PSC No: 19 - Electricity Rochester Gas and Electric Corporation Initial Effective Date: February 5, 2009 Leaf No. 160.39.4 Revision: 0 Superseding Revision:

GENERAL INFORMATION

16. Farm Waste Electric Generating System Option (Cont'd)

For a net metered customer, the Corporation will install metering appropriate for the customer's service classification that enables the Corporation to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Corporation. For each billing period during the term of the SIR Contract, the Corporation will net the electricity (kWh) delivered to the customers with electricity (kWh) supplied by the customer to the Corporation.

- (a) If the electricity (kWh) supplied by the Corporation exceeds the electricity supplied by the customer during the billing period, the customer shall be billed for the net kWh supplied by the Corporation to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, netting will occur in each time period.
- (b) If the electricity (kWh) supplied by the customer during the billing period exceeds the electricity (kWh) supplied by the Corporation to the customer, a kWh credit will be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the kWh credit will be carried forward as a credit to the appropriate time period.
- (c) For customer billed on TOU rates, if the electricity (kWh) supplied by the customer is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Corporation in each TOU period, an allocation of the electricity supplied to the Corporation will be done according to the allocation factors set forth in a Special Provision provided in each service classification in this Schedule.
- (d) For a demand-billed farm waste customer, prior to carrying forward any kWh credit, the kWhs will be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill Demand Charges. If the dollar value of the kWh exceeds the current Demand Charges, any remaining dollars will be converted back to kWhs and carried forward for the next billing period as a kWh credit.

If, (a) on an annual basis, during the term of the SIR Contract or (b) on the date the SIR Contract is terminated pursuant to the terms and conditions of said Contract, there exists a positive (kWh) balance for an accumulation of excess generation provided to the Corporation, then a cash payment will be issued to the customer. The payment shall be for an amount equal to the product of the excess kWh balance times the average avoided cost for energy over the most recent 12-month period. Upon the Corporations determination that the customer has taken service under this Section 16 in violation of the conditions set forth in this Schedule, the customer shall forfeit any positive balance accrued in its Credit Account during the annual period in which the violation occurred.

In the event that RG&E determines that it is necessary to install a dedicated transformer(s) or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay RG&E's actual costs of purchasing and installing such transformer(s) or other equipment located and used at the customer's "farm operation," in an amount not to exceed five thousand dollars (\$5,000) per "farm operation."

In the event that the total rated generating capacity of electric generating equipment that provides electricity to the Company through the same local feeder line exceeds twenty percent (20%) of the rated capacity of the local feeder line, the customer owning or operating such equipment may be required to comply with additional measures to ensure the safety of the local feeder line.

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