

(d) All fuel rate adjustments as presently approved by the Commission shall fully terminate effective October 1, 1978 or upon issuance of a final order by the Commission pursuant to this section, whichever shall first occur.

(e) The fuel rate may be adjusted in accordance with this section only if the currently calculated actual fuel rate is more than 5 percent above or below the sum of the components of the fuel rate then in effect. An electric company having a decrease of more than 5 percent shall promptly file an application to adjust its fuel rate downward. To the extent that actual accumulated fuel costs are not recovered under this section, they may be deferred as an operating expense and be recovered in any base rate proceeding if the Commission finds that the costs were justified and recovery of the costs is consistent with the provisions of this article governing rates.

(f) The issues to be determined, and upon which the Commission shall make specific findings of fact and conclusions based thereon, shall be whether:

(1) Only changes in the actual costs of the components of the fuel rate are included in the proposed change;

(2) The applicant has used the most economical mix of all types of generation and purchase;

(3) The applicant has made every reasonable effort to minimize fuel costs and followed competitive procurement practices, TAKING INTO ACCOUNT THE--NEED-TO-MAINTAIN-RELIABLE SOURCES-OF-SUPPLY RELIABILITY OF LOCAL TRANSPORTATION;

(4) The applicant has maintained the productive capacity of all its generating plants at a reasonable level.

(g) The Commission may disallow such increased costs as it finds were a result of the applicant's failure to comply with the requirements of this section, unless cause be shown to the contrary.

(h) The applicant's proposed initial direct testimony and exhibits shall be filed at the same time the application is filed.

(i) The applicant shall have the burden of proving that it has complied with the requirements of this section.

(j) The Commission shall report to the General Assembly by January 15, 1979 and propose such legislation as may be desirable regarding purchased gas adjustment clauses, purchased power adjustment clauses, and fuel rates of electric public utility companies that produce or generate power and whose gross annual operating revenues do not exceed \$25,000,000.