sheet No.	Order No.: 33
		Effective: 1/1/98

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No.: 38

Title: Energy Cost Recovery Rider (ECR)

PSC File Mark Only

38.1 RECOVERY OF ENERGY COST

(NR)

Energy Cost Recovery Rider ECR ("Rider ECR") defines the procedure by which the "Energy Cost Rate" of Entergy Arkansas, Inc. ("EAI" or "Company") shall be initially established and periodically redetermined. The Energy Cost Rate shall recover the Company's net fuel and purchased energy cost, as defined in this Rider ECR ("Energy Cost").

38.2 ENERGY COST RATE

The Energy Cost Rate to be initially effective under this Rider ECR shall be determined in the manner prescribed by the Arkansas Public Service Commission ("Commission") in its final order in Docket No. 96-360-U and shall become effective upon the date established by the Commission. The Energy Cost Rate shall then be redetermined annually through filings to be made in accordance with the provisions of Paragraph 38.3 of this Rider ECR.

The Energy Cost Rate shall be applied to each customer's monthly billing energy (kWh), except that the Energy Cost Rate shall not apply to a special rate contract unless such contract includes specific provisions related to the recovery of the Company's Energy Cost.

38.3 ANNUAL REDETERMINATION

On or before March 15 of each year beginning in 1999, the Company shall file a redetermined Energy Cost Rate with the Commission. The redetermined Energy Cost Rate shall be determined by application of the Energy Cost Rate Formula set out in Attachment A to this Rider ECR. Each such revised Energy Cost Rate shall be filed in Commission Report Docket No. 86-033-A and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised Energy Cost Rate.

The redetermined Energy Cost Rate shall reflect the projected Energy Cost for the 12-month period commencing on April 1 of each year ("Projected Energy Cost Period") together with a true-up adjustment reflecting the over-recovery or under-recovery of the Energy Cost for the 12-month period ended December 31 of the prior calendar year ("Energy Cost Period"). The Energy Cost Rate so redetermined shall be effective for bills rendered on and after the first billing cycle of April of the filing year and shall then remain in effect for twelve (12) months ("Rider Cycle"), except as otherwise provided for below.

ARKANSAS PUBLIC SERVICE COMMISSION

Original	Sheet No. 38.2	Docket No.: 96-360-U
Replacing	Sheet No.	Order No.: 33
		Effective: 1/1/98

Entergy Arkansas, Inc.
Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No.: 38

Title: Energy Cost Recovery Rider (ECR)

PSC File Mark Only

38.4 INTERIM ADJUSTMENT

Should a cumulative over-recovery or under-recovery balance arise during any Rider Cycle which exceeds ten (10) percent of the Energy Cost determined for the Energy Cost Period included in the most recently filed rate redetermination under this Rider ECR, then either the Arkansas Public Service Commission General Staff or the Company may propose an interim revision to the then currently effective Energy Cost Rate.

38.5 TERM

This Rider ECR shall remain in effect until modified or terminated in accordance with the provisions of this Rider ECR or applicable regulations or laws.

If this Rider ECR is terminated by a future order of the Commission, the Energy Cost Rates then in effect shall continue to be applied until the Commission approves an alternative mechanism by which the Company can recover its Energy Cost. At that time, any cumulative over-recovery or under-recovery resulting from application of the just terminated Energy Cost Rates shall be applied to customer billings over the twelve (12) month billing period beginning on the first billing cycle of the second month following the termination of Rider ECR in a manner to be prescribed by the Commission.

ENERGY COST RATE FORMULA

ECR = ENERGY COST RATE

$$ECR = (TUA + PEC) / PES \quad \text{(RT)}$$

WHERE,

TUA = TRUE-UP ADJUSTMENT FOR THE ENERGY COST PERIOD INCLUDING CARRYING CHARGES (1)

$$TUA = \sum_{j=1}^{12} (EC_j - (RR_j - PTU_j)) * (1 + CCR * ((21 - j) / 12)) \quad \text{(RT)}$$

WHERE,

EC_j = ENERGY COST FOR MONTH j OF THE ENERGY COST PERIOD

$$EC_j = FE_j + PE_j + RSC_j \quad \text{(RT)}$$

WHERE,

FE_j = FUEL EXPENSE CHARGED TO ACCOUNTS 501, 518, AND 547 IN MONTH j OF THE ENERGY COST PERIOD AND USED TO PRODUCE ENERGY ASSIGNED TO THE COMPANY'S RETAIL CUSTOMERS (2) (AT) (AT) (AT)

PE_j = PURCHASED ENERGY EXPENSE CHARGED TO ACCOUNT 555 IN MONTH j OF THE ENERGY COST PERIOD, BUT EXCLUDING THE RETAINED SHARE PORTION OF GRAND GULF FUEL CHARGES USED TO PRODUCE ENERGY ASSIGNED TO THE COMPANY'S RETAIL CUSTOMERS (2) (AT) (AT)

RSC_j = GRAND GULF RETAINED SHARE ENERGY CHARGE IN MONTH j OF THE ENERGY COST PERIOD AND ASSIGNED TO THE COMPANY'S RETAIL CUSTOMERS (3) (AT) (AT)

(RT)

ENERGY COST RATE FORMULA (CONT'D)

(RT)

RR_j = REVENUE UNDER RIDER ECR FOR MONTH *j* OF THE ENERGY COST PERIOD PLUS AN IMPUTED LEVEL OF REVENUES FOR SALES UNDER SPECIAL RATE CONTRACTS WHERE THE ENERGY COST RATE IS NOT SEPARATELY BILLED (AT) (AT) (AT)

PTU_j = PRIOR PERIOD TRUE-UP ADJUSTMENT APPLICABLE FOR MONTH *j* OF THE ENERGY COST PERIOD (4) (CT)

CCR = CARRYING CHARGE RATE (5) (CT)

PEC = PROJECTED ENERGY COST FOR THE PROJECTED ENERGY COST PERIOD (6) (CT)

$$PEC = \sum_{j=1}^{12} EC_j + NRFA \qquad (7)$$ (CT)

WHERE,

EC_j = ENERGY COST FOR MONTH *j* OF THE ENERGY COST PERIOD (1)

NRFA = NUCLEAR REFUELING OUTAGE ADJUSTMENT

NFRA = GACR * (RHD1 * CAP1 + RHD2 * CAP2 + RHDGG * CAPGG)

ENERGY COST RATE FORMULA (CONT'D)

WHERE,

GACR = ANNUAL AVERAGE AVOIDED ENERGY COST RATE ($/kWh) AT GENERATION LEVEL FOR THE ENERGY COST PERIOD AS SET OUT IN THE MOST RECENT FILING WITH THE COMMISSION PURSUANT TO COGENERATION SERVICE RIDER M23 OR ANY SUPERSEDING RATE SCHEDULE

RHD1 = INCREASE (+) OR DECREASE (-) IN REFUELING OUTAGE HOURS FOR ANO UNIT 1 BETWEEN THE ENERGY COST PERIOD AND THE PROJECTED ENERGY COST PERIOD

CAP1 = NET CAPABILITY (kW) OF ANO UNIT 1 AT THE END OF THE ENERGY COST PERIOD THAT IS AVAILABLE TO THE COMPANY'S RETAIL CUSTOMERS (AT) (AT)

RHD2 = INCREASE (+) OR DECREASE (-) IN REFUELING OUTAGE HOURS FOR ANO UNIT 2 BETWEEN THE ENERGY COST PERIOD AND THE PROJECTED ENERGY COST PERIOD

CAP2 = NET CAPABILITY (kW) OF ANO UNIT 2 AT THE END OF THE ENERGY COST PERIOD THAT IS AVAILABLE TO THE COMPANY'S RETAIL CUSTOMERS (AT) (AT)

RHDGG = INCREASE (+) OR DECREASE (-) IN REFUELING OUTAGE HOURS FOR GRAND GULF BETWEEN THE ENERGY COST PERIOD AND THE PROJECTED ENERGY COST PERIOD

CAPGG = NET CAPABILITY (kW) OF EAI'S ALLOCATED SHARE OF GRAND GULF AT THE END OF THE ENERGY COST PERIOD AS REDUCED BY THE RETAINED SHARE AND THAT IS AVAILABLE TO THE COMPANY'S RETAIL CUSTOMERS (AT) (AT)

