

BEFORE THE  
NEW YORK STATE  
PUBLIC SERVICE COMMISSION

-----X Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Electric Service	Case 15-E-0283
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Gas Service	Case 15-G-0284
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service	Case 15-E-0285
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service -----X	Case 15-G-0286

**JOINT PROPOSAL**

February 19, 2016

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**JOINT PROPOSAL**

**I. INTRODUCTION**

This Joint Proposal (“Proposal” or “Rate Plan”) is made by and among New York State Electric & Gas Corporation (“NYSEG”), Rochester Gas and Electric Corporation (“RG&E,” and together with NYSEG, the “Companies”), the New York State Department of Public Service Staff (“Staff”), the New York State Department of State, Division of Consumer Protection, Utility Intervention Unit (“UIU”),<sup>1</sup> the New York State Office of General Services (“OGS”), Multiple Intervenors (“MI”),<sup>2</sup> Nucor Steel Auburn, Inc. (“Nucor”), Pace Energy and Climate Center (“Pace”), Wal-Mart Stores East, LP and Sam’s East, Inc. (“Wal-Mart”) and other parties

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<sup>1</sup> UIU joins all portions of this Proposal except Section XIII (Low Income Programs) which it neither supports nor opposes.

<sup>2</sup> MI is an association of approximately 60 large industrial, commercial and institutional energy consumers with manufacturing and other facilities located throughout New York State, including within the service territories of NYSEG and RG&E.



whose signature pages are or will be attached to this Proposal (collectively, the “Signatory Parties”). This Proposal settles all contested issues among the Signatory Parties in the above-captioned cases.

## **II. PROCEDURAL HISTORY**

On May 20, 2015, the Companies filed tariff leaves and testimony with the New York State Public Service Commission (“Commission” or “PSC”) in support of proposed increases to their respective electric and gas delivery revenues effective April 20, 2016.

Consistent with Commission practice, administrative law judges were appointed to conduct the rate proceedings to review the Companies’ rate filings. Parties to these proceedings engaged in discovery and the Companies responded to over 1,400 multi-part interrogatories. On August 5, 2015, the Companies filed an update to their May 20, 2015 filing. Staff, UIU, Greenidge Generation LLC, MI, Nucor, OGS, Wal-Mart, Pace, and the Upstate New York Laborers’ District Council filed testimony on September 16, 2015. The Companies filed rebuttal testimony on October 13, 2015. Staff, UIU, MI, Pace, and the International Brotherhood of Electrical Workers, Local Union 10 also filed rebuttal testimony on October 13, 2015. UIU filed corrected exhibits on October 23, 2015. The Companies filed supplemental and corrected testimony and exhibits on November 9, 2015. Pace filed supplemental testimony and exhibits on December 4, 2015.

By notice dated October 8, 2015, the Companies notified all parties of the commencement of settlement negotiations. Settlement negotiations began on October 19, 2015. On October 19, 2015, the Companies agreed to extend the suspension period through and including June 1, 2016 and requested that they be made whole for the extension. By letter dated November 30, 2015, the Companies agreed to further extend the suspension period through and including July 20, 2016 subject to a make-whole provision. On January 20, 2016, the

Companies agreed to a further one-month conditional extension of the maximum suspension period through and including August 20, 2016. Settlement discussions continued on October 19 and 27 and on multiple dates in November and December 2015 and January and February 2016.

The parties' settlement negotiations were successful and resulted in this Proposal which is presented to the Commission for its consideration. The Signatory Parties have developed a comprehensive set of terms and conditions for a three-year rate plan for NYSEG's and RG&E's electric and gas services. The terms of this Proposal, as set forth below and in the attached Appendices, balance the varied interests of the Signatory Parties including, but not limited to, maintaining the Companies' credit quality and mitigating the rate impacts to customers as set forth below and in the attached Appendices.<sup>3</sup>

### **III. TERM AND EFFECTIVE DATE OF RATE CHANGES**

The term of this Proposal is three years, commencing May 1, 2016 and continuing through April 30, 2019. For purposes of this Proposal, Rate Year 1 ("RY1") means the 12-month period starting May 1, 2016 and ending April 30, 2017; Rate Year 2 ("RY2") means the period starting May 1, 2017 and ending April 30, 2018; and Rate Year 3 ("RY3") means the period starting May 1, 2018 and ending April 30, 2019.

The Signatory Parties recognize that Case 14-M-0101<sup>4</sup> and its companion REV cases (the "REV-Related Proceedings") are ongoing proceedings that may impact the Companies during the Rate Plan. This Proposal does not limit the Commission's ability to require the Companies to take certain actions pursuant to the REV-Related Proceedings and to provide for cost recovery of incremental costs of such actions in separate orders. The Signatory Parties reserve all of their

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<sup>3</sup> Appendices A through CC are appended to and incorporated by reference into this Proposal.

<sup>4</sup> Case 14-M-0101 – Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision ("REV").

administrative and judicial rights to take and pursue their respective positions regarding all issues and Commission proposals, actions and initiatives in the REV-Related Proceedings.

New Delivery rates, Non-Bypassable Charges (“NBC”), Merchant Function Charges (“MFC”), Bill Issuance and Payment Processing (“BIPP”) Charges, Electric Metering Charges, and other rates will take effect under this Proposal on the following dates: May 1, 2016; May 1, 2017; and May 1, 2018. Various provisions in this Proposal will be measured on a Rate Year basis while others will be measured on a Calendar Year basis for consistency with existing reporting requirements.

To the extent Commission approval of RY1 rates occurs after May 1, 2016, the Companies have requested, and the Signatory Parties have agreed to, a make-whole provision whereby the Companies will recover shortfalls and refund over-collections such that the Companies and their customers would be in the same position had RY1 rates gone into effect on May 1, 2016.<sup>5</sup> Revenue adjustments resulting from the make-whole provision for the period May 1, 2016 through June 30, 2016 will be recovered from, or credited to, the Companies’ deferred regulatory credit accounts.<sup>6</sup> If Commission approval occurs after June 30, 2016, recovery of the additional make-whole revenue adjustments will be collected through delivery rates to customers for the period July 1, 2016 through April 30, 2017.

Except as otherwise specified herein, all provisions of this Proposal remain in effect until superseding rates and related terms become effective.

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<sup>5</sup> Revenue adjustments will be calculated as the difference between: (1) sales revenues NYSEG and RG&E would have billed at new rates between May 1, 2016 and the date new rates actually go into effect; and (2) the same level of sales revenues at current rates. The revenue adjustments would include all applicable surcharges and carrying charges and would be subject to reconciliation in accordance with all applicable adjustment mechanisms.

<sup>6</sup> As a result of billing system constraints, the Companies will implement any new rates on June 1, 2016 if Commission approval is received prior to that date.

#### **IV. REVENUE REQUIREMENTS**

##### **A. NYSEG Electric and Gas Rate Levels**

###### **1. NYSEG Electric Revenue Requirement**

The dollar amount and percentage increase in NYSEG Electric's delivery rates both with and without the application of rate levelization are shown on Appendix A. The delivery increases for NYSEG Electric were levelized to smooth the rate increase values as depicted in Appendix A. NYSEG Electric's revenue requirements for RY1, RY2 and RY3 are shown on Appendix B.

###### **2. NYSEG Gas Revenue Requirement**

The dollar amount and percentage increase in NYSEG Gas' delivery rate both with and without the application of rate levelization is shown on Appendix A. The delivery increases for NYSEG Gas were levelized to smooth the rate increase values as depicted in Appendix A. NYSEG Gas revenue requirements for RY1, RY2 and RY3 are shown on Appendix C.

##### **B. RG&E Electric and Gas Rate Levels**

###### **1. RG&E Electric Revenue Requirement**

The dollar amount and percentage increase in RG&E Electric's delivery rate is shown on Appendix A. The RG&E Electric delivery increases have been shaped to achieve the rate changes shown in Appendix A. RG&E Electric's revenue requirements for RY1, RY2 and RY3 are shown on Appendix D.

###### **2. RG&E Gas Revenue Requirement**

The dollar amount and percentage increase in RG&E Gas' delivery rate is shown on Appendix A. The delivery increases for RG&E Gas have not been shaped or levelized. RG&E Gas' revenue requirements for RY1, RY2 and RY3 are shown on Appendix E.

### **C. Description of Revenue Requirement**

The major provisions and key text associated with NYSEG's and RG&E's Electric and Gas Revenue Requirements are provided in Appendix F.

#### **1. NYSEG Gas Transition Surcharge**

NYSEG Gas will remove from the Gas Transition Surcharge the Deferred / Uncontrollable Cost Component effective May 1, 2016.<sup>7</sup>

#### **2. NYSEG Electric Pole Attachment Revenues**

NYSEG Electric is currently involved in a dispute regarding the sale of one-half interest in certain joint-use poles. The NYSEG Electric revenue requirement includes pole attachment revenues and rate base associated with the disputed joint-use poles. Appendix G illustrates the embedded revenue requirement of the disputed joint-use poles. NYSEG Electric anticipates that any potential sale of half-interests in joint-use poles will be the subject of a separate petition filed by NYSEG. To the extent a sale occurs, NYSEG Electric will defer the revenue requirement impact associated with any sale consistent with the levels included in Appendix G. The deferred value will be included in the Rate Adjustment Mechanism ("RAM") as noted in Section XV below.

### **V. RETURN ON EQUITY AND EQUITY RATIO**

The allowed rate of return on common equity ("ROE") for NYSEG Electric, NYSEG Gas, RG&E Electric and RG&E Gas (individually "Business" and collectively "Businesses") will be 9.00%. The equity ratio for setting rates for each Business will be 48%.

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<sup>7</sup> NYSEG's Gas Transition Surcharge Tariff is described in PSC 90 Gas, General Information Section 16.

## **VI. EARNINGS SHARING MECHANISM**

### **A. Earnings Sharing Levels**

The Earnings Sharing Mechanism (“ESM”) applicable to each Business will be based on Rate Year ESM thresholds. For purposes of annual reporting and calculating earnings sharing, each Business will utilize a Rate Year ESM calculation. All earnings sharing calculations will be on a Rate Year basis with no cumulative carryover.<sup>8</sup>

**RY1** – The following earnings sharing provisions apply to each Business for RY1. There will be three earnings sharing thresholds: (1) 9.50%; (2) 10.00%; and (3) 10.50%.

With respect to the first threshold, if the level of earned ROE for an applicable Business exceeds 9.50% but is less than or equal to 10.00%, the amount in excess of 9.50% will be deemed “shared earnings” for the purposes of this Proposal. One-half of the revenue requirement equivalent of each Business’ shared earnings above 9.50% for the next 50 basis points will be deferred for the benefit of customers and the remaining one-half of any such shared earnings will be retained by the applicable Business.

With respect to the second threshold, if the level of earned ROE for an applicable Business exceeds 10.00% but is less than or equal to 10.50%, the amount in excess of 10.00% will be deemed “shared earnings” for the purposes of this Proposal and 75% of the revenue requirement equivalent of each Business’ shared earnings in excess of 10.00% will be deferred for the benefit of customers. The remaining 25% of any shared earnings will be retained by the applicable Business.

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<sup>8</sup> The Companies will not be required to file an ESM calculation pertaining to the initial four months of 2016 (i.e., January – April 2016).

With respect to the third threshold, 90% of the revenue requirement equivalent of each Business' shared earnings in excess of 10.50% will be deferred for the benefit of customers and the remaining 10% of any shared earnings will be retained by the applicable Business.

RY2 – The following earnings sharing provisions apply to each Business for RY2. There will be three earnings sharing thresholds: (1) 9.65%; (2) 10.15%; and (3) 10.65%.

With respect to the first threshold, if the level of earned ROE for an applicable Business exceeds 9.65% but is less than or equal to 10.15%, the amount in excess of 9.65% will be deemed “shared earnings” for the purposes of this Proposal. One-half of the revenue requirement equivalent of each Business' shared earnings above 9.65% for the next 50 basis points will be deferred for the benefit of customers and the remaining one-half of any such shared earnings will be retained by the applicable Business.

With respect to the second threshold, if the level of earned ROE for an applicable Business exceeds 10.15% but is less than or equal to 10.65%, the amount in excess of 10.15% will be deemed “shared earnings” for the purposes of this Proposal and 75% of the revenue requirement equivalent of each Business' shared earnings in excess of 10.15% will be deferred for the benefit of customers. The remaining 25% of any shared earnings will be retained by the applicable Business.

With respect to the third threshold, 90% of the revenue requirement equivalent of each Business' shared earnings in excess of 10.65% will be deferred for the benefit of customers and the remaining 10% of any shared earnings will be retained by the applicable Business.

RY3 – The following earnings sharing provisions apply to each Business for RY3. There will be three earnings sharing thresholds: (1) 9.75%; (2) 10.25%; and (3) 10.75%.

With respect to the first threshold, if the level of earned ROE for an applicable Business exceeds 9.75% but is less than or equal to 10.25%, the amount in excess of 9.75% will be deemed “shared earnings” for the purposes of this Proposal. One-half of the revenue requirement equivalent of each Business’ shared earnings above 9.75% for the next 50 basis points will be deferred for the benefit of customers and the remaining one-half of any such shared earnings will be retained by the applicable Business.

With respect to the second threshold, if the level of earned ROE for an applicable Business exceeds 10.25% but is less than or equal to 10.75%, the amount in excess of 10.25% will be deemed “shared earnings” for the purposes of this Proposal and 75% of the revenue requirement equivalent of each Business’ shared earnings in excess of 10.25% will be deferred for the benefit of customers. The remaining 25% of any shared earnings will be retained by the applicable Business.

With respect to the third threshold, 90% of the revenue requirement equivalent of each Business’ shared earnings in excess of 10.75% will be deferred for the benefit of customers and the remaining 10% of any shared earnings will be retained by the applicable Business.

## **B. Equity Ratio**

For purposes of determining earnings above the earnings sharing threshold, ROE calculations for each Business will reflect the lesser of: (1) each Company’s aggregate actual average common equity ratio; or (2) 50%. Each Company’s common equity ratio will be calculated based on a 13-month average excluding Other Comprehensive Income and the items listed in Appendix H.

## **C. Applicability to Future Years**

The earnings sharing thresholds set forth herein for each Company will continue for future Rate Years at the same levels identified for RY3 until new delivery rates and terms are



reset by the Commission. Such calculations will continue to be performed on a Rate Year basis in the same manner as set forth above.

#### **D. Procedural Issues**

The Companies shall compute and submit to the Secretary to the Commission the ROE for each Business for the preceding Rate Year within 90 days following the end of each such Rate Year. Upon expiration of the notice period for comments on the compliance filing pursuant to the State Administrative Procedures Act, no changes will be permitted except when:

(1) changes for the applicable Business are agreed to by Staff; (2) changes for the applicable Business are required due to a new event at such Business impacting the prior Rate Year amount by \$1 million or more at NYSEG Electric or RG&E Electric, or \$500,000 or more at NYSEG Gas or RG&E Gas; or (3) proposed changes to books and records for the applicable Business have been filed with and approved by the Commission. Staff will use best efforts to present a resolution of annual compliance filings to the Commission within nine months of receipt of the filing.

#### **VII. STORM COSTS**

This Proposal reflects the recovery of deferred NYSEG Electric storm costs of approximately \$262 million. NYSEG Electric's deferred Major Storm costs include approximately \$123 million of deferred "Super Storm" costs including storm restoration costs associated with Hurricane Irene, Tropical Storm Lee and Super Storm Sandy. The deferred Super Storm costs are being amortized over ten years. The remaining deferred Major Storm costs of approximately \$139 million are being amortized over five years. RG&E Electric's deferred Major Storm costs estimated at the beginning of RY1 are a \$2.0 million regulatory liability. Consistent with the treatment of other RG&E Electric deferred regulatory assets and liabilities, the deferred storm costs are not being amortized during this Rate Plan.

Following negotiated and agreed-upon adjustments of \$300,000 for NYSEG and \$100,000 for RG&E, no further adjustments are necessary on the NYSEG or RG&E storm cost balances as of December 31, 2014. Amounts charged against the storm reserve after December 31, 2014 are subject to Staff audit.

The Major Storm definition and Major Storm Reserve Accounting procedures and operations are set forth in Appendix I. The Major Storm annual rate allowance for NYSEG Electric is \$21.4 million and the Major Storm annual rate allowance for RG&E Electric is \$2.52 million. NYSEG Electric and RG&E Electric will continue to employ reserve accounting for qualifying Major Storm costs as defined in Appendix I.

The Minor Storm amount included in rates for NYSEG Electric is \$5.29 million annually. The RG&E Electric annual Minor Storm amount included in rates is \$2.41 million. There is no deferral or reserve accounting for Minor Storm costs.

## **VIII. ELECTRIC VEGETATION MANAGEMENT**

The NYSEG Electric distribution vegetation management rate allowance is being increased from \$20 million annually to \$25 million in RY1 and \$30 million per year in RY2 and in RY3. NYSEG Electric will defer, with carryover, any annual Calendar Year under-spending, consistent with the target amounts set forth in Appendix J. A detailed description of the electric distribution and transmission vegetation management programs for NYSEG and RG&E is set forth in Appendix J.

## **IX. ACCOUNTING, TAX MATTERS AND OTHER**

### **A. Accounting Changes**

The Companies will implement certain accounting changes as set forth in Appendix K, including, for example, making units of property more consistent between the two Companies,

capitalization of certain costs previously considered Operations and Maintenance (“O&M”) and full normalization for federal and state income taxes.

**B. Income Taxes – PowerTax Regulatory Asset**

The revenue requirement of the four Businesses reflects the recovery of the deferred PowerTax regulatory asset. The recovery period is over the average remaining book life for each respective Business. Specifically, the NYSEG Electric PowerTax regulatory asset will be amortized over 27 years; the NYSEG Gas PowerTax regulatory asset will be amortized over 39 years; the RG&E Electric PowerTax regulatory asset will be amortized over 39 years; and the RG&E Gas PowerTax regulatory asset will be amortized over 34 years. Staff will conduct an audit during the term of the Rate Plan to verify balances related to the PowerTax regulatory assets. Staff and the Companies will work together to resolve any differences. Differences that cannot be resolved will be submitted to the Commission’s Alternative Dispute Resolution process for resolution. Final agreed-upon or Commission-ordered differences resulting from the Staff audit will be applied to the PowerTax regulatory asset and amortized over the remaining life.

