

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: January 1, 2007

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Revision: 0
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SERVICE CLASSIFICATION NO. 14

STANDBY SERVICE (Cont'd)

ELECTRICITY SUPPLY PRICING OPTIONS (Cont'd):

3. Hourly Day-Ahead Market Pricing Option ("Hourly Pricing") - For customers with a demand of 1,000 KW or more

This Non-Retail Access choice includes a fixed component for RG&E delivery service and a commodity charge for electricity supply that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses and unaccounted for energy. 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.

Electricity Supply Charge

Standby customers with demands of 1,000 KW or more will be served under the Hourly Pricing option as described below.

Electricity Supply Charge: All kilowatthours, per kilowatthour

Customers served under this provision will be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Genesee Zone adjusted for losses. Capacity charges will also be based on interval meter data. The DAM LBMP prices will be the initial published DAM LBMP prices acquired by the Company. The customer's bill will not be recalculated if such prices are modified by the NYISO at a later date.

$$\text{Hourly Supply Charge} = \sum ((kWh_h) * (1/(1-L_d) * SP_h))$$

kWh_h = kilowatt-hour for each hour in a billing period.

SP_h = DAM LBMP prices by hour

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