ADJUSTMENT FOR FUEL, VARIABLE ENVIRONMENTAL & AVOIDED CAPACITY, AND DISTRIBUTED ENERGY RESOURCE COSTS

APPLICABILITY

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

The fuel, variable environmental & avoided capacity, and DER avoided costs, to be recovered in an amount rounded to the nearest one-thousandth of a cent per kilowatt-hour, will be determined by the following formulas:

$$F_C = \frac{E_F}{S} + \frac{G_F}{S_1}$$

$$F_{EC} = \frac{E_{EC} + G_{EC}}{S_2}$$

$$F_{AC} = \frac{E_{AC} + G_{AC}}{S_2}$$

Total Fuel Rate per kWh $= F_C + F_{EC} + F_{AC}$

Where:

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

E_F = 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, and also including avoided energy costs incurred by the Utility. 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 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 energy are not defined as sales relative to this fuel calculation.

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

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

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

F_{EC} = Customer class variable environmental and avoided capacity costs per kilowatt-hour included in base rates, rounded to the nearest one-thousandth of a cent.

ADJUSTMENT FOR FUEL, VARIABLE ENVIRONMENTAL & AVOIDED CAPACITY, AND DISTRIBUTED ENERGY RESOURCE COSTS

E_{EC} = The projected variable environmental costs including: a) the cost of ammonia, lime, limestone, urea, dibasic acid, and catalysts consumed in reducing or treating emissions, plus b) the cost of emission allowances, as used, including allowances for SO2, NOx, mercury and particulates minus net proceeds of sales of emission allowances, and c) as approved by the Commission, all other variable environmental costs incurred in relation to the consumption of fuel and air emissions caused thereby, including but not limited to environmental reagents, other environmental allowances, and emission related taxes. Any environmental related costs recovered through intersystem sales would be subtracted from the totals produced by subparts a), b), and c). This component also includes avoided capacity costs incurred by the Utility.

These environmental and avoided capacity costs will be allocated to retail customer classes based upon the customer class firm peak demand allocation from the prior year.

G_{EC} = Cumulative difference between jurisdictional customer class environmental fuel revenues billed and jurisdictional customer class environmental costs at the end of the month preceding the projected period utilized in E_{EC} and S_2.

F_{AC} = Customer class DER avoided costs per kilowatt-hour included in base rates, rounded to the nearest one-thousandth of a cent.

E_{AC} = The projected DER avoided costs paid to distributed generators as most recently determined by the Public Service Commission of South Carolina. These avoided costs will be allocated to retail electric customer classes based upon the customer class firm peak demand allocation from the prior year.

G_{AC} = Cumulative difference between jurisdictional customer class avoided cost revenues billed and jurisdictional customer class avoided costs at the end of the month preceding the projected period utilized in E_{AC} and S_2.

S_2 = The projected jurisdictional customer class kilowatt-hour sales.

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

FUEL RATES PER KWH BY CLASS

The total fuel costs in cents per kilowatt-hour by customer class as determined by the Public Service Commission of South Carolina in Order No. 2016-297 are as follows for the period May, 2016 through April, 2017:

Customer Class	F_C Rate	+	F_{EC} Rate	+	F_{AC} Rate	=	Total Fuel Rate
Residential	**2.445**		**0.032**		**0.015**		**2.492**
Small General Service	**2.445**		**0.026**		**0.012**		**2.483**
Medium General Service	**2.445**		**0.024**		**0.011**		**2.480**
Large General Service	**2.445**		**0.017**		**0.007**		**2.469**
Lighting	**2.445**		**0.000**		**0.000**		**2.445**

The incremental costs associated with SCE&G's Distributed Energy Resource Programs, to be recovered in an amount rounded to the nearest cent per account, will be determined by the following formulas:

Total Fuel Rate per Account

$$F_{IC} = \frac{E_{DC} + G_{DC}}{C}$$

Where:

F_{IC} = Fuel cost per account included in base rate, rounded to the nearest cent, not to exceed $12 for residential customers, $120 for small/medium general service customers, and $1,200 for large general service customers.

E_{DC} = The projected incremental costs associated with SCE&G's Distributed Energy Resource Program as determined by the Public Service Commission of South Carolina

G_{DC} = Cumulative difference between jurisdictional customer class distributed energy component revenues billed and jurisdictional customer class incremental costs associated with SCE&G's Distribued Energy Resource Program at the end of the month preceding the projected period utilized in E_{DC} and C.

C = The jurisdictional customer class account totals.

FUEL RATES PER ACCOUNT PER MONTH BY CLASS

The total fuel costs in dollars per account by customer class as determined by the Public Service Commission of South Carolina in Order No. 2016-297 are as follows for the period May, 2016 through April, 2017:

Customer Class	F_{IC} Rate
Residential	**$ 0.34**
Small & Medium General Service	**$ 1.27**
Large General Service	**$ 100.00**