

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: July 16, 2018

Leaf No. 127.46.2
Revision: 10
Superseding Revision: 9

GENERAL INFORMATION

13. Reserved for Future Use

14. REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT

1. Applicable to:

All customers taking service under Service Classification Nos. 1, 3, 5, 15 and 16 shall be subject to a RDM Adjustment as described below.

2. Definitions

- a. Revenue per Customer (RPC) Targets – monthly weather-normalized targets shall be developed based on delivery revenue requirement established in Case No 15-G-0286. Residential customers taking service under Service Classification No. 1 and Service Classification No. 5 shall be combined into monthly RPC Targets. Non-residential customers taking service under Service Classification Nos. 1, 3, 5, 15 and 16 shall be combined into monthly RPC Targets. RPC Targets for each of the Rate Years are set forth in the Joint Proposal dated February 19, 2016 in Case Nos. 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286, and approved by the Commission on June 15, 2016. The RPC Target for Rate Year 3 shall repeat annually until changed by the Commission. The Company shall verify service class customer counts at the end of each Rate Year by dividing actual rate year minimum charge revenues for each service classification by the applicable minimum charge for the period.
 - (i) The Company shall have two RDM classes for reconciliation purposes: one residential class consisting of residential Service Classification Nos. 1 and 5 customers; and one consolidated non-residential class consisting of non-residential Service Classification Nos. 1, 3, 5, 15 and 16 customers.
- b. “Delivery Revenues” - For the purpose of RDM, Delivery Revenues shall be measured as the sum of the billed base delivery revenues from all customers for each service classification (customer charges and per term delivery rates). For purposes of this calculation, revenues related to the System Benefits Charge (SBC), Rate Adjustment Mechanism (RAM), Merchant Function Charge (MFC), Transition Charge, and gross receipts taxes are excluded. All sales to economic incentive rate incentive customers and low income customers shall be priced out at standard service classification rates in developing the RPC Targets.
- c. “Rate Year” – for the purposes of RDM, Rate Year 1 shall be effective through April 30, 2017. Each Rate Year thereafter shall begin on May 1 in all subsequent 12-month periods.

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