

PSC No: 19 - Electricity  
Rochester Gas and Electric Corporation  
Initial Effective Date: February 6, 2004  
In compliance with order in Case 02-E-0551, Establishing Electric Standby Rates, Issued and Effective July 29, 2003

Leaf No. 237  
Revision: 1  
Superseding Revision: 0

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE**

#### **APPLICABLE TO USE OF SERVICE FOR:**

Delivery of Standby Service for any customer where all or a portion of a customer's electricity is supplied from On-Site Generating facilities ("OSG", defined as a generation facility that does not provide electricity supply to the customer by means of the Company's delivery facilities) without using the Company's delivery system (defined as the distribution and/or transmission system, regardless of voltage or functional classification). An OSG, whether owned by the customer or a third party, can produce electricity primarily to serve the customer's native load, to sell in the wholesale market or to carry out a combination thereof. Such OSG may be connected with the Company's delivery system for parallel operation, or operate under the control of a single pull, double-throw switch (or similar device). For customers with multiple electrical services, this tariff applies to each of the customer's electrical services that are not electrically isolated from the OSG. All separately metered electricity supply and/or delivery service not otherwise served by the OSG (e.g., separate delivery service to the facility's guardhouse or other facilities electrically isolated from the OSG) will be provided under the Otherwise Applicable Service Classification ("OASC", defined as the service classification in this tariff that the Customer would otherwise be served at, based on the Customer's connected load. For purposes of this Service Classification, Service Classification Nos. 1, 2, 3, 7, and 8 qualify as OASCs).

Before a customer is allowed to install and operate an OSG, the customer must submit design and operating information for the proposed OSG in accordance with the appropriate application and review process described in RG&E's "Bulletin 86-01 Requirements for Independent Power Producers of Electricity" ("Bulletin 86-01").

A customer operating OSG with a total nameplate rating equal to, or expected to be equal to, fifteen percent (15%) or less of its maximum potential demand served by all sources, as that maximum potential demand is reasonably determined by the Company, will take service under the OASC. RG&E may disqualify a customer from Standby Service if the Company can demonstrate that the customer (a) has installed OSG with a total nameplate rating greater than fifteen percent (15%) of its load, but (b) has not operated or is not operating that OSG in a material manner in order to serve the customer's load.

A customer who declines service under this tariff is required to electrically isolate its facility from the Company's delivery system, and the Company will not be required to maintain electric delivery service to that customer's facility. A facility will be deemed "electrically isolated" as set forth below.

## SERVICE CLASSIFICATION NO. 14

### STANDBY SERVICE (Cont'd)

#### **Electrically Isolated Loads:**

If a customer elects to electrically isolate and serve its load with OSG without connection to the Company's system, the isolated portion of that customer's load will not be subject to Standby Service -- provided that the customer executes a letter agreement with the Company that provides for the following:

- a) the Company will be entitled to inspect the electrical configuration of the OSG facilities upon a customer's request for this exemption;
- b) if, at any time, the Company has a reasonable concern that the customer's OSG facilities have not remained isolated from the Company's system, the Company is authorized to inspect the electrical configuration of such facilities, and the customer must cooperate with that inspection; and
- c) if the Company discovers, through billing data and/or the inspection of the customer's OSG facilities, that any of the electrically isolated OSG facilities have been reconnected to RG&E's system, the Company will backbill the customer. A Contract Demand will be established by the Company and the backbill will consist of RG&E's Standby Service rates, applied back to the time of OSG interconnection to RG&E's system, and include the surcharge as set forth below in the Unauthorized OSG Interconnection by Customer section, with Late Payment Charges as applicable, set forth in the Terms of Payment section of this Service Classification.

A facility shall be considered "electrically isolated" if: (a) the electrical points of contact where interconnection with the Company could occur are separated and at least 100 feet from any other interconnected electrical service utilized by such customer, or (b) the isolated service is not within the same building or structure as any other interconnected electrical service of the customer and not housed within a common enclosure with other interconnected breakers and/or fuses of the customer. At its discretion, the Company may consider a separation of less than 100 feet between a customer's facilities and the Company's system to be electrically isolated if there are site-specific configuration circumstances warranting such a determination.

#### **Compliance:**

A customer taking Standby Service shall comply with all federal, state and local laws, regulations, and requirements, including the requirements listed below in the Interconnection Requirements paragraphs 1 through 7.

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

#### **STANDBY SERVICE IS NOT APPLICABLE TO:**

##### **1a). Net Metered Solar Generating Equipment**

Standby Service rates shall not apply to a customer operating solar generating equipment and taking service under General Information Section 14 or 15.

##### **1b). Net Metered Farm Waste Generators 1000kW or Less**

Standby Service will not apply to a customer taking service under General Information Section 16, Farm Waste Electric Generating System option.

##### **1c). Net Metered Wind Generators**

Standby Service rates shall not apply to a customer operating wind generating equipment and taking service under General Information Section 13.

##### **1d). Net Metered Hybrid Generators**

Standby Service rates shall not apply to a customer operating a hybrid facility and taking service under General Information Section 17.

#### **2. Emergency Generators**

Standby Service rates shall not apply to customers whose only generating units are emergency generators. For the purpose of this Service Classification, a generating unit must meet each of the following two criteria to be considered an emergency generator:

- a) The emergency generator is used exclusively for purposes of supplying electrical power to the Customer when electrical power is not available from the Company.
- b) No load is served by the emergency generator while electric service is available from the Company to the premises, except for regularly scheduled tests when the generator is required to operate under load or participation in the New York Independent System Operator's ("NYISO") Special Case Resource Program or the Emergency Demand Response Program.