PES = PROJECTED SALES (kWh) SUBJECT TO THIS RIDER ECR FOR THE PROJECTED ENERGY COST PERIOD

ENERGY COST RATE FORMULA (CONT'D)

NOTE:

1) The Energy Cost Period is the calendar year immediately preceding the filing year.
2) The assignment of energy to retail is pursuant to Order No. 12 of Docket No. 03-028-U. This component of the Energy Cost shall exclude any amount incurred in conjunction with supplying Substitute Energy, as provided for under the ownership contracts between EAI and the co-owners of certain of the Company's generating plants. (AT)
3) RSC_j is to be determined by multiplying the Grand Gulf Retained Share energy (kWh) supplied to the Company's retail customers in each month by the annual average avoided energy cost rate ($/kWh) at generation level most recently filed with the Commission pursuant to Cogeneration Service Rider M23 or any superseding rate schedule. (AT) (RT)
4) The value of PTU_j for month j of the then current Energy Cost Period shall be equal to one-twelfth of the True-up Adjustment (TUA) previously determined under the provisions of this Rider ECR for the second preceding Energy Cost Period for j=1,3 (January through March) and equal to one-twelfth of the True-up Adjustment (TUA) for the immediately preceding Energy Cost Period for j=4,12 (April through December). (CT)
5) The Carrying Charge Rate shall be the authorized rate of return on rate base most recently approved for EAI by the Commission in a non-appealable final order. The initial Carrying Charge Rate shall be 6.9886 percent. (CT)
6) The Projected Energy Cost Period is the twelve-month period commencing on April 1 of the filing year. (CT)
7) Should there be unusual circumstances associated with any Projected Cost Period either the Company or the Staff may propose use of a Projected Energy Cost (Variable PEC) different from that defined by this formula. (CT)

ELECTRIC SERVICE TARIFF:

FUEL COST RECOVERY SCHEDULE: "FCR-18"

GEORGIA POWER
A SOUTHERN COMPANY

PAGE	EFFECTIVE DATE	REVISION	PAGE NO.
1 of 2	With Bills Rendered for the Billing Month of July 2006	Original	9.00

AVAILABILITY:

Available to all customers in Georgia Power Company's service area as it existed on June 30, 2006.

APPLICABILITY:

This schedule is applicable to and becomes a part of each retail rate schedule in which reference is made to the Fuel Cost Recovery Schedule.

RATE:

All bills rendered subject to the Fuel Cost Recovery Schedule shall be respectively increased in an amount equal to:

Secondary Distribution customers .....3.0248¢ per kWh
Primary Distribution customers .....2.9767¢ per kWh
Transmission customers .....2.9389¢ per kWh

Fuel Costs shall be the cost of:

(1) fossil, nuclear, bio-mass (including renewable) fuel and emission allowances consumed in the Company's own plants, and the Company's share of fossil, nuclear, and bio-mass (including renewable) fuel and emission allowances consumed in jointly owned or leased plants; plus

(2) the identifiable fossil, nuclear, bio-mass (including renewable) fuel and emission allowance costs associated with energy purchased for reasons other than identified in (3) below; plus

(3) the net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost of energy; less

(4) the cost of fossil, nuclear, bio-mass (including renewable) fuel and emission allowances recovered through intersystem sales when sold on an economic dispatch basis; less

(5) retail portion of gains resulting from the sale of any emissions allowances; less

(6) seventy-five percent of net gains from wholesale market opportunity sales; plus or minus

SCHEDULE: "FCR-18"

PAGE	EFFECTIVE DATE	REVISION	PAGE
2 of 2	With Bills Rendered for the Billing Month of July 2006	Original	9.00

(7) net gains and losses incurred under the Natural Gas and Oil Procurement and Hedging Program implemented in Docket No. 16134-U; plus or minus

(8) carrying costs on over or under recovered fuel balance calculated at the Company's short-term debt rate and excluding the first $15 million of any under recovered cost; plus or minus

(9) other costs or credits as determined by the Commission for inclusion in, or reduction of, recoverable fuel costs.

DEFINITIONS:

TRANSMISSION CUSTOMERS:

Customers who receive electrical service from a transmission line of 46 kV or higher, or from a substation or a pole-mounted or pad-mounted transformer, which is dedicated to them and whose high-side voltage is 46 kV or more.

PRIMARY DISTRIBUTION CUSTOMERS:

Customers who receive electrical service from a distribution line at a voltage between 2.4 kV and 25 kV, or a substation or a pole-mounted or pad-mounted transformer whose high-side and low-side voltage is between 2.4 kV and 25 kV.

SECONDARY DISTRIBUTION CUSTOMERS:

Any customer not defined as a Transmission or Primary Distribution Customer.

SENIOR CITIZEN – LOW INCOME ASSISTANCE:

Qualifying customers, after certification by the Company, will be eligible for a fuel cost recovery credit of $6.00 monthly at their primary residence. To qualify, the customer must be certified as eligible for the "SENIOR CITIZEN – LOW INCOME ASSISTANCE" credit provided on the R-15 tariff or its successor. There shall be no net credits nor shall there be any carry-over credits.

GENERAL TERMS & CONDITIONS:

The adjustment calculated under this rider is subject to change in such an amount as may be approved and/or amended by the Georgia Public Service Commission.

Service hereunder subject to Rules and Regulations for Electric Service on file with the Georgia Public Service Commission.

TERMS AND CONDITIONS OF SERVICE

(Cont'd from Sheet No. 3.16)

22. Employees Discount.

Regular employees who have been in the Company employ for six months or more and are the head of the family or mainly responsible for maintenance of the premises they occupy may, at the discretion of the Company, secure a reduction in their residential electric bills. The rate for standard electric service shall consist of a monthly service charge of $6.65 plus 5.104¢/kWh for all metered kWh plus adjustments as required under the Fuel Cost Adjustment. Employees who install a Company-approved storage water-heating system will be subject to a rate of 1.474¢/kWh under the conditions set forth in the storage water-heating provision or load management water-heating provision of Tariff RS.

Employees who use energy-storage or other load-management devices with time-differentiated load characteristics approved by the Company may receive service under the provisions of Tariff RS-OPES. The TOD rate shall be 8.894¢/kWh for all consumption during the on-peak period and 1.474¢/kWh for all consumption during the off-peak period. All remaining rates and charges shall be standard tariff amounts.

Employees who take service under the conditions set forth in the RS-TOD tariff will be subject to a rate of 8.894¢/kWh for all consumption during the on-peak period and 1.474¢/kWh for all consumption during the off-peak period. The customer charge is $10.40 per customer per month.

23. Fuel Cost Adjustment.

A. The energy charges set forth in all rate schedules and those energy charges that are either included in the capacity or demand charges of such rate schedules or in the minimum billings under such rate schedules shall be increased or decreased, to the nearest 0.001 mill ($.000001) per kWh, in accordance with the following adjustment factor:

$$\text{Adjustment Factor} = \frac{F}{S} - \$0.008609 \text{ per kWh}$$

where:

1. "F" is the estimated expense of fuel based on a three-month average cost beginning with the month immediately following the current billing cycle month and consisting of the following costs:

(Cont'd on Sheet No. 3.18)

TERMS AND CONDITIONS OF SERVICE

(Cont'd from Sheet No. 3.17)

(a) the average cost of fossil and nuclear fuel consumed in the Company's own plants, such cost being only those items listed in Account 151 and Account 518 (exclusive of spent nuclear fuel disposal costs which will be determined as specified in (e) below), respectively, of the Federal Energy Regulatory Commission's Uniform System of Accounts for Class A and B Public Utilities and Licensees;

(b) the actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in (c) below; T

(c) the net energy cost, exclusive of capacity or demand charges, of energy purchased on an economic dispatch basis, and energy purchased as a result of a scheduled outage, when the costs thereof are less than the Company's fuel cost of replacement net generation from its own system at that time; less

(d) the cost of fossil and nuclear fuel recovered through intersystem sales including fuel costs related to unit power sales, economy energy sales, and other energy sold on an economic dispatch basis;

(e) the total Company amounts of spent nuclear fuel disposal costs as determined in I.U.R.C. Cause No. 39314. T

2. "S" is the estimated kilowatt-hour sales for the same estimated period set forth in "F", consisting of the net sum in kilowatt-hours of: T

(a) net generation
(b) purchases
(c) interchange-in, less
(d) intersystem sales
(e) energy losses and Company use

(Cont'd on Sheet No. 3.19)

TERMS AND CONDITIONS OF SERVICE

(Cont=d from Sheet No. 3.18)

B. The adjustment factor as computed above shall be further modified to allow the recovery of gross receipts taxes and other similar revenue based tax charges occasioned by the fuel cost adjustment revenues.

