

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
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GENERAL INFORMATION

33. Beneficial Electrification Surcharge ("BE Surcharge")

The Beneficial Electrification Surcharge is to recover the costs associated with the make-ready programs, inclusive of the Light-Duty Make-Ready Program, Medium and Heavy-Duty Make-Ready Program and the Electric Heat Make-Ready Program, administered by the Company or by NYSERDA as described below.

A. Programs

1. **Utility-Owned Make-Ready Work**
The depreciation expense related to utility-owned make-ready costs, including work related to future-proofing Company infrastructure, and the return on the average unrecovered portion of such investment, net of deferred income taxes, shall be collected and amortized over the subsequent one-year period, including carrying charges at the Company's pre-taxed weighted average cost of capital.
2. **Customer-Owned Make-Ready Work**
Incentives paid for customer-owned make-ready work, including carrying charges calculated at the Company's currently authorized pre-tax cost of capital applied to the net-of-tax balances of such incentives and carrying charges, shall be recovered over a period of 15 years'.
3. **Make-Ready Implementation Costs**
Implementation costs inclusive of the Fleet Assessment Service, including carrying charges calculated at the Company's currently authorized pre-tax cost of capital applied to the net-of-tax balances of such other costs and carrying charges, shall be recovered over a period of 5 years.
4. **Other Programs**
This includes costs associated with the Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium- and Heavy- Duty Innovation Prize, and Medium- and Heavy- Duty Make-Ready Program, Transit Authority Make-Ready Program, and Electric Heat Make-Ready Program. To the extent that costs in these programs are for utility-owned make-ready infrastructure, such costs shall be recovered consistent with Utility-Owned Make-Ready Work as noted in (a) above. Other costs of these programs, including carrying charges calculated at the Company's currently authorized pre-tax cost of capital applied to the net-of-tax balances of such other costs and carrying charges, shall be recovered over a period of 15 years.

B. Applicability

The BE Surcharge shall be collected from all customers taking service under Service Classification Nos. 1, 2, 3, 4, 7, 8, 9, 10, 11 and 14, whether receiving electricity supply from the Company or an ESCO.

C. Costs

1. Costs for the Beneficial Electrification Programs shall be collected from all customers taking electric delivery service, except as provided in D. below, and allocated to service classifications based on delivery service revenues.
2. The BE Surcharge shall be determined by dividing applicable Beneficial Electrification Program Costs by the forecasted billed kWh or kW demand, as applicable, for the collection period.
3. Recovery shall be on a per kWh basis for non-demand customers; on a per kW basis for demand-billed customers; and on a per As-Used basis for Standby customers.

ISSUED BY: Joseph J. Syta, Vice President, Contoller and Treasurer, Rochester, New York