Excluding residential customers, the customer must submit a one-line diagram and specification sheet on the switch for the OSG for RG&E's review and approval. In addition, the customer must enter into a letter agreement with RG&E stating that the emergency generator will not operate in parallel with the Company's system.

The customer shall maintain an operating log for each emergency generator indicating the date, time, hours, and purpose of each operation of each such facility. This log shall be made available to the Company upon request. Failure to do so will permit the Company to (a) bill the customer under this Service Classification for the amount of Standby Service which the Company can reasonably estimate was delivered to and/or available to the customer during times when the Company did not charge the customer for such service due to this emergency generator exemption; and (b) establish a Contract Demand for one year, and thereafter as applicable.

#### **3. New York Power Authority ("NYPA") Allocations**

Standby Service rates shall not apply to that portion of a customer's delivery service associated with the delivery of electricity supply pursuant to applicable NYPA programs.

## SERVICE CLASSIFICATION NO. 14

### STANDBY SERVICE (Cont'd)

#### OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO:

##### 1. Existing Customers

An Existing Customer is defined as a customer operating OSG (including renewable, Combined Heat and Power ("CHP"), and wholesale generators (defined as companies whose primary business is the production of electricity for sale into the wholesale electricity market)) as of January 31, 2003, or who, as of that date:

- a) had commenced construction of an OSG facility;
- b) had been named by the New York State Energy Research and Development Authority ("NYSERDA") as an OSG project grant recipient as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
- c) had been named by NYSERDA as an OSG feasibility study grant recipient, as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;  
or
- d) had received a binding, written financial commitment from a lending institution for the construction and installation of an OSG.

To remain qualified as an Existing Customer, a customer under (c) or (d), above, must commence operation of its OSG by May 31, 2015.

##### 2. A Designated Technology Customer is defined as:

- a) A customer operating OSG that exclusively uses one or more of the following technologies and/or fuels for producing electricity: fuel cell; wind; solar thermal; photovoltaics ("PV"), sustainable managed biomass; tidal; geothermal; or methane waste, or
- b) Uses small, efficient types of combined heat and power ("CHP") generation that do not exceed 1 MW of capacity, and conforms with the following criteria:
  - i. Sized to serve no more than 100% of the Customer's maximum potential demand.
  - ii. Annual overall efficiency should not be less than 60% based on the higher heating value (HHV) of the fuel input;
  - iii. The usable thermal energy component should absorb minimum of 20% of the CHP facility's total usable annual energy output;
  - iv. The size limits shall be determined by aggregating the nameplate ratings of the generation units, installed at its location, excluding emergency generation units used only during a utility distribution system failure or in response to the NYISO Emergency Demand Response Program;
  - v. An eligible CHP facility shall demonstrate to the utility that its generation installation meets an environmental standard of no more than 4.4 lbs./MWh of  $\text{NO}_x$  emissions, based on its electrical and mechanical output or its rated capacity, or as updated by the Department of Environmental Conservation (DEC);
  - vi. Customers shall comply with the above criteria and:
    1. Monitor and record efficiency data,
    2. Have records available for utility inspection,
    3. Retain the records for a 3-year period.

**SERVICE CLASSIFICATION NO. 14**

**STANDBY SERVICE (Cont'd)  
 OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO: (Cont'd)**

**3. Phase-In and/or Designated Technology Exemption of Standby Rates**

- a) Existing Customers shall take service under this Service Classification and be subject to a phase-in of these standby service rates, as discussed below, unless they make a one-time election to take service at the full standby service rates, providing thirty (30) days written notice, no later than March 1, 2004. The availability of full standby service rates is subject to the availability of interval metering, if applicable.
- b) Customers whose facilities are placed in service between July 29, 2003 and May 31, 2015, and meet the definitions of both Existing Customers and Designated Technology Customers, will be considered to be Designated Technology Customers for purposes of this section.
- c) Designated Technology Customers whose facilities are placed in service between July 29, 2003 and May 31, 2015, have the option to make a one-time election to be permanently exempt from standby service rates rather than electing the phase-in or full standby service rates upon providing thirty (30) days written notice before commencing operation of the OSG facility; provided, however, that if operation commenced between July 29, 2003 and January 31, 2004, the Customer must make its one-time election by March 1, 2004.
- d) Existing OSG projects that upgrade by installing designated technology components, or hybrid projects comprised in part of designated technology components, are eligible for the designated technology exemption only for the upgrade components and only if those components are separately metered.

**4. Standby Rate Phase-In**

During the phase-in, the first four years in which standby rates are effective (February 2004 through January 2008) will continue to be billed at the OASC rates. The final four years of the phase-in will be billed based on the OASC rates, plus a percentage of the difference, if greater than zero, between the standby service rates and the OASC rates, where the percentage will be determined from the table set forth below:

Existing and Designated Technology Customers			
Year	Beginning	Ending	Billed at:
1	February 1, 2004	January 31, 2005	OASC rates
2	February 1, 2005	January 31, 2006	OASC rates
3	February 1, 2006	January 31, 2007	OASC rates
4	February 1, 2007	January 31, 2008	OASC rates
5	February 1, 2008	January 31, 2009	OASC rates plus 25% of bill differential
6	February 1, 2009	January 31, 2010	OASC rates plus 50% of bill differential
7	February 1, 2010	January 31, 2011	OASC rates plus 75% of bill differential
8	February 1, 2011		Standby service rates

**CHARACTER OF SERVICE:**

Continuous, Alternating Current - 60 cycle; voltage and phase at the Company's option, as available and appropriate for the Customer's requirement.

