

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: February 1, 2016

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Revision: 4
Superseding Revision: 3

GENERAL INFORMATION
12. SUPPLY SERVICE OPTIONS (Cont'd)

C. Calculation of the Commodity Charge

1. Non-Demand Metered Customers:

S.C. Nos. 1, 2 (Non-Demand), 4, 6 and PSC No. 18 Street Lighting (Cont'd)

Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component:

The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

NYISO Related Transmission Charges:

Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

Hedge Adjustment:

The hedge adjustment shall pass through to customers the impact of any hedge position entered into on behalf of such customers.

Supply Adjustment Charge Component:

Unaccounted for energy and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

2. Non-Hourly Pricing Demand Metered Customers:

S.C. Nos. 3, 7, 8, 9

The charge for Electric Power Supply provided by the Company shall fluctuate with the market price of electricity and shall include the following components: Energy, Energy Losses, Unaccounted for Energy ("UFE"), Capacity, Capacity Reserves, Capacity Losses, ancillary services, NTAC, Supply Adjustment Charge, and transmission project costs allocated to the Company under the NYISO tariff as approved by FERC. The methodology for calculating the Energy and Capacity components of the charge for Electric Power Supply is as follows:

Energy Component:

For each day of the customer's billing cycle, a daily average value of market supply is derived from the day ahead NYISO posted Locational Based Marginal Prices (LBMP) of electricity for the region weighted to reflect hourly usage based on service classification load profiles for the calendar month and day-type (Weekday, Saturday or Sunday). Separate calculations shall be made for each metered time period for the Customer's individual Service Classification.

The daily load weighted market price of energy shall be adjusted to reflect losses and Unaccounted For Energy. These daily average market supply values are used in conjunction with the service classification profile to develop a weighted average value of market supply for each metered time period within the Customer's specific billing period. The weighted average value of market supply is multiplied by the Customer's metered kWh usage for each metered time period to determine the value of market supply.

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