C. The fuel cost charge shall be further modified to reflect the difference between incremental fuel cost billed and incremental fuel cost actually experienced not less than during the latest three calendar months for which actual fuel costs were available at the time of the filing of the application for a change in the fuel cost charge.

D. The adjustment factor as calculated above will be applied to all billing Kilowatt-hours for those tariffs which have as part of their tariff a fuel cost adjustment.

Pursuant to the Order Approving Settlement Agreement entered by the Commission in Cause No. 42045-S1 on June 1, 2005, subsections A, B, C, and D of this Section are suspended and do not apply during the period in which the fixed fuel adjustment charges, subject to certain adjustments, set out in the Order Approving Settlement are in effect. Instead, I&M will file semi-annual applications setting forth the fixed fuel adjustment charges to be in effect for the next six billing months, along with supporting testimony demonstrating that (1) actual increases in fuel costs through the latest month for which actual costs are available have not been offset by actual decreases in other operating expenses since the Order in Cause No. 39314, and (2) the fixed fuel adjustment charge will not result in I&M earning a return in excess of the return authorized by the Commission in Cause No. 39314. In addition, the application will include a calculation of the difference between I&M's actual incurred fuel costs in Non-Active Periods in mills per kWh and the monthly weighted average total fuel rates in effect during Non-Active periods of the fuel rate freeze period to date for the purpose set forth in the Settlement Agreement. The fuel charges in accordance with the Settlement Agreement shall continue through the June 2007 billing month unless or until otherwise determined by the Commission.

E. Adjustment factors to be applied to the following billing cycle month:

			D
January through March 2006	- -	$0.002007/kWh charge.	
April through September 2006	- -	$0.001651/kWh charge.	
October through December 2006	- -	$0.001651/kWh Charge.	N
January through March 2007	- -	$0.002021/kWh charge.	N

(Cont'd on Sheet No. 3.20)

TARIFF F.A.C.
(Fuel Adjustment Clause)

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D. R.S.-T.O.D., S.G.S., M.G.S., M.G.S.-T.O.D., L.G.S., Q.P., C.I.P.-T.O.D., C.S.-I.R.P., M.W., O.L., and S.L.

RATE.

1. The fuel clause shall provide for periodic adjustment per kwh of sales equal to the difference between the fuel costs per kwh of sales in the base period and in the current period according to the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where F is the expense of fossil fuel in the base (b) and current (m) periods; and S is sales in the base (b) and current (m) periods, all as defined below:

2. F(b)/S(b) shall be so determined that on the effective date of the Commission's approval of the utility's application of the formula, the resultant adjustment will be equal to zero (0).

3. Fuel costs (F) shall be the most recent actual monthly cost of:

   a. Fossil fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of the fuel related substitute generation, plus

   b. The actual identifiable fossil and nuclear fuel costs [if not known--the month used to calculate fuel (F), shall be deemed to be the same as the actual unit cost of the Company generation in the month said calculations are made. When actual costs become known, the difference, if any, between fuel costs (F) as calculated using such actual unit costs and the fuel costs (F) used in that month shall be accounted for in the current month's calculation of fuel costs (F)] associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus

   c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the Company to substitute for its own higher cost energy; and less

   d. The cost of fossil fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

   e. All fuel costs shall be based on weighted average inventory costing.

4. Forced outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacturer, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel costs of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel costs (F) in subsection (3)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

(Cont'd on Sheet No. 5-2)

TARIFF F.A.C. (Cont'd)
(Fuel Adjustment Clause)

5. Sales (S) shall be all kwh's sold, excluding intersystem sales. Where, for any reason billed system sales cannot be coordinated with the fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) intersystem sales referred to in subsection (3)(d) above, less (vi) total system loss. Utility used energy shall not be excluded in the determination of sales (S).

6. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts or Public Utilities and Licensees.

7. At the time the fuel clause is initially filed, the utility shall submit copies of each fossil fuel purchase contract not otherwise on file with the Commission and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of fuel supply and purchased power. Incorporation by reference is permissible. Any changes in the documents, including price escalations, or any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. Where fuel is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts shall be noted and the utility shall explain and justify them in writing. Fuel charges, which are unreasonable, shall be disallowed and may result in the suspension of the fuel adjustment clause. The Commission on its own motion may investigate any aspect of fuel purchasing activities covered by this regulation.

8. Any tariff filing which contains a fuel clause shall conform that clause with this regulation within three (3) months of the effective date of this regulation. The tariff filing shall contain a description of the fuel clause with detailed cost support.

9 The monthly fuel adjustment shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data, and information as may be required by the Commission.

10. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS61.870 to 61.884.

11. At six (6) month intervals, the Commission will conduct public hearings on a utility's past fuel adjustments. The Commission will order a utility to charge off and amortize, by means of a temporary decrease of rates, any adjustment it finds unjustified due to improper calculation or application of the charges or improper fuel procurement practice.

12. Every two (2) years following the initial effective date of each utility fuel clause, the Commission in a public hearing will review and evaluate past operations of the clause, disallow improper expenses, and to the extent appropriate, reestablish the fuel clause charge in accordance with Subsection 2.

13. Resulting cost per kilowatt-hour in September 2004 to be used as the base cost in Standard Fuel Adjustment Clause is:

$$\frac{\text{Fuel September 2004}}{\text{Sales September 2004}} = \frac{\$\ 8,703,098}{527,226,000} = \$0.01651/\text{KWH}$$

This, as used in the Fuel Adjustment Clause, is 1.651 cents per kilowatt-hour.

FAC
Fuel Adjustment Clause

APPLICABLE
In all territory served.

AVAILABILITY OF SERVICE
This schedule is a mandatory rider to all electric rate schedules.

(1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

(2) Fuel costs (F) shall be the most recent actual monthly cost of:

(a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

(e) All fuel costs shall be based on weighted average inventory costing.

(3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

FAC
Fuel Adjustment Clause

(4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

(5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

(6) Base (b) period shall be the twelve months ending September 2004 and the base fuel factor is 1.810 cents per KWH.

(7)Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

(8) Pursuant to the Public Service Commission's Order in Case No. 2004-00465 dated May 24, 2005, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of July 2005.

FUEL CLAUSE RIDER

Kingsport Power is authorized under the terms of this rider to adjust customers' bills in each applicable tariff whenever the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission Rate Schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses. Each month, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

MONTHLY ADJUSTMENT

Fuel Clause Adjusment ..... 2.6827 mills per kWh

TARIFF	ENERGY CHARGE	FUEL ADJMT.	TOTAL ENERGY CHARGE
R.S. - Residential	4.873 ¢ / kWh	0.26827 ¢ / kWh	5.14127 ¢ / kWh
R.S. - E. - Employee	4.142 ¢ / kWh	0.26827 ¢ / kWh	4.41027 ¢ / kWh
R.S.- L.M. - T.O.D.			
On-peak	7.541 ¢ / kWh	0.26827 ¢ / kWh	7.80927 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.26827 ¢ / kWh	3.02327 ¢ / kWh
R.S. - T.O.D.- Time of Day			
On-peak	7.541 ¢ / kWh	0.26827 ¢ / kWh	7.80927 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.26827 ¢ / kWh	3.02327 ¢ / kWh
S.G.S. - Small General Service			
1st 600 kWh	6.792 ¢ / kWh	0.26827 ¢ / kWh	7.06027 ¢ / kWh
Over 600 kWh	5.643 ¢ / kWh	0.26827 ¢ / kWh	5.91127 ¢ / kWh
S.G.S. - L.M. - T.O.D.			
On-peak	9.293 ¢ / kWh	0.26827 ¢ / kWh	9.56127 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.26827 ¢ / kWh	3.02327 ¢ / kWh
M.G.S. - Medium Gen. Service			
Secondary:			
1st 200 times kW demand	7.374 ¢ / kWh	0.26827 ¢ / kWh	7.64227 ¢ / kWh
Over 200 times kW demand	3.689 ¢ / kWh	0.26827 ¢ / kWh	3.95727 ¢ / kWh
Primary:			
1st 200 times kW demand	6.864 ¢ / kWh	0.26827 ¢ / kWh	7.13227 ¢ / kWh
Over 200 times kW demand	3.280 ¢ / kWh	0.26827 ¢ / kWh	3.54827 ¢ / kWh
Load Mgmt.			
On-peak	8.847 ¢ / kWh	0.26827 ¢ / kWh	9.11527 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.26827 ¢ / kWh	3.02327 ¢ / kWh