**SERVICE CLASSIFICATION NO. 14  
 STANDBY SERVICE (Cont'd)**

**RATES:**

**Delivery Charges:**

The rate components of the delivery portion of this service: Customer Charge, Bill Issuance Charge, Meter Ownership Charge, Meter Service Charge, Meter Data Service Charge, Contract Demand Charge, and As-Used Demand Charge.

**1. Effective 09/26/2010:**

Per customer, per month.					
Customer's OASC:	Customer Charge	Bill Issuance Charge (per bill)	Meter Ownership Charge	Meter Service Charge	Meter Data Service Charge
SC No. 1	\$6.32	\$0.95	N/A	N/A	N/A
SC No. 2	\$8.51	\$0.95	N/A	N/A	N/A
SC No. 3	\$196.42	\$0.95	\$8.69	\$16.95	\$1.84
SC No. 7	\$35.37	\$0.95	\$3.04	\$9.42	\$1.52
SC No. 8 - Secondary	\$738.48	\$0.95	\$25.55	\$30.62	\$2.22
SC No. 8 - Substation	\$744.58	\$0.95	\$25.64	\$31.30	\$2.08
SC No. 8 - Primary	\$762.74	\$0.95	\$27.17	\$33.01	\$2.09
SC No. 8 - Sub Transmission-Industrial	\$854.69	\$0.95	\$28.77	\$42.62	\$4.15
SC No. 8 - Sub Transmission-Commercial	\$867.88	\$0.95	\$27.24	\$33.22	\$1.89
SC No. 8 - Transmission	\$1243.69	\$0.95	\$29.52	\$48.76	\$5.81

**Effective 09/01/2011:**

Per customer, per month.					
Customer's OASC:	Customer Charge	Bill Issuance Charge (per bill)	Meter Ownership Charge	Meter Service Charge	Meter Data Service Charge
SC No. 1	\$6.32	\$0.95	N/A	N/A	N/A
SC No. 2	\$8.51	\$0.95	N/A	N/A	N/A
SC No. 3	\$215.14	\$0.95	\$8.69	\$16.95	\$1.84
SC No. 7	\$38.25	\$0.95	\$3.04	\$9.42	\$1.52
SC No. 8 - Secondary	\$796.04	\$0.95	\$25.55	\$30.62	\$2.22
SC No. 8 - Substation	\$769.61	\$0.95	\$25.64	\$31.30	\$2.08
SC No. 8 - Primary	\$846.98	\$0.95	\$27.17	\$33.01	\$2.09
SC No. 8 - Sub Transmission-Industrial	\$939.12	\$0.95	\$28.77	\$42.62	\$4.15
SC No. 8 - Sub Transmission-Commercial	\$952.31	\$0.95	\$27.24	\$33.22	\$1.89
SC No. 8 - Transmission	\$1430.84	\$0.95	\$29.52	\$48.76	\$5.81

PSC No: 19 - Electricity  
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**SERVICE CLASSIFICATION NO. 14  
 STANDBY SERVICE (Cont'd)**

**RATES:**

**Delivery Charges: (Cont'd):**

**1. (Cont'd)**

**Effective 09/01/2012:**

Per customer, per month.					
Customer's OASC:	Customer Charge	Bill Issuance Charge (per bill)	Meter Ownership Charge	Meter Service Charge	Meter Data Service Charge
SC No. 1	\$6.32	\$0.95	N/A	N/A	N/A
SC No. 2	\$8.51	\$0.95	N/A	N/A	N/A
SC No. 3	\$242.83	\$0.95	\$8.69	\$16.95	\$1.84
SC No. 7	\$42.50	\$0.95	\$3.04	\$9.42	\$1.52
SC No. 8 - Secondary	\$881.43	\$0.95	\$25.55	\$30.62	\$2.22
SC No. 8 - Substation	\$806.95	\$0.95	\$25.64	\$31.30	\$2.08
SC No. 8 - Primary	\$972.37	\$0.95	\$27.17	\$33.01	\$2.09
SC No. 8 - Sub Transmission-Industrial	\$1,066.81	\$0.95	\$28.77	\$42.62	\$4.15
SC No. 8 - Sub Transmission-Commercial	\$1,080.00	\$0.95	\$27.24	\$33.22	\$1.89
SC No. 8 - Transmission	\$1,704.59	\$0.95	\$29.52	\$48.76	\$5.81

**2. Contract Demand Charge:**

The Contract Demand Charge is determined by multiplying the Customer's Contract Demand times the Contract Demand rate. For customers whose OASC does not require demand metering, the Contract Demand will be the appropriate fixed monthly charge stated in this Service Classification.

