

PSC No: 20 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003

Leaf No. 181
Revision: 0
Superseding Revision:

SCHEDULE B

STREET LIGHTING SERVICE

SPECIAL PROVISIONS (Cont'd):

Service Classification No. 1 - Street Lighting (Contd.)

4. **Determination of Rate (cont'd):**

- C_{Energy} = The Distribution Customer's load in each hour multiplied by the hourly day-ahead market location-based marginal price (DAM LBMP) applicable to that hour, and summed over all hours in the month.
- $C_{\text{Ancillary}}$ = The Distribution Customer's load in each hour multiplied by the New York Independent System Operator (NYISO) ancillary services charges for Schedule 1 (fixed and variable), 2, 3, 5 and 6 and NTAC applicable to that hour, and summed over all hours in the month.
- C_{ICAP} = The Distribution Customer's initial installed capacity (ICAP) requirement for the capability period (in kW) multiplied by the six-month strip auction price per kW, and adjusted by the amount that the Distribution Customer's ICAP requirement in the current month is different from its initial requirement multiplied by the current month auction price.
- C_{Base} = The total amount previously credited to the Distribution Customer through the base energy and capacity backout credit for the retail customer load in the month.

In order to ensure that the Distribution Customer pays a delivery rate that is at least as large as the Distribution Provider's non-power supply related embedded costs, the total backout credit provided to the Distribution Customer will be capped at an amount equal to the Distribution Customers total load for the calendar year times the Distribution Provider's power supply related embedded costs per kWh. Specifically, the sum of C_{Total} and C_{Base} in the above equation shall be capped at an amount equal to the Distribution Customer's total load for the calendar year times \$0.0615/kWh. In the event that the sum of C_{Total} and C_{Base} does exceed the Distribution Customer's total load for the calendar year times \$0.0615/kWh, any excess amount will be deducted from the MBBC for the following year.

The MBBC will be calculated 35 days following the end of the calendar month in which the retail customers' load is consumed. The initial credit will be calculated based upon the Distribution Customer's estimated hourly loads, given meter reads, measured system loads and tariff loss factors. The initial MBBC will be modified to reflect data provided by the NYISO for the period through a subsequent calculation which will take place 90 days after the end of each calendar month, or as soon after that time as the NYISO provides such data, and the Distribution Customer will be credited or debited the difference between the updated MBBC and the initial MBBC. A final modification of the MBBC will be made when the NYISO certifies that it has provided final data. The MBBC may also be modified pursuant to interim calculation(s) at any time between the second and final calculations at the discretion of the Distribution Provider and its Distribution Customers.

(Continued on next leaf)

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