

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
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Revision: 1
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GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

H. ADJUSTMENT OF RATES DUE TO CHANGES IN COST OF GAS (Cont'd)

(5) Supplier Refunds

In the event that the rates and charges of the Company's gas supplier or suppliers are retroactively reduced, the total amount of refund, including interest, related to sales subject to the Gas Cost Adjustment, shall be credited to customers as follows:

- (a) All refunds received each month will be combined for purposes of determining the refund credit. The rate of refund shall be computed by dividing the total amount to be refunded by the corresponding estimated sales for the next successive 12 calendar months provided, however, such refund credit rate shall be subject to adjustment in the twelfth month if actual sales have varied significantly from estimated sales. All refunds concluded during the 12 months ending August 31 of each year will be reconciled with amounts intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
- (b) Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to the customers at the rate prescribed by the Commission.
- (c) Where exceptional circumstances warrant, the utility may petition the Commission for waiver of the above refund plan.

(6) Refund of Revenues Collected Under the Provisions of the PSC Transition Cost Surcharge of Service Classification Nos. 3, 5, and 7.

Sales to customer taking service under Service Classification No. 1, Service Classification No. 4 and Service Classification No. 6 who are subject to the gas cost adjustment, will be subject to a credit to reflect revenues collected through the PSC Transition Cost Surcharge in Service Classification No. 3, Service Classification No. 5, and Service Classification No. 7 of the Company's Schedule for Gas Distribution, P.S.C. No. 17. Each billing month, the sales credit per therm shall be determined by dividing the annual amount collected, less the amount collected to recover the retailing backout credit differential, by annual normalized sales to the above customers and such rate shall be included as a separate line item on the statement of gas costs adjustment for that month. Any difference between the total amount to be credited and the actual amount credited will be included as an adjustment in the Company's next annual reconciliation of gas costs.

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