**Effective 09/26/2010:**

Contract Demand Rate: Contract Demand kilowatts, per kilowatt of Contract Demand

OASC:	SC No. 3	SC No. 7	SC No. 8
	\$6.67	\$9.86	
Secondary			\$5.26
Substation			\$4.40
Primary			\$4.66
Sub Transmission- Industrial			\$1.40
Sub Transmission – Commercial			\$1.40
Transmission			\$6.01

OASC:	SC No. 1	SC No. 2
Contract Demand Rate, per customer, per month	\$16.56	\$13.84

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**SERVICE CLASSIFICATION NO. 14  
 STANDBY SERVICE (Cont'd)**

**RATES:**

**Delivery Charges: (Cont'd):**

**2. Contract Demand Charge: (Cont'd):**

**Effective 09/01/2011:**

Contract Demand Rate: Contract Demand kilowatts, per kilowatt of Contract Demand

OASC:	SC No. 3	SC No. 7	SC No. 8
	\$6.89	\$10.31	
Secondary			\$5.39
Substation			\$4.54
Primary			\$4.79
Sub Transmission- Industrial			\$1.43
Sub Transmission – Commercial			\$1.43
Transmission			\$6.16

OASC:	SC No. 1	SC No. 2
Contract Demand Rate, per customer, per month	\$17.74	\$15.02

**Effective 09/01/2012:**

Contract Demand Rate: Contract Demand kilowatts, per kilowatt of Contract Demand

OASC:	SC No. 3	SC No. 7	SC No. 8
	\$7.17	\$10.84	
Secondary			\$5.54
Substation			\$4.75
Primary			\$4.95
Sub Transmission- Industrial			\$1.48
Sub Transmission – Commercial			\$1.48
Transmission			\$6.39

OASC:	SC No. 1	SC No. 2
Contract Demand Rate, per customer, per month	\$19.47	\$16.64

**SERVICE CLASSIFICATION NO. 14**

**STANDBY SERVICE (Cont'd)**

**Delivery Charges: (Cont'd):**

**3. As-Used Demand Charge:**

Daily As-Used Demand Charge for customers with interval metering, on-peak kilowatts, per kilowatts of daily metered demand.

**Effective 09/26/2010:**

OASC:	SC No. 3	SC No. 7	SC No. 8
	0.30938	0.13002	
Secondary			0.29142
Substation			0.17352
Primary			0.32849
Sub Transmission- Industrial			0.33634
Sub Transmission – Commercial			0.33634
Transmission			0.08466

Daily As-Used Demand Charge for customers without demand metering.

	Delivery	
OASC:	SC No. 1	SC No. 2
All kilowatt-hour	0.02892	0.02179

**Effective 09/01/2011:**

Daily As-Used Demand Charge for customers with interval metering, on-peak kilowatts, per kilowatts of daily metered demand.

OASC:	SC No. 3	SC No. 7	SC No. 8
	0.32118	0.13562	
Secondary			0.30545
Substation			0.18266
Primary			0.34146
Sub Transmission- Industrial			0.34652
Sub Transmission – Commercial			0.34652
Transmission			0.08665

Daily As-Used Demand Charge for customers without demand metering.

	Delivery	
OASC:	SC No. 1	SC No. 2
All kilowatt-hour	0.02896	0.02164

**SERVICE CLASSIFICATION NO. 14  
 STANDBY SERVICE (Cont'd)**

**Delivery Charges: (Cont'd):**

**3. As-Used Demand Charge: Effective 09/01/2012:**

Daily As-Used Demand Charge for customers with interval metering, on-peak kilowatts, per kilowatts of daily metered demand.

OASC:	SC No. 3	SC No. 7	SC No. 8
	0.33667	0.14225	
Secondary			0.32346
Substation			0.19427
Primary			0.35835
Sub Transmission- Industrial			0.36280
Sub Transmission – Commercial			0.36280
Transmission			0.08888

Daily As-Used Demand Charge for customers without demand metering.

	Delivery	
OASC:	SC No. 1	SC No. 2
All kilowatt-hour	0.02903	0.02159

**4. Transition Charge (“TC”), or Non-Bypassable Charge [“NBC”]:**

All kilowatthours, per kWh

Per Transition Charge statement.

**Rate Periods:**

On-peak hours are defined as the hours between 7:00 a.m. and 11:00 p.m., Monday through Friday. All remaining hours are defined as “off-peak” hours.

**REACTIVE CHARGE:**

Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour:

Phase 1 \$0.00127

Effective 10/1/2010, the reactive kilovolt-ampere hourly charge will be applicable (as it relates to SC No. 8 as the otherwise applicable service classification for billing purposes) for customers with a measured demand of not less than 1,000 kilowatts during any two of the previous twelve months.

Phase 2 \$0.00127

Effective with the first full billing period on or after September 22, 2011, the reactive kilovolt-ampere hourly charge will be applicable (as it relates to SC No. 8 as the otherwise applicable service classification for billing purposes) for customers with a measured demand of not less than 500 kilowatts during any two of the previous twelve months.

Phase 3 \$0.00127

Effective with the first full billing period on or after September 22, 2012, the reactive kilovolt-ampere hourly charge will be applicable to all customers whose otherwise applicable service classification is SC No. 8.

**SYSTEM BENEFITS CHARGE:**

Each customer bill for service under this Service Classification will be increased by multiplying all kilowatt hours delivered by the applicable System Benefits Charge rate shown in the System Benefits Charge Statement as mandated by Public Service Commission Order issued January 26, 2001.

**RENEWABLE PORTFOLIO STANDARD CHARGE:**

Each customer bill for service under this Service Classification will be increased by multiplying all kilowatt-hours delivered by the applicable Renewable Portfolio Standard charge, as shown in the Renewable Portfolio Standard Charge statement as described in Rule 4.

