

## **GENERAL INFORMATION**

### **4. METERING AND BILLING**

#### **A. MEASUREMENT OF CCF CONSUMPTION**

(1) **Metered**

The extent of the customer's Ccf use of the Company's service shall be determined by the readings of the meters installed by the Company. In accordance with 16 NYCRR Sections 11.30 through 11.39, and Section 52 of the Public Service Law, when a tenant's service meter also registers utility service use outside the tenant's dwelling, the tenant is not required to pay the charges for that service. The company will establish an account billed under the applicable service classification, in the owner's name for all service registered on the shared meter after that date and will rebill for past service in accordance with 16 NYCRR Part 11.34. A customer may request a summary of the rules governing shared meters from the company's office.

(2) **Estimated**

If the actual Ccf use of service is not known because of scheduled bi-monthly meter reads (Rule 4.C), inability to read meters or because of failure of meters to register accurately, the amount of the bill may be computed by estimating the Ccf use from the available data and the customer billed accordingly, which estimate shall be corrected if the subsequent meter reading indicates that the estimate was inaccurate.

(3) **Meter Reading**

(a) **Residential**

Estimated bills may be routinely sent to the customer for a period of four months or two billing periods, whichever is greater. If no actual reading is obtained after the aforementioned period, the Company shall take reasonable actions to obtain an actual meter reading. Such actions may include but are not limited to:

- (i) Making an appointment with the customer and/or such other person, who controls access to the meter, for the reading at a time to include times other than during normal business hours; or
- (ii) Offering the customer and/or such other person, who controls access to the meter, the opportunity to phone in meter readings; or
- (iii) Providing the customer and/or such other person, who controls access to the meter, cards on which he or she may record the reading and mail it to the Company.

## GENERAL INFORMATION

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

#### **A. MEASUREMENT OF CCF CONSUMPTION (Cont'd)**

(3) Meter Reading (Cont'd)

(a) Residential (Cont'd)

If no actual reading is obtained after bills representing six months or three billing periods of estimated bills, whichever is greater, have been rendered, the Company shall send a notice to the customer and to the person who controls access to the meter, offering a special appointment for a meter reading both during and outside of business hours. Where the customer resides in a multiple dwelling (as defined in the Multiple Dwelling Law or Multiple Residence Law), or in a two-family dwelling that is known by the Company to contain residential units where service is provided through a single meter or meters, and the meter is not in the apartment, the notice shall be sent to the customer and such other person who controls access to the meter.

If the Company's records do not contain the address of the person who controls access to the meter, the Company shall request that the customer furnish such information if available.

If the Company receives no response after bills representing eight months or four billing periods of estimated bills, whichever is greater, the Company may send another letter advising the customer and such other person who controls access to the meter that if no appointment is made a charge of twenty-five dollars (\$25) will be added to the next bill rendered to the person who controls and refuses to provide access to meter. No charge will be imposed if an appointment is arranged and kept.

If the person who controls access fails to arrange an appointment in response to a second request and the Company is unable to obtain an actual meter reading, the Company may add a charge of twenty-five dollars (\$25) to the next bill of the recipient of the notice. If the Company intends to obtain a court order to gain access to the meter, it shall inform the recipient of the notice by certified or registered letter. The letter shall inform the recipient that the purpose of obtaining such a court order is to replace a meter, or, if physically feasible, to relocate the meter or install a remote reading device. The letter shall state that the court costs and the costs of the meter relocation will be paid by the person who controls access to the meter.

## GENERAL INFORMATION

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

#### **A. MEASUREMENT OF CCF CONSUMPTION (Cont'd)**

(3) **Meter Reading** (Cont'd)

(a) **Residential** (Cont'd)

Where a remote meter reading device has been installed, or the customer agrees to phone or mail in the meter reads, the Company shall be allowed access to the customer's premises to obtain an actual read at least once every twelve months. Where access to the customer's premises is denied, the Company shall send, by registered mail, a letter advising that, pursuant to Public Service Commission directive, the Company shall apply for a court order to gain access to the meter. The letter shall also state that the court costs shall be paid by the person who controls access to the meter.

(b) **Nonresidential**

The Company shall make a reading attempt, to obtain an actual reading for every customer's account on a regular basis as provided for under Rule 4.C. A reading attempt requires that an authorized Company Representative visit the premises between 8:00 am and 5:00 pm on a business day and follow any routine access instructions.

Where circumstances beyond the Company's control prevent the Company from making a regularly scheduled meter reading attempt and where the previous two consecutive billings were not based upon an actual meter reading, the Company shall attempt a follow-up meter reading as soon as possible and within seven calendar days after the scheduled meter reading date.

Unless a customer does not have access to the meter or the customer will be unable to obtain a reliable meter reading, the Company shall at the time of any unsuccessful meter reading attempt, leave at the premises or mail to the customer a customer meter reading card.

## GENERAL INFORMATION

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

#### **A. MEASUREMENT OF CONSUMPTION (Cont'd)**

(3) **Meter Reading** (Cont'd)

(b) **Nonresidential** (Cont'd)

Where a remote meter reading device has been installed and where the customer has been billed for six months based on the remote meter reading device, the Company shall, at the time of every subsequent meter reading attempt, until successful, try to gain access to and read the meter.

Where the Company has billed a customer's account based on customer meter readings for six consecutive months, and did not obtain an actual meter reading at the time of the next regularly scheduled or follow-up reading attempt thereafter, the Company shall within seven calendar days either make another meter reading attempt or make an appointment with the customer to read the meter.

When the Company renders estimated billings for regular billing periods because circumstances beyond the Company's control made obtaining an actual reading extremely difficult despite having access to the meter area; provided, however, estimated bills for this reason may be rendered no more than twice consecutively without advising the customer in writing of the specific circumstances and the customers' obligation to have the circumstances corrected, or the Company was unable to obtain access to the meter(s). The Company shall begin providing no access notices to the person who controls access commencing with:

- (i) The fourth consecutive estimated billing.
- (ii) The tenth consecutive billing for accounts billed on either a remote registration device or customer readings.

