

Effective Date: 07/21/2016

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: June 19, 2015

Leaf No. 127.46.4
Revision: 1
Superseding Revision:

GENERAL INFORMATION**15. RATE ADJUSTMENT MECHANISM ("RAM")**

1. Applicable To:

The RAM will be applied per therm to all therms delivered under:
Service Classification Nos. 1, 3, 5, 6, 7, 8 and 9.

2. Calculation:

- a. At the end of each calendar year, the Company will examine its deferred costs, reserve balances and reliability revenue adjustments.
- b. If the Company's major storm balance exceeds \$10 million, a Rate Adjustment Mechanism ("RAM") will be will be implemented on July 1 the following calendar year..
- c. For all other regulatory assets and liabilities, if the combination of the Company's deferred and reserve balances exceeds \$5 million, positive or negative, a Rate Adjustment Mechanism ("RAM") will be implemented on July 1 the following calendar year.
- d. The impact of the RAM shall be limited to 10% of the Company's delivery revenues. Any remaining balance would continue to be deferred and roll forward to the following calendar year's calculation.

3. A RAM statement setting forth the Rate Adjustment Mechanism will be filed with the Public Service Commission on not less than 30-day's notice to be effective July 1. Such statement can be found at the end of this Schedule

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