**MERCHANT FUNCTION CHARGE (MFC):**

All kilowatt hours, per kWh

Per MFC Statement, as described in Rule 12

**POR ADMINISTRATION CHARGE**

Per POR Statement, as described in Rule 4. All kilowatt hours, per kWh.

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

#### **MINIMUM CHARGE:**

The minimum charge per month for service under this Service Classification is the Contract Demand Charge if applicable, plus the Customer Charge and Bill Issuance Charge, if applicable, as listed above.

#### **SURCHARGE TO COLLECT TEMPORARY STATE ASSESSMENT ("TSAS"):**

A surcharge will be applied to the Contract Demand Charge for each customer bill under this Service Classification to collect the Temporary State Assessment (as explained in this Schedule, General Information Section 4.K.). See TSAS Statement.

#### **REVENUE DECOUPLING MECHANISM ("RDM"):**

A customer billed at OASC as provided in this Service Classification shall be subject to a Revenue Decoupling Adjustment (as explained in this Schedule, General Information Section 7). See RDM Statement. The RDM Adjustment for the customer's OASC will apply.

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

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

#### **TERMS OF PAYMENT:**

Bills rendered under this Service Classification are payable on receipt. A late payment charge of one and one half percent (1 1/2%) per month will be billed on all amounts not paid by the "past due" date. For additional information, see Rule 4, Metering and Billing, of this Schedule.

#### **TERM:**

A minimum of one year and thereafter until terminated by 60 days written notice.

#### **DETERMINATION OF DEMAND:**

##### **Contract Demand:**

A customer will have the option of accepting a Contract Demand established by RG&E or of establishing its own Contract Demand in accordance with this tariff. Without regard to which party sets the customer's Contract Demand, upon the occurrence of an exceedence, the Contract Demand will be ratcheted up by the amount of the exceedence.

##### **1. Company Set Contract Demand**

The Company set Contract Demand for an Existing Customer will be based on the peak demand of that customer over the twelve (12) months prior to the effective date that the customer takes service under these Standby Service rates, taking into consideration the contribution of additional and/or existing OSG, the addition and/or removal of equipment, and the coincidence and diversity of the customer's load. In cases where historical billing demand does not represent a reasonable Contract Demand level, the Company will confer with the customer to set an appropriate Contract Demand. Where RG&E establishes a Contract Demand for a new customer, the Contract Demand will be determined, in consultation with the customer, by assessing the nameplate rating of the equipment to be served, and projecting, through an engineering analysis, the coincidence and diversity of the new customer's load.

## SERVICE CLASSIFICATION NO. 14

### STANDBY SERVICE (Cont'd)

Where a customer elects to have RG&E establish the Contract Demand, that customer shall not incur a surcharge if that Contract Demand is exceeded except as described in this tariff. A customer shall be obligated to inform RG&E in writing prior to the installation or removal of equipment, or any change in operation, that can be reasonably expected to change in a material fashion (defined as a change of more than twelve and one-half percent (12.5%)) the capacity required to deliver electricity to the customer. If the customer fails to provide such notice, and the customer exceeds the RG&E-established Contract Demand, RG&E shall have the right to include a surcharge in the customer's bill equal to the product of the applicable Contract Demand charge, the amount of the exceedence, and the number of billing periods from and including the billing period in which the customer first commenced taking Standby Service from RG&E at the understated Contract Demand, i.e., the billing period in which the customer installed the equipment or changed the operation that caused the exceedence (as demonstrated by the customer to RG&E in writing), to the billing period that includes the date of the exceedence. If the customer fails to demonstrate in writing when it installed such equipment or changed such operation, then RG&E shall apply the surcharge from the first billing period in which the customer commenced taking Standby Service from RG&E.

#### **2. Customer Set Contract Demand**

Upon prior written notice to RG&E, a customer may revise its Contract Demand upward at any time.

A customer that sets its own Contract Demand may revise its Contract Demand downward by written notice to RG&E once every twelve (12) months. The new Contract Demand level cannot be set at a level lower than the highest demand achieved in the previous twelve (12) months unless the customer demonstrates in writing to RG&E's reasonable satisfaction that electricity-consuming equipment is removed or disabled in place. RG&E shall have the right to inspect the premises of a customer upon reasonable notice and at reasonable times in order to confirm that such energy-consuming equipment has been so removed or disabled.

Where a customer elects to establish its own Contract Demand, and (a) an exceedence of more than zero percent (0%) but less than ten percent (10%) occurs, a surcharge will apply to the current monthly bill equal to twelve (12) times the sum of the monthly Contract Demand charges calculated for the excess demand, (b) an exceedence of ten percent (10%) or more but less than twenty percent (20%) occurs, a surcharge will apply to the current monthly bill equal to eighteen (18) times the sum of the monthly Contract Demand charges calculated for the excess demand, and (c) an exceedence of twenty percent (20%) or more occurs, a surcharge will apply to the current monthly bill equal to twenty-four (24) times the sum of the monthly Contract Demand charges calculated for the excess demand.

Where a new customer installs OSG, or an Existing Customer installs new OSG, during a two (2) year period commencing February 1, 2004, one exceedence in the first year of OSG operation of less than ten percent (10%) in magnitude would be excused from any surcharge. For purposes of this paragraph, the OSG shall be deemed to have commenced operation when the OSG first delivers electricity to serve the customer's load.

