PSC No: 16 - Gas   Leaf No. 70
Rochester Gas and Electric Corporation   Revision: 16
Initial Effective Date: June 19, 2019   Superseding Revision: 15

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

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

    (4)   <u>Average Cost of Gas</u> (Cont'd)

        (i)   By dividing the total cost of gas, (a) plus (b) minus (d) minus (e), by (c) the gas delivered to customers.

    (5)   <u>Factor of Adjustment (FOA)</u>
        (a)   The Company incorporated recommendations provided for in the NYPSC Staff White Paper on Lost and Unaccounted for Gas issued on January 27, 2012 with the following clarifications:
           (i)   Adjustments to the fixed FOA are allowed for exogenous events. Exogenous events would include, but are not limited to, events such as flooding and significant theft of service that are outside the Company's control.
           (ii)   Adjustments to the fixed FOA are allowed for significant and unanticipated impacts due to the restructuring of the natural gas industry in New York State. Any adjustment shall apply to the calculation of the actual FOA in any given year for incentive purposes.

        (b)   The rates for gas service under Service Classification No. 1 shall be subject each month to an addition or a deduction for each $.000001, or major fraction thereof, increase or decrease in the average cost of gas per therm. Such increase or decrease shall be multiplied by the FOA ratio of 1.0100 and rounded to the nearest $.000001 per therm.

        (c)   The FOA shall be reset on January 1 based on an average of the actual lost and unaccounted volumes for the immediately preceding three 12-month periods ending August 31.

        (d)   The FOA shall not be reset if the average result from those periods is within plus or minus 5% of the FOA then in effect.

        (e)   Effective September 1, 2016:
            The Company shall update the five-year average LAUF to five years ending August 31, 2015.
           (i)   The FOA is set at 1.00435;
           (ii)   The Lost and Unaccounted for Gas (LAUF) Target is set at 0.435%;
           (iii)   The dead band upper limit is set at 1.429%;
           (iv)   The dead band lower limit is set at 0.000%.

        (f)   <u>System Performance Adjustment (SPA)</u>:
           (i)   The SPA adjustment mechanism shall recover or refund gas costs for actual LAUF greater or lesser than the Target LAUF within the dead band as defined in Rule 4.H(5)(e) above for all firm sales and transportation customers.
           (ii)   Effective January 1, 2018 and each subsequent 12-month period starting January 1st and thereafter, a SPA per therm rate shall be applicable to Service Classification Nos. 1, 6, and 8 sales customers and Service Classification Nos. 3, 5, 7, and 9 transportation customers. The SPA per therm rate shall be a credit if the actual system LAUF percentage is less than the LAUF Target or a surcharge if the actual system LAUF percentage exceeds the LAUF Target during the 12-month period ending the previous August.
           (iii)   The SPA per therm rate is set forth on the Gas Supply Charge Statement, Small Transportation Rate Adjustment Statement and the Large Transportation Rate Adjustment Statement.

    (6)   <u>Inter-Departmental Sales Credit</u>
        The interdepartmental rate per dekatherm shall be defined as $.48 per dekatherm except for gas used in the Company's gas turbine where the adder shall be $.44 per dekatherm.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Rochester, New York

Cancelled by supplement No. 47 effective 11/24/2020
Suspended to 12/01/2020 by order in Case 19-G-0381. See Supplement No. 46. Th e supplement filing date was 10/22/20
Suspended to 11/01/2020 by order in Case 19-G-0381. See Supplement No. 45. Th e supplement filing date was 8/20/2020
Suspended to 09/14/2020 by order in Case 19-G-0381. See Supplement No. 44. Th e supplement filing date was 06/25/2020
Suspended to 07/16/2020 by order in Case 19-G-0381. See Supplement No. 43. Th e supplement filing date was 03/24/2020
Suspended to 04/17/2020 by order in Case 19-G-0381. See Supplement No. 42. Th e supplement filing date was 09/26/2019