PSC No: 16 - Gas   Leaf No. 70
Rochester Gas and Electric Corporation   Revision: 11
Initial Effective Date: June 19, 2015   Superseding Revision: 10

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

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

(5) Factor of Adjustment (FOA) (Cont'd)

   (b) Effective September 1, 2016:
   - (i)   The FOA is set at 1.00540;
   - (ii) The Lost and Unaccounted for Gas (LAUF) Target is set at 0.540%;
   - (iii) The dead band upper limit is set at 1.012%;
   - (iv) The dead band lower limit is set at 0.068%.

   (c) System Performance Adjustment (SPA):
   - (i)   The SPA adjustment mechanism shall recover or refund gas costs for actual LAUF greater or lesser than the Target LAUF within the dead band as defined in Rule 4.H(5)(b) above for all firm sales and transportation customers.
   - (ii) Effective January 1, 2018 and each subsequent 12-month period starting January 1st and thereafter, a SPA per therm rate shall be applicable to Service Classification Nos. 1, 6, and 8 sales customers and Service Classification Nos. 3, 5, 7, and 9 transportation customers. The SPA per therm rate shall be a credit if the actual system LAUF percentage is less than the LAUF Target or a surcharge if the actual system LAUF percentage exceeds the LAUF Target during the 12-month period ending the previous August.
   - (iii) The SPA per therm rate is set forth on the Gas Supply Charge Statement, Small Transportation Rate Adjustment Statement and the Large Transportation Rate Adjustment Statement.

(6) Inter-Departmental Sales Credit

The interdepartmental rate per dekatherm shall be defined as $.48* per dekatherm.

   * Except for gas used in the Company's gas turbine where the adder shall be $.44 per dekatherm.

(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 Factor of Adjustment. 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 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

Cancelled by supplement No. 29 effective 06/24/2016
Suspended to 07/21/2016 by order in Case 15-G-0286. See Supplement No. 28. Th e supplement filing date was 04/13/2016
Suspended to 04/17/2016 by order in Case 15-G-0286. See Supplement No. 26. Th e supplement filing date was 10/01/2015
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