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

#### **As-Used Demand:**

1. The as-used demand for customers with interval metering will be the aggregate of the highest daily 30-minute integrated demand (measured in kW) occurring during the On-Peak hours as defined in "Rate Periods" above, during the billing period. If in any billing period, there is a failure in the metered usage data acquisition that results in the failure to record daily as-used demand data, RG&E reserves the right to estimate reasonable values for the missing data for recording and billing purposes.
2. The as-used demand, for customers without demand metering, and not billed at the OASC will be the monthly metered kilowatt hours.

#### **METERING AND COMMUNICATION REQUIREMENTS:**

1. A customer who provides telecommunications to the meter shall be responsible for all costs associated with the installation, operation and maintenance of the telecommunications line, including but not limited to, all telecommunications service bills. If the Company is unable to read the meter through a customer provided connection, and RG&E has determined that the problem is not caused by the Company's equipment, the customer shall be responsible for resolution of the problem. The customer shall also be responsible for reimbursement of RG&E expenses incurred for visits to the meter location to ascertain the cause of the problem.
2. A customer with demand metering and with 50 kW or more of Contract Demand is required to have interval metering and remote meter reading capability. Such customers will be responsible for the following:
  - a) the incremental costs of interval metering equipment and its installation;
  - b) the costs of providing remote meter reading capability through telecommunications to and from the meter; and
  - c) the costs associated with resolution of any problems with the telecommunications provider, including reimbursing the Company for any expenses the Company incurs.
3. Meter Credit:  
A qualified customer that selects Competitive Metering service must comply with the requirements specified in this Schedule, and will not be charged the Meter Ownership, Meter Service and Meter Data Service Charges.

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**SERVICE CLASSIFICATION NO. 14  
STANDBY SERVICE (Cont'd)**

**SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:**

Customers served under this Service Classification may select from two different Supply Service Options as described below. RG&E will offer a Retail Access rate choice and a Non-Retail Access rate choice.

The Retail Access choice (see below) is the ESCO Supply Service (ESS). The Non-Retail choice is the (see below) is the RG&E Supply Service (RSS).

RG&E will provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company ("ESCO").

RG&E will provide delivery service and commodity service for the Non-Retail Access choice.

**1. ESCO Supply Service (ESS)**

This Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge ("TC" or Non-Bypassable Charge ["NBC"]) as described in Section 12.b), and a Bill Issuance Charge. Electricity supply is provided by an ESCO.

Delivery Rates are specified in the Delivery Charges section of this Service Classification.

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

#### **SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS (Cont'd)**

##### **2. RG&E Supply Service (RSS)**

This Non-Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge ("TC" or Non-Bypassable Charge ["NBC"]) as described in Section 12.B.), a Bill Issuance Charge, and a commodity charge that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, unaccounted for energy, ancillary services and a NYPA Transmission Access Charge (NTAC). Electricity supply is provided by RG&E.

Delivery Rates are specified in the Delivery Charge sections of this Service Classification.

##### Electricity Supply Charge

Standby customers taking service under this RSS option must select from two different options for their electricity supply charge. One option is RSS, based on the customer's class deemed load shaped, as described in (a) below. The other option is Hourly Pricing, based on hourly metered usage, as described in (b) below.

- (a) For RSS, the charge for electricity supply service will fluctuate with the market price of electricity and will include the following components: energy, capacity, capacity reserves, line losses, ancillary services and a NYPA Transmission Access Charge (NTAC), a Supply Adjustment Charge, and a Merchant Function Charge. Customers will be charged for energy based on their class deemed load shape using day-ahead prices adjusted for losses. They will be charged for capacity based on their class deemed contribution to peak using the monthly NYISO capacity auction price, including an appropriate adder for capacity reserve responsibility.
- (b) Standby customers whose otherwise applicable service classification is SC No. 8 may elect to be served under the Hourly Pricing as described in detail below in Option 3

## SERVICE CLASSIFICATION NO. 14

### STANDBY SERVICE (Cont'd)

#### SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS (Cont'd)

#### 3. Hourly Pricing

##### Mandatory

Hourly Pricing will be phased in and mandatory as follows:

- |                      |  |
|----------------------|--|
| January 1, 2007 –    | Effective with the first full billing period on or after January 1, 2007 customers with a measured demand of not less than 1,000 kilowatts during any two of the previous 12 months.   |
| September 22, 2011 – | Effective with the first full billing period on or after September 22, 2011 customers with a measured demand of not less than 500 kilowatts during any two of the previous 12 months.  |
| September 22, 2012 – | Effective with the first full billing period on or after September 22, 2012 all customers whose otherwise applicable service classification is Service Classification No. 8 – Large General Service – Time of Use Rate unless eligible for an exemption. |

Once a customer qualifies for mandatory Hourly Pricing they will remain subject to this provision until the Company determines their contract demand has been 200 KW or less for 12 consecutive months, at which time the customer will be billed under another appropriate service classification.

##### Voluntary:

Through the customer's billing period ending on or after September 22, 2012, Hourly Pricing is voluntary for any customer who would otherwise qualify for service under Service Classification No. 8 – Large General Service – Time of Use Rate and does not meet the phase in criteria listed above. Once a customer elects Hourly Pricing they will remain on Hourly Pricing.

This Non-Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge ("TC" or Non-Bypassable Charge ["NBC"]) as described in Section 12.B.), a Bill Issuance Charge, and a commodity charge that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, Supply Adjustment Charge, ancillary services and a NYPA Transmission Access Charge (NTAC). Electricity supply is provided by RG&E.

Delivery Rates, are specified in the Delivery Charges section of this Service Classification.

