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**GENERAL INFORMATION**

**12. SURCHARGE TO COLLECT ADVANCED METERING INFRASTRUCTURE (AMI) COSTS:**

Effective January 1, 2008, and each January 1<sup>st</sup> thereafter, customer bills for service under Service Classification Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 will be adjusted by a surcharge to the monthly Minimum Charge for the cost of the AMI program, net of savings resulting from the program. An AMI Surcharge Statement setting forth the monthly AMI surcharge amounts by Service Classification will be filed annually with the Public Service Commission on not less than three (3) days' notice from the January 1 effective date of the revised charge.

The AMI Surcharge rates will be determined annually in accordance with the formula set forth below and will be based on projected costs and savings for the year that the rates will be in effect. The Surcharge rates will be adjusted, up or down, for any difference between the actual amount of surcharge revenue received and the actual costs including return, net of savings resulting from the program, for the 12 months ended September 30 of the prior year. The surcharge rates effective 1/1/08 will include actual costs incurred through September 30, 2007.

$$\text{AMI Surcharge} = (\text{Revenue Requirement} + \text{Reconciliation}) / \text{Meters}$$

Revenue Requirement = Annual revenue requirement needed to recover AMI costs for each service classification, net of identifiable savings realized as a result of the AMI investment. (Expenses + Return - Savings)

Expenses = O&M Expenses, Book Depreciation and Operating Taxes

Return = Rate Base x Before Tax Cost of Capital

Rate Base = AMI Capital Investments, net of Accumulated Book Depreciation, plus associated Materials & Supplies, Prepayments, Cash Working Capital and Accumulated Deferred Income Taxes.

Before Tax Cost of Capital = Weighted average after-tax cost of capital as determined in the Company's most recent rate case/settlement, with the equity component grossed-up for the level of federal and state income taxes applicable to the period for which the AMI surcharge will be effective.

Savings = Identifiable capital and operating cost savings realized as a result of the AMI investment. The return on the capital cost savings will be calculated using the same cost of capital listed above.

Reconciliation = Difference between the actual amount of AMI surcharge revenue received and the actual costs including return, net of savings resulting from the program, for the 12 months ended September 30 of the prior year.

Meters = Number of meters per service classification.

**SERVICE CLASSIFICATION NO. 1**

**GENERAL SERVICE**

**APPLICABLE TO USE OF SERVICE FOR:**

All purposes, in entire territory.

**CHARACTER OF SERVICE:**

Continuous; natural gas or a mixture of natural gas and other gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission.

**RATE CHOICES AVAILABLE TO CUSTOMERS:**

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 1 is a non-Retail Access Rate, under which RG&E will provide Delivery and Commodity Service.

**RATE:** (Per month) Each customer will be billed on a monthly basis for the following RG&E services:

**Delivery Charge:**

<u>Usage</u>	<u>Rate</u>
First 3 therms or less	\$14.38
Next 97 therms, per therm	.17417
Next 400 therms, per therm	.16241
Next 500 therms, per therm	.14358
Over 1,000 therms, per therm	.08398

**Bill Issuance Charge:** \$ 0.62

**Gas Supply Charge:**

The customer shall be subject to a gas supply charge, as explained in Rule 4.H. The net cost of gas is provided in the GSC statement, as filed with the Public Service Commission each month.

**Merchant Function Charge (MFC):**

The customer shall be subject to an MFC, as explained in Rule 4.H. The MFC is provided in the GSC statement, as filed with the Public Service Commission each month.

**Weather Normalization Adjustment (WNA):**

All space-heating customers will also be charged the applicable WNA pursuant to General Information Section 11 of this tariff.

**Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 3 therms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**Increase in Rates and Charges:**

The rates and charges under this Service Classification, including the cost of gas and minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.1 for service supplied within the municipality where the customer is taking service.

**SERVICE CLASSIFICATION NO. 3**

**LARGE TRANSPORTATION SERVICE**

**AVAILABLE:**

In all of the Gas Control Area served by the Company.

**CHARACTER OF SERVICE:**

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas will be natural gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission.

**OBLIGATION TO SERVE:**

It shall be the Company's obligation to deliver the Customer's gas from the Distribution Point(s) of Receipt to the Distribution Point(s) of Delivery. However, the Company shall have no obligation or responsibility for making arrangements for the Customer's supply of gas from the Customer's supply source to the Distribution Point(s) of Receipt.

