

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: October 17, 2009

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Revision: 3
Superseding Revision: 1

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

K. SURCHARGES (Cont'd)

Revenue Decoupling Mechanism Adjustment ("RDM Adjustment") – (Cont'd)

3. The Target Delivery Revenue for each service classification is calculated on a monthly basis for each of the service classifications identified above.
 - a. Upon expiration of a negotiated contract under Service Classification Nos. 10 or 11, the Target Delivery Revenue for the customer's otherwise applicable service classification will increase to reflect the increase in base delivery revenues associated with such customer.
 - b. After one year, the Initial Target Delivery Revenues for each service classification will be adjusted by an amount equal to the change in the Gross Domestic Product-Implicit Price Deflator, less a 0.5% productivity offset factor. Thereafter, the Target Delivery Revenue for each service classification will be adjusted annually on the same basis.
 - c. A negative adjustment to the Target Delivery Revenue will not be applied.
4. A Revenue Decoupling Mechanism (RDM) Statement setting forth the rate adjustment will be filed with the Public Service Commission on not less than ten (10) days' notice. Such statement can be found at the end of this Schedule (PSC 19 – Electricity).

L.1 INCREMENTAL LOAD RATE (ILR) PROGRAMS

A. INCREMENTAL LOAD RATE

PURPOSE:

This service is designed to encourage businesses customers to locate or expand their facilities in the Company's service territory.

ELIGIBILITY CRITERIA:

- 1) The ILR Program is available to Prospective or Existing non-residential and non-public authority customers with SIC codes 01-14 (Agriculture, Forestry, Fishing, and Mining), 20-39 (Manufacturing), 50 (Wholesale trade – durable goods), 51 (Wholesale trade – non-durable goods), 60-67 (Finance, Insurance, and Real Estate) or 73 (Business Services) that add load by constructing a new facility, expanding an existing facility, or redeveloping an existing facility that has been vacant for at least six months.
- 2) A Prospective Customer is defined as an applicant
 - i. Whose activities are largely or entirely different in nature from those of the previous customer; or
 - ii. Whose activities are the same as those of a previous customer but who is a different owner of the business, or
 - iii. That will conduct business at a premise where business has not been conducted for at least six months prior to the application for ILR benefits; or
 - iv. That has obtained a business in a bankruptcy liquidation sale from the previous customer
 - v. Who qualifies for service under and in accordance with the provisions of Service Classification Nos. 3, 7, 8 and 9.
- 3) Prospective Customer - Any applicant that, (i) satisfies the definition of a Prospective Customer above; and (ii) satisfies the usage thresholds for additional qualifying equipment set forth below, will be deemed an eligible Prospective Customer and receive the ILR incentive, as appropriate, on the entire billed usage in the qualified blocks.
Existing Customer - Any current customer that (i) satisfies the usage thresholds for additional qualifying equipment set forth below and (ii) does not satisfy the definition of a Prospective Customer above, will be deemed an eligible Existing Customer, entitled to receive an ILR incentive on increased usage in the qualified blocks above a historic monthly base load of usage established before the addition of qualifying equipment
- 4) The eligible Prospective Customer or Existing Customer must add new or additional load of at least 25 kilowatts by constructing a new facility, expanding an existing facility, or redeveloping an existing facility that has been vacant for at least six months.

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