##### Electricity Supply Charge

#### **Electricity Supply Charge: All kilowatthours, per kilowatthour**

Customers served under this provision will be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Genesee Zone adjusted for losses, ancillary services, NTAC, and a Supply Adjustment Charge. Capacity charges will also be based on interval meter data. The DAM LBMP prices will be the initial published DAM LBMP prices acquired by the Company. The customer's bill will not be recalculated if such prices are modified by the NYISO at a later date.

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

## SERVICE CLASSIFICATION NO. 14

### STANDBY SERVICE (Cont'd)

#### SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS (Cont'd):

#### 3. Hourly Pricing (Cont'd)

$L_d$  = Distribution loss factor. All customers will be categorized as primary or secondary load. Primary load applies to customers taking service above 600 volts. Secondary load applies to customers taking service at 600 volts or less. RG&E will notify the customer of the category applicable to it. The loss factors are:

Primary Load:	4.68%
Secondary Load	6.48%

#### Electricity Capacity Charge: per month

The capacity and capacity reserves are specific to the customer. When hourly data is not available, the appropriate service class profile will be used to determine the customer's capacity responsibility. A new capacity responsibility amount will be established for each customer each April, to be effective on or after May 1. Customers new to Hourly Pricing that begin the service prior to April will be assigned their capacity responsibility based on their service class profile until the first April where the required hourly data is available.

Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

UCAP Charge =  $((((UCAP_{req} * 1/(1-L_d)) * (1 + Reserve_{req}))) * Price_{monthlyauc})$

$UCAP_{req}$  = The customer specific demand that occurred at the time of the New York system peak of the prior year. When the customer specific information is not available the appropriate service class profile information will be used.

$L_d$  - Distribution loss factor. Described above

$Reserve_{req}$  = Additional reserve requirement as required by NYISO

$Price_{monthlyauc}$  = Monthly NYISO auction price

Demand Curve Reserve Charge =  $((((UCAP_{req} * 1/(1-L_d)) * Demand Curve Reserve Charge_{req} )) * Price_{spotauc})$

$UCAP_{req}$  - Described above

$L_d$  - Described above

$Demand Curve Reserve Charge_{req}$  = Allocation of additional capacity requirement as required by the NYISO's demand curve

$Price_{spotauc}$  = Monthly NYISO capacity spot market price.

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**SERVICE CLASSIFICATION NO. 14**

**STANDBY SERVICE (Cont'd)**

**Reserved For Future Use**

**SERVICE CLASSIFICATION NO. 14**

**STANDBY SERVICE (Cont'd)**

The Customer is responsible for its appropriate share of any penalties incurred by the Company from the NYISO, or others, for unscheduled energy use. The penalties include, but are not limited to, congestion costs, marginal losses, and installed or unforced capacity deficiencies.

**INTERCONNECTION REQUIREMENTS:**

1. A customer may connect an OSG facility for parallel operation with the Company's delivery system, or isolate for operation with Standby Service provided by a wholesale generator by means of a double throw transfer switch, or another transfer switching scheme acceptable to the Company.
2. A customer must complete an Application for Service and must operate in compliance with standards and requirements set forth in either the Distributed Generation Interconnection Requirements found in the SIR Addendum to this Schedule at Section II, "Interconnection Requirements" or RG&E's Bulletin 86-01 In addition, customers must execute either the NYS Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 300 kVA or Less, or Farm Waste Generators of 1000 kW of Less, to be Operated in Parallel ("SIR Contract"), as contained in the SIR Addendum to this Schedule, or the applicable contract.

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

3. A customer and the Company shall agree as to the operating mode, interconnection and equipment specifications for the OSG facility pursuant to either a or b below, as may be amended or superseded:
  - a) the SIR Contract, or
  - b) RG&E's Bulletin 86-01.
4. A customer will be responsible for all costs associated with its OSG interconnection as set forth in the requirements listed in paragraphs 3a or 3b above, as applicable.
5. Maintenance Schedules: A customer applying for Standby Service with a standby Contract Demand greater than 1000 kW is required to provide the Company with a schedule of OSG maintenance. A schedule must include the dates and times for the beginning and ending of all planned outages. A customer may revise the schedule one (1) month prior to the effective date of the outage. However, modifications communicated with less than one (1) month's notice will not be allowed, unless the customer obtains Company approval. The annual provision of planned maintenance schedules by the customer will take place on October 1 of each year for Standby Service for the following calendar year. Such schedule will be utilized by RG&E for planning functions. This provision does not take precedence with respect to any OSG maintenance provision in a power purchase agreement that may be in effect with the Company.
6. At the time of agreement, the customer with an OSG greater than 300 kVA, excluding Net Metered Farm Waste Generators less than 1000 kW, may select the payment method for paying the Company operations and maintenance charges on the interconnection equipment paid for by the customer but owned by RG&E. The customer may select to pay either the actual charges for maintenance, as they may occur, or the customer may choose to pay an annual carrying charge of 9% (subject to review in the Company's rate case proceedings) on the total investment in such equipment. The operations and maintenance costs on such equipment is billed on a monthly basis pursuant to the applicable contract or agreement.
7. NAERC Guidelines: A customer taking Standby Service shall comply with all reliability criteria, guidelines, and procedures established by the North American Electric Reliability Council ("NAERC") as the same may be amended or superseded. Such compliance is necessary to ensure the continued reliability of North America's interconnected electric transmission electric systems.