**C. Income Taxes – Normalization and Unfunded Income Tax Regulatory Assets**

The revenue requirement of the four Businesses reflects full tax normalization as of May 1, 2016. NYSEG and RG&E are authorized to fully normalize all federal and state book / tax timing differences on their books and records. The Companies’ revenue requirements reflect the establishment of an Unfunded Income Tax regulatory asset at each Business being amortized over a 50-year period beginning May 1, 2016. Staff will conduct an audit during the Rate Plan term to verify the balances related to the Unfunded Income Tax regulatory assets. Staff will conduct an audit during the term of the Rate Plan to verify balances related to the PowerTax regulatory assets. Staff and the Companies will work together to resolve any

differences. Differences that cannot be resolved will be submitted to the Commission's Alternative Dispute Resolution process for resolution. Final agreed-upon or Commission-ordered differences resulting from the Staff audit will be applied to the Unfunded Income Tax regulatory asset and amortized over the remaining life.

#### **D. Bonus Depreciation**

On December 18, 2015, the United States Congress passed a tax extenders package, the Protecting Americans from Tax Hikes Act of 2015, which modifies, extends, or makes permanent several depreciation-related provisions, including an extension and modification of bonus federal tax depreciation. The extension of bonus federal tax depreciation is reflected in the calculation of the Companies' revenue requirements for purposes of this Proposal.

The Companies continue to review the new federal legislation and to the extent regulatory rules are adopted that are different than assumed (e.g., qualifying property), then adjustments to the impacts of the extension of bonus depreciation may be necessary. Therefore, the Companies will defer differences pursuant to the provisions of Section XIX(K) (Legislative, Accounting, Regulatory, Tax and Related Actions) herein due to: (1) definitional changes associated with the December 18, 2015 legislation; and (2) future legislation and / or regulation.

#### **E. Variable Compensation**

The revenue requirement for each Business excludes executive variable compensation. The revenue requirement includes the customer-driven portion of non-executive variable compensation. The Companies intend to provide total compensation studies as part of their next rate cases. The Companies will consult with Staff regarding the Companies' proposed methodology for these studies. The Companies will work with Staff to meet its audit needs while ensuring the confidentiality of sensitive materials.

## **X. ELECTRIC RELIABILITY**

This Proposal maintains NYSEG's and RG&E's current Electric Reliability Performance Measures, including the System Average Interruption Frequency Index ("SAIFI") and the Customer Average Interruption Duration Index ("CAIDI"). The specific metrics, targets and associated negative revenue adjustments, as well as the reporting requirements associated with NYSEG's and RG&E's Electric Reliability Performance Measures, are set forth in Appendix L.

## **XI. GAS SAFETY**

This Proposal establishes Gas Safety Performance Measures for NYSEG and RG&E. The specific metrics, targets and associated negative revenue adjustments, as well as the reporting requirements associated with NYSEG's and RG&E's Gas Safety Performance Measures, are set forth in Appendix M. In addition to continuing (with certain modifications) the Companies' existing Gas Safety Performance Measures, including those relating to the Replacement of Leak Prone Main, Leak Backlog Management, Emergency Response, and Damage Prevention, this Proposal establishes a new Gas Safety Violations Performance Measure.

## **XII. CUSTOMER SERVICE**

### **A. Customer Service Quality Metrics and Targets**

This Proposal establishes threshold performance levels for designated aspects of service quality. The specific service quality metrics and targets and negative revenue adjustments for NYSEG and RG&E are set forth in Appendix N. NYSEG's and RG&E's 2016 customer service performance will be measured using those metrics and targets. Performance will be measured on a Calendar Year basis.

## **B. Collection Issues**

### **1. Same-Day Reconnections**

#### **a. Weekday Same-Day Reconnections**

The Companies will attempt same-day service reconnection for 80% of those residential customers whose service was disconnected for non-payment at the meter and who become eligible for reconnection by 3:00 p.m., Monday through Friday (excluding holidays and days when the Companies' business offices are not open), by making payment to the Companies.

#### **b. Reporting**

The Companies will file a report on same-day reconnections for each calendar quarter ("Reconnection Reporting Period"). Each report will be filed with the Secretary to the Commission with copies by electronic mail to interested parties within 30 days after the end of each Reconnection Reporting Period.

### **2. Credit Card Payments**

The Companies will implement an additional bill payment option permitting residential and non-residential customers to pay their NYSEG or RG&E bill by use of a credit or debit card without incurring a fee from either the Companies or a third-party agent processing such payments. The Companies will not assess on customers a convenience payment or other fee for use of a credit or debit card for payment. Each Company shall reconcile actual expenditures to the rate allowance for credit and debit card fees as included in Appendix Q. The Companies will report to the Secretary to the Commission, on a quarterly basis, the monthly totals of credit card transactions.

### **C. Walk-In Offices**

The Companies shall be permitted to close the following walk-in office locations based upon the following phased office closure schedule:

- (1) RG&E Office located at 23 Schuyler Street, Belmont, New York 14813 (“Belmont office”). The closure date for the Belmont office is September 2016.
- (2) NYSEG Office located at 6 Werner Road, Route 146, Clifton Park, New York 12065 (“Mechanicville office”). The closure date for the Mechanicville office is April 2017.
- (3) RG&E office located at 56 Main Street, Geneseo, New York 14454 (“Geneseo office”). The closure date for the Geneseo office is May 2017.

NYSEG and RG&E shall provide a customer outreach implementation plan to Staff a minimum of two months prior to the closure of each walk-in office identified above.

In the event NYSEG or RG&E proposes to close any additional walk-in office(s), the applicable Company must first file a petition with the Commission and obtain Commission approval for such office closure.

### **D. Outreach and Education**

#### **1. Outreach and Education**

The Companies will continue to develop and implement outreach and education activities, programs and materials that will support customers in understanding their rights and responsibilities as utility customers. The Companies will continue to annually file their respective outreach and education plans with the Secretary to the Commission and will also continue to provide a copy of each such plan to the Director of the Office of Consumer Services.

2. Emergency Preparedness Outreach and Education

The revenue requirement reflects the costs for emergency preparedness outreach and education.

**E. Other**

1. Gas Safety

The Companies will implement programs designed to further reduce the number of gas meters currently installed in the field with no associated customer of record. These programs will be designed to provide access to the meters and physical disconnection of such meters.

2. Retail Access – Gas Marketing Operating Group (“GMOG”)

NYSEG and RG&E shall convene a meeting of the GMOG annually in advance of the winter supply period. The Companies shall no longer be required to hold a meeting of the GMOG annually each spring. Instead, the Signatory Parties recognize that NYSEG and / or RG&E may hold any meetings in addition to the single mandatory meeting on an as-needed basis.

3. Service Applications

The Companies will accept an Individual Taxpayer Identification Number as an acceptable form of identification from an applicant for service.

**XIII. LOW INCOME PROGRAMS**

This Proposal establishes Low Income Programs for NYSEG and RG&E. The Companies will continue their existing enrollment procedure for Home Energy Assistance Program (“HEAP”) recipients whereby the Companies enroll a customer when they receive payment associated with a HEAP grant. All HEAP recipients will be eligible for the Low Income Programs at NYSEG and RG&E. The annual budget levels for the Companies’ respective Low Income Programs are shown in Appendix O. Eligible customers will receive the



discounts on their monthly bill in the amounts shown in Appendix O. The monthly bill discount reduction amounts will be broken into three tiers in the manner and the dollar amounts shown in Appendix O.

Customers who meet the following qualifications will be eligible for the Arrears Forgiveness portion of the Low Income Program: (1) arrears between \$240 and \$1,500; and (2) customer must have made at least three customer payments in the last 12 months. Customers must complete the Arrears Forgiveness portion of the Low Income Program within 36 months. Each time an on-time payment is made by the customer on his / her current bill, the customer will have 1 / 24th of his / her arrears forgiven.

There will no longer be a reconnect waiver portion of the Low Income Program. A customer enrolled in the Companies' Low Income Programs will not be charged a reconnect fee.

The Companies will reconcile the following Low Income Program elements:

- (1) Bill Reduction: The costs listed in Appendix O will be fully reconciled on an annual basis. Any excess or shortfall will be deferred as a regulatory asset or liability.
- (2) Arrears Forgiveness: If actual expenditures in a given year fall short or exceed the level of funding as set forth in Appendix O, the shortfall / excess will be rolled over into future years for low income purposes. The excess in any single Rate Year is limited to 10% of the annual arrears forgiveness budget.

All customers enrolled in a Low Income Program will be referred to the New York State Energy Research and Development Authority's ("NYSERDA") Empower program for energy efficiency and / or budget counseling or similar program.

The Companies will provide quarterly reports to the Secretary on the following Low Income Program components:

- (1) Number of customers enrolled in the Bill Reduction program;
- (2) Number of customers enrolled in the Arrears Forgiveness program;
- (3) Total amount held in arrears for the program;
- (4) Average amount in arrears;
- (5) Aggregate amounts of low income bill discounts;
- (6) Aggregate amount of arrears forgiven;
- (7) Number of customers who have defaulted off the program; and
- (8) Number of reconnections of low income customers for which the fee was waived and the aggregate amount of reconnection fees waived to date.

The Signatory Parties acknowledge that there is a Low Income Proceeding (Case 14-M-0565) pending before the Commission that may modify the Companies' Low Income Programs. To the extent the Commission orders modification to the Companies' Low Income Programs, the Companies will be held harmless from the change in expenses associated with the revised or new Low Income Programs and will be authorized to defer the difference between the rate allowance during each Rate Year and the actual costs for Low Income Programs for future recovery with carrying charges at the Companies' pre-tax rate of return.

#### **XIV. REFORMING THE ENERGY VISION**

##### **A. Energy Smart Community ("ESC") Project**

NYSEG will implement the ESC Project as part of its participation in the Commission's REV Proceeding. The ESC Project will serve as a test-bed for implementation and deployment of REV initiatives. The ESC Project is intended to address the three main functions of NYSEG's role as the Distributed System Platform Provider ("DSP") operator: (1) to implement new

processes and tools for integrated distribution system planning; (2) to support customer and third-party engagement as appropriate; and (3) to operate the grid as a DSP operator efficiently and reliably. These goals will be supported by the planned rollout of Distribution Automation and Advanced Metering Infrastructure (“AMI”) to customers on 12 circuits in the Ithaca region and includes collaboration with municipal and institutional partners including Tompkins County and Cornell University. NYSEG will consider, to the extent applicable in the ESC Project AMI deployment, and in any future collaborative regarding possible larger AMI deployment, the feasibility of providing near real-time data to customers and third-parties that are authorized to have access to customer data, including authorized third-party energy service providers.

NYSEG will utilize previously deferred Economic Development monies to fund \$5 million of ESC Project capital costs. NYSEG will seek to limit AMI spending within the ESC Project to \$10 million and will work with Staff and other interested parties to determine the most appropriate way to address potential scalability outside of the ESC Project.

A quarterly report will be provided to Staff and interested parties throughout the ESC Project. If the estimate of AMI spending within the ESC Project is forecasted to be in excess of \$11 million, the Companies will hold a meeting with Staff and interested parties to demonstrate the basis for the spending forecast and to discuss potential adjustments, including modification of the ESC Project AMI scope. The report will provide an update on implementation progress and will identify any deviations from the project plan and budget. Key components of the report will include: an executive summary; the status of ESC Project-related AMI; progress since the previous quarter; the status of testing of rate designs; and milestone status.

## **B. REV Incremental Costs and Fees**

The Companies will include REV-related incremental costs and fees, including regulatory, consulting and legal costs, in the RAM described in Section XV and Appendix S. To the extent that alternative cost recovery mechanisms are in place or are put in place for specific REV-related incremental costs, the Companies will not include those REV-related incremental costs in the RAM.

## **C. Non-Wires Alternatives (“NWA”)**

### **1. Java Station NWA Project**

The Companies have begun and will continue consultations with Staff regarding a Request for Information (“RFI”) for the Java Station NWA Project that could be sent to potential third-party developers. During these consultations, the Companies and Staff will work jointly to apply an appropriate Benefit Cost Analysis for the project as well as a detailed implementation plan that could be submitted to the Commission.

### **2. Station 43 Project**

The Companies will move forward with the Station 43 project using traditional transmission and distribution (“T&D”) while simultaneously considering near-term inquiries to determine possible interest in an NWA solution from market developers / participants.

### **3. Recovery of NWA Incremental Costs**

The Companies will recover NWA incremental costs<sup>9</sup> through the RAM during the term of the Rate Plan. These incremental costs are expected to be the revenue requirements associated with any costs / investments made in NWA which would be capitalized as intangible assets and would be included in rate base as part of the Companies’ next rate cases.

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<sup>9</sup> These are costs not currently provided for in rates. Examples of incremental costs include, but are not limited to, outside services specific to the NWA and payments made to entities responding to NWA requests for proposals.

#### 4. Use of NWA for Other Projects

In the event the Companies utilize a NWA to replace or defer a T&D solution, which is included in the Net Plant Targets as described in Section XVIII(A) (Net Plant Targets and Depreciation Targets), the revenue requirement impact of the replaced or displaced project, with carrying costs, will be deferred for future customer benefit and the Companies' Net Plant targets will be adjusted accordingly. For example, if the implementation of an NWA solution was able to defer for four years the need for a \$5.0 million T&D investment that was assumed to have occurred in RY2, then the Net Plant targets for both RY2 and RY3 would be reduced by \$5.0 million from the levels included in Appendix P.

#### **XV. RATE ADJUSTMENT MECHANISM**

Each Business will implement a RAM to return or collect the net balance of RAM Eligible Deferrals and Costs, including: (1) property taxes; (2) Major Storm deferral balances; (3) gas leak prone pipe replacement; (4) REV costs and fees which are not covered by other recovery mechanisms; and (5) NYSEG Electric Pole Attachment revenues. The policies and procedures with respect to the RAM are set forth in Appendix S. As set forth therein, the annual RAM recovery / return shall be limited to: (1) \$19.3 million for NYSEG Electric; (2) \$5.2 million for NYSEG Gas; (3) \$11.4 million for RG&E Electric; and (4) \$4.4 million for RG&E Gas.

NYSEG and RG&E shall each measure the deferred regulatory asset and liability balances for the items specified as RAM Eligible Deferrals and Costs as of December 31 for each year. The RAM for each Business shall be identified in each Company's respective RAM Compliance Filings submitted on March 31 of each year and shall be implemented in rates on July 1 of each year (beginning on July 1, 2017) for collection over the 12 months from July 1 to

June 30. The Companies' RAM calculations will undergo the review process set forth in Appendix S.

The Electric RAM annual recovery / return amounts shall be allocated to service classes based on delivery service revenues and recovered on a per kwh basis for non-demand billed customers, on a per kw basis for demand billed customers, and on an as-used demand basis for standby service customers. The Gas RAM annual recovery / return amounts shall be allocated to service classes based on delivery service revenues and recovered from customers on a per therm basis. The RAM will apply to all customers, including the New York Power Authority ("NYPA").

## **XVI. PERFORMANCE INCENTIVE MECHANISMS**

### **A. Terminations and Uncollectibles**

NYSEG and RG&E are each authorized to receive a positive incentive for reducing terminations for non-payment and delivery uncollectibles as set forth in Appendix N.

### **B. Gas Customer Growth**

NYSEG and RG&E are each authorized to receive an annual incentive in the form of one basis point for each 10% additional gas customers each Company is able to achieve related to the gas customer growth targets set forth in Appendix Y, capped at a maximum of five basis points. NYSEG and RG&E will provide a report to the Secretary to the Commission identifying their annual customer growth by service class within 45 days of the completion of a Rate Year.

### **C. Additional Leak Prone Main Replacement**

Beginning in Calendar Year 2019, in the event NYSEG or RG&E replaces or eliminates Leak Prone Main in excess of their mileage targets and associated mileage buffers,<sup>10</sup> the

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<sup>10</sup> The mileage buffer is one mile after the 30-mile target is met. Excess of mileage targets and associated mileage buffers would represent any Leak Prone Main replaced or eliminated above 31 miles.

Companies shall receive a positive revenue adjustment of two basis points for each full mile in excess of the applicable target and mileage buffers, capped at a maximum of five miles (i.e., ten basis points) per Calendar Year, which the Company will defer for future recovery. This positive incentive mechanism will continue until changed by the Commission. For the avoidance of doubt, the Companies are expressly authorized to include Leak Prone Main eliminations (i.e., abandonment, disuse or any other method that terminates use of the Leak Prone Main while still serving the customer) in this deferral mechanism.

## **XVII. DEPRECIATION**

### **A. Rates**

Depreciation rates (lives and salvage rates) to be used by all Businesses, and the plant accounts upon which they will be used, are agreed to as part of this Proposal. The new depreciation rates and associated plant accounts are set forth in Appendix U.

### **B. Excess Theoretical Depreciation Reserve**

NYSEG Electric will amortize \$23.3 million per year of NYSEG Electric's excess theoretical depreciation reserve ("EDR"). NYSEG will normalize the amortization of EDR from a tax perspective.

There will be no EDR amortization for NYSEG Gas, RG&E Electric or RG&E Gas.

## **XVIII. NET PLANT RECONCILIATION**

### **A. Net Plant Targets and Depreciation Targets**

Each Business shall reconcile downward its actual Electric and Gas Net Plant and Book Depreciation to the targets set forth in this Proposal for each of the Rate Years. The Net Plant targets are based on the Rate Year Electric and Gas Net Plant amounts set forth in Appendix P.

The Depreciation targets reflect the depreciation rates included in this Proposal as set forth in Appendix U.

The annual reconciliations and dispositions in this Section will be calculated separately for the four Businesses (i.e., NYSEG Electric and Gas and RG&E Electric and Gas). An example of the annual reconciliation calculation is shown on Appendix P.

Net Plant and Depreciation targets will be adjusted for any asset sales requiring New York State Public Service Law (“PSL”) § 70 approval that occur prior to or during the Rate Plan period, including any potential sale of one-half interest in certain NYSEG Electric joint-use poles.

Actual Electric, Gas and Allocated Common Average Net Plant for each Rate Year will be reconciled to the Electric, Gas and Allocated Common Net Plant targets on an annual basis for the term of the Rate Plan.

The revenue requirement impact (i.e., return and depreciation) for each Business resulting from the difference (whether positive or negative) between actual average Electric, Gas and Allocated Common Net Plant Balances and the Net Plant targets will carry forward for each Rate Year and be summed at the end of the Rate Plan.

If at the end of the Rate Plan the cumulative revenue requirement impact from the Electric or Gas and Allocated Common Net Plant reconciliation is negative (i.e., lower Net Plant plus depreciation than the targets), the Companies will defer the revenue requirement impact for the benefit of customers of that Electric or Gas Business.

If at the end of the Rate Plan the cumulative revenue requirement impact for, separately, Electric or Gas and Allocated Common Net Plant reconciliation is positive, there will be no deferral for that Business.

The Companies have the flexibility over the term of the Electric and Gas Rate Plans to modify the type, timing, identity, nature and scope of capital projects from those currently



forecasted subject to the Net Plant reconciliation provisions set forth above and the capital reporting provisions set forth below.

