

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003
Effective:

Leaf No. 76
Revision: 0
Superseding Revision:

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

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

(11) Take-or-pay Surcharge

Pursuant to the Stipulation and Agreement for the Partial Recovery of Take-or-pay costs as approved by the New York State Public Service Commission in Case 88-G-062 a surcharge shall be computed.

The take-or-pay surcharge is designed to collect (a) a certain portion of take-or-pay charges currently being billed and (b) a certain portion of take-or-pay charge billed by RG&E's interstate pipeline supplier, but heretofore deferred. The portion of such charges (including charges deferred up to December 1, 1989) to be billed to customers is: \$5,100,000 of the first \$6,000,000 of costs charged to the Company; \$2,775,000 of the next \$3,000,000; and \$2,625,000 of the next \$3,000,000; and \$3,000,000 of the next \$3,000,000; and \$3,937,500 of the next \$4,500,000; and 100 percent of take-or-pay charges in excess of \$19,500,000 net of Company's incurred carrying charges. The surcharge shall be computed each month and applied as follows:

- (a) By taking 92.5 percent of all take-or-pay charges (up to \$19,500,000) and by taking 100 percent of all take-or-pay charges (in excess of \$19,500,000) billed monthly by RG&E's supplier during the most recent 12-month period during which such charges were billed, and
- (b) By dividing the amount derived in (a) above by the forecast quantities of gas to be used by the Electric Department and to be sold or to be delivered to all of the Company's customers except for customers served under S.C. No. 2 (Gas Lighting) during the next successive 12 months.
- (c) Carrying charges resulting from under- and over-collection of take-or-pay surcharges and incurred carrying charges shall be reconciled every 12 months and any charge that may so result (credit or debit) shall be applied during the following 12 months.
- (d) The surcharge so determined shall be included on the statement of gas cost adjustment.

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