

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: February 1, 2016

Leaf No. 160.27
Revision: 7
Superseding Revision: 5

GENERAL INFORMATION
12. SUPPLY SERVICE OPTIONS (Cont'd)

2. Non-Hourly Pricing Demand Metered Customers:
S.C. Nos. 3, 7, 8, 9 (Cont'd)

Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component:

The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

NY Transco Charge:

The NY Transco Charge shall recover the costs allocated to the Company under the NYISO tariff in relation to NY Transco, LLC projects.

Transmission Owner Transmission Solutions Charge (TOTS Charge):

The TOTS Charge shall recover the costs allocated to the Company under the NYISO tariff for projects approved by the Commission in Case 12-E-0503.

AC Transmission Charge:

The AC Transmission Charge shall recover the costs allocated to the Company under the NYISO tariff for projects approved by the Commission in Case 13-E-0488.

Supply Adjustment Charge Component:

All costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

D. Merchant Function Charge (MFC):

The MFC shall be applicable to only those customers taking supply service from the Company (*i.e.*, RSS and Hourly Pricing) and is set forth in a statement at the end of this Schedule (PSC No. 19 – Electricity). A separate MFC shall be calculated for small (S.C. Nos. 1, 2, 4, and 6 and street lighting) and large (SC Nos. 3, 7, 8 & 9) customers. For S.C. Nos. 10, 11, and 14, the customer's otherwise applicable service classification shall determine the applicable MFC.

- 1.) The MFC shall include the following rate components as described in the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718.
 - a) Commodity-related Uncollectible Costs
 - b) Commodity-related Credit and Collections and Call Center costs;
 - c) Commodity-related Administrative costs;
 - d) Cash Working Capital on Purchased Power costs, if the New York Independent System Operator moves to weekly billing and
 - e) Cash Working Capital on Commodity Hedge Margin costs.
- 2.) The MFC components shall be updated and reconciled as stated below in accordance with the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718.
 - a) Commodity-related Uncollectible Costs
 - The commodity related uncollectible percentage rate shall be reset annually based on the most recent available 12-month period of actual uncollectibles.
 - The commodity-related uncollectible component of the MFC shall be calculated each month by multiplying the uncollectible percentage rate for each of the groups described above by the associated monthly electric supply cost.
 - b) Commodity-related Credit and Collections and Call Center costs
 - Any over/under collections related to the credit and collections and call center costs component shall be added to any over/under collections related to the credit and collections and call center costs component charged through the POR Administration Charge and POR Discount and reconciled through both the POR Discount and MFC in the subsequent rate year. The unit rate shall be reset annually based on recent MFC and POR sales forecasts.
 - c) Commodity-related Administrative costs
 - The Administrative Component shall be reconciled annually for differences in actual versus design sales only. The unit rate shall be reset annually based on recent sales forecasts.

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