**B. AMI**

Implementation of full-scale AMI beyond the AMI implemented as part of the ESC Project will be the subject of a separate collaborative process. Recovery of the costs associated with full-scale AMI implementation will not be included in the REV component of the RAM. The revenue requirements in this Rate Plan do not include full-scale AMI implementation costs.

**C. Capital Expenditure Reporting**

The Companies will file with the Secretary to the Commission, with a copy provided to Staff, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures. The Companies will continue to file with the Secretary to the Commission on an annual basis their respective five-year projected capital plans and budgets.

The Companies will provide to Staff and interested parties, on an annual basis, a report on total electric, gas and common expenditures, a detailed status report for each electric capital project over \$1.0 million and each gas capital project over \$0.5 million, and for each such project that experiences a plus or minus 10% cost variation, an explanation of the variation. The report will include an explanation for removing or revising capital projects currently listed in Appendix P or adding new capital projects to those listed in Appendix P. The Companies will also provide to Staff project justifications consistent with the Companies' Capital Investment Prioritization Strategies for newly-identified projects.

Upon request, the Companies will meet with Staff to review this annual capital expenditure report which will be provided to Staff by March 15 of each year.

The Companies will review the differences in the leak prone services replacement costs between NYSEG and RG&E and provide an analysis to Staff by December 31, 2016.

## **XIX. RECONCILIATIONS / DEFERRALS**

The Companies will reconcile certain costs and related items as set forth in Appendix Q and as discussed below.

### **A. Pensions / Other Post-Employment Benefits (“OPEBs”)**

The Companies will remain on the Commission’s Pension Policy Statement<sup>11</sup> and subject to the Pension Policy Statement’s reconciliation and deferral provisions. Accordingly, the Companies will reconcile their actual Pensions and OPEB expenses in conformance with the Pension Policy Statement to the level allowed in the rates set forth in Appendix Q.

Non-qualified plan costs are excluded from the reconciliation. Each Company continues to include their OPEB internal reserve in rate base and therefore is not required to accrue interest on that internal reserve.

### **B. Property Taxes**

If the level of actual expense for property taxes, including any property tax refunds received, varies in any Rate Year from the projected level provided in rates, which levels are set forth in Appendix Q, 90% of the variation will be deferred and either recovered from or credited to customers, subject to the following cap: each Company’s 10% share of property tax expenses above or below the level in rates is capped at an annual amount equal to ten basis points on common equity for each Rate Year. The Companies will defer on their books of account, for recovery from or credit to customers, 100% of the variation above or below the level at which the cap takes effect.

The Companies’ property tax saving efforts (e.g., economic obsolescence, tax challenges) shall be reflected in actual results net of related, incremental costs to achieve.

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<sup>11</sup> Case 91-M-0890 – In the Matter of the Development of a Statement of Policy Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other than Pensions, Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions (Sept. 7, 1993).

### **C. Electric and Gas Vegetation Management**

A downward-only reconciliation mechanism for the Companies' Distribution Electric Vegetation Management applies, as set forth in Appendix J. The Companies also will utilize a downward-only reconciliation mechanism for their Gas Vegetation Management as set forth in Appendix Q.

### **D. Management, Operations and Staffing Audit Expenses**

The Companies will defer expenses associated with consultants retained for the conduct of any management, operations and / or staffing audits initiated by the Commission.

For operational and staffing audits, the revenue requirements in this Proposal reflect the cost of undertaking one operational / staffing audit per year. If more than one audit per year is initiated by the Commission, the Companies will defer their expenses associated with consultants for those audits above the amounts included in rates.

The parties anticipate, with respect to the two ongoing operations and staffing audits of the Companies,<sup>12</sup> that the Commission will address the cost recovery / passback of net cost / benefits associated with implementing recommendations arising from these audits. To the extent that cost recovery / passback is not provided for separately by the Commission, the cost recovery / passback of net cost / benefits of implementation of any audit recommendations would be covered by Section XIX(K) (Legislative, Accounting, Regulatory, Tax and Related Actions).

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<sup>12</sup> See Case 13-M-0449 - In the Matter of Focused Operations Audit of the Internal Staffing Levels and the Use of Contractors for Selected Core Utility Functions at Major New York Energy Utilities; Case 13-M-0314 - Issue a Request for Proposal for an Independent Third-Party Consultant to Conduct a Review of the Accuracy and Effectiveness of Certain Reliability and Customer Service Systems at all Gas and Combination Gas and Electric Utilities in New York State that Provide Statistics to the Commission on the Services They Provide Customers. The Companies reserve their right to address the cost recovery / passback of net cost / benefits associated with implementing recommendations arising from Case 13-M-0449 and / or Case 13-M-0314.

**E. Variable Rate Debt and New Fixed Rate Debt**

The Companies will reconcile Variable Rate Debt and new Fixed Rate Debt (interest costs, refinancing costs and / or fixing rate costs) as shown on Appendix T. Projected interest rates and issuance expenses on forecasted new debt issuances shall be reconciled symmetrically to the actual interest rates and issuances costs achieved by these issuances.

**F. Gas Research and Development (“R&D”)**

Each Company shall reconcile actual expenditures for gas R&D expenditures and related tax credits with the amount provided in rates on an annual basis.

**G. Pipeline Integrity Costs**

The Companies shall reconcile actual expenditures for gas distribution and transmission pipeline integrity costs on an individual Company basis with the amount provided in rates on an annual basis. If the amount expended is less than the amount allowed in rates, the individual Company shall defer the difference which shall be carried over and used in a future year for Pipeline Integrity costs.

**H. Incremental Maintenance**

The Companies shall reconcile actual expenditures for total Incremental Maintenance on an individual Business basis with the amount provided in rates on an annual basis. The specific programs and rate allowances included as part of Incremental Maintenance are depicted in Appendix Q. At the end of each Rate Year, the amount expended, in total, for Incremental Maintenance will be compared with the amount allowed in rates and will be included in the Companies’ annual compliance filing. If the amount expended is less than the amount allowed in rates, the individual Company shall defer the difference which shall be carried over and may be used in a future year for Incremental Maintenance costs.

**I. Reserve Accounting Treatment for Environmental Remediation Costs**

The amounts included in rates for Environmental Remediation are set forth in Appendix Q. NYSEG and RG&E will continue to utilize reserve accounting for Environmental Remediation costs.

**J. Major Storm Reserve Accounting**

The Major Storm Reserve Accounting procedures and operations are set forth in Appendix I. NYSEG and RG&E will continue to utilize reserve accounting for Major Storm costs.

**K. Legislative, Accounting, Regulatory, Tax and Related Actions**

If the Commission has not addressed or does not otherwise address the treatment of a legislative, accounting, regulatory, tax, fee,<sup>13</sup> or government-mandated action (e.g., through a surcharge or credit) via a generic or Company-specific proceeding, NYSEG and RG&E will defer on a Rate Year basis the incremental cost or savings resulting from such legislative, accounting, regulatory, tax, fee, or government-mandated action occurring during the term of this Proposal as long as the incremental annual pre-tax change in expense is greater than: (1) \$2.0 million for NYSEG Electric; (2) \$1.0 million for NYSEG Gas; (3) \$1.5 million for RG&E Electric; and (4) \$1.0 million for RG&E Gas, and the relevant Company is not earning above the first earnings sharing threshold amounts set forth in Section VI. If the above dollar thresholds are triggered, the Company will defer the entire amount of incremental cost changes. Subject to the limitations set forth above in this Section, the Companies will defer the revenue requirement impact of all tax expense and associated interest recorded as the result of federal, state and local tax audits.

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<sup>13</sup> For purpose of this Section, the term “fees” is defined as charges (however labeled), imposed by state, local, municipal, quasi-governmental entities, or special districts on the Companies and / or their operations. Examples include, but are not limited to, franchise fees, special franchise fees, permit fees, road use fees, or other special use charges.

**L. Nuclear Electric Insurance Limited (“NEIL”) Credits**

The NYSEG Electric and RG&E Electric revenue requirements include an average of NEIL credits and the Companies will defer the difference between the amounts reflected in rates and actual credits received. The average NEIL credit amounts included in the revenue requirements are reflected on Appendix Q.

**M. Economic Development**

If the level of actual expenditures for economic development allocated to NYSEG and RG&E’s Electric and Gas Businesses, respectively, varies in any Rate Year from the level provided in rates, such variation will be deferred and carried over on the Companies’ books of account for future utilization or recovery. In the event that actual spending is less than the amount included in rates, the deferred amount will be used for future economic development activities.

**N. Low Income Program**

The Low Income Program reconciliations are set forth in Section XIII.

**O. Marcy South Series Compensation**

The Signatory Parties acknowledge that as of the date that this Proposal is executed, the New York Transco, LLC (“NY Transco”)<sup>14</sup> has an application pending before the Federal Energy Regulatory Commission (“FERC”) to establish a transmission formula rate for the transmission projects that NY Transco proposes to own and operate, including the Marcy South Series Compensation (“MSSC”) project. In the event that the NY Transco’s application is not approved by the FERC, NYSEG will defer the revenue requirement of the actual costs of the

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<sup>14</sup> The NY Transco consists of Consolidated Edison Company of New York, Incorporated; Orange & Rockland Utilities, Incorporated; Niagara Mohawk Power Corporation; NYSEG; RG&E; and Central Hudson Gas & Electric Corporation.

MSSC project until such costs are reflected in rates or otherwise allocated by the Commission to other New York utility customers.

**P. Federal Energy Regulatory Commission Revision to Definition of Bulk Electric System**

On March 20, 2014, FERC approved the revised definition of “bulk electric system” to include all electric transmission facilities of 100 kV or more, subject to certain limited exclusions.<sup>15</sup> The FERC action may impose significant new vegetation management costs and other O&M and capital costs on the Companies not reflected in the Companies’ current rate allowance. The Companies retain their right to petition the Commission to defer for future recovery the total incremental vegetation management and other O&M and capital costs attributable to compliance with FERC’s revised definition of “bulk electric system” above the amount currently provided in rates subject to any alternate recovery mechanism otherwise determined by the Commission in a generic proceeding applicable to all utilities regarding recovery of this pending federal government standard or mandate.

**Q. Additional Reconciliation / Deferral Provisions**

In addition to the foregoing reconciliation provisions, other applicable existing reconciliations and / or deferral accounting will continue in effect through the term of the Rate Plan and thereafter until modified or discontinued by the Commission (e.g., System Benefit Charge (“SBC”), Renewable Portfolio Standard (“RPS”), Energy Efficiency Portfolio Standards (“EEPS”), and Temporary State Assessment Surcharge (“TSAS”)).

The Companies shall retain the right to petition the Commission for authorization to defer on their books of account extraordinary expenditures not otherwise addressed by this Proposal,

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<sup>15</sup> North American Electric Reliability Corp., 146 FERC ¶ 61,199 (2014); see also Revision to Electric Reliability Organization Definition of Bulk Electric System, 133 FERC ¶ 61,150 (2010), order on reh’g, 134 FERC ¶ 61,210 (2011); Revisions to Electric Reliability Organization Definition of Bulk Electric System and Rules of Procedure, 141 FERC ¶ 61,236 (2012), order on reh’g, 143 FERC ¶ 61,053 (2013), order on reh’g and clarification, 144 FERC ¶ 61,174 (2013).

including but not limited to flood, riot, terrorism, cyber terrorism, cyber-attack, sabotage, war, declaration of a state or federal disaster in the service area, and Acts of God.

**R. Interest on Deferred Items**

Unless otherwise specified, the Companies will accrue interest on all deferred amounts not embedded in rates using the applicable pre-tax rate of return for NYSEG Electric and Gas and RG&E Electric and Gas on the after-tax balance of amounts deferred.

**S. Post-Term Amortization**

After the term of the Rate Plan, the Companies will defer the revenue requirement effect associated with expiring amortizations as shown in Appendix V.

**XX. RATE ISSUES**

**A. Revenue Allocation and Rate Design**

The provisions associated with the Companies' revenue allocation and rate design are set forth in detail in Appendix W. The Rate Plan states that electric and gas embedded cost of service ("ECOS") studies filed by the Companies will be used to establish competitive service rates, including the Administrative and Credit and Collections / Call Center ("CCCC") components of the MFC, BIPP Charges and Electric Metering Charges. Appendix W also reflects the Signatory Parties' agreement concerning the ECOS studies to be provided by the Companies in their next electric rate cases. The Companies commit to undertaking additional review concerning methodologies for future electric marginal cost studies.

With respect to revenue allocation, no single ECOS study forms the basis for revenue allocation in these proceedings. The allocation for setting the revenue increases for RY1, RY2 and RY3 are presented in Appendix W.

Additional provisions are included that are also applicable to: (1) electric load profiles; (2) voluntary residential time-of-use rates; (3) the elimination of the NYSEG Electric SC-2



heating option; (4) the elimination of the incremental meter charge for electric mandatory hourly pricing (“MHP”) customers and implementation of tariff provisions for new meter equipment; (5) the use of an updated Transmission Plant Allocator for NYSEG Reliability Support Surcharge Rate Design; (6) the monthly subscription fee for RG&E customers participating in RG&E’s Emergency Demand Response Program and Day Ahead Demand Response Program; and (7) the agreed-upon new rate design collaborative to be convened upon the implementation of AMI and related equipment in the ESC Project.

Appendix W also includes provisions applicable to gas service class rate design agreed to by the Signatory Parties. Appendix W specifies those recommendations contained in Staff’s White Paper on Lost and Unaccounted for Gas that the Companies will implement during the term of this Proposal. Provision also is made for RG&E to file tariffs to implement a gas interruptible rate. Appendix W notes that a gas delivery rate realignment collaborative will be convened.

The MFC and Purchase of Receivables (“POR”) discount will continue to be calculated as stated in each Company’s respective currently-effective tariffs and as agreed upon in Appendix W of the joint proposal adopted in Cases 09-E-0715 et.al., with the exception of the modifications to the Credit and Collections component as specified in Appendix W to this Proposal. The agreements of the Signatory Parties concerning the MFC and POR credit and CCCC components, including the method of calculation, annual reconciliation and true-up processes, are more specifically described in Appendix W.

The discount rates applicable to the NYSEG and RG&E economic development programs will be updated based on the results of the Companies’ filed Marginal Cost of Service studies in these proceedings.

Standby customer charges will be set at the same level as otherwise applicable service classifications, with the remaining revenue requirement recovered through contract demand charges and as-used demand charges. Standby customers will be provided an opportunity to earn credits against their contract demand charges based on performance of their generating facilities. The performance credit is fully described in Appendix W.

The Companies also commit to filing a tariff applicable to light-emitting diode (“LED”) lighting. The Companies will submit compliance tariffs reflecting further consistency between the Companies’ tariffs. Appendix W also affirms that any portion of subzonal unaccounted for energy (“UFE”) will not be allocated to MHP customer load. The Companies commit to filing compliance tariffs describing the allocation of UFE for MHP customer load pursuant to Appendix W.

The Rate Plan rates are shown in Appendix X.

#### **B. Non-Rate Assistance Economic Development Programs**

The Signatory Parties agree the Companies shall be authorized to implement the non-rate assistance economic development programs identified in Appendix R. Funding level information for both Companies is identified in Appendix Q.

### **XXI. REVENUE DECOUPLING MECHANISM**

#### **A. Electric**

NYSEG and RG&E will continue an Electric revenue decoupling mechanism (“RDM”) on a total revenue per class basis. Appendix Y sets forth the RDM process and the electric service classes covered by the RDM and the RY1, RY2 and RY3 targets for each service class (and in certain instances subclasses). The RY3 targets will repeat annually until changed by the Commission.

For reconciliation purposes, the Companies will group together all residential RDM classes, but will maintain individual non-residential RDM service classes. Street and Area Lighting service classes will be subject to the RDM commencing in RY2, contingent upon the Companies' tariffs including a LED offering being effective by the start of RY2. The RDM will apply to all service classes under each Company's respective Street Lighting tariff. RDM adjustments would apply to lamp charges or volumetric delivery charges, as applicable.

## **B. Gas**

NYSEG and RG&E will continue a Gas RDM on a revenue per customer basis. Appendix Y sets forth the RDM process and the gas service classes covered by the RDM and the RY1, RY2 and RY3 targets.

The RY3 targets will repeat annually until changed by the Commission. Each Company shall verify service class customer counts at the end of each Rate Year by dividing actual Rate Year minimum charge revenues for each service class by the applicable minimum charge rate for the period.

For reconciliation purposes, each Company will maintain two RDM classes: residential and non-residential.

## **XXII. ANNUAL COMPLIANCE AND REPORTING REQUIREMENTS**

The Companies and Staff have reached agreement resolving all known Annual Compliance Filing ("ACF") issues for periods prior to and including Calendar Year 2014. The agreement is as follows:

- (1) Storm deferral balances have been agreed upon as of December 31, 2014.  
Charges against the storm reserves after 2014 are subject to Staff audit.

(2) In full and final resolution of all years through 2012, and in resolution of 2013 and 2014 (with the caveats indicated below), the Companies and Staff have agreed that the Companies will make the following adjustments:

(a) For NYSEG Electric, the Company will record an adjustment (increase) to the customer share of Earnings Sharing of \$1.878 million.

(b) For RG&E Electric, the Company will record an adjustment (increase) to the customer share of Earnings Sharing of \$565,000.

(3) With respect to the ACFs filed for 2013 and 2014, Staff has indicated that:

(a) it has not found any material issues; (b) the Companies have already adjusted for several issues that Staff has found. However, because the audits are not yet complete, Staff reserves the right to identify any new issue that individually would be large enough to trigger earnings sharing at a Companies' Business. The Companies will review any such identified item and discuss it with Staff. Should the Companies and Staff disagree on resolution of the issue, either Staff or the Companies may petition the Commission for a final determination on the issue. Staff commits to completion of their 2013 and 2014 audits by December 31, 2016.

The Companies will continue to submit annual compliance filings subject to review by Staff.

## **XXIII. OTHER**

### **A. Code of Conduct**

The Companies will update their Code of Conduct, for prospective application only, with the language set forth in Appendix AA through a compliance filing with the Commission within 90 days after the Commission's issuance of a final order in these proceedings.

### **B. Natural Gas Marketing / Expansion Programs**

This Proposal establishes natural gas marketing / expansion programs for NYSEG and RG&E. The specific details associated with NYSEG's and RG&E's Natural Gas Marketing / Expansion Programs are set forth in Appendix CC.

### **C. Gas Cost Incentive Mechanism ("GCIM")**

The optimization activities under the GCIM provide benefits to customers and proper incentives to the Companies and, thus, will be extended. Savings under NYSEG's and RG&E's GCIM will continue to be shared as follows: (1) 85% / 15% (customer / shareholder) for non-migration capacity release; (2) 85% / 15% (customer / shareholder) for off-system sales net of gas costs and related optimization transactions; and (3) 80% / 20% (customer / shareholder) for local production.