**RATE CHOICES AVAILABLE TO CUSTOMERS:**

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 3 is a Retail Access Rate, under which RG&E will provide Delivery Service. Commodity Service will be provided by an ESCO.

**MONTHLY RATE FOR TRANSPORTATION SERVICE:**

For each service agreement, the monthly rate shall consist of the minimum charge, service-point transportation charges, including the Transportation Rate Adjustment, Weather Normalization Adjustment, and applicable taxes, as found in each Service Classification.

**MINIMUM CHARGE:**

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

**Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 1000 therms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**INCREASE IN RATES AND CHARGES:**

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

**OTHER CHARGES:**

1. A. Interdepartmental Sales Credit

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48\* per dekatherm, or greater than the average cost of purchased gas plus \$.48\* per dekatherm.

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

**SERVICE CLASSIFICATION NO. 5**

**SMALL TRANSPORTATION SERVICE**

**AVAILABLE:**

In all of the Gas Control Area served by the Company.

**CHARACTER OF SERVICE:**

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas will be natural gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission.

**OBLIGATION TO SERVE:**

It shall be the Company's obligation to deliver the Customer's gas from the Distribution Point(s) of Receipt to the Distribution Point(s) of Delivery. However, the Company shall have no obligation or responsibility for making arrangements for the Customer's supply of gas from the Customer's supply source to the Distribution Point(s) of Receipt.

**RATE CHOICES AVAILABLE TO CUSTOMERS:**

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 5 is a Retail Access Rate, under which RG&E will provide Delivery Service. Commodity Service will be provided by an ESCO.

**MONTHLY RATE FOR TRANSPORTATION SERVICE:**

For each service agreement, the monthly rate shall consist of the minimum charge, service-point transportation charges, including the Transportation Rate Adjustment, Weather Normalization Adjustment, and applicable taxes, as found in each Service Classification.

**MINIMUM CHARGE:**

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

**Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 3 terms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**INCREASE IN RATES AND CHARGES:**

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

**OTHER CHARGES:**

A. Interdepartmental Sales Credit

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48\* per dekatherm, or greater than the average cost of purchased gas plus \$.48\* per dekatherm.

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

**SERVICE CLASSIFICATION NO. 6 (Cont'd)**  
**NON-RESIDENTIAL DISTRIBUTED GENERATION**  
**FIRM GAS SALES SERVICE (Cont'd)**

**PRICE (per month) (Cont'd):**

C. Large DG Customer – DG 5MW - < 50 MW

All usage levels:

First 1000 therms or less (All months) \$360.00

Winter Rate: (November – March)

Over 1000 therms, per therm \$0.00930

Summer Rate: (April – October)

Over 1000 therms, per therm \$0.00770

Demand Charge per therm of MDQ > 47 therms (All months): \$0.83

(2) Gas Supply Charge (GSC):

The customer shall be subject to a GSC, as explained in Rule 4H. The GSC is provided in the GSC Statement, as filed with the Public Service Commission each month.

(3) Merchant Function Charge (MFC):

The customer shall be subject to an MFC as explained in Rule 4.H. The MFC is provided in the GSC statement, as filed with the Public Service Commission each month..

**MINIMUM CHARGE:**

The minimum monthly charge is the charge for the first 3 therms or less or the first 1000 therms or less as noted under the Gas Delivery Charges. Additionally for a Large DG Customer, the minimum charge will also include the Demand Charge per therm of Maximum Daily Quantity (MDQ) excluding the therms included in the Basic Service Charge. The MDQ is the customer's highest estimated daily usage. The Minimum Charge will appear on the Customer's bill whether or not any gas was used during the billing period.

**Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 3 therms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**SERVICE CLASSIFICATION NO. 7**

**FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW**

**AVAILABLE:**

In all of the Gas Control Area served by the Company.

**CHARACTER OF SERVICE:**

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas will be natural gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission. Gas service provided hereunder shall be daily metered and billed separately from gas service provided under any other service classification of the Company, and the use of gas measured by this separate meter for other than the use described herein is expressly prohibited.

**OBLIGATION TO SERVE:**

It shall be the Company's obligation to deliver the Customer's gas from the Distribution Point(s) of Receipt to the Distribution Point(s) of Delivery. However, the Company shall have no obligation or responsibility for making arrangements for the Customer's supply of gas from the Customer's supply source to the Distribution Point(s) of Receipt.