Where the person who controls access is not the customer, a copy of all notices shall also be sent to the customer.

## GENERAL INFORMATION

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

#### **A. MEASUREMENT OF CONSUMPTION (Cont'd)**

##### (3) Meter Reading (Cont'd)

###### (b) Nonresidential (Cont'd)

The first notice shall advise the person who controls access that unless access to the customer's meter is provided on the next scheduled meter reading date or a special appointment made, a no access charge will be added to the next bill of the person who controls access and to every subsequent billing until an actual meter reading is obtained. The Company shall also offer to arrange a special meter reading appointment.

The second notice shall advise the person who controls access that the no access charge has been added to the bill and that another may be added to the next bill. The notice shall also state that service may be physically terminated, that steps to terminate service may follow, and that the Company may obtain a court order in order to gain access to the meter.

The third and each subsequent notice shall advise the person who controls access that the no access charge has been added to the billing and, if the service may be terminated without obtaining access, shall be accompanied by a Final Notice of termination for no access. If service cannot be physically terminated without gaining access, a notice shall state that the Company is seeking a court order to obtain access and that court costs will be paid by the person who controls access to the meter.

The monthly no access charge shall be \$100.00 per month per building or premises.

The Company may suspend the issuance of no access notices and/or penalties if the access controller contacts the Company and provides a legitimate reason for postponing the provision of access; provided, however, no metered demand account shall be eligible for such suspension and no suspension shall last more than 90 calendar days.

## GENERAL INFORMATION

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

#### A. MEASUREMENT OF CONSUMPTION (Cont'd)

(4) Backbilling

Where the Company has submitted an estimated bill or bills to a residential customer that understate the actual amount of money owed by such customer for the period when estimated bills were rendered by more than 50 percent or one hundred dollars (\$100), whichever is greater, the Company shall notify the customer in writing that he or she has the right to pay the difference between the estimated charges and the actual charges in regular monthly installments over a reasonable period that shall not be less than three months. The rendering of a backbill shall be in accordance with 16 NYCRR 11.4.

Where the Company renders a backbill to a nonresidential customer, which exceeds the cost of twice the customer's estimated average monthly billing or \$100 whichever is greater, the Company shall provide a written notice to the customer offering a deferred payment agreement; provided, however, the Company need not offer an agreement when the customer knew, or should have known, the original billing was incorrect. The deferred payment agreement may require the customer to pay the outstanding charges in monthly installments of up to the cost of one-half of the customer's estimated average monthly usage or one twenty-fourth of such charges whichever is greater. The rendering of a backbill shall be in accordance with 16 NYCRR 13.9.

## GENERAL INFORMATION

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

#### **B. THERM DETERMINATION**

For billing purposes, a customer's Ccf gas use shall be converted to therms based on the weighted average Btu content of gas purchased by the Company from its gas suppliers during the customer's billing period. A customer's use in therms is equal to Ccf use times the Heat Value Factor. The Heat Value Factor for a customer's billing period shall be determined by dividing (1) the sum of the daily Company dekatherms purchased during the billing period by (2) the sum of the daily Mcf purchased during the billing period.

#### **C. BILLING PERIOD**

Meters will be read monthly or bimonthly at the option of the Company. Where readings are scheduled for bimonthly intervals, the Company shall render interim bills calculated from the best data available. On request, the Company will furnish postcards to customers whose meters are scheduled to be read bimonthly for the purpose of reporting meter readings in the intervening months.

A monthly meter reading period, for billing purposes, is any period consisting of not less than 25 days nor more than 35 consecutive days, and a bill for any shorter or longer period will be prorated on the basis of a 30-day billing period.

When changes in rates or charges become effective, such rates and charges shall be applied to service supplied on or after the effective date shown in this Schedule. Bills will be prorated on the basis of a 30-day billing period.

## GENERAL INFORMATION

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

#### **D. RENDITION AND PAYMENT OF BILLS**

##### (1) Levelized Payment Plan

- (a) Except as provided in (c) below, the Company shall annually offer a levelized payment plan to eligible customers. A customer may request to be billed in accordance with the following levelized payment plan:
  - (i) The customer's bills for an annual period will be estimated and the customer will be billed each month an amount equal to one-twelfth of the total of such estimated bills. Any difference between the total amount billed under the levelized payment plan and the total amount that would have been billed for actual usage will be charged or credited to the plan final levelized settlement bill.
  - (ii) The Company will review the customer's levelized payment balance throughout the annual period and, based upon known changes in rates, charges and/or usage, reestimate the remaining bills in the annual period to minimize any adjustment in the final levelized settlement bill.
- (b) A new applicant or existing customer may initially apply for levelized billing at any time, in which event the Company will estimate the customer's bills for the remaining months in the plan and bill the estimated amount in equal payments through the plan settlement bill. Any difference between the amount billed and the amount that would have been billed for actual usage will be charged or credited to the levelized settlement bill.

When a customer is also rendered electric service by the Company, the levelized payment plan will apply to the total of both gas and electricity billings.

A customer may request to be removed from the levelized payment plan at any time, in which case the Company may immediately render a final levelized settlement bill, and shall do so no later than the time of the next cycle bill that is rendered more than ten business days after the request.

## GENERAL INFORMATION

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

#### **D. RENDITION AND PAYMENT OF BILLS (Cont'd)**

(1) Levelized Payment Plan (Cont'd)

(b) (Cont'd)

If a customer billed under the levelized payment plan defaults in payment or if service is discontinued, the plan shall be canceled and any difference between the total amount billed under the plan and the total amount that would have been billed for actual usage will become due at once if a deficiency, or will be refunded or credited to account if a surplus.

(c) A levelized payment plan shall not be available to nonresidential customers who:

- (i) Have less than 12 months of billing history at the premises where service is rendered; or
- (ii) Are seasonal, short-term or temporary customers; or
- (iii) Have arrears; or
- (iv) Are interruptible, temperature controlled or dual-fuel customers; or
- (v) Have, for any reason, ceased being billed on a previous levelized payment plan before the end of the plan year in the past 24 months; or
- (vi) Have a consumption pattern that is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty.

