

### **FUEL-POWER COST ADJUSTMENT**

The Fuel-Power Cost Adjustment shall be derived as follows: The coal, gas, and net purchased power costs, **including MISO and SECA expenses**, (all referenced to Plant bus voltage) during the month shall be totaled and then divided by the net Traverse City energy provided to yield a cost per kWh experienced during that month. This experienced cost is then compared to the base cost of **48.57** mils/kWh with the resulting difference in mils/kWh to be multiplied by 105%; the resulting difference so multiplied shall be known as the Fuel-Power Cost Adjustment and shall be applied as follows beginning on the first day of the second month following data acquisition. If the experienced cost is higher than the base cost, the Fuel-Power Cost Adjustment shall be added onto the cost of all kWh billed. If the experienced cost is lower than the base cost, the Fuel-Power Cost Adjustment will be subtracted from the cost of all kWh billed.

The Department shall establish a (0-15 mil) DELAYED FPCA BILLING BANK to be administered by the Executive Director, or designate, for the purpose of stabilizing the FPCA as rendered.