PSC No: 19 - ElectricityLeaf No. 160.17Rochester Gas and Electric CorporationRevision: 1Initial Effective Date: February 19, 2004Superseding Revision: 0Issued in compliance with orders in Case 98-M-1343 dated Nov. 21, 2003 and Cases 99-M-0631 and 03-M-0117 dated Dec. 19, 2003

GENERAL INFORMATION

11. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

3. Billing:(a) ESCO/DC Reimbursement:

i. RG&E's reimbursement methodology incorporates only those costs ESCOs/DCs incur as a result of providing service to Customers pursuant to RG&E's General Retail Access. RG&E will reimburse ESCOs/DCs for certain NYISO Ancillary Services, as more particularly described below, and NYPA Transmission Access Charges ("NTAC").

ii. The ESCO/DC Reimbursement consists of two components:

(a) <u>NYISO Ancillary Services and NYPA Transmission Adjustment Charge (NTAC)</u>:

Reimbursement for the NYISO Ancillary Services and NTAC will be calculated by multiplying the ESCO'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.

(b) <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 ESCO'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.

iii. Each ESCO/DC is required to pay their NYISO bill in accordance with the NYISO Tariff. An ESCO's/DC's failure to meet this monthly requirement may result in a delay or suspension of future reimbursement funds by RG&E to that ESCO/DC.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York