TARIFF	ENERGY CHARGE	FUEL ADJMT.	TOTAL ENERGY CHARGE
M.G.S. - Medium Gen. Service (cont'd)			
Time-of-Day			
On-peak	8.847 ¢ / kWh	0.26827 ¢ / kWh	9.11527 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.26827 ¢ / kWh	3.02327 ¢ / kWh
L.G.S. - Large Gen. Service			
Secondary	3.869 ¢ / kWh	0.26827 ¢ / kWh	4.13727 ¢ / kWh
Primary	3.401 ¢ / kWh	0.26827 ¢ / kWh	3.66927 ¢ / kWh
Subtransmission	2.709 ¢ / kWh	0.26827 ¢ / kWh	2.97727 ¢ / kWh
I.P. - Industrial Power			
Primary	2.302 ¢ / kWh	0.26827 ¢ / kWh	2.57027 ¢ / kWh
Subtransmission	2.269 ¢ / kWh	0.26827 ¢ / kWh	2.53727 ¢ / kWh
Transmission	2.241 ¢ / kWh	0.26827 ¢ / kWh	2.50927 ¢ / kWh
E.H.G.- Electric Heating General	5.516 ¢ / kWh	0.26827 ¢ / kWh	5.78427 ¢ / kWh
C.S. - Church Service	6.213 ¢ / kWh	0.26827 ¢ / kWh	6.48127 ¢ / kWh
P.S. - Public Schools	6.068 ¢ / kWh	0.26827 ¢ / kWh	6.33627 ¢ / kWh

FAC
Fuel Adjustment Clause

APPLICABLE.
In all territory service.

AVAILABILITY OF SERVICE
This schedule is a mandatory rider to all electric rate schedules.

(1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or decreased at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

Adjustment Factor = F/S - 1.349¢*

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

(2) Fuel costs (F) shall be the cost of:

(a) Fossil fuel consumed in the Company's plants plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages, plus

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by Company to substitute for its own higher cost energy, and less

(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

(e) All fuel costs shall be based on weighted average inventory costing. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.

(f) As used herein, the term "forced outages" means all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot,

FAC
Fuel Adjustment Clause

insurrection or acts of the public enemy, then the Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.

(3) Sales (S) shall be determined in kilowatt-hours as follows:

Add:

(a) net generation
(b) purchases
(c) interchange-in

Subtract:

(d) inter-system sales including economy energy and other energy sold on an economic dispatch basis
(e) total system losses

* Pursuant to the Public Service Commission's Order in Case No. 2004-00466 dated May 24, 2005, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of July 2005.

RIDER NO. 39W
ADJUSTMENT FOR FUEL COSTS

APPLICABILITY

This adjustment is applicable to and is a part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of fuel in an amount to the nearest one-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission:

$$F = \frac{E}{S} + \frac{G}{S_1}$$

Where:

F = Fuel cost per kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E = Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees and the cost of SO_2 emission allowances recorded in FERC Account 509 (allowance cost). The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

Plus

(B) Fuel costs related to purchased power (and applicable SO_2 emission allowances) such as those incurred in unit power and limited term power purchases where the fossil fuel costs and applicable SO_2 emission allowances associated with energy purchased are identifiable and are identified in the billing statement. Also the cost of "firm generation capacity purchases," which are defined as purchases made to cure a capacity deficiency or to maintain adequate reserve levels. Costs of "firm generation capacity purchases" includes the total delivered costs of firm generation capacity purchased and excludes generation capacity reservation charges, generation capacity option charges and any other generation capacity charges.

Plus

(C) Fuel costs related to purchased power (including transmission charges and applicable SO_2 emission allowances), such as short term, economy and other such purchases where the energy is purchased on an economic dispatch basis, including the total delivered cost of economy purchases of electric power defined as purchases made to displace higher cost generation at a cost which is less than the purchasing Utility's avoided variable costs for the generation of an equivalent quantity of electric power.

Energy receipts that do not involve money payments such as Diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

Minus

(D) The cost of fuel and applicable allowance cost recovered through intersystem sales including the fuel costs and applicable allowance cost related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as Diversity energy and payback of storage are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S_1 = Projected jurisdictional kilowatt-hour sales for the period covered by the fuel costs included in E.

The appropriate revenue-related tax factor is to be included in these calculations.

The fuel cost (F) as determined by Public Service Commission of South Carolina is 2.500 cents per kilowatt-hour, which shall remain in effect until superseded by a subsequent Commission order: Provided that the terms of S.C. Code Ann. Section 58-27-865 shall govern this calculation, and in case of any conflict this statute shall control.

Supersedes Rider No. 39V
Effective for bills rendered on and after July 1, 2006

SOUTH CAROLINA ELECTRIC & GAS COMPANY

ADJUSTMENT FOR FUEL COSTS

APPLICABILITY

This adjustment is applicable to and is part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of fuel in an amount to the nearest one-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission.

$$F = \frac{E}{S} + \frac{G}{S1}$$

Where:

F = Fuel cost per kilowatt hour included in base rate, rounded to the nearest one-thousandth of a cent.

E = Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees plus SO2 emission allowances. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Fuel costs related to purchased power and applicable SO2 emission allowances such as those incurred in unit power and limited term power purchases where the fossil fuel costs and applicable SO2 emission allowances associated with energy purchased are identifiable and are identified in the billing statement. Also the cost of 'firm generation capacity purchases,' which are defined as purchases made to cure a capacity deficiency or to maintain adequate reserve levels; costs of firm generation capacity purchases include the total delivered costs of firm generation capacity purchased and shall exclude generation capacity reservation charges, generation capacity option charges and any other capacity charges.

PLUS

(C) Fuel costs related to purchased power and applicable SO2 emission allowances such as short term, economy and other where the energy is purchased on an economic dispatch basis, including the total delivered cost of economy purchases of electric power including, but not limited to, transmission charges and defined as purchases made to displace higher cost generation at a cost which is less than the purchasing Utility's avoided variable costs for the generation of an equivalent quantity of electric power.

Energy receipts that do not involve money payments such as diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fossil fuel and applicable SO2 emission allowances recovered through intersystem sales including the fuel costs and applicable SO2 emission allowances related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as diversity energy and payback of storage energy are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S1 = Projected jurisdictional kilowatt hour sales for the period covered by the fuel costs included in E.

The appropriate revenue related tax factor is to be included in these calculations.

Provided that the terms of S.C. Code Ann. Sec. 58-27-865 shall govern this calculation and in case of any conflict,

this statue shall control over the above.

The fuel cost as determined by the Public Service Commission of South Carolina Order No. 2006-235 for the period May 2006 through April 2007 is 2.516 cents per kilowatt hour.

ARKANSAS PUBLIC SERVICE COMMISSION

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Original:	**Sheet No:** R-27.1	Sheet 1 of 14
Replacing:	**Sheet No:**	
Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
Kind of Service: Electric	**Class of Service:** All	
Part III. Rate Schedule No. 27		
Title: ENERGY COST RECOVERY RIDER (RIDER ECR)		

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RECOVERY OF ENERGY COST

Energy Cost Recovery Rider ("Rider ECR ") defines the procedure by which the "Energy Cost Rate" of Southwestern Electric Power Company ("SWEPCO" or "Company") shall be initially established and periodically redetermined. The Energy Cost Rate shall recover the Company's net fuel and purchased energy cost, as defined in this Rider ECR.

ENERGY COST RATE

The Energy Cost Rate to be initially effective under this Rider ECR shall be determined in the manner prescribed by the Arkansas Public Service Commission ("APSC" or "Commission") in its final order in Docket No. 98-339-U and shall become effective upon the date established by the Commission. The Energy Cost Rate shall then be redetermined annually through filings made in accordance with the provisions of Annual Redetermination of this Rider ECR. The Energy Cost Rate shall be applied to each customer's monthly billing energy (kWh). For electric service billed under applicable rate schedules for which there is no metering, the monthly usage shall be estimated by the Company and the Energy Cost Recovery Rider shall be applied. The Energy Cost Rate shall be calculated to the nearest $0.000001 and when applied to customers' bills shall be rounded to the nearest cent.

