

Effective Date: 11/01/2017

PSC No: 19 - Electricity

Leaf No. 160.26.1

Rochester Gas and Electric Corporation

Revision: 14

Initial Effective Date: November 1, 2017

Superseding Revision: 13

Issued in compliance with Order in Case Nos. 15-E-0751 and 15-E-0082, dated September 14, 2017.

GENERAL INFORMATION**12. SUPPLY SERVICE OPTIONS (Cont'd)****B. Transition Charge (Non-Bypassable Charge or ["NBC"]) (Cont'd)****1. Calculation of the Transition Charge (Non-Bypassable Charge ["NBC"]) (Cont'd):**

The components of the Transition Charge shall be set monthly based on a forecast and subject to a monthly true-up for all components based on the actual after-the-fact costs and load subject to the NBC.

- a. Variable costs of the Company owned generation
- b. Transmission-related costs and revenues,
- c. The value of the output of the Company-owned generation;
- d. The net value of NYPA and Ginna purchased power contracts. The net value shall be based on a forecast of the output and contract costs, and market prices;
- e. Monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b));
- f. Any over- or under- collections from reconciliation of the Residential Agricultural Discount, as set forth in Rule 4.L.6 shall be included in a subsequent monthly NBC for the residential customer classes. Application of the Residential Agricultural Discount reconciliation amounts to the NBC shall not cause the NBC to reduce the delivery bill to less than zero
- g. Any remaining over- or under-collections from the Retail Access Surcharge;
- h. Any Public Service Commission approved adjustments.
- i. Costs associated with the Demand Response Programs pursuant to Rules 4.R, 4.S., or 4.T.
- j. Credits provided to customers receiving the Standby Reliability Credit, as set forth in Service Classification 14, Special Provision (f), will be recovered through the NBC.
- k. The following costs associated with Value Stack credits paid by the Company pursuant to Rule 26.B, Value Stack shall be allocated and collected by service classification as follows:
 - i. Capacity Value [Market Value]: allocated to service classes based on how the Company allocates ICAP;
 - a. Costs associated with the Capacity Value [Market Value and Out of Market Value] shall not be recovered from Hourly Pricing customers
 - ii. Capacity Value [Out of Market Value], Environmental Value [Out of Market Value], and Market Transition Credit: all delivery customers, allocated to service classes based on the composition of subscribers who receive benefits in proportion to the benefits received;
 - iii. Demand Reduction Value (DRV) and Locational System Relief Value (LSRV): all delivery customers on a voltage level basis; allocated to service class by voltage level based on appropriate T&D demand allocators. The DRV and LSRV shall be collected from demand-billed customers on a per-kW basis.

Effective December 1, 2011, pursuant to the Order in Case 01-E-0011, issued and effective October 26, 2001, the purchased power contract with the new owner of the nuclear generating plant previously co-owned by the Company shall convert to a Revenue Sharing Agreement (RSA).

Any applicable payments received under the RSA for a contract quarter shall be refunded to customers beginning in the calendar month following the month in which the payment is received. Such payments shall be refunded to customers over three consecutive months. An allowance for carrying charges at the other customer deposit rate in effect at the time of the payment shall also be included.

All service classes shall pay the charge on a volumetric basis (with the exception as noted in (1.k.iii) above); residential customer classes shall also receive the benefits, if any, of NYPA purchased power and monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b)), consistent with any Company contracts with NYPA for such purchased power and/or monthly payments.

All items collected through the NBC shall be reconciled and trued-up monthly. The credits or charges related to the reconciliation shall be included in a subsequent monthly NBC.

2. Transition Charge (Non-Bypassable Charge ["NBC"])Statement:

A Transition Charge Statement setting forth the Transition Charge (Non-Bypassable Charge ["NBC"]) shall be filed with the Public Service Commission on not less than one day's notice.

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