## **XXIV. MISCELLANEOUS PROVISIONS**

### **A. Rate Changes; Reservation of Authority**

Except as set forth in Section III, nothing herein precludes NYSEG or RG&E from filing a new general rate case for rates to be effective on or after May 1, 2019. Except pursuant to rate changes permitted by this Section, the Companies will not file rates to become effective prior to May 1, 2019.

Changes to the Companies' base delivery service rates during the term of the Rate Plan will not be permitted except for the changes provided for or detailed in this Proposal and, subject to Commission approval, changes as a result of the following circumstances.

a. A minor change, whose revenue effect is *de minimis* or essentially offset by associated changes within the same class so that the difference in the revenues that NYSEG's and RG&E's base delivery service rates are designed to produce overall before such a change is *de minimis*, may be made to any individual base delivery service rate or rates. It is understood that, over time, such minor changes may be necessary and that they may continue to be sought during the term of the Rate Plan.

b. Upon the occurrence, at any time, of circumstances that in the judgment of the Commission so threaten, respectively, NYSEG's or RG&E's economic viability or ability to maintain safe, reliable and adequate service as to warrant an exception to the limitations on rate changes provided for or detailed in this Proposal, NYSEG or RG&E will be permitted to file for an increase in base delivery service rates.

c. The Signatory Parties recognize that the Commission reserves the authority to act on the level of NYSEG's and RG&E's rates in the event of unforeseen circumstances that, in the Commission's opinion, have such a substantial impact on the range of earnings levels or equity costs envisioned by this Proposal as to render NYSEG's and RG&E's rates unjust or unreasonable or insufficient for the provision of safe and adequate service.

The Signatory Parties reserve the right to oppose any filings made by the Companies under this Section.

## **B. Provisions Not Separable**

The Signatory Parties intend this Proposal to be a complete resolution of all the issues in Cases 15-E-0283, 15-G-0284, 15-E-0285 and 15-G-0286.<sup>16</sup> The terms of this Proposal are submitted as an integrated whole. If the Commission does not accept this Proposal according to its terms as the basis of the resolution of all issues addressed without change or condition, each Signatory Party shall have the right to withdraw from this Proposal upon written notice to the Commission within ten days of the Commission's issuance of a final order in these proceedings. Upon such a withdrawal, that Signatory Party shall be free to pursue its respective positions in these proceedings without prejudice, and this Proposal shall not be used in evidence or cited against any such Signatory Party or used for any other purpose. It is also understood that each provision of this Proposal is in consideration and support of all the other provisions, and expressly conditioned upon by the Commission. Except as set forth herein, none of the Signatory Parties is deemed to have approved, agreed to or consented to any principle, methodology or interpretation of law underlying or supposed to underlie any provision herein.

## **C. Provisions Not Precedent**

The terms and provisions of this Proposal apply solely to, and are binding only in, the context of the purposes and results of this Proposal. None of the terms or provisions of this Proposal, nor any methodology or principle utilized herein, and none of the positions taken herein by any Signatory Party may be referred to, cited, or relied upon by any other Signatory Party in any fashion as binding precedent in any other proceeding before the Commission or any other regulatory agency or before any court of law for any purpose other than furtherance of the purposes, results, and disposition of matters governed by this Proposal and except as may be

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<sup>16</sup> The Signatory Parties have agreed to a process to address further actions to be taken in the future to fully effectuate this Proposal. See Section XXIV(F) (Further Assurances).

necessary in explaining derivation of specific costs or accounting treatments as relevant to future ratemaking proceedings. Concessions made by Signatory Parties on various electric and gas issues included in this Proposal do not preclude those parties from addressing such issues in future rate proceedings or in other proceedings. This Proposal shall not be construed, interpreted or otherwise deemed in any respect to constitute an admission by any Signatory Party regarding any allegation, contention, or issue raised in these proceedings or addressed in this Proposal.

**D. Submission of Proposal**

Each Signatory Party agrees to submit this Proposal to the Commission, to support and request its adoption by the Commission, and not to take a position in these proceedings contrary to the agreements set forth herein or to assist another participant in taking such a contrary position in these proceedings. The Signatory Parties believe that the resolution of the issues, as set forth in this Proposal, is just and reasonable and otherwise in accordance with the PSL, the Commission's regulations and applicable Commission precedent. The Signatory Parties believe that this Proposal will satisfy the requirements of PSL § 65(1) that NYSEG and RG&E provide safe and adequate service at just and reasonable rates.

**E. Effect of Commission Adoption of Terms of the Proposal**

No provision of this Proposal or the Commission's adoption of the terms of this Proposal shall in any way abrogate or limit the Commission's statutory authority under the PSL. The Signatory Parties recognize that any Commission adoption of the terms of this Proposal does not waive the Commission's ongoing rights and responsibilities to enforce its orders and effectuate the goals expressed therein, nor the rights and responsibilities of Staff to conduct investigations or take other actions in furtherance of its duties and responsibilities.



**F. Further Assurances**

The Signatory Parties recognize that certain provisions of this Proposal require that actions be taken in the future to fully effectuate this Proposal. Accordingly, the Signatory Parties agree to cooperate with each other in good faith in taking such actions.

**G. Execution**

This Proposal may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument which shall be binding upon each Signatory Party when its executed counterpart is filed with the Secretary to the Commission. This Proposal will be binding on each and every Signatory Party when the counterparts have been executed. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “pdf” signature page were an original thereof.

**H. Entire Agreement**

This Proposal, including all attachments, exhibits and appendices, if any, represents the entire agreement of the Signatory Parties with respect to the matters resolved herein.

IN WITNESS WHEREOF, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

Dated: February 18, 2016

**New York State Electric & Gas Corporation**

By: Joseph J. Syta  
Joseph J. Syta  
Vice President, Controller and Treasurer

By: Steven R. Adams  
Steven R. Adams  
Vice President, Regulatory Strategy  
AVANGRID Service Company on behalf  
of NYSEG

Dated: February 18, 2016

**Rochester Gas and Electric Corporation**

By: Joseph J. Syta  
Joseph J. Syta  
Vice President, Controller and Treasurer

By: Steven R. Adams  
Steven R. Adams  
Vice President, Regulatory Strategy  
AVANGRID Service Company on behalf  
of RG&E

February 18, 2016

**New York State Department of Public Service**

By: \_\_\_\_\_  
Dakin Lecakes  
Staff Counsel

February 18, 2016

**New York State Department of State, Division of  
Consumer Protection, Utility Intervention Unit**

By: \_\_\_\_\_  
Erin Hogan  
Director, Utility Intervention Unit

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February 18, 2016

By:  \_\_\_\_\_

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**New York State Department of State, Division of  
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February 18, 2016

By:   
Erin Hogan  
Director, Utility Intervention Unit

**Multiple Intervenors**

February 18, 2016

By: Michael B. Mager  
Michael B. Mager  
Couch White, LLP  
Counsel to Multiple Intervenors

**Nucor Steel Auburn, Inc.**

February 18, 2016

By: \_\_\_\_\_  
James W. Brew  
Stone Mattheis Xenopoulos & Brew P.C.  
Counsel to Nucor Steel Auburn, Inc.

**New York State Office of General Services**

February 18, 2016

By: \_\_\_\_\_  
Konstantin Podolny  
Read and Laniado, LLP

**PACE Energy and Climate Center**

February 18, 2016

By: \_\_\_\_\_  
Willard Burns  
Attorney at Law  
Burns Law Firm, LLC

**Wal-Mart Stores East, LP and Sam's East, Inc.**

February 18, 2016

By: \_\_\_\_\_  
Grace Wung  
Special Counsel  
Parker Poe Attorneys & Counselors at Law

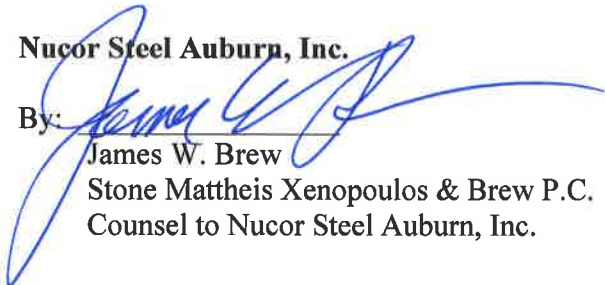
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**Pace Energy and Climate Center**

February 18, 2016

By: \_\_\_\_\_  
Radina R. Valova  
Staff Attorney  
Pace Energy and Climate Center

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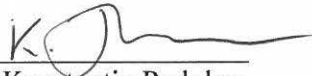
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And Sam's East Inc.

## Joint Proposal

## NYSEG and RG&amp;E

Rate Increase Summary  
(\$000)

	A	B	C	D	E	F
	Rate Increase Summary With Rate Levelization / Shaping			Rate Increase Summary Without Rate Levelization / Shaping		
	Rate Year 1 5/1/2016	Rate Year 2 5/1/2017	Rate Year 3 5/1/2018	Rate Year 1 5/1/2016	Rate Year 2 5/1/2017	Rate Year 3 5/1/2018
<b>Rate Increase</b>						
<b>1</b> NYSEG Electric	\$ 29,601	\$ 29,889	\$ 30,297	\$ 31,801	\$ 31,482	\$ 19,706
<b>2</b> NYSEG Gas	13,068	13,880	14,796	19,417	7,287	7,686
<b>3</b> RG&E Electric	3,000	21,600	25,856	(934)	29,496	22,310
<b>4</b> RG&E Gas	8,819	7,661	9,455	8,819	7,661	9,455
<b>5 Total</b>	<u>\$ 54,489</u>	<u>\$ 73,030</u>	<u>\$ 80,404</u>	<u>\$ 59,104</u>	<u>\$ 75,926</u>	<u>\$ 59,157</u>
<b>Overall Rate Increase</b>						
<b>6</b> NYSEG Electric	2.7%	2.7%	2.7%	2.9%	2.8%	1.7%
<b>7</b> NYSEG Gas	4.0%	4.1%	4.2%	6.0%	2.1%	2.2%
<b>8</b> RG&E Electric	0.5%	3.4%	3.9%	(0.1%)	4.7%	3.4%
<b>9</b> RG&E Gas	2.8%	2.4%	2.9%	2.8%	2.4%	2.9%
<b>Delivery Rate Increase</b>						
<b>10</b> NYSEG Electric	4.1%	4.1%	4.1%	4.4%	4.3%	2.6%
<b>11</b> NYSEG Gas	7.3%	7.3%	7.3%	10.8%	3.7%	3.8%
<b>12</b> RG&E Electric	0.7%	5.0%	5.7%	(0.2%)	6.8%	4.9%
<b>13</b> RG&E Gas	5.2%	4.4%	5.2%	5.2%	4.4%	5.2%

## Joint Proposal

## NYSEG Electric

## Rate Change Levelization Worksheet

(\$000)

	A	B	C	
	Rate Year 1 5/1/2016	Rate Year 2 5/1/2017	Rate Year 3 5/1/2018	Total
<u>Pre-Levelization Information</u>				
1 Delivery Rate Increase	\$ 31,801	\$ 31,482	\$ 19,706	
2 Delivery Revenues Before Increase <sup>1</sup>	727,916	729,929	751,328	
3 Pre-Shaping Rate Increase %	4.4%	4.3%	2.6%	
<u>Rate Change Levelization Calculation</u>				
4 Delivery Rate Increase - Total	\$ 31,801	\$ 31,482	\$ 19,706	
5 Period Levelization Deferral	(2,200)	(1,593)	10,591	
6 Delivery Rate Increase - Post Levelization	\$ 29,601	\$ 29,889	\$ 30,297	
7 Delivery Revenues Before Levelization <sup>2</sup>	727,916	727,729	747,535	
8 Post-Levelization Rate Increase %	4.1%	4.1%	4.1%	
<u>Carrying Costs Calculation</u>				
9 Starting Levelization Deferral	-	2,304	6,500	
10 Levelization Deferral	2,200	3,793	(6,798)	
11 Accrued Carrying Costs	104	403	298	
12 Ending Levelization Deferral	2,304	6,500	0	
13 Average Levelization Deferral	1,100	4,201	3,101	
14 Pre-Tax WACC	9.47%	9.60%	9.60%	
15 Accrued Carrying Costs	104	403	298	\$ 805
<u>Verification</u>				
16 Pre-Levelization Cumulative Delivery Rate Increase	\$ 95,404 <sup>3</sup>	\$ 62,964 <sup>3</sup>	\$ 19,706 <sup>3</sup>	\$ 178,074
17 Post-Levelization Cumulative Delivery Rate Increase	88,804 <sup>4</sup>	59,778 <sup>4</sup>	30,297 <sup>4</sup>	\$ 178,879
18 Less: Carrying Costs			(805)	
19 Total - Cross Check				\$ 178,074

Notes:

1) Pre-Levelization Delivery Revenue Before Increase = Appendix B, Schedule B, line 13 less line 2

2) Delivery Revenues Before Levelization

Rate Year 1 = line 2, column A

Rate Year 2 = line 2, column B, less line 1 column A, plus column A line 6

Rate Year 3 = lines 2, column C, less line 1 column A and B, plus line 6 columns A and B

3) Pre-Levelization Cumulative Deliver Rate Increase

Rate Year 1 = Delivery Rate Increase (line 1, column A) x 3

Rate Year 2 = Delivery Rate Increase (line 1, column B) x 2

Rate Year 3 = Delivery Rate Increase (line 1, column C) x 1

4) Post-Levelization Cumulative Deliver Rate Increase

Rate Year 1 = Delivery Rate Increase (line 6, column A) x 3

Rate Year 2 = Delivery Rate Increase (line 6, column B) x 2

Rate Year 3 = Delivery Rate Increase (line 6, column C) x 1

## Joint Proposal

## NYSEG Gas

## Rate Change Levelization Worksheet

(\$000)

	A	B	C	
	Rate Year 1 5/1/2016	Rate Year 2 5/1/2017	Rate Year 3 5/1/2018	Total
<u>Pre-Levelization Information</u>				
1 Delivery Rate Increase	\$ 19,417	\$ 7,287	\$ 7,686	
2 Delivery Revenues Before Increase <sup>1</sup>	180,219	197,764	203,783	
3 Pre-Shaping Rate Increase %	10.8%	3.7%	3.8%	
<u>Rate Change Levelization Calculation</u>				
4 Delivery Rate Increase - Total	\$ 19,417	\$ 7,287	\$ 7,686	
5 Period Levelization Deferral	(6,349)	6,593	7,110	
6 Delivery Rate Increase - Post Levelization	\$ 13,068	\$ 13,880	\$ 14,796	
7 Delivery Revenues Before Levelization <sup>2</sup>	180,219	191,415	204,027	
8 Post-Levelization Rate Increase %	7.3%	7.3%	7.3%	
<u>Carrying Costs Calculation</u>				
9 Starting Levelization Deferral	-	6,650	7,032	
10 Levelization Deferral	6,349	(244)	(7,354)	
11 Accrued Carrying Costs	301	627	322	
12 Ending Levelization Deferral	6,650	7,032	0	
13 Average Levelization Deferral	3,175	6,528	3,355	
14 Pre-Tax WACC	9.47%	9.60%	9.60%	
15 Accrued Carrying Costs	301	627	322	\$ 1,249
<u>Verification</u>				
16 Pre-Levelization Cumulative Delivery Rate Increase	\$ 58,252 <sup>3</sup>	\$ 14,575 <sup>3</sup>	\$ 7,686 <sup>3</sup>	\$ 80,512
17 Post-Levelization Cumulative Delivery Rate Increase	39,205 <sup>4</sup>	27,761 <sup>4</sup>	14,796 <sup>4</sup>	\$ 81,761
18 Less: Carrying Costs				(1,249)
19 Total - Cross Check				\$ 80,512

Notes:

1) Pre-Levelization Delivery Revenue Before Increase = Appendix C, Schedule B, line 13 less line 2

2) Delivery Revenues Before Levelization

Rate Year 1 = line 2, column A

Rate Year 2 = line 2, column B, less line 1 column A, plus column A line 6

Rate Year 3 = lines 2, column C, less line 1 column A and B, plus line 6 columns A and B

3) Pre-Levelization Cumulative Deliver Rate Increase

Rate Year 1 = Delivery Rate Increase (line 1, column A) x 3

Rate Year 2 = Delivery Rate Increase (line 1, column B) x 2

Rate Year 3 = Delivery Rate Increase (line 1, column C) x 1

4) Post-Levelization Cumulative Deliver Rate Increase

Rate Year 1 = Delivery Rate Increase (line 6, column A) x 3

Rate Year 2 = Delivery Rate Increase (line 6, column B) x 2

Rate Year 3 = Delivery Rate Increase (line 6, column C) x 1

## Joint Proposal

## RG&amp;E Electric

## Rate Change Shaping Worksheet

(\$000)

	A	B	C	
	Rate Year 1 5/1/2016	Rate Year 2 5/1/2017	Rate Year 3 5/1/2018	Total
<u>Pre-Shaping Information</u>				
1 Delivery Rate Increase	\$ (934)	\$ 29,496	\$ 22,310	
2 Delivery Revenues Before Increase <sup>1</sup>	434,189	431,155	457,753	
3 Pre-Shaping Rate Increase %	(0.2%)	6.8%	4.9%	
<u>Rate Change Shaping Calculation</u>				
4 Delivery Rate Increase - Total	\$ (934)	\$ 29,496	\$ 22,310	
5 Period Shaping Deferral	3,934	(7,896)	3,546	
6 Delivery Rate Increase - Post Shaping	\$ 3,000	\$ 21,600	\$ 25,856	
7 Delivery Revenues Before Shaping <sup>2</sup>	434,189	435,089	453,791	
8 Post-Shaping Rate Increase %	0.7%	5.0%	5.7%	
<u>Carrying Costs Calculation</u>				
9 Starting Shaping Deferral	-	(4,137)	(397)	
10 Shaping Deferral	(3,934)	3,962	416	
11 Accrued Carrying Costs	(203)	(221)	(19)	
12 Ending Shaping Deferral	(4,137)	(397)	0	
13 Average Shaping Deferral	(1,967)	(2,156)	(189)	
14 Pre-Tax WACC	10.33%	10.26%	10.27%	
15 Accrued Carrying Costs	(203)	(221)	(19)	\$ (444)
<u>Verification</u>				
16 Pre-Shaping Cumulative Delivery Rate Increase	\$ (2,802) <sup>3</sup>	\$ 58,991 <sup>3</sup>	\$ 22,310 <sup>3</sup>	\$ 78,499
17 Post-Shaping Cumulative Delivery Rate Increase	9,000 <sup>4</sup>	43,199 <sup>4</sup>	25,856 <sup>4</sup>	\$ 78,055
18 Plus: Carrying Costs				444
19 Total - Cross Check				\$ 78,499