ANNUAL REDETERMINATION

On or before March 15 of each year beginning in 2000, the Company shall file a redetermined Energy Cost Rate with the Commission. The redetermined Energy Cost Rate shall be determined by application of the Energy Cost Rate Formula set out in Attachment A of this Rider ECR. Each such revised Energy Cost Rate shall be filed in Commission Report Docket No. 86-

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Original:	**Sheet No:** R-27.2	Sheet 2 of 14
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-033-A and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised Energy Cost Rate.

The redetermined Energy Cost Rate shall reflect the projected Energy Cost for the 12-month period commencing on April 1 of each year ("Projected Energy Cost Period") together with a true-up adjustment reflecting the over-recovery or under-recovery of the Energy Cost for the 12-month period ended December 31 of the prior calendar year ("Historical Energy Cost Period"). The Energy Cost Rate so determined shall be effective for bills rendered on and after the first billing cycle of April of the filing year and shall then remain in effect for twelve (12) months, except as otherwise provided for below.

ADJUSTMENTS

If prior to the annual redetermination of the Energy Cost Rate, Staff or the Company becomes aware of an event that is reasonably expected to occur and/or has occurred which will materially impact the Company's Energy Cost, either the Staff or the Company may propose an adjustment to the Energy Cost Rate Formula set out in Attachment A of this Rider ECR. Furthermore, should a cumulative over-recovery or under-recovery balance arise during any Rider Cycle which exceeds ten percent (10%) of the Historical Energy Cost Period, then either the APSC General Staff ("Staff") or the Company may propose an interim revision to the then currently effective Energy Cost Rate.

PAYMENT FOR SERVICE

AT

Payment for Service Rider – See Rate Schedule 44.

AT

ARKANSAS PUBLIC SERVICE COMMISSION

Original:	**Sheet No:** R-27.3	Sheet 3 of 14
Replacing:	**Sheet No:**	
Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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ATTACHMENT A

ENERGY COST RATE FORMULA

ECR = ENERGY COST RATE

$$ECR = \frac{TUA + (PEC * JAF)}{PES} * LCF + (M * LCF)$$

WHERE,

$$TUA = \sum_{j=1}^{12} ((EC_j * JAF) - (RR_j - PTU_j)) * \left(1 + CCR * \frac{21 - j}{12}\right)$$

Where,

EC_j = *ENERGY COST FOR MONTH j OF THE HISTORICAL ENERGY COST PERIOD (1)*

$$EC_j = Fe_j + Pe_j - MST_j + DHMV_j$$

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ATTACHMENT A (continued)

Where

Fe_j = *FUEL EXPENSE CHARGED TO ACCOUNT 501 LESS ACCOUNT 501 COSTS THAT FIT THE DEFINITION OF FERC ACCOUNT 152, LESS FUEL COST ASSOCIATED WITH SALES TRANSACTIONS IN MONTH j OF THE HISTORICAL ENERGY COST PERIOD*

Pe_j = *PURCHASED ENERGY EXPENSE CHARGED TO ACCOUNTS 555, LESS FUEL COST ASSOCIATED WITH SALES TRANSACTIONS, IN MONTH j OF THE HISTORICAL ENERGY COST PERIOD*

MST_j = *MARGINS FROM SALES TRANSACTIONS MADE TO AFFILIATED AND NON-AFFILIATED COMPANIES RECORDED IN MONTH j OF THE HISTORICAL ENERGY COST PERIOD (2)*

$DHMV_j$ = *DOLET HILLS MINING VENTURE ADJUSTMENT TO SWEPCO's ENERGY COST IN MONTH j OF THE HISTORICAL ENERGY COST PERIOD. (7)*

Where

If $DHMV\ SAVINGS_j \leq DHLC\ ACCUMULATED\ DEFERRED\ FUEL_j$, *THEN* $DHMV_j = DHMV\ SAVINGS_j$ *OTHERWISE*

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Original:	**Sheet No:** R-27.5	Sheet 5 of 14
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Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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Title: ENERGY COST RECOVERY RIDER (RIDER ECR)		

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ATTACHMENT A (continued)

If DHMV SAVINGS$_j$ > DHLC ACCUMULATED DEFERRED FUEL$_j$ AND If 0.5 DHMV SAVINGS$_j$ ≤ UNAMORTIZED LITIGATION COST$_j$ THEN DHMV$_j$ = DHLC ACCUMULATED DEFERRED FUEL$_j$ + 0.5* (DHMV SAVINGS$_j$ - DHLC ACCUMULATED DEFERRED FUEL$_j$) OTHERWISE,*

If DHMV SAVINGS$_j$ > DHLC ACCUMULATED DEFERRED FUEL$_j$ AND IF 0.5 DHMV SAVINGS$_j$ > UNAMORTIZED LITIGATION COST$_j$ THEN DHMV$_j$ = UNAMORTIZED LITIGATION COST$_j$*

Where

If Total DHLC mmBTU =0, then DHMV BENCHMARK = 0

Otherwise:

*DHMV SAVINGS$_j$ = (DHMV BENCHMARK/12 - DHLC FUEL COST$_j$) *.40234* ARSHARE$_j$*

DHMV BENCHMARK = [33,005,040 mmBTU$1.445+(Total DHLC mmBTU – 33,005,040)*$1.07]* ESCALATOR*

Total DHLC mmBTU = Total mmBTU delivered by the Dolet Hills Lignite Company to the Dolet Hills Power Plant during the Historical Energy Cost Period.

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Original:	**Sheet No:** R-27.6	Sheet 6 of 14
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ATTACHMENT A (continued)

$$ESCALATOR = \frac{IPD_x - IPD_y}{IPD_y} + 1$$

IPD_x = *US Gross Domestic Product Implicit Price Deflator for the second quarter of the Historical Energy Cost Period.*

IPD_y = *US Gross Domestic Product Implicit Price Deflator for the second quarter of the base year (2001).*

DHLC FUEL COST$_j$ = Account 501 Costs Associated with the Dolet Hills Lignite Company mining operations in Month j of the Historical Energy Cost Period, which services shall be provided at cost with the financing costs being calculated using the authorized rate of return on rate base most recently approved for SWEPCO by the APSC in a non-appealable final order on DHLC assets rather than DHLC's actual rate of return.

ARSHARE$_j$ = The greater of 18% or the JAF defined in this ECR in Month j of the Historical Energy Cost Period.

DHLC ACCUMULATED DEFERRED FUEL$_j$ = The Cumulative Deferred Balance in Month j of the Historical Energy Cost Period of DHLC FUEL COSTs in excess of the DHMV BENCHMARKs, reduced by the recoveries of DHLC ACCUMULATED DEFERRED FUEL through the DHMV.

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Original:	**Sheet No:** R-27.7	Sheet 7 of 14
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Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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ATTACHMENT A (continued)

UNAMORTIZED LITIGATION COST$_j$ = The Cumulative Deferred Balance in Month j of the Historical Energy Cost Period of the $1,103,000 Arkansas jurisdictional share of SWEPCO's litigation cost associated with the DHLC, reduced by the recoveries of LITIGATION COST through the DHMV.

JAF = *JURISDICTIONAL ALLOCATION FACTOR (3)*

RR_j = *REVENUE UNDER RIDER ECR FOR MONTH j OF THE HISTORICAL ENERGY COST PERIOD*

PTU_j = *PRIOR PERIOD TRUE-UP ADJUSTMENT APPLICABLE FOR MONTH j OF THE HISTORICAL ENERGY COST PERIOD*

CCR = *CARRYING CHARGE RATE (4)*

PEC = *ESTIMATED ENERGY COST FOR THE PROJECTED ENERGY COST PERIOD (5)*

$$PEC = \sum_{j=1}^{12} EC_j$$

M = *AMORTIZATION OF PROJECTED FINAL MINE CLOSING AND RECLAMATION COSTS FOR THE SOUTH HALLSVILLE MINE ADJACENT TO SWEPCO'S PIRKEY POWER PLANT*

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Original:	**Sheet No:** R-27.8	Sheet 8 of 14
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Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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ATTACHMENT A (continued)

LCF = *LOSS CORRECTION FACTOR (6)*

PES = *PROJECTED SALES (kWh) SUBJECT TO THIS RIDER ECR FOR THE PROJECTED ENERGY COST PERIOD*

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Original:	**Sheet No:** R-27.9	Sheet 9 of 14
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ATTACHMENT A (continued)

(1) The Historical Energy Cost Period is the calendar year immediately preceding the filing year.

