



**Lori A. Cole**  
Manager - Regulatory & Tariffs

May 11, 2017

**VIA ELECTRONIC FILING**

Honorable Kathleen H. Burgess, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 15-G-0286 – Proceeding on Motion of the Commission as to the Rates, Charges,  
Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service

Dear Secretary Burgess,

Rochester Gas and Electric Corporation (“RG&E” or the “Company”) hereby transmits for filing the enclosed tariff leaves in further compliance with the New York State Public Service Commission’s (the “Commission” or “PSC”) *Order Approving Electric and Gas Rate Plans in Accord with Joint Proposal* (the “Order”), issued and effective June 15, 2016, in the above-referenced proceeding. These tariff leaves are transmitted for filing in accordance with the requirements of Appendix 7-H (electric tariff filing system) of the Commission’s Codes, Rules and Regulations (16 NYCRR Appendix 7-H). Appendix A sets forth a list of the revised tariff leaves to become effective September 1, 2017.

**Purpose of Filing**

The Company is filing tariff amendments to implement sales and transportation gas interruptible service rates.

**Background**

On September 13, 2016, RG&E submitted tariff amendments proposing to add Service Classification No. 15 - Interruptible Sales Service, and Service Classification No. 16 – Interruptible Transportation Service in order to provide large non-residential customers with the option to select interruptible service. In accordance with the Joint Proposal, the proposed amendments were drafted to be similar to New York State Electric & Gas Corporation’s Service Classification No. 3 and Service Classification No. 2 from tariff schedules P.S.C. No. 87 and 88, respectively.

Subsequent to the September 13, 2016 filing, Department of Public Service (“DPS”) Staff initiated discussions with RG&E to address certain concerns. Per discussions with DPS Staff, the Company is submitting revised tariffs to incorporate changes to the sales and transportation gas interruptible service rates that were initially filed.

Honorable Kathleen H. Burgess, Secretary  
May 11, 2017

Page 2

### Overview of Amended Filing

Many aspects from the initial filing remain the same. For instance, a customer must purchase a minimum of 40,000 therms per billing month in order to be eligible; a customer will be required to install daily metering equipment and have a dedicated telephone available; pricing will be based upon market conditions taking into consideration service characteristics such as usage, alternate fuel/access to alternate fuel, tax exemption status and other market conditions; and charges payable by interruptible customers that fail to comply with a notification to interrupt.

The items that were revised after discussions with DPS Staff pertain to a delivery discount, the monthly customer charge, and the commodity price applicable to qualifying interruptible customers. The amended tariffs propose an interruptible service delivery discount of \$0.007351 per therm from each of the Service Classification No. 3 – Large Transportation Service per therm rate blocks during the months of December through March. The delivery discount is based on the gas Marginal Cost Study from the Company's most recent Rate Case<sup>1</sup>. The amended tariffs also propose that the charge for the first 1000 therms or less of monthly usage for interruptible customers be set at 80% of the monthly charge paid by Service Classification No. 3 customers. Lastly, in regards to the proposed Service Classification No. 15 customers, the commodity price shall be based on the highest cost of gas delivered on either the Dominion Transmission Incorporated Pipeline or the Empire Pipeline.

### Revenue Decoupling Mechanism ("RDM")

Since Service Classification Nos. 15 and 16 are new, and potential customers are likely to transfer from existing service classifications that are subject to the RDM, the Company will continue to apply the RDM Adjustment to those customers and include revenues from Service Classification Nos. 15 and 16 in its non-residential reconciliation.

### Newspaper Publication

The Company respectfully requests the requirement of 66(12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 as to newspaper publication be waived as the Company will directly notify potential eligible customers upon Commission approval.

If you have any questions related to this filing, please contact Linda Dent at 585-771-4701 or me at 607-762-8710.

Respectfully submitted,



Lori A. Cole

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<sup>1</sup> Exhibit\_(RGEAN-3) in Case No. 15-G-0286, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service.

**Rochester Gas and Electric Corporation**  
Rate Case Compliance Filing – Gas Interruptible Rate  
List of Filed Leaves  
Appendix A

**P.S.C. No. 16 – Gas**

Leaf No. 69.1, Revision 3  
Leaf No. 70, Revision 14  
Leaf No. 75, Revision 9  
Leaf No. 98, Revision 7  
Leaf No. 98.1, Revision 1  
Leaf No. 127.38, Revision 8  
Leaf No. 127.39, Revision 9  
Leaf No. 127.40, Revision 10  
Leaf No. 127.46.2, Revision 8  
Leaf No. 152, Revision 1  
Leaf No. 153, Revision 1  
Leaf No. 154, Revision 1  
Leaf No. 155, Revision 1  
Leaf No. 156, Revision 1  
Leaf No. 157, Revision 1  
Leaf No. 158, Revision 1  
Leaf No. 159, Revision 1  
Leaf No. 160, Revision 1  
Leaf No. 161, Revision 1  
Leaf No. 162, Revision 1