

PSC No: 18 - Electricity
 Rochester Gas and Electric Corporation
 Initial Effective Date: May 1, 2017
 Issued in compliance with Orders in Case No. 15-E-0302, dated February 22, 2017 and 17-M-0106 dated April 20, 2017.

Leaf No. 11

Revision: 16

Superseding Revision: 15

GENERAL INFORMATION**4. METERING AND BILLING (Cont'd)****4.4 SURCHARGES (Cont'd)****System Benefits Charge (SBC):**

A System Benefit Charge (SBC) recovers costs associated with clean energy activities conducted by the New York State Energy Research and Development Authority (NYSERDA) and energy efficiency programs implemented by the Company. The SBC is collected from the following Service Classifications: 1, 2, and 3.

On an annual basis, the SBC Statement shall be filed on not less than 15 days' notice to become effective January 1st. Such statement may be found at the end of this Schedule (P.S.C. No. 18 – Electricity). The statement shall set forth the following surcharge rates:

A. Clean Energy Fund (CEF) Surcharge Rate:

Beginning on March 1, 2016, the CEF surcharge rate collects funds associated with clean energy activities administered by NYSERDA for the CEF and includes the following program activities that were in effect prior to 2016: Renewable Portfolio Standard (RPS), Energy Efficiency Portfolio Standard (EEPS), System Benefits Charge and over- or under-collections associated with EEPS programs administered by the Company. The surcharge rate shall be calculated by dividing the necessary collections by the projected annual kWh sales.

Necessary collections shall include:

1. Annual authorized collections for NYSERDA administered programs, plus or minus any under- or over-collections for prior years.
2. Any under- or over-collections for Company administered EEPS programs.

B. Energy Efficiency (EE) Tracker Surcharge Rate:

The EE Tracker Surcharge Rate collects funds associated with energy efficiency programs administered by the Company that were implemented beginning on January 1, 2016. The surcharge rate shall be calculated by dividing the necessary collections by the projected sales. Necessary collections shall include:

1. Annual authorized collections for Company administered programs, plus or minus any under- or over-collections for prior years, and minus interest earned on prior collections. (The reconciliation for under- or over-collections for Company administered programs shall begin in 2017.)

C. Clean Energy Standard – Tier 2 Maintenance Contracts and Backstop Charges:

The Company shall recover costs associated with The Tier 2 Maintenance Contracts and Backstop Charges (Rule 11) from all customers.

The rate shall be set annually based on expected Tier 2 Maintenance Contract costs divided by projected sales and shall include an allowance for uncollectibles plus or minus any under or over-collection for the prior years. If any backstop charges are incurred during the recovery period, the Company can reset the rate during that time.

Temporary State Assessment Surcharge ("TSAS"):

Each customer bill for service under Service Classification Nos. 1, 2, and 3 shall be increased to collect a Temporary State Energy and Utility Service Conservation Assessment pursuant to the Commission's *Order Implementing Temporary State Assessment*, issued June 19, 2009. The surcharge rate shall be multiplied by all kilowatt-hours delivered.

Each year a reconciliation of the amounts to be recovered through the surcharge and the actual amounts collected shall be reflected in the establishment of the TSAS for the following year.

A Temporary States Assessment Surcharge (TSAS) Statement setting forth the surcharges by service classification shall be filed with the Public Service Commission on not less than 15 days' notice. Such statement can be found at the end of this Schedule (P.S.C. No. 18 – Electricity).

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