### **UNAUTHORIZED OSG INTERCONNECTION BY CUSTOMER:**

If a customer connects OSG to its electric system without: (a) notifying the Company; and (b) executing an appropriate Standby Service Application, and thereafter the Company discovers the interconnection, RG&E will backbill the customer for all Standby Service rendered subsequent to the estimated connection of such OSG.

In preparing such backbills, the Company will assess a Standby Service Contract Demand surcharge equal to two times that which would otherwise be computed under the Determination of Demand Provision, paragraph 1 (Company Set Contract Demand) of this Service Classification, and assume the standby Contract Demand had been inappropriately established at 0 kW.

## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

#### **SPECIAL PROVISIONS:**

##### **(a) Demand Metered Customer With Less Than 50 kW of Contract Demand:**

A customer with a Contract Demand of less than fifty (50) kW without interval metering will be billed at the OASC rate. A customer with a Contract Demand of less than fifty (50) kW can choose to be served at the standby rate, provided that the customer pays all one-time and ongoing costs associated with the purchase and installation of an interval meter, and telecommunication equipment as discussed in the "Metering and Communications Requirements" section of this Service Classification.

##### **(b) Small Customer Exclusion:**

Small customers, defined as those customers qualifying for service under Service Classification No. 1 – Residential, Service Classification No. 2 - Small General Service, or Service Classification No. 4 – Residential Service – Time-of-Use Rate, will be billed at the OASC rate instead of the Standby Service rate. This exemption will be discontinued on May 31, 2015, or upon the date that one hundred fifty (150) standby customers are billed under this provision, provided, however, that the discontinuance of this exemption shall not affect any customer that received the exemption prior to the date of discontinuance, which customers will continue to receive the exemption until the conclusion of the phase-in described in the "Optional Standby Service Rate Phase-ins is Applicable to" section of this Service Classification.

##### **(c) Power Factor Adjustment:**

Applicable to customers not subject to a reactive charge, if the Company determines that the Customer's equipment is so operated that the maximum kilovolt-amperes of lagging reactive demand exceed forty-eight percent (48%) of the maximum kilowatt demand during the billing month, the Customer shall remedy that condition in a manner deemed adequate by the Company, by either:

1. Installing and maintaining at its own expense the power factor corrective equipment deemed necessary by the Company to remedy the condition, or
2. Making a cash contribution of the actual reasonable cost of any power factor corrective equipment installed by the Company on its side of the point of delivery to effect such correction.

##### **(d) Individually Negotiated Contracts:**

###### **1. Individual Agreements for Customers Considering Isolation**

RG&E is authorized to offer individually negotiated agreements for Standby Service to customers that may install back-up generation and disconnect their premises from the RG&E system in lieu of taking tariff Standby Service. The customer must document that it can physically, environmentally, and economically isolate from RG&E's grid by installing and operating back-up generation at a lower cost than paying for Standby Service, and that such option is the alternative the customer will select if RG&E does not offer a negotiated rate alternative. At a minimum, the negotiated rate agreement must provide for recovery of RG&E's marginal costs plus a reasonable contribution to RG&E's recovery of its fixed costs. RG&E shall respond to a customer application for a negotiated rate agreement within ninety (90) days of its receipt with a negotiated rate agreement offer or a written explanation for its rejection of the application. Either party may seek from Staff a non-binding resolution of a dispute over the negotiation of such an individual rate agreement. In the event of a conflict between any provision of an agreement negotiated pursuant to this authority and any inconsistent provision of RG&E's Joint Proposal filed April 15, 2003 in Case 02-E-0551 or the standby rate provisions of RG&E's tariff on the same subject, the provision of the negotiated agreement shall take precedence and control.

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## **SERVICE CLASSIFICATION NO. 14**

### **STANDBY SERVICE (Cont'd)**

#### **SPECIAL PROVISIONS: (Cont'd)**

##### **(d) Individually Negotiated Contracts: (Cont'd)**

###### **2. Individual Agreements for Customers Selling into the Wholesale Market**

RG&E is authorized to offer individually negotiated agreements for Standby Service with customers that sell into the market, or to a third party, no less than ninety percent (90%) of their site's energy output, net of station power requirements, from generators located on the site having a total name plate rating equal to or greater than fifty (50) MW. The rates and charges negotiated will reflect, where applicable, the characteristics of the specific interconnection arrangements, including, but not limited to, the voltage level of the interconnection, whether the interconnection is bi-directional, and the nature of the RG&E facility where the generator is interconnected with the RG&E system. RG&E shall respond to a customer application for a negotiated rate agreement within ninety (90) days of its receipt with a negotiated rate agreement offer or a written explanation for its rejection of the application. Either party may seek from Staff a non-binding resolution of a dispute over the negotiation of such an individual rate agreement. In the event of a conflict between any provision of an agreement negotiated pursuant to this authority and any inconsistent provision of RG&E's Joint Proposal filed April 15, 2003 in Case 02-E-0551 or the standby rate provisions of RG&E's tariff on the same subject, the provision of the negotiated agreement shall take precedence and control.

##### **(e) Recharge New York ("RNY") Power Program**

Customers who qualify for the Recharge NY Power Program pursuant to Section 11 of the General Information Section of this Schedule, will have such power billed in accordance with the provision therein. The customer's power requirements in excess of the RNY Power allocation will be billed in accordance with the ESCO Supply Service rate or the NYSEG Supply Service rate of this Service Classification applicable to the customer's otherwise applicable service classification.