PSC No: 19 - Electricity Leaf No. 160.37.1 Rochester Gas and Electric Corporation Revision: 2 Initial Effective Date: March 1, 2016 Superseding Revision: 1 Issued in compliance with Order in Cases 14-M-0094, 10-M-0457, 07-M-0548, 03-E-0188, and 13-M-0412, dated January 21, 2016

GENERAL INFORMATION

13. Wind Electric Service Options

C. Farm Wind Electric Generating Service Option (Cont'd)

Hourly Pricing

- a) For customers billed on Hourly Pricing, for each hour, the customer's usage and its generation are netted within the hour.
- b) Kilowatt-hour charges are calculated using the consumption in each hour in which the customer's usage exceeds the customer's generation multiplied by the applicable price.
- c) The Company shall maintain two monetary values for the excess credit.
 - i. For each hour the electricity generated and supplied by the customer exceeds the customer's usage, the kWh difference is multiplied by the avoided cost for energy for that hour. The result is the excess credit priced at avoided cost for that hour.
 - For each hour in which the electricity generated and supplied by the customer exceeds the customer's usage, the kWh difference is summed together and then multiplied by the sum of the remaining per kWh charges (e.g., Energy Charge, Merchant Function Charge, Supply Adjustment Charge, Ancillary & NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, SBC, TSAS, and RDM).
 - iii. The Company shall use excess credits from the prior month's bill period and the current bill period to develop a ratio between the excess credit priced at avoided cost and the excess credit for remaining per kWh charges. The excess credits are applied to the current bill. Any remaining credits are multiplied by the ratio to determine the excess credit at avoided cost and the excess credit for remaining per kWh charges to carry forward to the next month.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York