

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
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SERVICE CLASSIFICATION NO. 14

STANDBY SERVICE (Cont'd)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS (Cont'd)

2. RG&E Supply Service (RSS)

This Non-Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge ("TC" or Non-Bypassable Charge ["NBC"]), a Bill Issuance Charge, and a commodity charge that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, unaccounted for energy, ancillary services and a NYPA Transmission Access Charge (NTAC). Electricity supply is provided by RG&E.

Delivery Rates, System Benefits Charge, and Retail Access Surcharge are specified in the Rates, System Benefits Charge, and Retail Access Surcharge sections, respectively, of this Service Classification.

Standby rates are designed in accordance with the methodology set forth in Case 02-E-0551, Proceeding on Motion of the Commission as to Rochester Gas and Electric Corporation's Electric Tariff Filing to Establish a New Standby Service in Accordance with Commission Order Issued October 26, 2001 in Case 99-E-1470, Order Establishing Electric Standby Rates (issued July 29, 2003) ("Standby Order"), such that RG&E will recover the requisite delivery revenue requirement and Transition Charge ("TC") revenues. The TC revenues will be collected over the contract demand and the distribution portion of the as-used demand billing determinants on an equal percentage basis.

The TC revenues applicable to standby service customers will be calculated as part of, and at the same time as, the annual calculation of TC revenues for purposes of establishing the charges applicable to the different Electricity Supply Pricing Options. The TC will be subject to an annual true-up.

Electricity Supply Charge

Standby customers taking service under this RSS option must select from two different options for their electricity supply charge. One option is RSS, based on the customer's class deemed load shape, as described in (a) below. The other option is Hourly Pricing, based on hourly metered usage, as described in (b) below.

- (a) For RSS, the charge for electricity supply service will fluctuate with the market price of electricity and will include the following components: energy, capacity, capacity reserves, line losses, unaccounted for energy, ancillary services and a NYPA Transmission Access Charge (NTAC). Customers will be charged for energy based on their class deemed load shape using day-ahead prices. They will be charged for capacity based on their class deemed contribution to peak using the monthly NYISO capacity auction price, including an appropriate adder for capacity reserve responsibility. Customers will be charged for losses, company use and unaccounted for energy by multiplying the energy and capacity costs by a loss factor for their voltage level.
- (b) Standby customers with demands of less than 1,000 KW may elect to be served under the Hourly Pricing as described in detail below in Option 3

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