(2) The margins from sales transactions shall be treated in the following manner:

Treatment of Non-Affiliated Sales Margins:

In consideration of incorporating a fixed minimum level of off-system sales margins in the energy cost recovery rider, and in recognition of the differences in off-system sales margins pre and post merger and the treatment afforded off-system sales revenues as the result of the American Electric Power ("AEP") merger in other jurisdictions, incremental margins from sales will be shared between customers and shareholders as described in (a) and (b) and as shown in the tables below. Off-system sales margins are defined as margins from sales transactions to non-affiliated utilities made under the Central & South West ("CSW") Joint Operating Agreement pre-merger, and under the AEP System Integration Agreement post-merger. The customers' share of off-system sales margins will be reflected in the calculation of the Energy Cost Recovery Rider.

(a) Pre-merger the minimum or base off-system sales margin to be included in the Energy Cost Recovery Rider and credited to customers on an annual basis is $583,539. For any off-system sales margins allocated to SWEPCO's Arkansas retail jurisdiction between $583,539 and $758,600, 100% of such margins shall be credited to retail customers. For any off-system sales margins allocated to SWEPCO's Arkansas retail

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Original:	**Sheet No:** R-27.10	Sheet 10 of 14
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ATTACHMENT A (continued)

jurisdiction between $758,600 and $1,167,078, 85% of such margins shall be credited to retail customers and 15% of such margins shall be retained by shareholders. For any off-system sales margins allocated to SWEPCO's Arkansas retail jurisdiction above $1,167,078, 50% of such margins shall be credited to customers and 50% of such margins shall be retained by the shareholders

PRE-MERGER

Company	Base Off-System Sales margin in The Test Year	Threshold Level for 15% Sharing by Shareholders in Off-System Sales	Threshold Level for 50% Sharing by Shareholders in Off-System Sales
SWEPCO	$583,539	$758,600	$1,167,078

(b) Post-merger, the minimum or base off-system sales margin to be included in the Energy Cost Recovery Rider and credited to customers on an annual basis is $758,600. Any proration would be consistent with the effective date of the merger. For any off-system sales margins allocated to SWEPCO's Arkansas retail jurisdiction between $758,600 and $1,167,078, 85% of such margins shall be credited to retail customers and 15% of such margins shall be retained by stockholders. For any off-system sales margins allocated to SWEPCO's Arkansas retail jurisdiction above $1,167,078, 50% of such margins shall be credited to customers and 50% of such margins shall be retained by the shareholders.

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Original:	**Sheet No:** R-27.11	Sheet 11 of 14
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Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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ATTACHMENT A (continued)

POST-MERGER

Company	Base Off-System Sales margin in The Test Year	Threshold Level for 15% Sharing by Shareholders in Off-System Sales	Threshold Level for 50% Sharing by Shareholders in Off-System Sales
SWEPCO	$758,600	$758,600	$1,167,078

Treatment of Affiliated Sales Margins

Margins allocated to SWEPCO's Arkansas retail jurisdiction resulting from energy sales transactions with affiliated electric operating companies will be reflected in the calculation of the Energy Cost Recovery Rider. Margins allocated to SWEPCO's Arkansas retail jurisdiction resulting from capacity sales will be reflected in the calculation of the Energy Cost Recovery Rider.

(3) The jurisdictional allocation factor will be derived in a two step process. First, for each jurisdiction the voltage level kWh at the meter will be divided by the most recent energy loss factors to determine the voltage level kWh at generation. Second, the Arkansas jurisdictional kWh at generation will be divided by the total kWh at generation for all jurisdictions to develop the Arkansas jurisdictional allocation factor.

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ATTACHMENT A (continued)

(4) The Carrying Charge Rate shall be the authorized rate of return on rate base most recently approved for SWEPCO by the APSC in a non-appealable final order. The initial Carrying Charge Rate shall be 6.82%.

(5) The Estimated Energy Costs for the Projected Energy Cost Period is equal to the energy costs for the Historical Energy Cost Period (the calendar year immediately preceding the filing year). Should there be unusual circumstances associated with any Projected Energy Cost or Projected Energy Cost Period either the Company or the Staff may propose use of a Projected Energy Cost (PEC variable) different from that defined by this formula.

(6) The loss correction factors will be determined by dividing the sum of the metered kWh sales for the Arkansas jurisdiction by the sum of the sales at the generation level for the Arkansas jurisdiction. This ratio of sales to generation is known as the "composite loss factor" for the Arkansas jurisdiction. The LCF for each voltage level is determined by dividing the service voltage loss factor by the composite loss factor.

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Original:	**Sheet No:** R-27.13	Sheet 13 of 14
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Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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ATTACHMENT A (continued)

(7) Costs associated with the lignite supply to the Dolet Hills Power Plant will be treated in the following manner:

Treatment of the Dolet Hills Mining Venture Adjustment

In consideration of expected fuel cost savings resulting from the replacement of the former mine operator, SWEPCO will be allowed to recover the costs associated with the Dolet Hills Lignite Company (DHLC) in the following manner. The Arkansas ratepayer will at no time pay more than the DHMV Benchmark cost for fuel supplied by DHLC to the Dolet Hills Power Plant (Plant). The DHMV Benchmark cost will be calculated based on the DHMV contractual minimum quantity of 2,434,000 tons of lignite (assuming an average heating value of 6,780 Btu's per pound) at $1.445/mmBtu, plus additional Btu's at $1.07/mmBtu as necessary to match the actual quantity of Btu's delivered to the Plant by DHLC each year. Should DHLC provide 0 MMBtu's to the Plant in any given year, the DHMV Benchmark shall be $0 for that same period. These calendar year 2001 prices will be escalated each year thereafter based upon actual changes in the Gross Domestic Product Implicit Price Deflator (IPD) in order to project the DHMV Benchmark. For example, the 2002 prices would be computed by taking the ratio of the IPD for the second quarter 2002 and the IPD for the second quarter 2001 and multiplying it by the 2001 prices to compute the 2002 "would have been" DHMV cost.

Any DHLC costs in excess of the DHMV Benchmark will result in a negative DHMV Adjustment. The excess cost will be deferred for ratemaking purposes by SWEPCO

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Original:	**Sheet No:** R-27.14	Sheet 14 of 14
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Name of Company: SOUTHWESTERN ELECTRIC POWER COMPANY		
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ATTACHMENT A (continued)

with no carrying charge applied to the deferred balance. For the purposes of this document, such deferrals are referred to as DHLC ACCUMULATED DEFERRED FUEL.

In years when DHLC costs are below the DHMV Benchmark costs, this cost differential will be dedicated first to the recovery of DHLC ACCUMULATED DEFERRED FUEL amounts to the extent any DHLC ACCUMULATED DEFERRED FUEL amounts exist.

In calculating the DHMV Adjustment, the Arkansas jurisdictional share of the cost differential, will be the greater of 18% or the Jurisdictional Allocation Factor (JAF) defined in this ECR.

After DHLC ACCUMULATED DEFERRED FUEL amounts are recovered by SWEPCO, 50% of the cost differential will be applied to the repayment of $1,103,000, which represents the Arkansas jurisdictional share of SWEPCO's total litigation costs (Litigation Cost). The Litigation Cost will be deferred for ratemaking purposes by SWEPCO with no carrying charge on the deferred balance. After the Litigation Cost is amortized, the entire cost savings will benefit the ratepayer.

(8) The United States Gross Domestic Product Implicit Price Deflator is published by the Department of Commerce, Bureau of Economic Analysis on a quarterly basis. The first published values for the second quarter index each year are to be used in computing the value of Escalator.

FUEL ADJUSTMENT RIDER - LOUISIANA

All kilowatt-hours sold will be adjusted to reflect the current cost of fuel. For electric service billed under applicable rate schedules for which there is no metering, the monthly usage shall be estimated by the Company and the Fuel Adjustment Factor shall be applied. Monthly billing shall be adjusted by an amount per kilowatt-hour to be calculated according to the following formula:

Fuel Adjustment Factor (FAF) =

$$\left[\left(\frac{(F * JAF) + I}{K}\right) * LF\right] - \left((S / ALF) * LF\right) + \left((M / ALF) * LF\right)$$

This factor shall be calculated to the nearest $0.000001 and when applied to bills will be rounded to the nearest cent.

