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GENERAL INFORMATION

12. SUPPLY SERVICE OPTIONS

A. Supply Service Options

The Company shall offer a Retail Access choice and a Non-Retail Access choice, as described below. These Supply Service Options are available to all customers, except as noted.

1. ESCO Supply Service (ESS):

This Retail Access choice includes fixed charges for the Company delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]) as described in Rule 12.B., and a Bill Issuance Charge, if applicable. An ESCO provides Electric Power Supply to the customer.

2. RG&E Supply Service (RSS):

This Non-Retail Access choice includes fixed charges for the Company delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]) as described in Section 12.B, a Bill Issuance Charge, a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge ("MFC") as described in Rule 12.D. The commodity charge fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, unaccounted for energy, ancillary services and a NYPA Transmission Access Charge ("NTAC"), transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge.

- a. The commodity charge for customers billed under Service Classification Nos. 1, 2, and 6 and customers within P.S.C. No. 18 Street Lighting, shall reflect a managed mix of supply resources.
- b. The commodity charge for customers billed under Service Classification Nos. 3, 4, 7, and 9, shall reflect the market price of electricity.

3. Hourly Pricing:

This choice is for customers billed at a demand metered rates, which includes non-residential Service Classification Nos. 8 and 14. Customers may take service with an ESCO or with the Company under this choice.

- a. For customers taking service with an ESCO, such customers shall be responsible for fixed charges for the Company delivery, a Transition Charge (Non-Bypassable Charge ["NBC"]) as described in Rule 12.B.
- b. For customers taking service with the Company, such customers shall be responsible for fixed charges for the Company delivery, a Transition Charge (Non-Bypassable Charge ["NBC"]) as described in Section 12.B., a commodity charge for electricity supply that fluctuates hourly with the market price (including losses, unaccounted for energy, capacity and capacity reserve), a Merchant Function Charge ("MFC") as described in Rule 12.D., transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge.

B. Transition Charge (Non-Bypassable Charge or ["NBC"])

1. Calculation of the Transition Charge (Non-Bypassable Charge ["NBC"]):

The Transition Charge is a per kWh charge that shall recover specific generation and purchased power-related costs net of credits for the value of generation and purchased power controlled by the Company.

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