Notes:

1) Pre-Shaping Delivery Revenue Before Increase = Appendix D, Schedule B, line 13 less line 2

2) Delivery Revenues Before Shaping

Rate Year 1 = line 2, column A

Rate Year 2 = line 2, column B, less line 1 column A, plus column A line 6

Rate Year 3 = lines 2, column C, less line 1 column A and B, plus line 6 columns A and B

3) Pre-Shaping Cumulative Deliver Rate Increase

Rate Year 1 = Delivery Rate Increase (line 1, column A) x 3

Rate Year 2 = Delivery Rate Increase (line 1, column B) x 2

Rate Year 3 = Delivery Rate Increase (line 1, column C) x 1

4) Post-Shaping Cumulative Deliver Rate Increase

Rate Year 1 = Delivery Rate Increase (line 6, column A) x 3

Rate Year 2 = Delivery Rate Increase (line 6, column B) x 2

Rate Year 3 = Delivery Rate Increase (line 6, column C) x 1

**New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019**

<b>Schedule</b>	<b>A</b>	<b>Rate of Return Statement</b>
<b>Schedule</b>	<b>B</b>	<b>Revenue</b>
<b>Schedule</b>	<b>C</b>	<b>Operation &amp; Maintenance Expense</b>
<b>Schedule</b>	<b>D</b>	<b>Depreciation &amp; Amortizations</b>
<b>Schedule</b>	<b>E</b>	<b>Operating Taxes</b>
<b>Schedule</b>	<b>F</b>	<b>Income Taxes</b>
<b>Schedule</b>	<b>G</b>	<b>Capital Structure</b>
<b>Schedule</b>	<b>H</b>	<b>Regulatory Amortizations</b>
<b>Schedule</b>	<b>I</b>	<b>Rate Base</b>
<b>Schedule</b>	<b>J</b>	<b>Deferred Debits and Credits</b>

New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Rate Of Return Statement  
( \$ 000 )

	A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
<b><u>Operating Revenues</u></b>			
1 Sales Revenue	\$ 727,916	\$ 729,929	\$ 751,328
2 Impact of Rate Increase	29,601	29,889	30,297
3 Late Payments	3,954	4,136	4,255
4 Total Retail Revenue	761,471	763,955	785,880
5 Other Revenue	96,698	96,094	83,913
6 <b>Total Revenue</b>	858,170	860,049	869,793
7 Gross Revenue Taxes	8,752	9,931	10,312
8 <b>Net Revenue</b>	849,418	850,118	859,482
9 O&M Expenses	482,227	463,773	455,115
10 Depreciation	93,207	97,912	102,930
11 Taxes Other Than Income Taxes	107,707	113,738	120,052
12 <b>Total Operating Expenses</b>	683,141	675,423	678,097
13 <b>Operating Income Before Income Taxes</b>	166,277	174,694	181,384
14 Income Taxes	49,102	50,908	52,819
15 <b>Operating Income Available for Return</b>	\$ 117,175	\$ 123,786	\$ 128,565
16 <b>Rate Base</b>	\$ 1,752,851	\$ 1,817,722	\$ 1,887,156
17 <b>Rate of Return</b>	6.7%	6.8%	6.8%
18 <b>Return on Equity</b>	9.0%	9.0%	9.0%
<b><u>Calculation of Return on Equity</u></b>			
19 Operating Income Available for Return	\$ 117,175	\$ 123,786	\$ 128,565
20 Less: Interest Expense	(41,453)	(45,267)	(47,085)
21 <b>Balance for Common</b>	75,722	78,519	81,480
22 Rate Base	1,752,851	1,817,722	1,887,156
23 Common Equity Percentage	48%	48%	48%
24 <b>Equity Component of Rate Base</b>	841,368	872,507	905,835
25 Balance for Common	75,722	78,519	81,480
26 Equity Component of Rate Base	841,368	872,507	905,835
27 <b>Return on Equity</b>	9.0%	9.0%	9.0%
<b><u>Revenue Requirement Value of 1bp ROE</u></b>			
28 Net Income Attributable to 1bp of ROE (line 24 x 1bp)	\$ 84	\$ 87	\$ 91
29 / Retention Factor including FIT/SIT	59.78%	59.78%	59.78%
30 <b>Revenue Requirement Value of 1bp ROE</b>	\$ 141	\$ 146	\$ 152

New York State Electric & Gas Corporation  
Electric Department

Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019

Revenue

( \$ 000 )

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b><u>Sales Revenues</u></b>			
1 Gross Base Delivery Charges	\$ 573,227	\$ 608,492	\$ 642,978
2 Plus: Rate Increase	29,601	29,889	30,297
3 a Less: Economic Development Discounts	(12)	(12)	(8)
4 BIPP Charges	6,624	6,647	6,670
5 Net Base Delivery Charges	609,440	645,016	679,937
6 b System Benefit Charge	12,688	12,718	12,710
7 c Energy Efficiency Portfolio Standards	36,065	30,327	31,369
8 d Temporary State Assessment Surcharge	9,581	6,451	-
9 e Renewable Portfolio Standards	27,590	26,049	24,015
10 f Reliability Support Services Surcharge	30,258	6,180	-
11 MFC/POR - Credit/Coll/Call Ctr/Admin <sup>1</sup>	23,510	23,510	23,510
12 Gross Revenue Tax	8,385	9,568	10,084
13 <b>Total Sales Revenue</b>	<b>757,517</b>	<b>759,818</b>	<b>781,625</b>
14 Late Payments	3,954	4,136	4,255
<b><u>Other Revenue</u></b>			
15 CCS Revenue	615	615	615
16 Damage Billings	2,014	2,014	2,014
17 Intercompany Revenues	78	80	81
18 Low Income Reconnection Fee Waiver	(28)	(28)	(28)
19 Miscellaneous Service Revenues	381	381	381
20 Reconnection, WMS, Line Extensions, Misc.	5,463	5,463	5,463
21 Pole Rental Attachment Revenue	9,098	9,098	9,098
22 Wholesale Transmission Revenue	53,426	53,426	53,426
23 Merchandising	186	187	188
24 On-Bill Financing	15	15	15
25 <b>Total</b>	<b>71,248</b>	<b>71,251</b>	<b>71,254</b>
<b><u>Deferrals &amp; Amortizations</u></b>			
26 Rate Increase Levelization Deferral	2,200	1,593	(10,591)
27 Excess Depreciation Reserve Amortization	23,250	23,250	23,250
28 <b>Total</b>	<b>25,450</b>	<b>24,843</b>	<b>12,659</b>
29 <b>Total Other Revenues + Deferrals &amp; Amortizations</b>	<b>96,698</b>	<b>96,094</b>	<b>83,913</b>
30 <b>Total</b>	<b>\$ 858,170</b>	<b>\$ 860,049</b>	<b>\$ 869,793</b>

**Notes:**

1) MFC reflects 2010 JP level. The actual MFC will be adjusted per Rate Design section of the JP.



New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$ 000 )

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>O&amp;M Expenses</u></b>			
1	Labor/Payroll	\$ 86,622	\$ 88,019	\$ 88,902
2	Variable Compensation	985	1,001	1,011
3	401K	2,739	2,894	3,052
4	Productivity Offset	(2,408)	(2,484)	(2,490)
5	Medical Benefits	8,655	8,836	9,022
6	Other Employee Benefits	1,871	1,910	1,950
7	OPEBs	1,236	1,638	1,424
8	Pension	30,428	33,064	32,155
9	Employee Related	1,756	1,793	1,830
10	Collections	1,660	1,695	1,731
11	Uncollectibles - Delivery	7,623	7,980	8,212
12	Insurance	2,706	2,764	2,822
13	Workers Comp	1,806	1,844	1,883
14	Injury / Damages	267	272	278
15	IUMC Costs	43,711	44,832	45,983
16	Outside Services	21,319	21,319	21,319
17	Legal / Regulatory Expense	1,903	1,903	1,903
18	Transportation	8,207	8,379	8,555
19	Vehicle Depreciation	9,205	9,643	10,145
20	Materials & Supplies	8,108	8,279	8,453
21	Postage	4,000	4,083	4,169
22	Telephone	1,207	1,232	1,258
23	Advertising	138	141	144
24	Rents & Leases	2,472	2,524	2,577
25	Regulator Commission Assessment Fees	3,818	3,898	3,980
26	Stores	1,239	1,265	1,292
27	Storm - Major	21,400	21,400	21,400
28	Storm - Minor	5,290	5,290	5,290
29	Incremental Maintenance	3,583	5,825	6,475
30	Vegetation Management - Distribution	25,000	30,000	30,000
32	Vegetation Management - Transmission	5,800	6,133	6,395
33	Environmental Remediation	15,084	15,084	15,084
34	a Economic Development	4,500	4,500	4,500
35	Energy Smart Community	2,550	2,550	2,550
36	Low Income Program	8,931	10,076	11,059
37	Security	2,458	2,651	2,851
38	CS Enhancements	551	551	551
39	Stray Voltage	1,829	1,867	1,906
40	Electric Reliability Organization - NERC	304	304	304
41	Operations / Staffing Audit	86	86	86
42	Emergency Preparedness	591	179	179
43	Other	589	602	604
44	<b>Total Delivery O&amp;M</b>	<b>\$ 349,819</b>	<b>\$ 365,823</b>	<b>\$ 370,795</b>
	<b><u>Surcharge Expenses</u></b>			
45	b System Benefits Charge (SBC)	\$ 12,688	\$ 12,718	\$ 12,710
46	c Energy Efficiency Portfolio Standards (EEPS)	36,065	30,327	31,369
47	e Renewable Portfolio Standard (RPS)	27,590	26,049	24,015
48	d Temporary State Assessment Surcharge	9,581	6,451	-
49	f Reliability Support Services / Cayuga	30,258	6,180	-
50	<b>Total Surcharges</b>	<b>\$ 116,182</b>	<b>\$ 81,725</b>	<b>\$ 68,094</b>

New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$ 000 )

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>Amortizations</u></b>			
51	ACF ASGA - 2010 JP Stipulation, Appendix G, paragraph 56	\$ (1,200)	\$ (1,200)	\$ (1,200)
52	ASGA	1,643	1,643	1,643
53	Bonus Depreciation NCR - 2010 Rate Plan	(10,562)	(10,562)	(10,562)
54	CAIDI/SAIFI Study	19	19	19
55	CapEx Customer Credit 07-M-0906 Merger Order	(1,360)	(1,360)	(1,360)
56	CapEx Shareholder Deferral	2,097	2,097	2,097
57	Cost to Achieve Efficiency Initiatives	127	127	127
58	Def Inc Tax Deferral - Book Depr Rate Change	(985)	(985)	(985)
59	Economic Development	(3,128)	(3,128)	(3,128)
60	Environmental	(10,257)	(10,257)	(10,257)
61	ESM	(670)	(670)	(670)
62	Excess DIT - New York State Tax Rate change	(2,144)	(2,144)	(2,144)
63	Low Income Program	(1,127)	(1,127)	(1,127)
64	Management Audit - 2011	(23)	(23)	(23)
65	Medicare Subsidy NCR	(618)	(618)	(618)
66	MHP Meter Costs	3	3	3
67	Mixed Use 263(a) NCR	(3,971)	(3,971)	(3,971)
68	NYPA Ancillaries	5	5	5
69	OPEB Deferral	(11,234)	(11,234)	(11,234)
70	PBA Utilization	(2,731)	(2,731)	(2,731)
71	Pension Deferral	17,781	17,781	17,781
72	Property Tax Deferral	7,818	7,818	7,818
73	Major Storms - Non Superstorm	12,290	12,290	12,290
74	Major Storms - Superstorm	27,840	27,840	27,840
75	Stray Voltage	(923)	(923)	(923)
76	Theoretical Reserve Inc Tax Flow Through	(5,367)	(5,367)	(5,367)
77	Unit of Property CTA	20	20	20
78	PowerTax Regulatory Asset	2,010	2,010	2,010
79	Unfunded Income Tax Regulatory Asset	(23)	(23)	(23)
80	Variable Rate Debt	(2,188)	(2,188)	(2,188)
81	Continuation of Current Amorts 2010 Rate Plan	3,086	3,086	3,086
82	<b>Total Amortizations</b>	<u>\$ 16,226</u>	<u>\$ 16,226</u>	<u>\$ 16,226</u>
83	<b>Total O&amp;M Plus Surcharges &amp; Amortizations</b>	<u><u>\$ 482,227</u></u>	<u><u>\$ 463,773</u></u>	<u><u>\$ 455,115</u></u>
	<b><u>Economic Development Reconciliation</u></b>			
84	a Total Economic Development Program	\$ 4,512	\$ 4,512	\$ 4,508
85	a Rate Discounts	\$ 12	\$ 12	\$ 8
	<u>Non-Rate discounts:</u>			
86	a Economic Development - O&M	4,500	4,500	4,500
87	<b>Total Rate and Non-Rate Discounts</b>	<u>\$ 4,512</u>	<u>\$ 4,512</u>	<u>\$ 4,508</u>
	<b><u>SBC Reconciliation</u></b>			
	<u>Revenue</u>			
88	b System Benefit Charge	\$ 12,688	\$ 12,718	\$ 12,710
	<u>Expense</u>			
89	b System Benefit Charge	12,688	12,718	12,710
90		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$ 000 )

			<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
		<b><u>Energy Efficiency Portfolio Standards Reconciliation</u></b>			
		<u>Revenue</u>			
91	c	Energy Efficiency Portfolio Standards	\$ 36,065	\$ 30,327	\$ 31,369
		<u>O&amp;M Expenses</u>			
92	c	Energy Efficiency Portfolio Standards	36,065	30,327	31,369
93			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		<b><u>Temporary State Assessment Surcharge Reconciliation</u></b>			
		<u>Revenue</u>			
94	d	Temporary State Assessment Surcharge	\$ 9,581	\$ 6,451	\$ -
		<u>Expense</u>			
95	d	Temporary State Assessment Surcharge	9,581	6,451	-
96			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		<b><u>RPS Reconciliation</u></b>			
		<u>Revenue</u>			
97	e	Renewable Portfolio Standards	\$ 27,590	\$ 26,049	\$ 24,015
		<u>Expense</u>			
98	e	Renewable Portfolio Standard	27,590	26,049	24,015
99			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		<b><u>RSS/Cayuga Reconciliation</u></b>			
		<u>Revenue</u>			
100	f	RSS Surcharge	\$ 30,258	\$ 6,180	\$ -
		<u>Expense</u>			
101	f	RSS/Cayuga	30,258	6,180	-
102			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

New York State Electric & Gas Corporation

Electric Department

Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019

Depreciation Expense

( \$ 000 )

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b>1</b> Depreciation Expense	<u>\$ 93,207</u>	<u>\$ 97,912</u>	<u>\$ 102,930</u>

New York State Electric & Gas Corporation  
Electric Department

Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019

Operating Taxes

( \$ 000 )

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b><u>Gross Revenue Taxes</u></b>			
1 Total Retail Revenue	\$ 757,517	\$ 759,818	\$ 781,625
2 Average GRT Rate	1.16%	1.31%	1.32%
3 Total Gross Revenue Tax	\$ 8,752	\$ 9,931	\$ 10,312
<b><u>Other Operating Taxes</u></b>			
4 Property Taxes	\$ 100,011	\$ 105,803	\$ 111,869
5 Payroll Taxes	7,677	7,917	8,164
6 Other Taxes	18	18	19
7 Total Other Operating Taxes	\$ 107,707	\$ 113,738	\$ 120,052
8 Total	\$ 116,459	\$ 123,669	\$ 130,364

New York State Electric & Gas Corporation  
Electric Department

Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019

Income Taxes

( \$ 000 )

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
1 Operating Income Before Income Taxes	\$ 166,277	\$ 174,694	\$ 181,384
2 Interest Expense	(41,453)	(45,267)	(47,085)
3 Book Income Before Income Taxes	\$ 124,824	\$ 129,427	\$ 134,299
4 Federal Income Taxes @ 35.000%	43,688	45,300	47,005
5 State Income Taxes @ 6.500%	8,114	8,413	8,729
6 Federal Benefit of State Tax Deduction @ 2.275%	(2,840)	(2,944)	(3,055)
7 Total Federal & State @ Statutory Rates	48,962	50,768	52,679
<b><u>Permanent Differences</u></b>			
8 Meals & Entertainment	170	170	170
9 Preferred Stock Dividend Deduction	(30)	(30)	(30)
10 Subtotal: Permanent Differences	140	140	140
11 Delivery Income Taxes (Lines 7 & 11)	\$ 49,102	\$ 50,908	\$ 52,819

New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Capital Structure Summary Schedule  
( \$ 000 )

NYSEG  
Capital Structure and Costs Rates  
(\$000)

	<u>Weight</u>	<u>Cost Rate</u>	<u>Percent</u>	<u>Tax Gross- Up</u>	<u>Before Tax</u>
<b><u>Rate Year 1</u></b>					
2 Short & Long Term Debt	51.48%	4.58%	2.36%		2.36%
3 Customer Deposits	0.52%	0.85%	0.00%		0.00%
4 Total Debt	52.00%		2.36%		2.36%
5 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
6 Total	100.00%		6.68%		9.47%
<b><u>Rate Year 2</u></b>					
7 Long Term Debt	51.50%	4.82%	2.49%		2.49%
8 Customer Deposits	0.50%	0.85%	0.00%		0.00%
9 Total Debt	52.00%		2.49%		2.49%
10 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
11 Total	100.00%		6.81%		9.60%
<b><u>Rate Year 3</u></b>					
12 Long Term Debt	51.51%	4.83%	2.49%		2.49%
13 Customer Deposits	0.49%	0.85%	0.00%		0.00%
14 Total Debt	52.00%		2.49%		2.49%
15 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
16 Total	100.00%		6.81%		9.60%

New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Regulatory Amortizations  
(\$ 000 )