**RATE CHOICES AVAILABLE TO CUSTOMERS:**

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 7 is a Retail Access Rate, under which RG&E will provide Delivery Service. Commodity Service will be provided by an ESCO.

**MONTHLY RATE FOR TRANSPORTATION SERVICE:**

For each service agreement, the monthly rate shall consist of the minimum charge, service-point transportation charges, including the Transportation Rate Adjustment, and applicable taxes, as found in each Service Classification.

**MINIMUM CHARGE:**

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

**Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 3 therms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**INCREASE IN RATES AND CHARGES:**

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

**OTHER CHARGES:**

A. Interdepartmental Sales Credit

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48\* per dekatherm, or greater than the average cost of purchased gas plus \$.48\* per dekatherm.

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

**SERVICE CLASSIFICATION NO. 8**

**RESIDENTIAL DISTRIBUTED GENERATION FIRM GAS SALES SERVICE  
(Cont'd)**

**RATE (per month) (Cont'd):**

(3) Merchant Function Charge (MFC):

The customer shall be subject to an MFC, as explained in Rule 4.H. The MFC is provided in the GSC statement, as filed with the Public Service Commission each month.

(4) Weather Normalization Adjustment (WNA):

All space-heating customers will also be charged the applicable WNA pursuant to General Information Section 11 of this tariff.

(5) Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:

The minimum charge listed within this service classification (First 3 therms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:**

The prices and charges under this service classification, including the Minimum Charge and GSC, will be increased by a surcharge pursuant to General Information Section 4 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

**TERMS OF PAYMENT:**

All bills are rendered at the above rate. A late payment charge at the rate of one and one-half percent (1 1/2%) per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.D.2.

**TERM:**

One year, and thereafter until discontinued upon three days' written notice.

**SPECIAL PROVISIONS:**

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing facilities are inadequate to deliver the additional supplies, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall pay for system reinforcements pursuant to Rochester Gas and Electric's existing rules set forth in General Information Rule 3.
- B. Rates established herein are ceilings which are fixed for at least three years.

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: January 1, 2008

Leaf No. 147.3.1  
Revision: 1  
Superseding Revision: 0

## **SERVICE CLASSIFICATION NO. 9**

### **RESIDENTIAL DISTRIBUTED GENERATION GAS TRANSPORTATION SERVICE (Cont'd)**

#### **MINIMUM CHARGE:**

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

#### **Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 3 therms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

#### **INCREASE IN RATES AND CHARGES:**

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

#### **OTHER CHARGES:**

A. Interdepartmental Sales Credit

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48\* per dekatherm, or greater than the average cost of purchased gas plus \$.48\* per dekatherm.

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

**SERVICE CLASSIFICATION NO. 10**

**GENERAL SERVICE - TRANSPORTATION SERVICE TO ELECTRIC GENERATION**

**AVAILABLE:**

In all of the Gas Control Area served by the Company.

**CHARACTER OF SERVICE:**

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas will be natural gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission.

**OBLIGATION TO SERVE:**

It shall be the Company's obligation to deliver the Customer's gas from the Distribution Point(s) of Receipt to the Distribution Point(s) of Delivery. However, the Company shall have no obligation or responsibility for making arrangements for the Customer's supply of gas from the Customer's supply source to the Distribution Point(s) of Receipt.

**RATE CHOICES AVAILABLE TO CUSTOMERS:**

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 10 is a Retail Access Rate.

**MONTHLY RATE FOR TRANSPORTATION SERVICE:**

For each service agreement, the monthly rate shall consist of the minimum charge, service-point transportation charges, including the Transportation Rate Adjustment, and applicable taxes, as found in each Service Classification.

**MINIMUM CHARGE:**

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

**Surcharge to Collect Advanced Metering Infrastructure (AMI) Costs:**

The minimum charge listed within this service classification (First 3 terms or less) will be increased to include the associated AMI surcharge listed in the AMI Surcharge Statement of this tariff, pursuant to Rule 12.

**INCREASE IN RATES AND CHARGES:**

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

**OTHER CHARGES:**

**A. Interdepartmental Sales Credit**

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48\* per dekatherm, or greater than the average cost of purchased gas plus \$.48\* per dekatherm.

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