

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

Leaf No. 75
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)

(10) Backout Credit Surcharge

Sales under Service Classification No. 1 and Service Classification No. 4 that are subject to the gas cost adjustment, will be subject to a surcharge to collect the differential between the Retailing Backout Credit provided to qualified Distribution Customers participating in the Company's gas retail access program and the Company's short-run avoided costs associated with migration of gas sales customers to retail access. The surcharge shall be calculated as follows:

- a) The Revenue Requirement pertaining to the recovery of the Differential (as defined in the Settlement Agreement dated June 14, 2000 in Case 98-G-1589 (the "Settlement")) shall be determined by multiplying the Differential by the number of Retail Customers subject to the Backout Credit and subtracting from that product the product of (i) the difference between the Backout Credit and the Differential and (ii) the number of Retail Customers for whom Distribution Customers are ineligible to receive the Backout Credit as defined in the Settlement.
- b) The total Differential recovery cost per therm is calculated by dividing the total cost in (a), above, by the total normalized volumes of gas delivered to the following Retail Customers:
 - i) Customers taking service under Service Classification No. 1 of this Schedule;
 - ii) Customers taking service under Service Classification No. 4 of this Schedule, who are subject to the gas cost adjustment; and
 - iii) Retail Customers being served by Distribution Customers taking service under Service Classification No. 5 of the Company's Schedule for Gas Distribution Service, P.S.C. No. 17 - Gas.

Any difference between the total amount to be collected and the actual amount collected under this surcharge will be reconciled annually.

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