

**Adjustment Clause**

**FAC  
Fuel Adjustment Clause**

3. Forced Outages are all non-scheduled 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 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.
4. Sales (S) shall be all kWh 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 December 2017, and the base fuel factor is \$0.02452 per kWh.
7. Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.



**DATE OF ISSUE:** July 20, 2021  
**DATE EFFECTIVE:** With Service Rendered  
On and After February 1, 2020  
**ISSUED BY:** /s/ Robert M. Conroy, Vice President  
State Regulation and Rates  
Lexington, Kentucky

**Issued by Authority of an Order of the  
Public Service Commission in Case No.  
2019-00004 dated December 26, 2019**

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Linda C. Bridwell</b> Executive Director

<b>EFFECTIVE 7/1/2021</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)