

Effective Date: 11/24/2016

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: November 24, 2016  
Issued in compliance with Order in Case 15-G-0286, dated June 15, 2016.

Leaf No. 70.1  
Revision: 1  
Superseding Revision: 0

## GENERAL INFORMATION

### 4. METERING AND BILLING (Cont'd)

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

(7) Gas Cost Reconciliation

GSC recoveries shall be reconciled with actual gas supply expenses on an annual basis. The Annual Reconciliation of Gas Costs shall be determined by comparing gas supply expenses to GSC recoveries. The Annual Reconciliation shall reflect the applicable fixed FOA. The Annual Reconciliation of Gas Costs shall be positive (a surcharge) when gas supply expense exceeds GSC recoveries. The Annual Reconciliation of Gas Costs shall be negative (a refund) when GSC recoveries exceed gas supply expenses. The adjustment shall be determined as follows:

- (a) By taking the cost of purchased gas adjusted for Pipeline Refunds for the 12 months ended August 31 of each year and subtracting therefrom an amount equal to the sum of (1) the average cost of gas as defined in Rule 4.H.4 multiplied by the quantities of gas purchased for the Company's own customers, (2) the GSC revenues exclusive of Rule 4.H.5 revenues and Pipeline Refunds, (3) the costs assignable to gas used by other Company departments, and (4) either (i) the previous year's over-collection with interest to the extent not refunded, or (ii) adding the previous year's under-collection with interest to the extent not recovered. The previous year referred to above in (7) (i) and (ii) is the 12 months ended August 31 of the second preceding year prior to the year for which the calculation is being made.
- (b) A surcharge or refund rate to be shown on the GSC statement shall be determined by dividing the amount derived in (a) above by the quantities of gas purchased for the Company's own customers during the determination period, and by applying the Factor of Adjustment as stated in Rule 4. H.(5) in effect on the date the surcharge or refund becomes effective to the amount so determined.
- (c) The annual reconciliation shall exclude the non-customer portion of GCIM.
- (d) The annual reconciliation period shall be the 12 months ended August 31 of each year. The annual reconciliation shall be filed with the PSC on or before October 15 of each year. The GSC annual surcharge/refund shall be effective with the GSC statement effective on January 1.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York