

PSC No: 20 - Electricity  
Rochester Gas and Electric Corporation  
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## SCHEDULE C

### FLEXIBLE DISTRIBUTION ACCESS OPTION

The Distribution Provider shall have the option to negotiate special contracts for distribution access service with Distribution Customers that serve Retail Customers that have a viable competitive alternative. The purpose of this option is to allow the Distribution Provider to participate, with Distribution Customers, in efforts to retain or to attract Distribution Customers in the Distribution Provider's control area and thereby to benefit all Distribution Customers. A "competitive alternative" for this purpose is defined as a means of meeting electric power needs without making use of the Distribution Provider's distribution system, including relocation outside the Distribution Provider's control area.

As a transitional arrangement for Retail Customers service under Service Classification No. 10 in the Distribution Provider's Retail Electric Tariff, the Distribution Provider shall have the discretion to offer the following two options:

- (1) Extend the term of an existing Service Classification No. 10 contract to June 30, 2002, or
- (2) Offer a prorated Electric Distribution Tariff discount to a Distribution Customer that serves the Retail Customer, for the load taken by that Retail Customer, through June 30, 2002.

The prorated discount would be calculated in the following manner:

- (a) Calculate the average price per kWh for a particular contract at rates in effect at the end of its term, called the average contract rate;
- (b) Calculate the average price per kWh for that same contract assuming the applicable retail tariff rates, called the average full tariff rate;
- (c) Calculate the full discount per kWh. This is equal to the average full tariff rate minus the average contract rate; and
- (d) Pro-rate the full discount to distribution rates according to this formula:

$$\text{distribution discount} = \text{full discount} \times (\text{average contract rate} - \text{backout rate}) / \text{average contract rate}$$

The backout rate is the difference between the bundled retail rate and the corresponding distribution rate.

- (e) The System Benefit Charge is based on all kilowatthours, per kilowatt, as shown in the System Benefits Charge Statement.

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