Definitions

F = Fuel Cost: Fuel costs incurred by the Company for the second preceding month for retail jurisdictional sales. The cost of fossil fuel shall include only those items includible in FERC Account 151, less excludable costs defined in the General Order from Docket No. U21497. The cost of any nuclear fuel shall be that as shown in FERC Account 518.

The cost of fuel is comprised of the following items:

1. Cost of fuel consumed in Company's generating plants, plus
2. Cost of purchased economy and emergency energy and energy purchased from qualifying small power production or cogeneration facilities, including any non-affiliate transmission cost, plus
3. Fuel cost of other purchased energy, including any non-affiliate transmission costs, less
4. Fuel revenues from emergency and economy sales including margins and fuel revenues from off-system firm sales, excluding demand, capacity and facilities charges. (For off-system sales, wholesale sales are excluded.)

K =	kWh Input:	The Louisiana Retail jurisdiction kilowatt-hour at generation subject to FAF for the second preceding month.
JAF =	LA Retail: Jurisdictional Allocation Factor:	Input to Louisiana retail jurisdiction subject to FAF for the second preceding month (excluding TOU & fixed price) at generation divided by total kWh input into the jurisdiction system (excluding TOU & fixed price) for the second preceding month. (For purposes of the Louisiana JAF, the jurisdictional system includes wholesale.)
LF =	Loss Factor:	The voltage level kilowatt-hour input to the jurisdiction subject to FAF for the 12-month period ending with the second preceding month (excluding TOU & fixed price) divided by the voltage level kilowatt-hour sales subject to the Louisiana jurisdiction FAF for the 12-month period ending with the second preceding month.
ALF =	Average Loss Factor:	The total kilowatt-hour input to the jurisdiction subject to FAF for the 12-month period ending with the second preceding month (excluding TOU & fixed price) divided by the total kilowatt-hour sales subject to the Louisiana jurisdiction FAF for the 12-month period ending with the second preceding month.
I =	Interest:	Cumulative over-under recovery balance existing at the end of the second preceding month multiplied by the prime bank lending rate as published in the Wall Street Journal on the last business day of each month divided by 12.
S =	Surcharge:	An adjustment to provide for allowance due to variance in amount between fuel recovery and fuel cost.

The calculation of the Surcharge is as follows:

$$\text{Surcharge} = \frac{A + [(B \times C) - D]}{E}$$

Definitions:

A = Cumulative Over/Under Recovery (Third Preceding Month)

B = Fuel Cost/kWH Delivered

$$\left[\left(\frac{(F * JAF) + I}{K}\right) * LF\right] - \left((S / ALF) * LF\right)$$

(Second Preceding Month)

C = LA retail jurisdiction voltage level kWh subject to the FAF (Second Preceding Month)

D = Total LA Retail recoverable fuel and purchased power Costs (Second Preceding Month)

E = Kilowatt-hour sales to the LA jurisdiction subject to the FAF for the 12-month period ending with the second preceding month.

M = Amortization of projected final mine closing and reclamation costs for the South Hallsville Mine adjacent to SWEPCO's Pirkey Power Plant.

SOUTHWESTERN ELECTRIC POWER COMPANY

Tariff Manual - Public Utility Commission of Texas

Section Title: Rates, Charges, and Fees
Section No: 4.11
Applicable: Texas
Docket No:

Sheet No: 37
Effective Date: Cycle 01 January 2006
Revision No. 9
Page 1 of 1

T

FIXED FUEL FACTOR

Electric service billed under applicable rate tariffs shall be subject to this Fixed Fuel Factor in accordance with the Substantive Rules of the Public Utility Commission of Texas Section 25.237.

T

The Fixed Fuel Factor is multiplied by the kWh sales read, estimated or determined under a metering voltage provision of an applicable rate schedule during the billing month.

The Fixed Fuel Factors are:

Service Voltage	February – July	Aug – January
Transmission – 138 kV	$.034499	$.023743
Transmission – 69 kV	$.034835	$.023975
Primary Substation *	$.035007	$.024093
Primary	$.035308	$.024300
Secondary	$.036301	$.024983

I

*Applicable to Primary Service supplied from the Substation bus.

Southwestern *PUBLIC SERVICE* Company

COMMISSION	SCHEDULE	SHEET	RATE SCHEDULE NUMBER	
PUCT	IV-69			

FUEL COST RECOVERY FACTOR

TARIFF NUMBER	**7100.20**
CANCELLIN	**7100.19**

FUEL COST RECOVERY FACTOR

Application of fuel cost recovery factors are as follows:

SECONDARY DISTRIBUTION FUEL COST RECOVERY FACTOR:

The Secondary Distribution fuel cost recovery factor to be billed is 2.2887¢ per kilowatt hour and shall apply when service is metered at less than approximately 12 kV.

PRIMARY DISTRIBUTION FUEL COST RECOVERY FACTOR:

The Primary Distribution fuel cost recovery factor to be billed is 2.2574¢ per kilowatt hour and shall apply when service is metered at greater than or equal to approximately 12 kV and less than approximately 69 kV.

SUB-TRANSMISSION FUEL COST RECOVERY FACTOR:

The Sub-transmission fuel cost recovery factor to be billed is 2.1608¢ per kilowatt hour and shall apply when service is metered at approximately 69 kV and less than approximately 115 kV or loss compensated meters are used to include losses to the sub-transmission.

BACKBONE-TRANSMISSION FUEL COST RECOVERY FACTOR:

The Backbone transmission fuel cost recovery factor to be billed is 2.1485¢ per kilowatt hour and shall apply when service is metered at greater than or equal to approximately 115 kV or loss compensated meters are used to include losses to the backbone transmission.

Effective With: November 2003 Billings

Approved

PURCHASED POWER COST RECOVERY FACTOR (PCRF)

A PCRF will be added to the energy charges for each rate schedule on a per kWh basis. The factor will be determined as follows:

$$PCRF_{Class} = [(P \times AF) - CA_{Class}]/ES_{Class}$$

Where:

P = Estimated purchased power costs, exclusive of fuel, on an annualized basis to cogenerator in excess of the annualized amounts recovered in base rates.

AF = The demand allocation factor for each listed rate class used to allocate generation (production) plant in the cost-of-service study most recently approved in the last rate case, as set forth below.

CA = A correction amount, including interest, for each rate class to correct for any variance between actual allocated costs and actual revenues derived from the PCRF for the class. The CA balance for the proceding twelve months as of the end of November will be included in the PCRF calculation for the next year as shown in the above formula. The allocated cost will be determined based on the allocators set forth below.

ES =Estimated annual kWh sales for the rate class for the year the PCRF will be in effect.

Allocation Factors

The following are the allocation factors to be used in the calculation of the PCRF:

Rate Class	Demand Allocation Factor (AF)
Residential Lighting	0.130000
Residential All Electric	0.013154
Residential Space Heating	0.004100
Residential Water Heating	0.007233
Residential Heat Pump	0.006240
Irrigation	0.006553
General Service	0.116588
LGS- Distribution	0.115384
LGS- Transmission	0.149536
Cotton Gin	0.002219
Grain Elev. & Feed Mill	0.002407
Oil Well Pumping	0.009864
Street Lights	0.001346
Guard Lights	0.000829
Schools	0.005277
Other Public Authority	0.008507
CRMWA and IRI	0.002988

FUEL CHARGE RIDER-A

The charge for service under Virginia Electric and Power Company's Filed Rate Schedules 1, 1P, 1S, 1T, 1W, 5, 5C, 5P, 6, GS-1, GS-2, GS-2T, GS-3, GS-4, 6TS, 7, 8, 10, 25, 27, 28 and 29, as well as applicable energy charges specified in any special rates, contracts or incentives approved by the State Corporation Commission pursuant to Virginia Code § 56-235.2 shall be increased by 1.756 cents per kilowatthour.

FUEL CHARGE RIDER-B

The charge for service under Virginia Electric and Power Company's Filed Rate Schedules 1, 1P, 1S, 1T, 1W, 5, 5C, 5P, 6, GS-1, GS-2, GS-2T, GS-3, GS-4, 6TS, 7, 8, 10, 25, 27, 28 and 29, as well as applicable energy charges specified in any special rates, contracts or incentives approved by the State Corporation Commission pursuant to Virginia Code § 56-235.2 shall be increased by 0.135 cents per kilowatthour.