	A	B	C	D	E
	Starting Rate Year		Rate Year 1	Rate Year 2	Rate Year 3
	Asset / (Liab)	Amortization	TME	TME	TME
	Balance	Period (years)	4/30/2017	4/30/2018	4/30/2019
<b>Amortizations</b>					
1 ACF ASGA - 2010 JP Stipulation, Appendix G, paragraph 56	\$ (6,000)	5	\$ 1,200	\$ 1,200	\$ 1,200
2 ASGA	8,215	5	(1,643)	(1,643)	(1,643)
3 Bonus Depreciation NCR - 2010 Rate Plan	(52,808)	5	10,562	10,562	10,562
4 CAIDI/SAIFI Study	93	5	(19)	(19)	(19)
5 CapEx Customer Credit 07-M-0906 Merger Order	(6,800)	5	1,360	1,360	1,360
6 CapEx Shareholder Deferral	10,486	5	(2,097)	(2,097)	(2,097)
7 Cost to Achieve Efficiency Initiatives	637	5	(127)	(127)	(127)
8 Def Inc Tax Deferral - Book Depr Rate Change	(4,925)	5	985	985	985
9 Economic Development	(15,639)	5	3,128	3,128	3,128
10 Environmental	(51,287)	5	10,257	10,257	10,257
11 ESM	(3,352)	5	670	670	670
12 Excess DIT - New York State Tax Rate change	(10,722)	5	2,144	2,144	2,144
13 Low Income Program	(5,635)	5	1,127	1,127	1,127
14 Management Audit - 2011	(116)	5	23	23	23
15 Medicare Subsidy NCR	(3,091)	5	618	618	618
16 MHP Meter Costs	13	5	(3)	(3)	(3)
17 Mixed Use 263(a) NCR	(19,857)	5	3,971	3,971	3,971
18 NYPA Ancillaries	27	5	(5)	(5)	(5)
19 OPEB Deferral	(56,171)	5	11,234	11,234	11,234
20 PBA Utilization	(13,655)	5	2,731	2,731	2,731
21 Pension Deferral	88,903	5	(17,781)	(17,781)	(17,781)
22 Property Tax Deferral	39,090	5	(7,818)	(7,818)	(7,818)
23 Major Storms - Non Superstorm	139,200	5	(27,840)	(27,840)	(27,840)
24 Major Storms - Superstorm	122,885	10	(12,289)	(12,289)	(12,289)
25 Stray Voltage	(4,616)	5	923	923	923
26 Theoretical Reserve Inc Tax Flow Through	(26,837)	5	5,367	5,367	5,367
27 Unit of Property CTA	98	5	(20)	(20)	(20)
28 PowerTax Regulatory Asset	54,274	27	(2,012)	(2,012)	(2,012)
29 Unfunded Income Tax Regulatory Asset	(1,129)	50	23	23	23
30 Variable Rate Debt	(10,942)	5	2,188	2,188	2,188
31 Continuation of Current Amorts 2010 Rate Plan	15,431	5	(3,086)	(3,086)	(3,086)
32 <b>Total Amortizations</b>	<b>\$ 185,769</b>		<b>\$ (16,226)</b>	<b>\$ (16,226)</b>	<b>\$ (16,226)</b>



New York State Electric & Gas Corporation

Electric Department

Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019

Rate Base

( \$ 000 )

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME 4/30/2017	TME 4/30/2018	TME 4/30/2019
<b><u>Rate Base</u></b>			
1 Utility Plant	\$ 4,124,880	\$ 4,314,690	\$ 4,523,464
2 Depreciation Reserve	(2,123,072)	(2,188,039)	(2,259,422)
3 Materials & Supplies	11,121	11,355	11,593
4 Prepayments	34,688	35,417	36,161
5 O&M Working Capital per the FERC Formula	56,130	58,086	58,645
6 Non-Int Bearing Cust Advances	(1,100)	(1,100)	(1,100)
7 Deferred Debits & Credits	362,285	299,973	236,385
8 Deferred Income Taxes	(694,143)	(695,257)	(701,706)
9 Deferred Investment Tax Credit	(13,511)	(12,974)	(12,436)
10 Total Before Earnings Base-Capitalization Adjustment	1,757,279	1,822,150	1,891,584
11 Earnings Base-Capitalization Adjustment	(4,428)	(4,428)	(4,428)
12 <b>Total</b>	<u>\$ 1,752,851</u>	<u>\$ 1,817,722</u>	<u>\$ 1,887,156</u>

New York State Electric & Gas Corporation  
Electric Department  
Revenue Requirement for Forecast Rate Years Ending April 30, 2017, 2018, 2019  
Deferred Debits & Credits - Average Balances  
( \$ 000 )

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME 4/30/2017	TME 4/30/2018	TME 4/30/2019
<b><u>Regulatory Assets &amp; Liabilities:</u></b>			
1 ACF ASGA - 2010 JP Stipulation, Appendix G, paragraph 56	\$ (5,400)	\$ (4,200)	\$ (3,000)
2 ASGA	7,394	5,751	4,108
3 Bonus Depreciation NCR - 2010 Rate Plan	(47,527)	(36,965)	(26,404)
4 CAIDI/SAIFI Study	83	65	46
5 CapEx Customer Credit 07-M-0906 Merger Order	(6,120)	(4,760)	(3,400)
6 CapEx Shareholder Deferral	9,437	7,340	5,243
7 Cost to Achieve Efficiency Initiatives	574	446	319
8 Def Inc Tax Deferral - Book Depr Rate Change	(4,433)	(3,448)	(2,463)
9 Economic Development	(14,075)	(10,947)	(7,820)
10 Environmental	(46,158)	(35,901)	(25,643)
11 ESM	(3,017)	(2,347)	(1,676)
12 Excess DIT - New York State Tax Rate change	(9,650)	(7,505)	(5,361)
13 Low Income Program	(5,072)	(3,945)	(2,818)
14 Management Audit - 2011	(104)	(81)	(58)
15 Medicare Subsidy NCR	(2,782)	(2,164)	(1,546)
16 MHP Meter Costs	12	9	6
17 Mixed Use 263(a) NCR	(17,872)	(13,900)	(9,929)
18 NYPA Ancillaries	24	19	13
19 OPEB Deferral	(50,554)	(39,320)	(28,086)
20 PBA Utilization	(12,289)	(9,558)	(6,827)
21 Pension Deferral	80,013	62,232	44,451
22 Property Tax Deferral	35,181	27,363	19,545
23 Major Storms - Non Superstorm	125,280	97,440	69,600
24 Major Storms - Superstorm	116,740	104,450	92,160
25 Stray Voltage	(4,154)	(3,231)	(2,308)
26 Theoretical Reserve Inc Tax Flow Through	(24,153)	(18,786)	(13,418)
27 Unit of Property CTA	88	69	49
28 PowerTax Regulatory Asset	53,268	51,258	49,248
29 Unfunded Income Tax Regulatory Asset	(1,118)	(1,096)	(1,073)
30 Variable Rate Debt	(9,848)	(7,659)	(5,471)
31 Continuation of Current Amorts 2010 Rate Plan	13,887	10,801	7,715
32 Subtotal	\$ 177,656	\$ 161,431	\$ 145,205
<b><u>Other Deferred Assets &amp; Liabilities:</u></b>			
33 Accrued Pension	\$ 279,681	\$ 231,615	\$ 182,333
34 Accident & Sickness Reserve	(3,102)	(3,102)	(3,102)
35 Gain / Loss on Reacquired Debt	15,461	15,461	15,461
36 Injuries & Damages Reserve	(4,488)	(4,488)	(4,488)
37 OPEB Reserve	(93,948)	(91,969)	(90,049)
38 Preliminary Engineering	180	180	180
39 PSC Assessment	200	200	200
40 Purchase of Receivables	(731)	(731)	(731)
41 SFAS-112	(3,936)	(3,936)	(3,936)
42 Workman's Comp Reserve	(5,401)	(5,401)	(5,401)
43 All Other	713	713	713
44 Subtotal	\$ 184,629	\$ 138,542	\$ 91,180
45 Grand Total	\$ 362,285	\$ 299,973	\$ 236,385

**New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**

<b>Schedule</b>	<b>A</b>	<b>Rate of Return Statement</b>
<b>Schedule</b>	<b>B</b>	<b>Revenue</b>
<b>Schedule</b>	<b>C</b>	<b>Operation &amp; Maintenance Expense</b>
<b>Schedule</b>	<b>D</b>	<b>Depreciation &amp; Amortizations</b>
<b>Schedule</b>	<b>E</b>	<b>Operating Taxes</b>
<b>Schedule</b>	<b>F</b>	<b>Income Taxes</b>
<b>Schedule</b>	<b>G</b>	<b>Capital Structure</b>
<b>Schedule</b>	<b>H</b>	<b>Regulatory Amortizations</b>
<b>Schedule</b>	<b>I</b>	<b>Rate Base</b>
<b>Schedule</b>	<b>J</b>	<b>Deferred Debits and Credits</b>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Rate Of Return Statement  
(\$000)

	A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
<b><u>Operating Revenues</u></b>			
1 Sales Revenue	\$ 180,219	\$ 197,764	\$ 203,783
2 Impact of Rate Increase	13,068	13,880	14,796
3 Late Payments	1,058	1,096	1,136
4 Total Retail Revenue	194,346	212,740	219,715
5 Other Revenue	7,260	(5,637)	(6,170)
6 <b>Total Revenue</b>	201,606	207,103	213,545
7 Gross Revenue Taxes	2,625	2,954	2,992
8 <b>Net Revenue</b>	198,981	204,149	210,553
9 O&M Expenses	100,541	101,522	102,506
10 Depreciation	25,496	26,759	28,543
11 Taxes Other Than Income Taxes	22,700	23,532	24,386
12 <b>Total Operating Expenses</b>	148,737	151,814	155,434
13 <b>Operating Income Before Income Taxes</b>	50,244	52,335	55,119
14 Income Taxes	14,808	15,220	16,021
15 <b>Operating Income Available for Return</b>	\$ 35,435	\$ 37,115	\$ 39,098
16 <b>Rate Base</b>	\$ 530,086	\$ 545,170	\$ 573,898
17 <b>Rate of Return</b>	6.7%	6.8%	6.8%
18 <b>Return on Equity</b>	9.0%	9.0%	9.0%
<b><u>Calculation of Return on Equity</u></b>			
19 Operating Income Available for Return	\$ 35,435	\$ 37,115	\$ 39,098
20 Less: Interest Expense	(12,536)	(13,576)	(14,319)
21 <b>Balance for Common</b>	\$ 22,900	\$ 23,538	\$ 24,779
22 Rate Base	530,086	545,170	573,898
23 Common Equity Percentage	48%	48%	48%
24 <b>Equity Component of Rate Base</b>	254,441	261,682	275,471
25 Balance for Common	22,900	23,538	24,779
26 Equity Component of Rate Base	254,441	261,682	275,471
27 <b>Return on Equity</b>	9.0%	9.0%	9.0%
<b><u>Revenue Requirement Value of 1bp ROE</u></b>			
28 Net Income Attributable to 1bp of ROE (line 24 x 1bp)	\$ 25	\$ 26	\$ 28
29 / Retention Factor including FIT/SIT	59.55%	59.55%	59.55%
30 <b>Revenue Requirement Value of 1bp ROE</b>	\$ 43	\$ 44	\$ 46

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Revenue  
(\$000)

		A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
	<b><u>Sales Revenue</u></b>			
1	Gross Base Delivery	\$ 165,044	\$ 184,485	\$ 191,908
2	Plus: Rate Increase	13,068	13,880	14,796
3 a	Less: Economic Development Discounts	(57)	(14)	(14)
4	BIPP Charges	1,483	1,491	1,500
5	Net Base Delivery Charges	179,538	199,843	208,190
6	R&D Surcharge	650	650	650
7	MFC/POR - Credit/Coll/Call Ctr/Admin <sup>1</sup>	2,097	2,097	2,097
8 b	Energy Efficiency Portfolio Standards	5,467	4,591	4,749
9 c	Temporary State Assessment Surcharge	3,160	1,603	-
10	Gross Revenue Tax	2,375	2,860	2,893
11	<b>Total Sales Revenue</b>	193,288	211,644	218,579
12	Late Payments	1,058	1,096	1,136
	<b><u>Other Revenue</u></b>			
13	Rent Revenue	100	102	105
14	Intercompany Revenue	18	18	-
15	Damage Billing	189	231	231
16	Low Income Reconnection Fee Waiver	(22)	(22)	(22)
17	Other	626	626	626
18	<b>Total</b>	911	956	940
	<b><u>Deferrals &amp; Amortizations</u></b>			
19	Rate Increase Levelization Deferral	6,349	(6,593)	(7,110)
20	<b>Total</b>	<u>\$ 201,606</u>	<u>\$ 207,103</u>	<u>\$ 213,545</u>

**Notes:**

1) MFC reflects 2010 JP level. The actual MFC will be adjusted per Rate Design section of the JP.

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$000)

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b><u>O&amp;M Expenses</u></b>			
1 Labor / Payroll	\$ 27,678	\$ 28,788	\$ 29,663
2 Operating Revenues	281	293	302
3 401k	911	963	1,015
4 Productivity	(702)	(733)	(745)
5 Medical Benefits	2,186	2,232	2,279
6 Other Employee Benefits	752	768	784
7 OPEBs	317	420	365
8 Pension	7,793	8,469	8,236
9 Employee Related	987	1,008	1,029
10 Collections	488	499	509
11 Uncollectibles - Delivery	2,552	2,646	2,744
12 Insurance	666	680	694
13 Workers Comp	385	393	401
14 Injury / Damages	72	73	75
15 IUMC Costs	10,667	10,938	11,217
16 Outside Services	6,774	6,774	6,774
17 Legal / Regulatory Expense	747	747	747
18 Transportation	2,221	2,268	2,316
19 Vehicle Depreciation	1,324	1,432	1,555
20 Materials & Supplies	2,748	2,806	2,865
21 Postage	1,183	1,208	1,233
22 Telephone	251	256	261
23 Advertising	45	46	47
24 Rents & Leases	502	513	523
25 Regulatory Commission Assessment Fees	1,139	1,163	1,188
26 Stores	288	294	300
27 Integrity of Gas Pipeline	512	523	534
28 Incremental Maintenance	2,360	2,360	2,360
29 Vegetation Management	269	274	280
30 Environmental Remediation	4,298	4,298	4,298
31 a Economic Development	600	600	600
32 Low Income Proram	6,819	7,747	8,641
33 Security	393	467	512
34 CS Enhancements	1,264	1,311	1,352
35 Communications - Reporting Gas Odors	355	362	370
36 Gas Expansion	895	550	555
37 Research & Development	1,689	1,689	1,689
38 Operations / Staffing Audit	21	21	21
39 Other	(80)	(81)	(96)
40 <b>Total Delivery O&amp;M</b>	<b>\$ 91,650</b>	<b>\$ 95,065</b>	<b>\$ 97,493</b>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$000)

		A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
	<b><u>Surcharge Expenses</u></b>			
41	b Energy Efficiency Portfolio Standards (EEPS)	\$ 5,467	\$ 4,591	\$ 4,749
42	c Temporary State Assessment Surcharge (TSAS)	3,160	1,603	-
43	<b>Total Surcharges</b>	\$ 8,627	\$ 6,194	\$ 4,749
	<b><u>Amortizations</u></b>			
44	Bonus Depreciation NCR - 2010 Rate Plan	\$ (2,373)	\$ (2,373)	\$ (2,373)
45	Cost to Achieve Efficiency Initiatives	(15)	(15)	(15)
46	Economic Development	(359)	(359)	(359)
47	EEPS Loss Revenue Gas	4	4	4
48	Environmental	(3,420)	(3,420)	(3,420)
49	Excess DIT - New York State Tax Rate change	(531)	(531)	(531)
50	Gains/Losses on Surplus Sales - Gas	(8)	(8)	(8)
51	Gas Phase 2A/B	11	11	11
52	Gas Pipeline Integrity Costs	(89)	(89)	(89)
53	Gas R&D Deferral	(155)	(155)	(155)
54	Gas R&D Tax Credit	(100)	(100)	(100)
55	Incremental Maintenance	(7)	(7)	(7)
56	IRS Audit	10	10	10
57	Low Income Program	2,953	2,953	2,953
58	Management Audit - 2011	(25)	(25)	(25)
59	Medicare Subsidy NCR	(359)	(359)	(359)
60	Mixed Use 263(a) NCR	(1,201)	(1,201)	(1,201)
61	Net Plant Reconciliation	(27)	(27)	(27)
62	OPEB Deferral	(2,366)	(2,366)	(2,366)
63	Outreach & Education	61	61	61
64	PBA Utilization	46	46	46
65	Pension Deferral	5,393	5,393	5,393
66	Property Tax Deferral	1,948	1,948	1,948
67	Sarbanes-Oxley	36	36	36
68	Seneca Pipeline Integrity Initiative	(44)	(44)	(44)
69	Seneca Storage	(42)	(42)	(42)
70	Unity of Property CTA	404	404	404
71	PowerTax Regulatory Asset	572	572	572
72	Unfunded Income Tax Regualtory Asset	549	549	549
73	Variable Rate Debt	(637)	(637)	(637)
74	Vegetation Management	(21)	(21)	(21)
75	Continuation of Current Amorts - 2010 Rate Plan	(689)	(689)	(689)
76	Pension Costs	712	712	712
77	Seneca Sale - ASGA Amort	158	158	158
78	Seneca Sale - Operational Savings	(123)	(123)	(123)
79	<b>Total Amortizations</b>	\$ 264	\$ 264	\$ 264
80	<b>Total O&amp;M Plus Surcharges &amp; Amortizations</b>	<u>\$ 100,541</u>	<u>\$ 101,522</u>	<u>\$ 102,506</u>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$000)

		A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
	<b><u>Economic Development Reconciliation</u></b>			
81	Total Economic Development Program	\$ 657	\$ 614	\$ 614
82	a Rate Discounts	\$ 57	\$ 14	\$ 14
	<u>Non-Rate discounts:</u>			
83	a Economic Development - O&M	600	600	600
84	<b>Total Rate and Non-Rate Discounts</b>	<u>\$ 657</u>	<u>\$ 614</u>	<u>\$ 614</u>
	<b><u>Energy Efficiency Portfolio Standards Reconciliation</u></b>			
	<u>Revenue</u>			
85	b Energy Efficiency Portfolio Standards	\$ 5,467	\$ 4,591	\$ 4,749
	<u>O&amp;M Expense</u>			
86	b Energy Efficiency Portfolio Standards	5,467	4,591	4,749
87		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b><u>Temporary State Assessment Surcharge Reconciliation</u></b>			
	<u>Revenue</u>			
88	c Temporary State Assessment Surcharge	\$ 3,160	\$ 1,603	\$ -
	<u>Expense</u>			
89	c Temporary State Assessment Surcharge	3,160	1,603	-
90		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



New York State Electric & Gas Corporation

Gas Department

Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019

Depreciation Expense

(\$000)

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b>1 Depreciation Expense</b>	<u>\$ 25,496</u>	<u>\$ 26,759</u>	<u>\$ 28,543</u>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Operating Taxes  
(\$000)

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b><u>Gross Revenue Taxes</u></b>			
<b>1</b> Operating Revenues	\$ 193,288	\$ 211,644	\$ 218,579
<b>2</b> Average GRT Rate	1.36%	1.40%	1.37%
<b>3 Total Gross Revenue Tax</b>	<u>\$ 2,625</u>	<u>\$ 2,954</u>	<u>\$ 2,992</u>
<b><u>Other Operating Taxes</u></b>			
<b>4</b> Property Taxes	\$ 20,582	\$ 21,348	\$ 22,134
<b>5</b> Payroll Taxes	2,118	2,184	2,252
<b>6 Total Other Operating Taxes</b>	<u>\$ 22,700</u>	<u>\$ 23,532</u>	<u>\$ 24,386</u>
<b>7 Total</b>	<u><u>\$ 25,325</u></u>	<u><u>\$ 26,486</u></u>	<u><u>\$ 27,378</u></u>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Income Taxes  
(\$000)

