

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
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## GENERAL INFORMATION

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

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

(8) Gas Cost Reconciliation-Interim

The Gas Cost Reconciliation-Interim may be applied during the period ending August 31 to provide for interim refunds or surcharges. Interim refunds or surcharges shall be permitted for the purpose of preventing a large over-collection or under-collection balance from accruing at August 31. Any Gas Cost Reconciliation-Interim shall be determined by the Company and filed with the PSC.

(9) Pipeline Refund

The Company shall pass back to customers any refund, including applicable interest on any unrefunded balance, received from a pipeline as follows:

- (a) All refunds received each month shall be combined for purposes of determining the refund credit. The rate of refund shall be computed by dividing the total amount to be refunded by the corresponding estimated sales for the next successive 12 calendar months provided. All refunds concluded during the 12 months ending August 31 of each year shall be reconciled with amounts intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
  - (b) Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to the customers at the rate prescribed by the Commission.
  - (c) If gas supply credits (e.g., pipeline refunds) are received by the Company in any month, such credits shall be returned through the monthly Gas Supply Charge. The Company shall not retain any gas supply credits. To the extent a pipeline passes back a refund directly to the Company, rather than to the ESCOs, the Company shall allocate a pro-rata share to daily and non-daily metered customers as applicable.
  - (d) The Pipeline Refund shall be calculated by dividing applicable pipeline refunds by annual forecasted firm sales.
  - (e) In lieu of immediately applying any pipeline refunds, the Company may accumulate such refunds, with applicable interest, to be accounted for during the annual reconciliation. With PSC approval, accumulated refunds may be returned at any time preceding the annual reconciliation.
  - (f) Where exceptional circumstances warrant, the Company may petition the Commission for a waiver of the above refund plan.
- (10) Reserved for Future Use
- (11) Refund of Revenues Collected for Transition Cost from Service Classification Nos. 3, 5, 7, and 9.

Sales to customers taking service under Service Classification No. 1, Service Classification No. 4, Service Classification No. 6 and Service Classification No. 8 who are subject to the GSC, shall be subject to a credit to reflect revenues collected through the Transition Cost Surcharge in Service Classification No. 3, Service Classification No. 5, Service Classification No. 7 and Service Classification No. 9. Each billing month, the sales credit per therm shall be determined by dividing the annual amount collected by annual forecasted sales to the above customers and such rate shall be included as a separate line item on the GSC statement for that month. Any difference between the total amount to be credited and the actual amount credited shall be included as an adjustment in the Company's next annual reconciliation of gas costs.

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