

RIDER NO. 39B
ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

APPLICABILITY

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

The costs of fuel shall be recovered from Utility's Customers through a charge billed on a kilowatt-hour basis in an amount rounded to the nearest one-thousandth of a cent. The variable environmental cost shall be recovered from each Customer Class through a charge rounded to the nearest one-thousandth of a cent when billed on a kilowatt-hour basis and rounded to the nearest cent when billed on a kilowatt basis. Such charges shall be determined by the following formulas, and will be included in the base rates to the extent determined reasonable and proper by the Commission:

$$F_1 = \frac{E}{S} + \frac{G}{S_1}$$
$$F_2 = \frac{R + G_2}{S_2}$$

Where:

F_1 = 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. 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 such as those incurred in unit power and limited term power purchases where the fossil fuel costs 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 capacity charges.

Plus

- (C) Fuel costs related to purchased power (including transmission charges), 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 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 for the period ending the last day 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.
- F₂ = Variable environmental cost expressed on either a per kilowatt-hour or kilowatt basis and recoverable in base rate, rounded to the nearest one-thousandth of a cent if recovered on a kilowatt-hour basis or cent if recovered on a kilowatt basis.
- R = The projected allocated cost of ammonia, lime, limestone, urea, dibasic acid and catalysts consumed in reducing or treating emissions recorded in FERC Account 502 plus the projected allocated cost of SO₂ and NO_x emission allowances, mercury and particulates recorded in FERC Account 509. The cost shall include purchased power and intersystem sales costs related to environmental compliance provided they are identifiable and identified in the billing statement. These variable environmental costs shall be allocated to each Customer Class based upon the Customer Class firm peak demand contribution to the Utility's annual peak demand from the prior year. If a curtailment period coincides with the peak hour, the firm peak demand contribution shall be the class demand at the time of the peak. If a curtailment period does not coincide with the peak hour, the firm peak demand contribution shall be the class demand reduced by the difference between the sum of the registered demands of curtailable customers during the peak hour minus the sum of their contracted Firm Demands.
- G₂= The allocated cumulative difference between jurisdictional variable environmental revenues billed and variable environmental costs for the period ending the last day of the month preceding the projected period utilized in R and S₂.
- S₂ = Each schedule and rider shall be assigned to the Customer Class shown in the table below for recovery of variable environmental cost on either a kilowatt-hour or kilowatt basis. For schedules and riders to be recovered on a kilowatt-hour basis, S₂ shall be the projected jurisdictional Customer Class kilowatt-hour sales for the period covered by the variable environmental costs included in R. For schedules and riders to be recovered on a kilowatt basis, S₂ shall be the projected jurisdictional Customer Class Firm kilowatt demand billing units for the period covered by the variable environmental costs included in R. The Firm billing demand units shall include the on-peak billing demands only for customers served under time-of-use schedules and firm billing demands only for customers served under curtailable tariffs.

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

CUSTOMER CLASS FUEL RATES

The fuel cost as determined by Public Service Commission of South Carolina for each Customer Class is as shown in the following table, 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.

Customer Class	Applicable Rate Schedules	F ₁ Rate	F ₂ Rate
Residential	RES, R-TOUD, R-TOUE and Plan E**	3.066¢/kWh	0.065¢/kWh
General Service (non-demand)	SGS, SGS-TOU*, SI, CSG, CSE, GS, TSS and TFS	3.041¢/kWh	0.061¢/kWh
General Service (demand) (<i>applicable only to firm billing demands</i>)	MGS, SGS-TOU*, SGS-TES, LGS, LGS-TOU, LGS-RTP, LGS-CUR-TOU and Rider SS	3.041¢/kWh	\$0.18/kW
Lighting	ALS, SLS, SLR, and SFLS	3.041¢/kWh	0.000¢/kWh

* Customers billed under the constant load provision of Schedule SGS-TOU shall be billed in accordance with the General Service (non-demand) Customer Class.

** The Revenue Credit stated in Line Extension Plan E reflects the Fuel Rate (F₁) of the applicable customer class and the residential class Variable Environmental Rate (F₂).

Supersedes Rider No. 39A
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