The Company may remove a nonresidential customer from the levelized payment plan if the customer becomes ineligible, according to Rule 4.D.(1)(c)i-vi, and if delinquency is the cause of the ineligibility, provided the Company has given the nonresidential customer an opportunity to become current in payment. Such opportunity need only be given once in any 12 month period.

## GENERAL INFORMATION

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

#### D. RENDITION AND PAYMENT OF BILLS (Cont'd)

(2) Late Payment Charges

All bills are due when personally served or three days after the mailing of the bill and may be paid without imposition of a charge for late payment if paid in full on or before the "last day to pay" date specified on the bill which shall be at least 20 days after the date on which the bill is rendered.

A monthly late payment charge will be assessed at a rate of one and one-half percent (1 1/2%) per month on a customer's unpaid balance, including service billing arrears and unpaid late payment charges. Remittance mailed on the "last day to pay" date will be accepted without the late payment charge, the postmark to be conclusive evidence of the date of mailing. The failure on the part of the customer to receive the bill shall not entitle him to pay without the late payment charge after the "last day to pay" date.

Service to state agencies will be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

(3) Dishonored Payment

Should the Company receive a negotiable instrument from an applicant or customer in payment of any bill, charge or deposit due, and such instrument be subsequently dishonored or be uncollectible for any reason, the Company shall charge a fee of \$20.00 to the applicant or customer, as permitted by General Obligations Law Section 5-328.

(4) Quarterly Payment Plan

As required by Public Service Law, Section 38 which became effective November 29, 1985, the Company shall offer any residential customer, 62 years of age or older, a plan for payment on a quarterly basis of charges for service rendered, provided that such customer's average annual billing is not more than \$150.

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: March 1, 2004  
Effective:

Leaf No. 66  
Revision: 1  
Superseding Revision: 0

## GENERAL INFORMATION

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

#### **E. TERM OF SERVICE**

(1) Length of Term

The term shall begin on the date service is made available, and shall continue until service is discontinued as provided in applicable Service Classifications.

(2) Temporary Discontinuance

When service is supplied on a Service Classification providing for a term of service of less than one year, the Company will permit a temporary discontinuance of service, for one period of not less than 30 days in any calendar year, upon three days' notice in writing from the Customer.

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: March 1, 2004  
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Leaf No. 67  
Revision: 1  
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**GENERAL INFORMATION**

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

**Reserved for Future Use**

## GENERAL INFORMATION

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

#### **F. WAIVER OF MINIMUM CHARGE**

Should the customer's plant be shut down for more than two weeks on account of strike, lockout, flood, fire and destruction of buildings, the minimum charge or guarantee will be waived during the period of such shutdown, but in no event for longer than six months where service is provided on an annual contract; provided, however, that the term of the annual contract shall be extended for a corresponding period, and that the customer shall furnish, to the satisfaction of the Company, facts justifying such waiver.

#### **G. CHARGES FOR SPECIAL SERVICES**

Where the Company performs special services at the request of the customer, in addition to supplying gas service, the customer shall pay the Company's costs and expenses when such special services are not due to the failure of the supply of gas, or the delivery of gas, or are not the responsibility of the Company, and except as otherwise specified or provided for in this Schedule. Charges will apply on a per visit basis per service point. A charge will be assessed for each rescheduled or subsequent visit.

The Company's normal business hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. EST. Services requested Monday through Friday 5:00 p.m. to 8:00 a.m., Saturday, or Company holidays will be assessed at the Company's time and a half labor rates. Services performed on a Sunday will be charged at the Company's double time labor rate. Charges for a crew will be based on a minimum call out period.

##### (1) Special Meter Read Fee

A special meter read fee will be assessed to a Customer or ESCO for each Service Point in which the Customer or ESCO requests a meter read if the meter reading is requested to be performed on a date other than the Customer's regularly scheduled meter reading date. The fee shall be equal to the charge shown in the Special Services Statement.

##### (2) Same Day or Non-Business Hour Service Request

The charge for connecting, reconnecting, or disconnecting a service on the same day of the request or during non-business hours at the request of the applicant or Customer shall be equal to the amount shown in the Special Services Statement.

## GENERAL INFORMATION

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

#### **H. ADJUSTMENT OF RATES DUE TO CHANGES IN COST OF GAS**

(1) Monthly GSC Statement

- (a) Not less than three days prior to any change in the net cost of gas resulting from this provision for adjustment of rates according to changes in the net cost of gas, a statement showing the present average cost of gas and the date at which and the period for which the average was determined, together with the period the net cost of gas per therm will remain in effect, will be duly filed with the Public Service Commission apart from this Rate Schedule. Such statement will be available to the public at Company offices at which applications for service may be made.
- (b) A new GSC statement, may be filed on one (1) day's notice to become effective not more than five (5) days after the effective date of the initial statement if the replacement of cost estimates in the initial statement with actual costs results in a change in the average cost of gas of more than five percent (5%). The applicable GSC, per Therm of usage, will be charged to customers by prorating the GSCs in effect for heating load during the billing period based on the number of degree days each GSC was in effect during the billing period. For non-heating load, the applicable GSC, per Therm of usage will be charged by prorating the GSCs in effect during the billing period based on the number of calendar days each GSC was in effect during the billing period..

