

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
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GENERAL INFORMATION

12. SUPPLY SERVICE OPTIONS (Cont'd)

B. Transition Charge (Cont'd) Components of the Transition Charge (Cont'd):

1. Non-Bypassable Charge ("NBC")

The NBC is a per kWh charge that shall recover specific generation and purchased power-related costs net of credits for the value of generation and purchased power controlled by the Company.

- a. The costs associated with the NBC shall be allocated as described here and collected by all customers taking electric delivery service. Listed below are the costs associated with the NBC which will be collected by service classifications as follows:
 - i. Variable costs of the Company owned generation
 - ii. The value of the output of the Company-owned generation;
 - iii. Monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b));
 - iv. The net value of NYPA and Ginna purchased power contracts. The net value shall be based on a forecast of the output and contract costs, and market prices;
 - v. Any Public Service Commission approved adjustments.
 - vi. Any over- or under- collections from reconciliation of the Residential Agricultural Discount, as set forth in Rule 4.L.6 shall be included in a subsequent monthly NBC for the residential customer classes. Application of the Residential Agricultural Discount reconciliation amounts to the NBC shall not cause the NBC to reduce the delivery bill to less than zero
 - vii. Any remaining over- or under-collections from the Retail Access Surcharge;
 - viii. Costs associated with the Demand Response Programs pursuant to Rules 4.R, 4.S., or 4.T.
 - ix. Transmission-related costs and revenues,
 - x. Credits provided to customers receiving the Standby Reliability Credit, as set forth in Service Classification 14, Special Provision (f), will be recovered through the NBC.
 - xi. Credits provided to residential customers pursuant to Service Classification No. 4 Special Provision 11.C, Price Guarantee, shall be recovered through the NBC applicable to S.C. Nos. 1 and 4.
 - xii. Effective December 1, 2011, pursuant to the Order in Case 01-E-0011, issued and effective October 26, 2001, the purchased power contract with the new owner of the nuclear generating plant previously co-owned by the Company shall convert to a Revenue Sharing Agreement (RSA).

Any applicable payments received under the RSA for a contract quarter shall be refunded to customers beginning in the calendar month following the month in which the payment is received. Such payments shall be refunded to customers over three consecutive months. An allowance for carrying charges at the other customer deposit rate in effect at the time of the payment shall also be included.

- b. The NBC shall be set monthly based on a forecast and subject to a monthly true-up for all components based on the actual after-the-fact costs and load subject to the NBC.
- c. All service classes shall pay the charge on a volumetric basis Residential customer classes shall also receive the benefits, if any, of NYPA purchased power and monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b)), consistent with any Company contracts with NYPA for such purchased power and/or monthly payments.
- d. All items collected through the NBC shall be symmetrically reconciled and true-up monthly in a competitively neutral manner. The credits or charges related to the reconciliation shall be included in a subsequent monthly NBC.

A Non-Bypassable Charge Statement setting forth the NBC shall be filed with the Public Service Commission on not less than one day's notice. Such statement can be found at the end of this Schedule.