

SERVICE CLASSIFICATION NO. 4

GENERAL SERVICE - ECONOMIC DEVELOPMENT

PURPOSE:

This Service Classification is designed to attract business relocation or expansion to the Company's service territory by offering a discount to a customer's service bill, over a specified period, for new or additional load.

ELIGIBILITY CRITERIA:

Any new or existing customer who meets all eligibility requirements stated below shall be eligible to take service in accordance with the rates, charges and provisions set forth under this Service Classification.

Requirements

- (1) Customer is eligible to take service under Service Classification No. 1 - General Service, a non-Retail Access Rate, or Service Classification No. 3 - Large Transportation Service, a Retail Access Rate, whose use is non-residential in nature, and
- (2) Customer adds at least 50,000 therms of annual requirement to the Company's system by (a) constructing a new facility; or (b) expanding an existing facility; or (c) adding facilities or equipment to an existing site; or (d) adding facilities (regardless of size) through the redevelopment of a vacant or inactive site, including land or buildings which have been previously developed and have been vacant or inactive for at least six months and which are proposed for reuse or redevelopment with the assistance of public financing; or (e) developing facilities or projects (regardless of size) which are located in areas eligible to receive Urban Development Action Grants, and
- (3) Customer has a viable option to locate its facility or equipment outside the Rochester Gas and Electric service territory, and provides evidence to the Company's satisfaction of such an option, subject to an agreed-upon confidentiality agreement, and
- (4) Customer shall apply for service under this Service Classification prior to the addition of load as described in Requirement (2) above.

CHARACTER OF SERVICE:

Customers must meet the Character of Service requirements stated in Service Classification No. 1 - General Service, or Service Classification No. 3 - Large Transportation Service. The energy to be provided under this Service Classification will be determined by subtracting from the total metered gas consumption a base amount to be determined using a historical period. The Company reserves the right to require submetering of the additional load.

SERVICE CLASSIFICATION NO. 4 (Cont'd)

GENERAL SERVICE - ECONOMIC DEVELOPMENT (Cont'd)

PRICING:

The specific pricing for service under this Service Classification will normally be determined under Option A, described below. At the Company's option, the specific pricing may be determined under Option B.

Option A

The customer will receive a discount of ten percent from the stated rates under the SC No. 1 101- 500 therm block and the 501 - 1000 therm block; or a discount of five percent from the stated rates under the SC No. 3 - Large Transportation Service 1,001 - 30,000 therm block and the 30,001 100,000 therm block. The discount shall apply for a period of five years from the date service commences.

or,

Option B

The specific pricing will be stated in an individually negotiated Service Agreement executed for each customer. The charges contained in any negotiated Service Agreement shall be set at a level no lower than the incremental costs the Company incurs plus \$.01 per therm. The specific charges for service under this service Classification will be shown in the Service Agreement as stated below.

SERVICE AGREEMENT:

Upon 30 days notice to the Company, and upon acceptance of the application by the Company, a customer may qualify for an Individual Service Agreement pursuant to this Service Classification.

The Service Agreement shall contain all terms and conditions necessary for the Company to provide service to the customer, including, but not limited to:

- A. The Term of Service. The negotiated term of the Service Agreement shall be at least 12 months. Contracts offering fixed prices are generally limited to a term of seven years, unless a longer term is approved by the New York State Public Service Commission. Contracts offering prices linked to a particular price or cost index may have longer terms, at the option of the Company and its Customer.
- B. The Character of Service terms.
- C. The Rates and Charges to be paid for service rendered.

Service under this Service Classification may be terminated immediately at the Company's option for material breach of the provisions of their Service Agreement. Such customer's load will be eligible for service under the otherwise appropriate Service Classification.

The first negotiated Service Agreement between the Company and a Customer will be submitted to the Public Service Commission for review. For the initial and subsequent contracts, the Corporation shall file addenda pursuant to Commission Order Concerning Tariffs Authorizing Individually Negotiated Contracts, issued and effective May 8, 1992 in P.S.C. Case 91-M-0927.

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

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: January 17, 2018
Issued in compliance with Order in Case No. 09-M-0311, dated 12/19/17.

Leaf No. 133
Revision: 11
Superseding Revision: 10

SERVICE CLASSIFICATION NO. 4 (Cont'd)

GENERAL SERVICE-ECONOMIC DEVELOPMENT (Cont'd)

COST ADJUSTMENT:

Under Pricing Option A, the charges shall be subject to a GSC as described under Service Classification No. 1, or a transportation rate adjustment as described under Service Classification No. 3. Under Pricing Option B, the charges may be so adjusted. Space-heating customers shall also be charged a Weather Normalization Adjustment as described in General Information Section 11.

SYSTEM BENEFIT CHARGE (SBC):

The customer shall be subject to the SBC, as explained in Rule 12. The SBC is provided in the SBC Statement, as filed with the Public Service Commission.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification shall be increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the customer is taking service.

TERMS OF PAYMENT:

All bills are rendered at the rates stated above. A late payment charge of 1½% per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.D.(2). If a negotiated Service Agreement is in effect, the late payment charge shall be stated in the Agreement but shall not exceed the rate stated in Rule 4.D.(2).

OTHER TERMS AND CONDITIONS:

Transportation service shall be provided under this Service Classification in accordance with all other terms and conditions as described in Service Classification No. 3 Large Transportation Service, except as specifically noted above.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Rochester, New York