(2) Average Cost of Gas

The average cost of gas shall be computed monthly as follows:

- (a) By applying the estimated rates and charges of the Company's gas suppliers to the respective quantities of gas purchased from each supplier for delivery to customers during the 12 calendar months immediately preceding the computation dates; and
- (b) By applying the average unit cost of gas in storage (including charges for gas storage services provided by the Company's storage suppliers but not including carrying charges) at the date of the computation to the quantities of gas withdrawn from storage during the same 12-month period; and
- (c) From the total quantity of gas delivered to customers, other than customers taking service under Service Classifications Nos. 3, 5 and 7, subtracting the quantity of gas delivered for use by the other departments during the same 12-month period; and
- (d) Reducing the total cost of gas purchased and withdrawn from storage, as computed in (a) and (b) above, by an amount determined by applying the interdepartmental rate per dekatherm, to the interdepartmental quantities in (c) above; and
- (e) Included in the Average Cost of Gas are the market price compensation costs that RG&E paid to ESCOs for gas diverted during a curtailment situation. Defined in Leaf 127.19.1.D 5(g)6
- (f) Included in the Average Cost of Gas is the Gas Cost Incentive Mechanism ("GCIM"):
  - (i) One hundred percent (100%) of the savings attributable to migration capacity release will be for the benefit of customers.
  - (ii) There will be an 85%/15% sharing between customers and shareholders of:
    - (1) RG&E non-migration capacity release; and
    - (2) RG&E off-system sales net of gas costs.
  - (iii) There will be an 80%/20% sharing between customers and shareholders for savings from local production.

## GENERAL INFORMATION

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

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

(2) Average Cost of Gas (Cont'd)

(g) By dividing the total cost of gas, (a) plus (b) minus (d) minus (e), by (c) the gas delivered to customers.

(3) Factor of Adjustment (FA)

The rates for gas service under Service Classification No. 1 shall be subject each month to an addition or a deduction for each \$.000001, or major fraction thereof, increase or decrease in the average cost of gas per therm. Such increase or decrease shall be multiplied by the factor of adjustment ratio of 1.0100 and rounded to the nearest \$.000001 per therm.

The FA will be reset on January 1 based on an average of the actual lost and unaccounted volumes for the immediately preceding three (3) twelve-month periods ending August 31.

The FA will not be reset if the average result from those periods is within plus or minus five percent (5%) of the Factor of Adjustment then in effect.

(4) 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.

(5) Gas Cost Reconciliation

A surcharge to collect GSC under-collections or refund GSC over-collections shall be computed and applied as follows:

- (a) By taking the cost of purchased gas adjusted for supplier 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.2 multiplied by the quantities of gas purchased for the Company's own customers, (2) the GSC revenues exclusive of Rule 4.H.3 revenues and Gas Cost 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 (4) (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.(3) in effect on the date the surcharge or refund becomes effective to the amount so determined.
- (c) The surcharge or refund computation shall be filed with the Public Service Commission on or before October 15 of each year to become effective with the first January billing cycle date.

## GENERAL INFORMATION

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

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

(6) **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 will be permitted for the purpose of preventing a large over-collection or under-collection balance from accruing at August 31.

(7) **Gas Cost Refund (also called Supplier Refunds)**

In the event that the rates and charges of the Company's gas supplier or suppliers are retroactively reduced, the total amount of refund, including interest, related to sales subject to the GSC, shall be credited to customers as follows:

- (a) All refunds received each month will 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, however, such refund credit rate shall be subject to adjustment in the twelfth month if actual sales have varied significantly from estimated sales. All refunds concluded during the 12 months ending August 31 of each year will 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., supplier refunds) received by RG&E in any month exceed \$7.5 million, such credits will be returned through a delivery charge mechanism. If monthly gas supply credits are equal to or less than \$7.5 million, such credits will be returned through the GSC. RG&E will not retain any gas supply credits. Gas supply credits exceeding \$7.5 million in any month will be passed back as follows:
  - 1) All Service Classification ("SC") No. 3 or SC 7 customers who use greater than 35,000 therms a year, customers that receive balancing service from RG&E would receive a 10% allocation of any refund received from Dominion Transmission Pipeline (DTI).
  - 2) ESCOs serving SC 5, SC 9 or SC 7 customers who use less than 35,000 therms a year would receive credits or refunds directly from DTI. Therefore, these customers will not share in any supplier credits received by RG&E from DTI.
  - 3) Any other pipeline refunds will be shared proportionally between SC 1, SC 5, SC 6, SC 7, SC 8, SC 9, and post 11/1/96 SC No. 3 customers. Pre 11/1/96 SC No. 3 customers will not receive a portion of any pipeline refunds other than stated in (7)(c) 1) above.
- (d) Where exceptional circumstances warrant, the utility may petition the Commission for waiver of the above refund plan.

(8) **Capacity Cost Incentive**

In accordance with the Commission order issued February 28, 2001 in Case No. 98-G-1589, pursuant to the Capacity Cost Incentive, RGE & its customers would share any savings or increased costs between a base level of capacity costs and the actual capacity costs RG&E achieved.

(9) **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, will 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 normalized 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 will be included as an adjustment in the Company's next annual reconciliation of gas costs.

## GENERAL INFORMATION

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

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

(10) **Research and Development Surcharge**

Sales subject to Service Classification No. 1, Service Classification No. 4, Service Classification No. 6 and Service Classification No. 8 who are subject to the GSC, will be subject to a surcharge to collect funds to support medium and long term gas research and development programs. This surcharge will replace the existing funding of the Gas Research Institute (GRI).

The amount of the surcharge will be calculated yearly by dividing the total amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998, less any amounts to be paid to upstream pipelines for GRI funding in the calendar year for which the surcharge is being calculated, by the total normalized volumes delivered to customers taking service under all Service Classifications.

The total amount collected annually under this surcharge will be reconciled to ensure that it does not exceed the amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998. Any amounts collected through this surcharge which are not spent on R&D programs will be refunded to the customers. This surcharge will be listed as a separate item on the GSC statement.

**GENERAL INFORMATION**  
**4. METERING AND BILLING (Cont'd)**

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

(11) Equivalent Cost of Gas Provision

- (a) In the event that, during a gas supply curtailment, the Company curtails service, pursuant to Rule 5.C.1, to any industrial or commercial customer, which has dual-fuel capability, to the extent such curtailed customer is curtailed by more than the average by which other customers in the same category are curtailed ("excess curtailment"), the Company may enter into an agreement with such curtailed customer whereby the Company will reimburse such customer each month for the difference in cost to such customer between the alternate fuel utilized by the customer in lieu of gas and the gas which would have been utilized but for the excess curtailment, the cost of gas being calculated on an equivalent Btu basis and under the applicable Service Classification.

