Received: 06/30/2016 Status: CANCELLED

Effective Date: 07/01/2016

GENERAL INFORMATION

11. GENERAL RETAIL ACCESS (Cont'd)

G. Purchase of ESCO Accounts Receivable Program (POR)
In accordance with the Joint Proposal on Purchase of Accounts Receivable dated August 20, 2004 in Cases 03-E-0765 and 03-G-0766, as amended with the Joint Proposal dated July 14, 2010 in Cases 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286. The Company shall purchase accounts receivable at a discount and without recourse for commodity sales by ESCOs that provide commodity service in the Company's territory.

Eligibility Requirements:

ESCOs that elect the Company’s consolidated billing option for all or a portion of their customers shall be required to sell their accounts receivable for such customers to the Company under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs shall be precluded from participating in the POR for customers receiving dual billing.

Purchase Price:

Electric and gas accounts receivable shall be purchased at a discount off face value of the ESCO receivable. The discount rate shall be sufficient to compensate the Company for its financial risk in purchasing electric and/or gas receivables, including, but not limited to, the level of the Company's uncollectibles and be comprised of the following components.

a) Commodity-related Uncollectible percentage based on total Company uncollectible costs for the most recent available twelve-month period divided by the sum of the total retail, retail access, and purchased ESCO receivables revenue for the same twelve-month period;

b) Financial Risk Adder set at 20% of the applicable uncollectible percentage;

c) Commodity-related credit and collections and call center percentage.

Discount rates shall be adjusted each year to reflect the Company’s most recent twelve-month experience for uncollectible expense. Additionally, the credit and collections and call center allocation included in the discount rate shall be reconciled annually, with any under- or over-collections included in the following years discount rate.

Beginning with the statement to be effective May 1, 2017, a POR Discount (DISC) Statement setting forth the electric discount and the gas discount shall be filed with the Public Service Commission 60 days prior to the May 1 effective date of each annual update.

Payments:

Payments to ESCOs will be made, via wire transfer, 20 days after consolidated bills are issued, and shall continue throughout the billing cycle.

Other Considerations:

The POR shall be subject to modifications based upon Commission orders, rules, and regulations applicable to retail access, including, but not limited to, the Uniform Business Practices, proration of customer payments under a single bill, and provisions of Home Energy Fair Practices Act. The POR obviates the need for the Company to prorate partial customer payments among ESCOs that are participating in the POR.

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

Cancelled by 6 Rev. Leaf No. 160.25.1 Effective 08/12/2016