	<b>1</b> Rate Year 1 TME 3/31/2017	<b>2</b> Rate Year 2 TME 3/31/2018	<b>3</b> Rate Year 3 TME 3/31/2019
<b>1</b> Operating Income Before Income Taxes	\$ 50,244	\$ 52,335	\$ 55,119
<b>2</b> Interest Expense	(12,536)	(13,576)	(14,319)
<b>3</b> Book Income Before Income Taxes	\$ 37,708	\$ 38,759	\$ 40,800
<b>4</b>	13,198	13,566	14,280
<b>5</b> State Taxes @ 6.500%	2,451	2,519	2,652
<b>6</b> Fed Benefit of State Tax Deduction @ 2.275%	(858)	(882)	(928)
<b>7 Total Federal &amp; State @ Statutory Rates</b>	14,791	15,203	16,004
<b><u>Permanent Differences</u></b>			
<b>8</b> Meals and Entertainment	25	25	25
<b>9</b> Preferred Stock Dividend Deduction	(8)	(8)	(8)
<b>10 Subtotal: Permanent Differences</b>	17	17	17
<b>11 Delivery Income Taxes (Lines 7 &amp; 11)</b>	\$ 14,808	\$ 15,220	\$ 16,021

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Capital Structure Summary Schedule  
(\$000)

NYSEG Capital Structure and Costs Rates (\$000)					
	<u>Weight</u>	<u>Cost Rate</u>	<u>Percent</u>	<u>Tax Gross- Up</u>	<u>Before Tax</u>
<b><u>Rate Year 1</u></b>					
2 Short & Long Term Debt	51.48%	4.58%	2.36%		2.36%
3 Customer Deposits	0.52%	0.85%	0.00%		0.00%
4 Total Debt	52.00%		2.36%		2.36%
5 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
6 Total	100.00%		6.68%		9.47%
<b><u>Rate Year 2</u></b>					
7 Long Term Debt	51.50%	4.82%	2.49%		2.49%
8 Customer Deposits	0.50%	0.85%	0.00%		0.00%
9 Total Debt	52.00%		2.49%		2.49%
10 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
11 Total	100.00%		6.81%		9.60%
<b><u>Rate Year 3</u></b>					
12 Long Term Debt	51.51%	4.83%	2.49%		2.49%
13 Customer Deposits	0.49%	0.85%	0.00%		0.00%
14 Total Debt	52.00%		2.49%		2.49%
15 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
16 Total	100.00%		6.81%		9.60%

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Regulatory Amortizations  
(\$000)

	A	B	C	D	E
	Starting Rate Year		Rate Year 1	Rate Year 2	Rate Year 3
	Asset / (Liab)	Amortization	TME	TME	TME
	3/31/2016	Period (years)	4/30/2017	4/30/2018	4/30/2019
			Amortization	Amortization	Amortization
<b><u>Amortizations</u></b>					
1 Bonus Depreciation NCR - 2010 Rate Plan	\$ (11,865)	5	\$ 2,373	\$ 2,373	\$ 2,373
2 Cost to Achieve Efficiency Initiatives	(73)	5	15	15	15
3 Economic Development	(1,796)	5	359	359	359
4 EEPS Loss Revenue Gas	20	5	(4)	(4)	(4)
5 Environmental	(17,101)	5	3,420	3,420	3,420
6 Excess DIT - New York State Tax Rate change	(2,656)	5	531	531	531
7 Gains/Losses on Surplus Sales - Gas	(42)	5	8	8	8
8 Gas Phase 2A/B	53	5	(11)	(11)	(11)
9 Gas Pipeline Integrity Costs	(447)	5	89	89	89
10 Gas R&D Deferral	(1,652)	5	155	155	155
11 Gas R&D Tax Credit	(501)	5	100	100	100
12 Incremental Maintenance	(33)	5	7	7	7
13 IRS Audit	49	5	(10)	(10)	(10)
14 Low Income Program	14,763	5	(2,953)	(2,953)	(2,953)
15 Management Audit - 2011	(126)	5	25	25	25
16 Medicare Subsidy NCR	(1,795)	5	359	359	359
17 Mixed Use 263(a) NCR	(6,005)	5	1,201	1,201	1,201
18 Net Plant Reconciliation	(137)	5	27	27	27
19 OPEB Deferral	(11,832)	5	2,366	2,366	2,366
20 Outreach & Education	305	5	(61)	(61)	(61)
21 PBA Utilization	231	5	(46)	(46)	(46)
22 Pension Deferral	26,967	5	(5,393)	(5,393)	(5,393)
23 Property Tax Deferral	9,738	5	(1,948)	(1,948)	(1,948)
24 Sarbanes-Oxley	182	5	(36)	(36)	(36)
25 Seneca Pipeline Integrity Initiative	(218)	5	44	44	44
26 Seneca Storage	(212)	5	42	42	42
27 Unity of Property CTA	2,018	5	(404)	(404)	(404)
28 PowerTax Regulatory Asset	22,325	39	(572)	(572)	(572)
29 Unfunded Income Tax Regualtory Asset	27,426	50	(549)	(549)	(549)
30 Variable Rate Debt	(3,186)	5	637	637	637
31 Vegetation Management	(104)	5	21	21	21
32 Continuation of Current Amorts - 2010 Rate Plan	(3,447)	5	689	689	689
33 Pension Costs	3,559	5	(712)	(712)	(712)
34 Seneca Sale - ASGA Amort	791	5	(158)	(158)	(158)
35 Seneca Sale - Operational Savings	(615)	5	123	123	123
36 <b>Total Amortizations</b>	<b>\$ 44,588</b>		<b>\$ (264)</b>	<b>\$ (264)</b>	<b>\$ (264)</b>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Rate Base  
(\$000)

	A	B	C
	Rate Year 1	Rate Year 2	Rate Year 3
	TME 4/30/2017	TME 4/30/2018	TME 4/30/2019
<b><u>Rate Base</u></b>			
1 Utility Plant	\$ 1,022,041	\$ 1,071,022	\$ 1,137,387
2 Depreciation Reserve	(391,832)	(414,239)	(436,315)
3 Materials & Supplies	3,498	3,572	3,647
4 Prepayments	8,457	8,634	8,816
5 O&M Working Capital per the FERC Formula 1	11,820	12,236	12,528
6 Non-Int Bearing Cust Advances	(346)	(346)	(346)
7 Deferred Debits & Credits	91,821	79,676	67,281
8 Deferred Income Taxes	(217,223)	(217,380)	(221,238)
9 Deferred Investment Tax Credit	(415)	(271)	(127)
10 Total Before Earnings Base-Capitalization Adjustment	527,820	542,904	571,632
11 Earnings Base-Capitalization Adjustment	2,266	2,266	2,266
12 <b>Total</b>	<u>\$ 530,086</u>	<u>\$ 545,170</u>	<u>\$ 573,898</u>

New York State Electric & Gas Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Deferred Debits & Credits - Average Balances  
(\$000)

	A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
<b><u>Regulatory Assets &amp; Liabilities:</u></b>			
1 Bonus Depreciation NCR - 2010 Rate Plan	\$ (10,678)	\$ (8,305)	\$ (5,932)
2 Cost to Achieve Efficiency Initiatives	(66)	(51)	(36)
3 Economic Development	(1,617)	(1,257)	(898)
4 EEPS Loss Revenue Gas	18	14	10
5 Environmental	(15,391)	(11,971)	(8,550)
6 Excess DIT - New York State Tax Rate change	(2,390)	(1,859)	(1,328)
7 Gains/Losses on Surplus Sales - Gas	(38)	(29)	(21)
8 Gas Phase 2A/B	47	37	26
9 Gas R&D Deferral	(1,575)	(1,420)	(1,265)
10 Gas R&D Tax Credit	(451)	(351)	(251)
11 Incremental Maintenance	(30)	(23)	(16)
12 IRS Audit	45	35	25
13 Low Income Program	13,287	10,334	7,382
14 Management Audit - 2011	(113)	(88)	(63)
15 Medicare Subsidy NCR	(1,616)	(1,257)	(898)
16 Mixed Use 263(a) NCR	(5,405)	(4,204)	(3,003)
17 Net Plant Reconciliation	(123)	(96)	(69)
18 OPEB Deferral	(10,649)	(8,282)	(5,916)
19 Outreach & Education	274	213	152
20 PBA Utilization	208	162	116
21 Pension Deferral	24,271	18,877	13,484
22 Gas Pipeline Integrity Costs	(402)	(313)	(224)
23 Property Tax Deferral	8,764	6,817	4,869
24 Sarbanes-Oxley	164	128	91
25 Seneca Pipeline Integrity Initiative	(196)	(152)	(109)
26 Seneca Storage	(191)	(149)	(106)
27 Unit of Property CTA	1,817	1,413	1,009
28 PowerTax Regulatory Asset	22,039	21,467	20,894
29 Unfunded Income Tax Regulatory Asset	27,074	26,448	25,900
30 Variable Rate Debt	(2,867)	(2,230)	(1,593)
31 Vegetation Management	(94)	(73)	(52)
32 Pension Costs	3,204	2,492	1,780
33 Seneca Sale - ASGA Amort	712	554	396
34 Seneca Sale - Operational Savings	(553)	(430)	(307)
35 Continuation of Current Amorts 2010 Rate Plan	(3,102)	(2,413)	(1,724)
36 Subtotal	\$ 44,378	\$ 44,037	\$ 43,774
<b><u>Other Deferred Assets &amp; Liabilities:</u></b>			
37 Accrued Pension	\$ 71,633	\$ 59,322	\$ 46,700
38 Accident & Sickness Reserve	(976)	(976)	(976)
39 Gain / Loss on Reacquired Debt	4,863	4,863	4,863
40 Injuries & Damages Reserve	(1,412)	(1,412)	(1,412)
41 OPEB Reserve	(24,062)	(23,555)	(23,064)
42 Preliminary Engineering	237	237	237
43 PSC Assessment	(94)	(94)	(94)
44 Purchase of Receivables	(42)	(42)	(42)
45 SFAS-112	(1,034)	(1,034)	(1,034)
46 Workman's Comp Reserve	(1,699)	(1,699)	(1,699)
47 Other	27	27	27
48 Subtotal	\$ 47,442	\$ 35,638	\$ 23,508
49 Grand Total	\$ 91,821	\$ 79,676	\$ 67,281

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**

<b>Schedule</b>	<b>A</b>	<b>Rate of Return Statement</b>
<b>Schedule</b>	<b>B</b>	<b>Revenue</b>
<b>Schedule</b>	<b>C</b>	<b>Operation &amp; Maintenance Expense</b>
<b>Schedule</b>	<b>D</b>	<b>Depreciation &amp; Amortizations</b>
<b>Schedule</b>	<b>E</b>	<b>Operating Taxes</b>
<b>Schedule</b>	<b>F</b>	<b>Income Taxes</b>
<b>Schedule</b>	<b>G</b>	<b>Capital Structure</b>
<b>Schedule</b>	<b>H</b>	<b>Regulatory Amortizations</b>
<b>Schedule</b>	<b>I</b>	<b>Rate Base</b>
<b>Schedule</b>	<b>J</b>	<b>Deferred Debit and Credit</b>



**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Rate of Return Statement**  
**(\$000)**

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b><u>Operating Revenues</u></b>			
1 Sales Revenue	\$ 434,189	\$ 431,154	\$ 457,753
2 Impact of Rate Increase	3,000	21,600	25,856
3 Late Payments	2,030	2,178	2,289
4 Total Retail Revenue	439,219	454,932	485,898
5 Other Revenue	727	12,575	1,254
6 <b>Total Revenue</b>	439,946	467,507	487,151
7 Gross Revenue Taxes	6,338	7,448	7,746
8 <b>Net Revenue</b>	433,607	460,059	479,406
9 O&M Expenses	185,590	181,321	173,324
10 Depreciation	51,787	56,136	60,902
11 Taxes Other Than Income Taxes	77,707	84,343	91,284
12 <b>Total Operating Expenses</b>	315,083	321,800	325,509
13 <b>Operating Income Before Income Taxes</b>	118,524	138,259	153,896
14 Income Taxes	31,998	37,577	41,812
15 <b>Operating Income Available for Return</b>	\$ 86,526	\$ 100,682	\$ 112,084
16 <b>Rate Base</b>	\$ 1,146,361	\$ 1,347,294	\$ 1,499,435
17 <b>Rate of Return</b>	7.5%	7.5%	7.5%
18 <b>Return on Equity</b>	9.0%	9.0%	9.0%
<b><u>Calculation of Return on Equity</u></b>			
19 Operating Income Available for Return	\$ 86,526	\$ 100,682	\$ 112,084
20 Less: Interest Expense	(36,988)	(42,500)	(47,341)
21 <b>Balance for Common</b>	49,537	58,182	64,743
22 Rate Base	1,146,361	1,347,294	1,499,435
23 Common Equity Percentage	48%	48%	48%
24 <b>Equity Component of Rate Base</b>	550,253	646,701	719,729
25 Balance for Common	49,537	58,182	64,743
26 Equity Component of Rate Base	550,253	646,701	719,729
27 <b>Return on Equity</b>	9.0%	9.0%	9.0%
<b><u>Revenue Requirement Value of 1bp ROE</u></b>			
28 Net Income Attributable to 1bp of ROE (line 24 x 1bp)	\$ 55	\$ 65	\$ 72
29 / Retention Factor including FIT/SIT	59.29%	59.29%	59.29%
30 <b>Revenue Requirement Value of 1bp ROE</b>	\$ 93	\$ 109	\$ 121

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Revenue**  
**(\$000)**

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>Sales Revenue</u></b>			
1	Gross Base Delivery	\$ 363,310	\$ 364,997	\$ 395,769
2	Plus: Rate Increase	3,000	21,600	25,856
3	a Less: Economic Development Discounts	(182)	(126)	(35)
4	BIPP Charges	2,753	2,780	2,799
5	Net Base Delivery Charges	368,881	389,251	424,388
6	b System Benefit Charge	6,121	6,137	6,135
7	c Energy Efficiency Portfolio Standards	19,757	16,969	17,459
8	d Temporary State Assessment Surcharge	5,824	3,993	-
9	e Renewable Portfolio Standards	15,920	15,054	13,874
10	MFC/POR - Credit/Coll/Call Ctr/Admin <sup>1</sup>	14,334	14,334	14,334
11	Gross Revenue Tax	6,352	7,016	7,419
12	<b>Total Sales Revenue</b>	<b>437,189</b>	<b>452,754</b>	<b>483,609</b>
13	Late Payments	2,030	2,178	2,289
	<b><u>Other Revenue</u></b>			
14	Property and Pole Rent Revenue	1,757	1,757	1,860
15	Damage, CIAC & Other Billing	1,415	1,415	1,415
16	Intercompany Revenue	839	856	874
17	Other	650	650	651
18	<b>Total Other Revenue</b>	<b>4,661</b>	<b>4,679</b>	<b>4,800</b>
	<b><u>Deferrals &amp; Amortizations</u></b>			
19	Rate Increase Shaping Deferral	(3,934)	7,896	(3,546)
20	<b>Total</b>	<b>\$ 439,946</b>	<b>\$ 467,507</b>	<b>\$ 487,151</b>

**Notes:**

1) MFC reflects 2010 JP level. The actual MFC will be adjusted per Rate Design section of the JP.

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Operation & Maintenance Expense**  
**(\$000)**

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>O&amp;M Expenses</u></b>			
1	Labor / Payroll	\$ 33,255	\$ 34,071	\$ 34,276
2	Variable Compensation	795	815	830
3	401K	1,209	1,320	1,441
4	Productivity Offset	(902)	(933)	(934)
5	Medical Benefits	2,125	2,170	2,215
6	Other Employee Benefits	111	113	116
7	OPEBs	1,519	1,524	1,827
8	Pension	8,767	9,751	9,013
9	Employee Related	682	696	711
10	Collections	842	860	878
11	Uncollectibles - Delivery	6,241	6,706	7,053
12	Insurance	413	423	431
13	Workers Comp	1,311	1,338	1,366
14	Injury / Damages	672	686	700
15	IUMC Costs	19,979	20,496	21,026
16	Outside Services	14,851	14,851	14,851
17	Legal / Regulatory Expense	769	769	769
18	Transportation	2,208	2,254	2,302
19	Vehicle Depreciation	3,474	3,722	3,974
20	Materials & Supplies	3,218	3,286	3,355
21	Postage	1,524	1,556	1,589
22	Telephone	470	480	490
23	Advertising	23	24	24
24	Rents & Leases	2,773	2,832	2,891
25	Regulatory Commission Assessment Fees	1,845	1,884	1,923
26	Stores	1,361	1,390	1,419
27	Storm - Major	2,520	2,520	2,520
28	Storm - Minor	2,412	2,412	2,412
29	Incremental Maintenance	305	256	256
30	Vegetation Management - Distribution	7,737	7,919	8,076
31	Vegetation Management - Transmission	1,270	1,297	1,324
32	Environmental Remediation	4,340	4,340	4,340
33	a Economic Development	4,250	4,250	4,250
34	Low Income Program	2,072	2,072	2,072
35	Security	1,847	1,976	1,968
36	CS Enhancements	239	271	323
37	Stray Voltage	934	954	974
38	Electric Reliability Organization - NERC	121	121	121
39	Operations / Staffing Audit	47	47	47
40	Emergency Preparedness	249	76	76
41	Electric DOE Liability	46	46	46
42	Other	(1,077)	(1,090)	(1,103)
43	<b>Total Delivery O&amp;M</b>	<b>\$ 136,850</b>	<b>\$ 140,550</b>	<b>\$ 142,239</b>
	<b><u>Surcharge Expense</u></b>			
44	b System Benefit Charge (SBC)	\$ 6,121	\$ 6,137	\$ 6,135
45	c Energy Efficiency Portfolio Standards (EEPS)	19,757	16,969	17,459
46	e Renewable Portfolio Standard (RPS)	15,920	15,054	13,874
47	d Temporary State Assessment Surcharge (TSAS)	5,824	3,993	-
48	<b>Total Surcharges</b>	<b>\$ 47,622</b>	<b>\$ 42,153</b>	<b>\$ 37,468</b>

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Operation & Maintenance Expense**  
**(\$000)**

