PSC No: 16 - Gas Rochester Gas and Electric Corporation Initial Effective Date: January 1, 2012 Leaf No. 84.1 Revision: 0 Superseding Revision: 0

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

N. New York State Energy Research and Development Authority ("NYSERDA") Loan Installment Program

1. Eligibility

Pursuant to PSL Section 66-m 1.(b), each electric and gas corporation shall initially limit the number of customers participating in the New York State Energy Research and Development Authority ("NYSERDA") Loan Installment Program at any given time to no more than 0.5 percent of its total customers taking service as of December 31, 2010, on a first come, first served basis.

Effective June 1, 2012, a customer who receives a New York State Energy Research and Development Authority ("NYSERDA") loan from the NYSERDA, or a subsequent customer that becomes responsible for the electric and/or natural gas bill at that location except as provided below, shall repay the loan installments on their utility bills. Under the NYSERDA Loan Installment Program, NYSERDA will notify the Company of the monthly loan installment amounts and the number of months of the NYSERDA loan term that are to be charged on the customer's bills.

2. Billing and Collections

Beginning no later than the second bill after the Company receives a valid customer account number from NYSERDA, each bill issued to the customer shall include the monthly loan installment amount until the loan is satisfied or the account is closed. A customer receiving bills on a bi-monthly basis will be billed for two loan installments on each bill.

The customer will be required to pay NYSERDA loan installment amounts when bills are due. Unpaid loan installment amounts will be subject to the provisions of this Rate Schedule regarding:

- (a) charges for late payment (pursuant to General Information Section 4.D.(2));
- (b) deferred payment agreements (pursuant to General Information Section 5.A.(13);, and
- (c) termination/disconnection and reconnection of service (pursuant to General Information Section 5.A).

If in order to avoid termination of service or to restore service that was terminated to an entire multiple dwelling, pursuant to 16 NYCRR 11.7, or to a two-family dwelling, pursuant to 16 NYCRR 11.8, such occupants shall not be billed for any arrears of on-bill recovery charges or any prospective on-bill recovery charges, which shall remain the responsibility of the incurring customer.

NYSERDA Loan installment amounts will not be subject to the Increase in Rates Applicable in Municipality Where Service is Supplied pursuant to General Information Section 4.I.

For a customer participating in Budget Billing, payment shall be applied to the monthly budget amount for electric and/or natural gas charges and any remaining amount is then applied to the NYSERDA loan installment

A customer remitting less than the total amount due on a utility bill that includes a loan installment amount shall have such partial payment first applied as payment for electric and/or natural gas charges. If there are monies remaining after application to the Company's electric and/or natural gas charges, any remaining amount will be applied to outstanding NYSERDA loan installment amounts.

A customer remitting more than the total amount due on a utility bill that includes a NYSERDA loan installment amount shall have the overpayment applied first to subsequently billed electric and/or natural gas charges and then to NYSERDA loan installment amounts as they are billed. The utility will not apply customer overpayments as a prepayment of NYSERDA loan installment amounts or as full repayment of the NYSERDA loan. Customers wishing to make loan prepayments or satisfy the balance of the loan amount outstanding must arrange directly with NYSERDA for such payments.

The Company will not provide interest on overpayments of NYSERDA loan installment amounts.

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