

Effective Date: 04/01/2017

PSC No: 19 - Electricity

Rochester Gas and Electric Corporation

Initial Effective Date: April 1, 2017

Issued in compliance with Order in Case 15-E-0302, dated February 22, 2017.

Leaf No. 160.26.3

Revision: 4

Superseding Revision: 2

GENERAL INFORMATION**12. SUPPLY SERVICE OPTIONS (Cont'd)****C. Calculation of the Commodity Charge (Cont'd)****2. Non-Hourly Pricing S.C. Nos. 3, 4, 7, 9 (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.

Supply Adjustment Charge Component:

Unaccounted For Energy, Renewable Energy Credits (RECs) and Zero Emissions Credits (ZECs) costs and if applicable, Alternative Compliance Payment (ACP) 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.

3. Hourly Pricing S.C. Nos. 8 and 14 (Mandatory and Voluntary):

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, Capacity, Capacity Reserves, Capacity Losses, ancillary services, NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge.

Energy Component:

Customers served under this provision shall be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the NYISO Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Genesee Zone adjusted for losses, ancillary services, NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge. Capacity charges shall also be based on interval meter data. The DAM LBMP prices shall be the initial published DAM LBMP prices acquired by the Company. The customer's bill shall not be recalculated if such prices are modified by the NYISO at a later date.

L_d = Distribution loss factor. All customers will be categorized as primary or secondary load. Primary load applies to customers taking service above 600 volts. Secondary load applies to customers taking service at 600 volts or less. RG&E will notify the customer of the category applicable to it. The loss factors are:

Primary Load: 4.68%

Secondary Load 6.48%

Capacity Component:

The capacity and capacity reserves are specific to the customer. When hourly data is not available the appropriate service class profile will be used to determine the customer's capacity responsibility. A new capacity responsibility amount will be established for each customer each April, to be effective on or after May 1. Customers new to Hourly Pricing that begin the service prior to April will be assigned their capacity responsibility based on their service class profile until the first April where the required hourly data is available.

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