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PSC No: 19 - Electricity Leaf No. 194.5

Rochester Gas and Electric Corporation Revision: 2
Initial Effective Date: May 1, 2017 Superseding Revision: 1

SERVICE CLASSIFICATION NO. 8

LARGE GENERAL SERVICE - TIME-OF-USE RATE (Cont'd)

3. <u>Hourly Pricing – Mandatory and Voluntary</u> (Cont'd)

2. Hourly Day-Ahead Market Pricing Option ("Hourly Pricing") (Con'td) Electric Supply Charge: All kWh, per kWh (Cont'd)

 L_d = Distribution loss factor. All customers shall 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. The Company shall notify the customer of the category applicable to it. The loss factors are:

Primary Load: 4.68% Secondary Load 6.48%

Electricity Capacity Charge: per month

The capacity and capacity reserves are specific to the customer. When hourly data is not available the appropriate service class profile shall be used to determine the customer's capacity responsibility. A new capacity responsibility amount shall 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 shall be assigned their capacity responsibility based on their service class profile until the first April where the required hourly data is available.

Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

UCAP Charge = $((((UCAP_{req} * 1/(1-L_d)) * (1 + Reserve_{req}))* Price_{monthlyauc})$

 $UCAP_{req}$ = The customer specific demand that occurred at the time of the New York system peak of the prior year. When the customer specific information is not available the appropriate service class profile information shall be used.

L_d - Distribution loss factor. Described above

Reserve_{req} = Additional reserve requirement as required by NYISO

Price_{monthlyauc} = Monthly NYISO auction price

Demand Curve Reserve Charge = $((((UCAP_{req} * 1/(1-L_d)) * Demand Curve Reserve Charge_{req}))* Price_{spotauc})$

UCAP_{req} - Described above

L_d - Described above

Demand Curve Reserve_{req} = Allocation of additional capacity requirement as required by the NYISO's demand curve

Price_{spotauc} = Monthly NYISO capacity spot market price.

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