The Fuel Charge Rider – B is intended to recover the actual December 31, 2003, Virginia fuel deferral balance pursuant to the Settlement in Virginia Case No. PUE-2003-00285. Fuel Charge Rider – B shall be in addition to Fuel Charge Rider – A, and shall become effective for usage beginning on and after 01-01-04 and ending on 06-30-07, or whenever the actual December 31, 2003, Virginia fuel deferral balance is recovered, whichever occurs sooner.

COMMONWEALTH OF VIRGINIA

DOCUMENT CONTROL

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 18, 2006

2006 JAN 18 P 4:27

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE-2005-00090

To revise its fuel factor pursuant to
§ 56-249.6 of the Code of Virginia

ORDER ESTABLISHING FUEL FACTOR

On October 21, 2005, Appalachian Power Company ("Appalachian" or the "Company") filed with the State Corporation Commission ("Commission") an application along with testimony, exhibits, and a proposed tariff intended to increase its current fuel factor from 1.420 per kWh to 1.785 per kWh, effective with bills rendered on and after January 1, 2006. The Company stated that this revision is necessary to reflect the appropriate level of fuel expense recovery over the period January 1, 2006, through December 31, 2006.

On November 4, 2005, the Commission issued an Order establishing a procedural schedule in this case and setting a hearing date for January 12, 2006. The Commission permitted Appalachian to put the proposed fuel factor into effect on an interim basis, effective with bills rendered on and after January 1, 2006. The Company was directed to provide public notice of the application and interested persons were given an opportunity to participate as respondents in this proceeding. The Commission directed the Staff to investigate the application and to file testimony. Appalachian was permitted to file testimony in rebuttal to the testimony filed by the respondents and the Staff.

Notices of participation were filed by the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"), VML/VACo APCo Steering Committee

("VML/VACo"), and the Old Dominion Committee for Fair Utility Rates ("Old Dominion Committee"). These respondents did not file any testimony or exhibits regarding the Company's application.

On December 15, 2005, the Company filed with the Clerk of the Commission proof of service and notice.

On December 29, 2005, the Staff filed its testimony. The Staff addressed, among other things, the in-period and correction components of Appalachian's proposed fuel factor and the reasonableness of the assumptions and projections underlying these components. Overall, the Staff found that the Company's application was reasonable and recommended that the Commission approve the continuation of the 1.785¢ per kWh fuel factor that became effective with bills rendered on and after January 1, 2006.

On January 5, 2006, Appalachian filed a letter notifying the Commission that the Company would not be filing any rebuttal testimony or exhibits.

The hearing was convened on January 12, 2006. No public witnesses were present. Appearances were made by counsel for Appalachian, Consumer Counsel, the Old Dominion Committee, VML/VACo, and the Staff. The Company's proof of service and notice, testimony, exhibits, and proposed tariff, and the Staff's testimony were entered into the record without cross-examination.

NOW THE COMMISSION, having considered the record in this case and the applicable statutes and regulations, is of the opinion that an increase in the Company's fuel factor to 1.785¢ per kWh is reasonable and appropriate.

Approval of this factor, however, should not be construed as approval of Appalachian's actual fuel expenses. This Order is based on estimates of future expenses and unaudited booked

expenses. For each calendar year, an audit and investigation of the Company's actual booked fuel expenses, among other things, is conducted. The Commission determines what are, in fact, appropriate, reasonable and, therefore, allowable fuel expenses and credits, as well as the Company's recovery position as of the end of the audit period. Appalachian's recovery position may be adjusted at the time of the Company's next fuel factor proceeding. Therefore, while we find that the 1.785¢ per kWh fuel factor should be continued, no finding in this Order is final, as this matter is continued generally, pending audit of the actual fuel expenses.

Accordingly, IT IS ORDERED THAT:

(1) The fuel factor of 1.785¢ per kWh, established by Commission Order dated November 4, 2005, effective with bills rendered on and after January 1, 2006, shall remain in effect.

(2) This case is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Anthony Gambardella, Esquire, Woods Rogers, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219; C. Meade Browder, Jr., Senior Assistant Attorney General, and D. Mathias Roussy, Jr., Assistant Attorney General, Division of Consumer Counsel, Office of Attorney General, 900 East Main Street, 2nd Floor, Richmond, Virginia 23219; Howard W. Dobbins, Esquire, Williams, Mullen, Clark & Dobbins, P.O. Box 1320, Richmond, Virginia 23210; Edward L. Petrini, Esquire, Christian & Barton, 909 East Main Street, Suite 1200, Richmond, Virginia 23219-3095; and the Commission's Office of General Counsel and Divisions of Energy Regulation, Public Utility Accounting, and Economics and Finance.

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 889

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. for Authority to Adjust Its Electric Rates Pursuant to G.S. 62-133.2 and NCUC Rule R8-55	)))))	ORDER APPROVING FUEL CHARGE ADJUSTMENT

HEARD: Wednesday, August 9, 2006 at 10:00 a.m. in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina

BEFORE: Chair Jo Anne Sanford, Presiding; and Commissioners Robert V. Owens, Jr.; Sam J. Ervin, IV; Lorinzo L. Joyner; James Y. Kerr, II; and Howard N. Lee

APPEARANCES:

For the Applicant:

Len S. Anthony, Deputy General Counsel – Regulatory Affairs, and Kendal C. Bowman, Associate General Counsel, Progress Energy Service Company, Post Office Box 1551, Raleigh, North Carolina 27602-1551

For the Public Staff:

Antoinette R. Wike, Chief Counsel, and William E. Grantmyre, Staff Attorney, Public Staff – North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326

For the Attorney General:

Len G. Green, Assistant Attorney General, North Carolina Department of Justice, Post Office Box 629, Raleigh, North Carolina 27602-0629

Public Staff witness Edwards testified that he generally agreed with PEC, provided the transaction costs in question were just and reasonable and prudently incurred and limited to direct, transaction-related costs arising from the Company's prudent efforts to stabilize or hedge natural gas costs.

In its brief, CIGFUR II states that PEC's Application did not include a request for a declaratory ruling that future transaction-related hedging costs be treated as fuel costs recoverable in future fuel charge adjustment proceedings. According to CIGFUR II, G.S. 62-133.2 limits fuel charge adjustments to those based on the cost of fuel and the fuel component of purchased power and PEC did not meet its burden of proving that transaction-related hedging costs are fuel costs within the contemplation of G.S. 62-133.2. CIGFUR believes that such costs are neither costs of fuel or costs of fabrication or transportation of fuel. Finally, CIGFUR II argues that any decision to allow additional costs to be passed through the fuel adjustment mechanism should be made only after a comprehensive review of a full and adequate record.

With regard to CIGFUR II's statement that PEC's Application did not include a request for a declaratory ruling that such hedging costs be treated as fuel costs recoverable in future fuel charge adjustment proceedings, PEC witness Barkley's pre-filed direct testimony clearly stated PEC's intention to treat such costs as recoverable fuel costs pursuant to G.S. 62-133.2 and Public Staff witness Edwards was also cross-examined by PEC counsel on this issue. No other party presented any evidence regarding this matter. More importantly, the Commission simply disagrees with CIGFUR II and agrees with PEC and the Public Staff that direct, transaction-related costs arising from the Company's prudent efforts to reduce the impact of natural gas price volatility on the Company's fuel costs should be recoverable as fuel costs pursuant to G.S. 62-133.2 subject to the same standards of reasonableness and prudence as other fuel costs incurred by the Company.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 13

The evidence supporting this finding can be found in the direct testimony of PEC witness Roberts.

The Company proposed increasing the MDC rating for Brunswick Unit No. 2 from 900 MWs to 937 MWs effective January 1, 2006. No party offered any testimony challenging this change; therefore the Commission accepts the MDC changes as proposed by the Company.

IT IS, THEREFORE, ORDERED as follows:

1. That, effective for service rendered on and after October 1, 2006, PEC shall adjust the base fuel component in its North Carolina retail rates by an increment of 0.784 ¢/kWh (0.810 ¢/kWh including gross receipts tax) above the base fuel component approved in Docket No. E-2, Sub 537. Said increment shall remain in effect until