For each customer who installs dual-fuel capability, the phrase "alternate fuel utilized by the customer in lieu of gas" as used in the foregoing shall mean the cheapest alternate fuel which is feasible for such customer as of the date on which the customer installs dual-fuel capability; that alternate fuel will be determined by the Company, subject to Public Service Commission review in the event of disagreement. Propane will only be considered to be the alternate fuel for such a customer in those instances where it is the only feasible alternative.

- (b) The Company shall determine, as to each month during the period any agreements under Rule 4.H.12.a are in effect, the aggregate monthly amount by which the otherwise applicable GSC for all customers Rule 4.H.1 will be increased for the recovery of the amounts paid under Rule 4.H.12.a. A rate will be determined by dividing the aggregate amount paid by the estimated sales expected to be made during the second succeeding month following the month during which the alternate fuel was utilized and the rate so determined will be added to the GSC otherwise applicable during such second succeeding month. If actual sales vary from estimated sales, a debit or credit adjustment will be made in calculating the equivalent GSC for the subsequent billing month.

(12) Refund of Revenues Collected Under the Provisions of Balancing and Cashout Charges of Service Classification Nos. 3, 5, 7, and 9

Sales subject to Service Classification No. 1, Service Classification No. 4 Service Classification No. 6 and Service Classification No. 8 who are subject to the GSC, will be subject to a credit to reflect revenues as may result from incurring balancing and cashout charges. Each billing month, the credit per therm shall be determined by dividing the annual amount collected by annual normalized sales to the above customers and such rate shall be included as a separate item on the GSC Statement for that month. Any difference between the total amount to be credited and the actual amount credited will be included as an adjustment in the company's next annual reconciliation of gas costs.

(13) Gas Reliability Surcharge

- (a) Beginning April 1, 2011, ESCOs serving RG&E delivery customers will be required to provide capacity to meet 100% of the ESCO's non-daily metered customers' load based on an average peak day of 66 Heating Degree Days (HDD) of load. On days exceeding 66 HDD, RG&E will supply the difference between 66 HDD and the HDD of the particular day. RG&E shall retain and supply capacity on days where the Heating Degree Days (HDD) are between 66 and 75. The Gas Reliability Surcharge shall recover the costs associated with retaining such pipeline capacity to meet demand on behalf of non-daily metered customers taking service with an ESCO.
- (b) The Gas Reliability Surcharge shall apply to customers taking service under Service Classification Nos. 5, 7a and 9.
- (c) The costs to be collected through the surcharge will be reduced by a proportionate share of revenues associated with the applicable share of non-migration capacity release, net off-system sales revenue and pipeline supplier refunds related to services used in the derivation of the surcharge. Revenues received from the Gas Reliability Surcharge will be credited to the Gas Supply Charge.
- (d) The surcharge will be included in the small Transportation Service Rate Adjustment Statement
- (e) On or before September 30 of each year, beginning in 2011, the Company will provide a report to the Director of the Office of Electric, Gas and Water that includes the calculation for the projected year's capacity requirements, a statement of the changes from the previous year's capacity requirements, a statement of the changes from the previous year, an explanation of the reason(s) or basis for the changes, and all associated workpapers. Copies of this report will be contemporaneously provided to ESCOs operating in the Company's gas service territory and any other interested party that specifically requests it.
- (f) The calculation of storage inventory working capital carrying costs included in the gas reliability surcharge will be consistent with the storage inventory carrying cost calculation described in General Information Rule 4.H.16.e

**GENERAL INFORMATION**  
**4. METERING AND BILLING (Cont'd)**

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

(14) Mendon Heater Charge

The costs of gas used to pre-heat city gate natural gas throughput at RG&E's Mendon Gate Station will be recovered as part of RG&E's overall purchased gas costs and will be recovered through the Gas Supply Charge and Transportation Rate Adjustments.

(15) Gas Supply Charge ("GSC", also called Net Cost of Gas)

Each monthly GSC will be the sum of the Average Cost of Gas, the Inter-Departmental Sales Credit, the Gas Cost Reconciliation, the Gas cost Reconciliation – Interim, the Gas Cost Refund, the Capacity Cost Incentive, the Refund of Revenues Collected for Transition Cost from Service Classification Nos. 3, 5, 7, and 9, the Research and Development Surcharge, the Equivalent Cost of Gas, the Refund of Revenues Collected Under the Provisions of Balancing and Cashout Charges of Service Classification Nos. 3, 5, 7, and 9, revenues collected through the Gas Reliability Surcharge, and other PSC approved adjustments.

The net cost of gas per therm, computed as provided in the Monthly GSC Statement, shall become effective commencing (the first day of the month following the computation date,) provided however, that the net cost of gas will be adjusted whenever there is a change in the pipelines' rates. The net cost of gas shall continue in effect until changed.

(16) Merchant Function Charge (MFC):

