PSC No: 19 - Electricity   Leaf No. 80
Rochester Gas and Electric Corporation   Revision: 6
Initial Effective Date: April 1, 2014   Superseding Revision: 5

GENERAL INFORMATION
4. METERING AND BILLING (Cont'd)

J.   INCREASE IN RATES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED
The rates and charges for service under all Service Classifications, including minimum charges, shall be increased to collect taxes pursuant to:

(1) Section 186-a and Article 9 of the Tax Law [Gross Income Tax ("GIT")]
(2) Chapter 60, Article 9 and, where applicable, Section 20-b of the General City Law and Section 5-530 of the Village Law. The rates and charges for transportation service are not subject to the Municipal Tax ("Muni Tax") imposed on the Company.

Aggregate percentage tax rates will be separately calculated for rates and charges for:
   (1) Residential Non-Retail Access Delivery Service
   (2) Non-Residential Non-Retail Access Delivery Service
   (3) Non-Retail Access Commodity Service (Residential and Non-Residential)
   (4) Residential Retail Access Delivery Service
   (5) Non-Residential Retail Access Delivery Service

The effective aggregate percentage tax rates will be computed as follows:
   a)   Within cities or villages subject to Municipal Tax:

   $$[[1/(1-(GIT + \text{Muni Tax}))]-1]*100$$

   b) Outside of cities or villages subject to Municipal Tax:

   $$[(1/(1 – GIT)) – 1] * 100$$

The applicable aggregate percentage rate and surcharge factor shall be set forth on a statement (Tax Surcharge Percentages Statement or "TSP Statement") filed with the Public Service Commission. Whenever the legislature, city, village or any other governmental authority levies a new tax on the Company, repeals such a tax, or changes the rate of such a tax, the Company will file a new statement. Every such statement shall be filed not less than 15 business days before the date on which the statement is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statement will be duly filed with the Public Service Commission, apart from this rate schedule, and will be available to the public at Company offices at which applications for service may be made.

K.   SURCHARGES
System Benefits Charge (SBC):
(1) <u>Applicability</u>**:**
   Each customer bill for service under Service Classification Nos 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, and 14 will be increased by multiplying all kilowatt-hours delivered by a surcharge rate (as shown in the System Benefits Charge (SBC) Statement). This surcharge is comprised of two components:
   a.   pursuant to Commission *Order Continuing the System Benefits Charge (SBC) and the SBC-funded Public Benefit Programs*, issued and effective December 21, 2005, in Case 05-M-0090;
   b.   pursuant to Commission *Order Establishing Energy Efficiency Portfolio Standard and Approving Programs*, issued and effective June 23, 2008, in Case 07-M-0548.
(2) <u>Exceptions</u>:
   The surcharge will not apply to NYPA allocations of Recharge New York power as set forth under Rule 4.L.5.
(3) <u>Calculations</u>:
   The surcharge will be calculated on an annual basis to collect the Company's allocated fund amounts set forth in the Orders identified above based on year-by-year projections of the following year's electric sales. Any over- or under-collections will be trued up on an annual basis.
(4) <u>Filings</u>:
   A System Benefits Charge (SBC) Statement setting forth the annual rate will be filed with the Public Service Commission on not less than three (3) days' notice. Such statement can be found at the end of this Schedule (PSC 19 - Electricity).

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