

Suggested new language to be added as another subsection to 4 CSR 240-20.090(2):

(H) The commission may only establish, continue or modify a FAC mechanism provided that no more than fifty percent (50%) of each fuel and purchased power cost included in rates shall be reflected in such a FAC; the remaining percentage of each fuel and purchased power cost may be recognized in the electric utility's base rates.

Additional sentence to be included in the definition of a "FAC" [4 CSR 240-20.090(C)]:

(C) Fuel adjustment clause (FAC) means a mechanism established in a general rate proceeding that allows periodic rate adjustments, outside a general rate proceeding, to reflect increases and decreases in an electric utility's prudently incurred fuel and purchased power costs. A FAC shall not include more than fifty percent (50%) of the fuel and purchased power costs that are recognized in an electric utility's rates.

The FAC may or may not include off-system sales revenues and associated costs. The commission shall determine whether or not to reflect off-system sales revenues and associated costs in a FAC in the general rate proceeding that establishes, continues or modifies the FAC;

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