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PSC No: 20 - Electricity

Rochester Gas and Electric Corporation

Initial Effective Date: November 1, 2003

Leaf No. 164

Revision: 1

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SCHEDULE A

SERVICE-POINT DISTRIBUTION SERVICE (Cont'd)

<u>Capacity Component</u>: For each month, the Capacity Component of the MBBC is based on the NYISO's Unforced Capacity (UCAP) Monthly Auction clearing price for capacity, reserves, and losses (including Unaccounted For Energy and load growth) and the NYISO's UCAP Spot Market Auction clearing price for the additional obligation due to the NYISO demand curve.

The Supplier Reimbursement consists of two components:

- 1. NYISO Ancillary Services and NYPA Transmission Adjustment Charge (NTAC): Reimbursement for the NYISO Ancillary Services and NTAC will be calculated by multiplying the Distribution Customer's load in each hour by the NYISO ancillary services charges for Schedule 1 (fixed and variable), 2, 3, 5 and 6 and NTAC applicable to that hour, and summed over all hours in the calendar month.
- 2. <u>Unaccounted For Energy (UFE) in the Energy Component of the MBBC</u>: Reimbursement for UFE in the Energy Component of the MBBC will be calculated by multiplying the Distribution Customer's UFE in each hour by the day ahead NYISO posted LBMP of electricity for NYISO Zone B, and summed over all hours in the calendar month. UFE reimbursement will be trued-up in accordance with the NYISO billing schedule.

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