- The MFC will be applicable to only those customers taking gas supply service from the Company. A separate MFC will be calculated for residential and non residential customers
- i) The MFC will include the following rate components as described in the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718.
- a) Commodity-related Uncollectible Costs;
  - b) Commodity-related Credit and Collections and Call Center costs;
  - c) Commodity-related Administrative costs;
  - d) Cash Working Capital on Commodity Hedge Margin costs; and
  - e) Cash Working Capital on Storage Inventory Carrying Costs.
- ii.) The MFC components will be updated and reconciled as stated below in accordance with the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718.
- a) Commodity-related Uncollectible Costs
    - The commodity related uncollectible percentage rate will be reset annually based on the most recent available twelve-month period of actual uncollectibles
    - The commodity-related uncollectible component of the MFC will be calculated each month by multiplying the uncollectible percentage rate for each of the groups described above by the associated monthly gas supply cost.
  - b) Commodity-related Credit and Collections and Call Center costs
    - Any over/under collections related to the credit and collections and call center costs component will be added to any over/under collections related to the credit and collections and call center costs component charged through the POR Administration Charge and POR Discount and reconciled through both the POR Discount and MFC in the subsequent rate year. The unit rate will be reset annually based on recent MFC and POR sales forecasts.
  - c) Commodity-related Administrative costs
    - The Administrative Component will be reconciled annually for differences in actual versus design sales only. The unit rate will be reset annually based on recent sales forecasts.
  - d) Cash Working Capital on Commodity Hedge Margin costs
    - The cash working capital on Commodity Hedge cost component will be based on the Companies' pre-tax rate of return and will be reconciled to actual costs annually. Additionally, this component will be updated annually to reflect actual costs from the most recent available twelve month period and the most recent sales forecast.
  - e) Cash Working Capital on Storage Inventory Carrying Costs.
    - The carrying charge used in the determination of monthly storage working capital costs will be the Company's authorized pre-tax rate of return on the base storage level and the Commission's currently-effective Other Customer Capital rate on monthly amounts above the base storage level. The base storage level is defined as the lowest monthly balance.
    - This component will be reconciled annually to actual applicable costs for the period.
    - Additionally, this component will be updated annually to reflect actual costs from the most recent available twelve month period and the most recent sales forecast.

## GENERAL INFORMATION

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

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

##### **(17) Incremental Gas Supply Charge (IGSC):**

- (a). In lieu of the GSC, the IGSC will be applicable to customers requesting to return to sales service under Service Classification No.1 from Service Classification No. 3 or Service Classification No. 7B and the Company has or can obtain capacity and gas supply to provide such service without jeopardizing the reliability of service to the Company's existing customers receiving firm gas sale service under Service Classification No.1.
- (b) Each month the IGSC will be the higher of:
  - a. The GSC multiplied by 110% during the months of April through October (125% during the months of November through March); or
  - b. The GSC plus any incremental costs incurred by the Company to serve the returning customers including but not limited to: pipeline and storage capacity, commodity and variable costs and fuel.
- (c) The IGSC will apply for a period of twelve (12) months, except in instances where the customer returning to sales service is imposing incremental costs in excess of the GSC with the above multipliers added. In such instances, the customer will be responsible for paying for those costs for as long as the collection of costs from such customer is justified. If an IGSC customer returns to transportation service prior to the end of the contract for capacity, and the Company determines the capacity is not needed for system supply, the capacity will be released to the customer's ESCO for the remaining term of the contract. If the customer's ESCO does not take release of the capacity then the customer is obligated to pay the Company the pipeline capacity costs for the remaining term of the contract and any other costs the Company incurred on their behalf.

The IGSC will be reconciled annually and included in the annual reconciliation of gas costs. Any revenues remaining after expenses for IGSC customers will be refunded to customers subject to the GSC.

If the Company is unable to obtain capacity to serve the IGSC customers then such customers would be placed on the curtailment list after dual fuel customers.

Transportation customers returning to gas sales service where the only remaining load is heat load to prevent freeze offs of an empty building will be charged the GSC in lieu of the IGSC.

##### **(d) Monthly IGSC Statement**

The IGSC Statement will be filed on not less than three days prior to any change in the cost of gas resulting from the provisions for adjustment of rates according to changes in the cost of gas, a statement showing the present average cost of gas and the date at which and the period for which the average was determined, together with the period the net cost of gas per therm will remain in effect.

A new IGSC Statement may be filed on one (1) day's notice to become effective not more than five (5) days after the effective date of the initial statement if the replacement of cost estimates in the initial statement with actual costs results in a change in the average cost of gas of more than five percent (5%).

## GENERAL INFORMATION

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

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

##### **(17) Incremental Gas Supply Charge (IGSC): (Cont'd)**

The applicable IGSC, per Therm of usage, will be charged to customers by prorating the IGSC in effect for heating load during the billing period based on the number of degree days each IGSC was in effect during the billing period. For non-heating load, the applicable IGSC, per Therm of usage will be charged by prorating the IGSCs in effect during the billing period based on the number of calendar days each IGSC was in effect during the billing period.

Each monthly IGSC may include the Average Cost of Gas, the Inter-Departmental Sales Credit, the Gas Cost Reconciliation, the Gas Cost Reconciliation – Interim, the Gas Cost Refund, the Capacity Cost Incentive, the Refund of Revenues Collected for Transition Cost from Service Classification Nos. 3, 5, 7, and 9, the Research and Development Surcharge, the Equivalent Cost of Gas, the Refund of Revenues Collected Under the Provisions of Balancing and Cashout Charges of Service Classification Nos. 3, 5, 7, and 9, revenues collected through the Gas Reliability Surcharge, Mendon Heater Charge, and other PSC approved adjustments.

The net cost of gas per therm, computed as provided in the Monthly IGSC Statement, shall become effective commencing (the first day of the month following the computation date,) provided however, that the net cost of gas will be adjusted whenever there is a change in the pipelines' rates. The net cost of gas shall continue in effect until changed.

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
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Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

Leaf No. 77  
Revision: 2  
Superseding Revision: 1

## **GENERAL INFORMATION**

Reserved for Future Use

## GENERAL INFORMATION

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

#### **I. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED**

The rates and charges for service under all service classifications, including GSC and minimum charge, shall be increased by the effective aggregate percentage rate based on the aggregate percentage rate of the taxes imposed on the Company's gas revenues pursuant to Sections 210 and 186-a of the Tax Law; Section 20-b of the General City Law; and Section 5-530 of the Village Law. These surcharges are sub-divided into rates applicable to revenues from (1) transportation, (2) commodity and (3) net income.

The applicable aggregate percentage rate and surcharge factor shall be set forth on statements filed with the Public Service Commission. Whenever a city or village levies a new tax on the Company's gross revenue, repeals such a tax or changes the rate of such a tax, the Company will file a new statement. Every such statement shall be filed not less than Fifteen business days before the date on which it is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statements will be duly filed with the Public Service Commission, apart from this rate schedule, and will be available to the public at Company offices at which applications for service may be made.

The effective aggregate percentage rate is computed as follows:

$$\frac{\text{tax imposed (\%)}}{1 - \text{taxes imposed (\%)}}$$

## GENERAL INFORMATION

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

#### **J. FIXED FACTOR BILLING**

- (1) The Company may use a fixed factor method for determining the actual gas consumption of those customers receiving gas at a regulated metering pressure higher than normal delivery pressure. The fixed factor method involves the application of Boyle's Law (volume correction for pressure) to the uncorrected registration of the gas meter. Nothing herein shall be construed to require the Company to deliver gas to any customer at higher than normal delivery pressure.
- (2) In instances where the fixed factor method is used, the amount of gas determined from the meter reading shall be multiplied by a billing factor derived from the following formula:

$$\frac{(P_b + P_m)}{P_B} = \text{Billing Factor, where}$$

- (a)  $P_b$  is the barometric pressure measured in pounds per square inch absolute.

For purposes of this Rule, the Rochester District average barometric pressure of 14.45 pounds per square inch absolute shall be used unless the barometric pressure for a given location varies by more than 0.10 pounds per square inch absolute from the Rochester District average. When the barometric pressure exceeds this variance, the barometric pressure for that location shall be calculated based on that location's elevation above sea level.

- (b)  $P_m$  is the metering pressure measured in pounds per square inch gauge, and
- (c)  $P_B$  is the base pressure (14.73), measured in pounds per square inch absolute.

## GENERAL INFORMATION

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

#### **J. FIXED FACTOR BILLING (Cont'd)**

- (3) At each installation where fixed factor billing is used:
  - (a) The regulated outlet pressure to the customer's meter will be maintained under operating conditions  $\pm 1.0$  percent of the pressure absolute.
  - (b) Each regulator shall be sealed in a manner that would indicate any unauthorized tampering with the outlet pressure adjustment screw.
  - (c) All regulators and pressure compensating devices used in fixed factor measurement shall be clearly identified.
  - (d) A means will be provided for verifying the outlet set pressure of the regulator initially and periodically thereafter.
  - (e) The Company shall maintain records of each fixed factor installation.
  - (f) The Company shall maintain a file of regulator manufacturer's data sheets covering regulator(s) in fixed factor measurement service.
- (4) No fixed factor installation shall be made where the resulting measurement error is fast, or more than 2 percent slow.

## GENERAL INFORMATION

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

#### **K.1 INCREMENTAL LOAD RATE (ILR)**

##### **PURPOSE:**

This service is designed to encourage businesses to locate or expand their facilities in the Company's service territory.

##### **ELIGIBILITY CRITERIA:**

- 1) The ILR Program is available to Prospective or Existing non-residential and non-public authority customers with SIC codes 01-14 (Agriculture, Forestry, Fishing, and Mining), 20-39 (Manufacturing), 50 (Wholesale trade – durable goods), 51 (Wholesale trade – non-durable goods), 60-67 (Finance, Insurance, and Real Estate) or 73 (Business Services) that add load by constructing a new facility, expanding an existing facility, or redeveloping an existing facility that has been vacant for at least six months.
- 2) A Prospective Customer is defined as an applicant
  - i. Whose activities are largely or entirely different in nature from those of the previous customer; or
  - ii. Whose activities are the same as those of a previous customer but who is a different owner of the business; or
  - iii. That will conduct business at a premise where business has not been conducted for at least six months prior to the application for ILR benefits; or
  - iv. That has obtained a business in a bankruptcy liquidation sale from the previous customer; and
  - v. Who qualifies for service under and in accordance with the provisions of Service Classification No. 1 – General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service.
- 3) Prospective Customer - Any applicant that, (i) satisfies the definition of a Prospective Customer above; and (ii) satisfies the usage thresholds for additional qualifying equipment set forth below, will be deemed an eligible Prospective Customer and receive the ILR incentive, as appropriate, on the entire billed usage in the qualified blocks.

Existing Customer - Any current customer that (i) satisfies the usage thresholds for additional qualifying equipment set forth below and (ii) does not satisfy the definition of a Prospective Customer above will be deemed an eligible Existing Customer, entitled to receive an ILR incentive on increased usage in the qualified blocks above a historic monthly base load of usage established before the addition of qualifying equipment.

##### **USAGE THRESHOLDS:**

The eligible Prospective Customer or Existing Customer must add new or additional equipment for process use rated at 3.5 Therms per hour or more, or additional equipment for space conditioning use rated at 10.0 Therms per hour or more.

##### **TERM:**

The ILR incentive will be applied for a period of four years, without extension.

Effective January 1, 2009, the ILR program will terminate. Such termination will not affect customers who initiate ILR service by December 31, 2008, these customers will continue ILR service until the completion of their four year term.

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Rochester Gas and Electric Corporation  
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## GENERAL INFORMATION

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

#### **K.1 INCREMENTAL LOAD RATE** (Cont'd)

##### **BILLING:**

The Company will calculate bills for service supplied under the Incremental Load Rate in accordance with the applicable Special Provision under Service Classification No. 1 – General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service.

##### **GAS SUPPLY CHARGE (GSC):**

The rates set forth for Service Classification No. 1 customers under this rider shall be subject to a GSC per therm of gas supplied. The GSC shall be as determined in accordance with Rule 4.H.

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

The rates and charges under this rider, including GSC, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied in the municipality where the customer is taking service.

## GENERAL INFORMATION

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

#### **K.2 ECONOMIC DEVELOPMENT ZONE RIDER**

##### **PURPOSE:**

This service is provided in cooperation with the New York State Department of Economic Development, New York State Department of Labor, the New York State Public Service Commission, and the local Empire Zone certification board, pursuant to Article 18-B of the General Municipal Law, to assist in the revitalization of economically distressed geographic areas throughout the Company's service territory.

##### **ELIGIBILITY CRITERIA:**

**New service under this rider will no longer be available to customers whose zone certificate includes an initial date of eligibility after January 1, 2005.**

Any customer who locates to or expands in certified Empire Zones and:

- (1) Whose use is non-residential in nature, and
- (2) Who qualifies for service under and in accordance with the provisions of Service Classification No. 1- General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service and
- (3) Who has been certified by the local Empire Zone Administrator, described in Article 18-B of the General Municipal Law, as being eligible for this service, and
- (4) Who has provided the Company with documentation of such certification, and
- (5) Who permanently increases their usage by at least twenty-five percent

shall be eligible to receive rates hereunder.

##### **BILLING AND PROGRAM BENEFITS**

The Company will calculate bills for service supplied under the Economic Development Zone Rider in accordance with the applicable Special Provision under Service Classification No. 1 – General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service.

##### **GAS SUPPLY CHARGE (GSC)**

The rates set forth for Service Classification No. 1 customers under this rider shall be subject to a GSC per therm of gas supplied. The GSC shall be as determined in accordance with Rule 4.H.

##### **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.

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

The rates and charges under this rider, including GSC, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied in the municipality where the customer is taking service.

## GENERAL INFORMATION

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

#### **K.2 ECONOMIC DEVELOPMENT ZONE RIDER (Cont'd)**

##### **OTHER**

A qualified customer will pay a monthly service bill at the rates and charges under this rider for all therms in excess a base amount established for each monthly billing period. For an existing customer, the base amount of therms will be determined by the Company using an annual historical period. For a prospective customer, the base amount therms will be zero.

The rates and charges under this rider, which reflect the Company's incremental cost of providing service, will be subject to periodic review and revision, subject to Public Service Commission approval. If it is determined that the bill calculated under this rider exceeds the bill calculated under the otherwise applicable standard Service classification rates, the customer will pay the lower of the two bills.

Qualified customers will be eligible to receive the Empire Zone rates until the designated ten year term expires, or until a customer's initial certification becomes invalid. The Company reserves the right to establish means of periodically verifying the validity of a customer's certificate.

#### **K.3 EMPIRE ZONE RATE (EZR)**

##### **PURPOSE:**

This service is provided in cooperation with the New York State Department of Economic Development, New York State Department of Labor, the New York State Public Service Commission, and the local Empire zone certification board, pursuant to Article 18-B of the General Municipal Law, to assist in the revitalization of economically distressed geographic areas throughout the Company's service territory.

##### **ELIGIBILITY CRITERIA:**

**New service under this rider will no longer be available to customers on or after September 26, 2010. Customers will pay a monthly service bill at the rates and charges under the standard service classification rate.**

- 1) A Prospective Empire Zone Rate (EZR) Customer is defined as an applicant
  - i. Whose activities are largely or entirely different in nature from those of the previous customer; or
  - ii. Whose activities are the same as those of a previous customer but who is a different owner of the business; or
  - iii. That will conduct business at a premise where business has not been conducted for at least six months prior to the application for EZR benefits; or
  - iv. That has obtained a business in a bankruptcy liquidation sale from the previous customer; and
  - v. Who qualifies for service under and in accordance with the provisions of Service Classification No. 1 – General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service.

## GENERAL INFORMATION

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

#### **K.3 EMPIRE ZONE RATE (Cont'd)**

##### **ELIGIBILITY CRITERIA: (Cont'd)**

- 2) Prospective Customer - Any applicant that, (i) satisfies the definition of a Prospective Customer above; (ii) is certified by the approved Local Economic Zone Administrator; and (iii) satisfies the usage thresholds for additional qualifying equipment set forth below, will be deemed an eligible Prospective Customer and receive the EZR discount on the entire billed usage in the qualified blocks.

Existing Customer - Any current customer that (i) is certified by the approved Local Economic Zone Administrator and (ii) satisfies the usage thresholds for additional qualifying equipment set forth below, and (iii) does not satisfy the definition of a Prospective Customer above will be deemed an eligible Existing Customer, entitled to receive an EZR discount on increased usage in the qualified blocks above a historic monthly base load of usage established before the addition of qualifying equipment.

##### **USAGE THRESHOLD**

The eligible Prospective Customer or Existing Customer must add new or additional equipment for process use rated at 1.0 therms per hour or more, or additional equipment for space conditioning use rated at 2.5 therms per hour or more.

##### **TERM**

A qualified customer will be eligible to receive the Empire Zone Rate for no more than ten years from the initial date of New York State eligibility, as stated on their zone certificate, or until a customer's initial certification becomes invalid, whichever comes first. The Company reserves the right to establish a means of periodically verifying the validity of a customer's certificate.

##### **BILLING**

The Company will calculate bills for service supplied under the EZR discount in accordance with the applicable Special Provision under Service Classification No. 1 – General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service.

##### **GAS SUPPLY CHARGE (GSC)**

The rates set forth for Service Classification No. 1 customers under this rider shall be subject to a GSC per therm of gas supplied. The GSC shall be as determined in accordance with Rule 4.H.

##### **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.

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

The rates and charges under this rider, including GSC, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied in the municipality where the customer is taking service.

## GENERAL INFORMATION

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

#### **L. SELECTION AND CHANGE OF SERVICE CLASSIFICATION**

The Company will endeavor to assist a customer in the selection of the Service Classification which may be most favorable to his requirements, but in no way can the Company make any warranty, expressed or implied, as to the rates, classifications or provisions favorable to the future service requirements of the customer. If it is found that a Service Classification other than the one which the customer is supplied will be more advantageous, the customer, upon signing a new application for service, will be supplied under the more favorable rate subject to the class and term limitations of the rate. A change having once been made must stay in effect for a period of at least one year from the date of the change, subject to any term limitations of the service classification. The customer, Direct Customer, or Supplier shall be responsible for the selection of the proper service classification.

#### **M. SERVICE GUARANTEE**

The Company guarantees to keep service appointments made at the customer's request. If the Company does not keep an appointment within the timeframe agreed upon, a credit will be applied to the customer's next bill. The credit will be \$20.00.

Service guarantees do not apply to appointments made for the same day the customer requests service or if events beyond the Company's control, such as severe weather, prevent the Company from performing as planned.