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>Amortizations</u></b>			
49	Bonus Depreciation NCR - 2010 Rate Plan	\$ (2,499)	\$ (5,000)	\$ (10,000)
50	PowerTax Regulatory Asset	1,119	1,119	1,119
51	Unfunded Future Income Taxes	2,499	2,499	2,499
52	<b>Total Amortizations</b>	<u>\$ 1,119</u>	<u>\$ (1,382)</u>	<u>\$ (6,382)</u>
53	<b>Total O&amp;M Plus Surcharges &amp; Amortizations</b>	<u><u>\$ 185,590</u></u>	<u><u>\$ 181,321</u></u>	<u><u>\$ 173,324</u></u>
	<b><u>Economic Development Reconciliation</u></b>			
54	a Total Economic Development Program	\$ 4,432	\$ 4,376	\$ 4,286
55	Rate Discounts	\$ 182	\$ 126	\$ 35
	Non-Rate discounts:			
56	a Economic Development - O&M	<u>4,250</u>	<u>4,250</u>	<u>4,250</u>
57	<b>Total Rate and Non-Rate Discounts</b>	<u>\$ 4,432</u>	<u>\$ 4,376</u>	<u>\$ 4,286</u>
	<b><u>SBC Reconciliation</u></b>			
	<u>Revenue</u>			
58	b System Benefit Charge	\$ 6,121	\$ 6,137	\$ 6,135
	<u>Expense</u>			
59	b System Benefit Charge	<u>6,121</u>	<u>6,137</u>	<u>6,135</u>
60		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b><u>Energy Efficiency Portfolio Standards Reconciliation</u></b>			
	<u>Revenue</u>			
61	c Energy Efficiency Portfolio Standards	\$ 19,757	\$ 16,969	\$ 17,459
	<u>O&amp;M Expense</u>			
62	c Energy Efficiency Portfolio Standards	<u>19,757</u>	<u>16,969</u>	<u>17,459</u>
63		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b><u>Temporary State Assessment Surcharge Reconciliation</u></b>			
	<u>Revenue</u>			
64	d Temporary State Assessment Surcharge	\$ 5,824	\$ 3,993	\$ -
	<u>Expense</u>			
65	d Temporary State Assessment Surcharge	<u>5,824</u>	<u>3,993</u>	<u>-</u>
66		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b><u>RPS Reconciliation</u></b>			
	<u>Revenue</u>			
67	e Renewable Portfolio Standards	\$ 15,920	\$ 15,054	\$ 13,874
	<u>Expense</u>			
68	e Renewable Portfolio Standard	<u>15,920</u>	<u>15,054</u>	<u>13,874</u>
69		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Depreciation and Decommissioning Expense**  
**(\$000)**

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b>1</b> Depreciation Expense	\$ 45,316	\$ 49,665	\$ 54,431
<b>2</b> Russell Decommissioning Expense	2,013	2,013	2,013
<b>3</b> Beebee Decommissioning Expense	4,458	4,458	4,458
<b>4 Total</b>	<u>\$ 51,787</u>	<u>\$ 56,136</u>	<u>\$ 60,902</u>

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Operating Taxes**  
**(\$000)**

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b><u>Gross Revenue Taxes</u></b>			
<b>1</b> Total Retail Revenue	\$ 437,189	\$ 452,754	\$ 483,609
<b>2</b> Average GRT Rate	1.45%	1.64%	1.60%
<b>3 Total Gross Revenue Tax</b>	<u>\$ 6,338</u>	<u>\$ 7,448</u>	<u>\$ 7,746</u>
<b><u>Other Operating Taxes</u></b>			
<b>4</b> Property Taxes	75,034	81,585	88,437
<b>5</b> Payroll Taxes	2,655	2,740	2,827
<b>6</b> Other Taxes	18	18	19
<b>7 Total Other Operating Taxes</b>	<u>77,707</u>	<u>84,343</u>	<u>91,284</u>
<b>8 Total</b>	<u><u>\$ 84,045</u></u>	<u><u>\$ 91,791</u></u>	<u><u>\$ 99,029</u></u>

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Income Taxes**  
**(\$000)**

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b>1</b> Operating Income Before Income Taxes	\$ 118,524	\$ 138,259	\$ 153,896
<b>2</b> Interest Expense	(36,988)	(42,500)	(47,341)
<b>3</b> Book Income Before Income Taxes	\$ 81,536	\$ 95,759	\$ 106,555
<b>4</b> Federal Income Taxes @ 35.000%	28,538	33,516	37,294
<b>5</b> State Taxes @ 6.500%	5,300	6,224	6,926
<b>6</b> Fed Benefit of State Tax Deduction @ 2.275%	(1,855)	(2,179)	(2,424)
<b>7 Total Federal &amp; State @ Statutory Rates</b>	31,982	37,561	41,796
<b><u>Permanent Differences</u></b>			
<b>8</b> Meals and Entertainment	16	16	16
<b>9 Delivery Income Taxes (Lines 7 &amp; 8)</b>	<u>\$ 31,998</u>	<u>\$ 37,577</u>	<u>\$ 41,812</u>

Rochester Gas and Electric Corporation  
Electric Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Capital Structure Summary Schedule  
( \$ 000 )

RG&E Capital Structure and Costs Rates (\$000)					
	<u>Weight</u>	<u>Cost Rate</u>	<u>Percent</u>	<u>Tax Gross- Up at</u>	<u>Before Tax</u>
<b><u>Rate Year 1</u></b>					
1 Long Term Debt	51.71%	6.23%	3.22%		3.22%
2 Customer Deposits	0.29%	0.85%	0.00%		0.00%
3 Total Debt	52.00%		3.23%		3.23%
4 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
5 Total	100.00%		7.55%		10.34%
<b><u>Rate Year 2</u></b>					
6 Long Term Debt	51.72%	6.09%	3.15%		3.15%
7 Customer Deposits	0.28%	0.85%	0.00%		0.00%
8 Total Debt	52.00%		3.15%		3.15%
9 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
10 Total	100.00%		7.47%		10.26%
<b><u>Rate Year 3</u></b>					
6 Long Term Debt	51.74%	6.10%	3.15%		3.15%
7 Customer Deposits	0.26%	0.85%	0.00%		0.00%
8 Total Debt	52.00%		3.16%		3.16%
9 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
10 Total	100.00%		7.48%		10.26%



Rochester Gas and Electric Corporation  
Electric Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Regulatory Amortizations  
(\$000)

	A	B	C	D	E	F	G
	Starting Rate Year		Starting Rate Year				
	Asset / (Liab)	Ginna RSSA	Asset / (Liab)	Amortization	Rate Year 1	Rate Year 2	Rate Year 3
	Balance	Utilization	Balance	Period (years)	Amortization	Amortization	Amortization
	net of Ginna						
<b><u>Amortizations</u></b>							
1 Allegheny Sale Loss and Savings	\$ (4,824)	\$ -	\$ (4,824)	-	\$ -	\$ -	\$ -
2 ASGA	(10,792)	-	(10,792)	-	-	-	-
3 Bonus Depreciation NCR - 2010 Rate Plan	(44,782)	-	(44,782)	-	2,499	5,000	10,000
4 CAIDI/SAIFI Study	94	-	94	-	-	-	-
5 Cap Ex NCR 03-E-0765, 03-G-0766	3,401	-	3,401	-	-	-	-
6 CapEx Customer Credit 07-M-0906 Merger Order	(10,000)	-	(10,000)	-	-	-	-
7 Cost to Achieve Efficiency Initiatives	105	-	105	-	-	-	-
8 Economic Development	(17,052)	-	(17,052)	-	-	-	-
9 Electric Reliability Organization	304	-	304	-	-	-	-
10 Environmental	(21,617)	-	(21,617)	-	-	-	-
11 ESM	(5,422)	-	(5,422)	-	-	-	-
12 Excess DIT - New York State Tax Rate change	(1,519)	-	(1,519)	-	-	-	-
13 IRS Audit - 1998-2001	70	-	70	-	-	-	-
14 Low Income Program	(3,634)	-	(3,634)	-	-	-	-
15 Major Storm Reserve	(2,005)	-	(2,005)	-	-	-	-
16 Management Audit - 2011	(217)	-	(217)	-	-	-	-
17 Medicare Part D	(240)	-	(240)	-	-	-	-
18 MHP Meter Costs	(4)	-	(4)	-	-	-	-
19 Mixed Use 263(a) NCR	(3,807)	-	(3,807)	-	-	-	-
20 Net Plant Reconciliation	(9,653)	-	(9,653)	-	-	-	-
21 Nine Mile II - TCCs	(11,472)	-	(11,472)	-	-	-	-
22 Nuclear Fuel DOE Liability True-up - 2004	(12,188)	-	(12,188)	-	-	-	-
23 NYS Tax Audit	228	-	228	-	-	-	-
24 NYS Tax Rate	(319)	-	(319)	-	-	-	-
25 OPEB Deferral	(1,559)	-	(1,559)	-	-	-	-
26 PBA Utilization	(37,853)	-	(37,853)	-	-	-	-
27 Pension Deferral	21,403	-	21,403	-	-	-	-
28 Property Tax	(63,108)	14,422	(48,686)	-	-	-	-
29 Property Tax 481(a) - NCR	(346)	-	(346)	-	-	-	-
30 ROW Tree Trim	1,472	-	1,472	-	-	-	-
31 Sarbanes-Oxley	386	-	386	-	-	-	-
32 SO2 Allowance	(829)	-	(829)	-	-	-	-
33 Stray Voltage	1,635	-	1,635	-	-	-	-
34 Theoretical Reserve Inc Tax Flow Through	(6,119)	-	(6,119)	-	-	-	-
35 Unit of Property CTA	70	-	70	-	-	-	-
36 PowerTax Regulatory Asset	43,622	-	43,622	39	(1,119)	(1,119)	(1,119)
37 Unfunded Income Tax Regulatory Asset	124,953	-	124,953	50	(2,499)	(2,499)	(2,499)
38 Variable Rate Debt	(284)	-	(284)	-	-	-	-
39 Continuation of Current Amorts 2010 Rate Plan	(42,412)	-	(42,412)	-	-	-	-
40 <b>Total Amortizations</b>	<b>\$ (114,312)</b>	<b>\$ 14,422</b>	<b>\$ (99,891)</b>		<b>\$ (1,119)</b>	<b>\$ 1,382</b>	<b>\$ 6,382</b>

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Rate Base**  
**(\$000)**

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	<u>TME 4/30/2017</u>	<u>TME 4/30/2018</u>	<u>TME 4/30/2019</u>
<b><u>Rate Base</u></b>			
<b>1</b> Utility Plant	\$ 2,203,129	\$ 2,452,660	\$ 2,700,191
<b>2</b> Depreciation Reserve	(687,297)	(727,497)	(769,037)
<b>3</b> Materials & Supplies	8,055	8,224	8,397
<b>4</b> Prepayments	26,666	27,226	27,798
<b>5</b> O&M Working Capital per the FERC Formula	21,560	21,965	22,758
<b>6</b> Deferred Debits & Credits	(152,670)	(112,348)	(121,033)
<b>7</b> Deferred Income Taxes	<u>(265,493)</u>	<u>(315,346)</u>	<u>(362,049)</u>
<b>8</b> Total Before Earnings Base-Capitalization Adjustment	1,153,951	1,354,884	1,507,026
<b>9</b> Earnings Base-Capitalization Adjustment	<u>(7,591)</u>	<u>(7,591)</u>	<u>(7,591)</u>
<b>10 Total</b>	<u>\$ 1,146,361</u>	<u>\$ 1,347,294</u>	<u>\$ 1,499,435</u>

**Rochester Gas and Electric Corporation**  
**Electric Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Deferred Debits & Credits - Average Balances**  
**(\$000)**

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	TME 4/30/2017	TME 4/30/2018	TME 4/30/2019
<b><u>Regulatory Assets &amp; Liabilities:</u></b>			
1 Allegheny Sale Loss and Savings	\$ (4,824)	\$ (4,824)	\$ (4,824)
2 ASGA	(10,792)	(10,792)	(10,792)
3 Bonus Depreciation NCR - 2010 Rate Plan	(44,782)	(42,282)	(34,782)
4 CAIDI/SAIFI Study	94	94	94
5 Cap Ex NCR 03-E-0765, 03-G-0766	3,401	3,401	3,401
6 CapEx Customer Credit 07-M-0906 Merger Order	(10,000)	(10,000)	(10,000)
7 Cost to Achieve Efficiency Initiatives	105	105	105
8 Economic Development	(17,052)	(17,052)	(17,052)
9 Electric Reliability Organization	304	304	304
10 Environmental	(21,617)	(21,617)	(21,617)
11 ESM	(5,422)	(5,422)	(5,422)
12 Excess DIT - New York State Tax Rate change	(1,519)	(1,519)	(1,519)
13 IRS Audit - 1998-2001	70	70	70
14 Low Income Program	(3,634)	(3,634)	(3,634)
15 Major Storm Reserve	(2,005)	(2,005)	(2,005)
16 Management Audit - 2011	(217)	(217)	(217)
17 Medicare Part D	(240)	(240)	(240)
18 MHP Meter Costs	(4)	(4)	(4)
19 Mixed Use 263(a) NCR	(3,807)	(3,807)	(3,807)
20 Net Plant Reconciliation	(9,653)	(9,653)	(9,653)
21 Nine Mile II - TCCs	(11,472)	(11,472)	(11,472)
22 Nuclear Fuel DOE Liability True-up - 2004	(12,188)	(12,188)	(12,188)
23 NYS Tax Audit	228	228	228
24 NYS Tax Rate	(319)	(319)	(319)
25 OPEB Deferral	(1,559)	(1,559)	(1,559)
26 PBA Utilization	(37,853)	(33,560)	(33,373)
27 Pension Deferral	21,403	21,403	21,403
28 Property Tax	(14,362)	-	-
29 Property Tax 481(a) - NCR	(346)	(346)	(346)
30 ROW Tree Trim	1,472	1,472	1,472
31 Sarbanes-Oxley	386	386	386
32 SO2 Allowance	(829)	(829)	(829)
33 Stray Voltage	1,635	1,635	1,635
34 Theoretical Reserve Inc Tax Flow Through	(6,119)	(6,119)	(6,119)
35 Unit of Property CTA	70	70	70
36 PowerTax Regulatory Asset	43,063	41,944	40,826
37 Unfunded Income Tax Regulatory Asset	123,703	121,204	118,705
38 Variable Rate Debt	(284)	(284)	(284)
39 Continuation of Current Amorts 2010 Rate Plan	(32,170)	(96)	-
40 Subtotal	(57,133)	(7,521)	(3,356)
<b><u>Other Deferred Assets &amp; Liabilities:</u></b>			
41 Beebee Decommissioning	16,338	15,603	11,145
42 DOE Liability	(122,238)	(122,238)	(122,238)
43 FAS-112 Post Employment Benefit Liability	(1,316)	(1,316)	(1,316)
44 Preliminary Survey and Investigation	1,754	1,754	1,754
45 Pension Asset	8,043	(2,632)	(9,896)
46 Loss on Reacquired Debt	4,529	4,529	4,529
47 Net (Gains)/Losses on Interest Rate Hedges	42,678	42,678	42,678
48 OPEB Reserve	(46,752)	(45,657)	(44,771)
49 Injuries and Damages Reserve	(3,000)	(3,000)	(3,000)
50 Workers Comp Reserve	(2,075)	(2,075)	(2,075)
51 Russell Decommissioning Reserve	6,020	7,046	5,033
52 All Other	482	482	482
53 Subtotal	(95,537)	(104,827)	(117,676)
54 Grand Total	\$ (152,670)	\$ (112,348)	\$ (121,033)

**Rochester Gas and Electric Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**

<b>Schedule</b>	<b>A</b>	<b>Rate of Return Statement</b>
<b>Schedule</b>	<b>B</b>	<b>Revenue</b>
<b>Schedule</b>	<b>C</b>	<b>Operation &amp; Maintenance Expense</b>
<b>Schedule</b>	<b>D</b>	<b>Depreciation &amp; Amortizations</b>
<b>Schedule</b>	<b>E</b>	<b>Operating Taxes</b>
<b>Schedule</b>	<b>F</b>	<b>Income Taxes</b>
<b>Schedule</b>	<b>G</b>	<b>Capital Structure</b>
<b>Schedule</b>	<b>H</b>	<b>Regulatory Amortizations</b>
<b>Schedule</b>	<b>I</b>	<b>Rate Base</b>
<b>Schedule</b>	<b>J</b>	<b>Deferred Debits and Credits</b>

Rochester Gas and Electric Corporation  
Gas Department

Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019

Rate of Return Statement  
(\$000)

	A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
<b><u>Operating Revenues</u></b>			
1 Sales Revenue	\$ 167,995	\$ 174,100	\$ 180,498
2 Impact of Rate Increase	8,819	7,661	9,455
3 Late Payments	1,564	1,629	1,708
4 Total Retail Revenue	178,378	183,390	191,661
5 Other Revenue	1,266	1,274	1,282
6 Total Revenue	179,644	184,665	192,943
7 Gross Revenue Taxes	3,543	3,910	4,204
8 Net Revenue	176,101	180,754	188,739
9 O&M Expenses	85,077	85,757	87,406
10 Depreciation	20,440	21,537	22,821
11 Taxes Other Than Income Taxes	27,685	29,312	30,975
12 Total Operating Expenses	133,202	136,605	141,201
13 Operating Income Before Income Taxes	42,900	44,149	47,538
14 Income Taxes	11,580	12,001	12,919
15 Operating Income Available for Return	\$ 31,320	\$ 32,147	\$ 34,619
16 Rate Base	\$ 415,088	\$ 430,087	\$ 462,989
17 Rate of Return	7.5%	7.5%	7.5%
18 Return on Equity	9.0%	9.0%	9.0%
<b><u>Calculation of Return on Equity</u></b>			
19 Operating Income Available for Return	\$ 31,320	\$ 32,147	\$ 34,619
20 Less: Interest Expense	(13,393)	(13,567)	(14,618)
21 Balance for Common	\$ 17,927	\$ 18,580	\$ 20,001
22 Rate Base	415,088	430,087	462,989
23 Common Equity Percentage	48%	48%	48%
24 Equity Component of Rate Base	199,242	206,442	222,235
25 Balance for Common	17,927	18,580	20,001
26 Equity Component of Rate Base	199,242	206,442	222,235
27 Return on Equity	9.0%	9.0%	9.0%
<b><u>Revenue Requirement Value of 1bp ROE</u></b>			
28 Net Income Attributable to 1bp of ROE (line 24 x 1bp)	\$ 20	\$ 21	\$ 22
29 / Retention Factor including FIT/SIT	58.91%	58.91%	58.91%
30 Revenue Requirement Value of 1bp ROE	\$ 34	\$ 35	\$ 38

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Revenue**  
**(\$000)**

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>Sales Revenue</u></b>			
1	Gross Base Delivery	\$ 146,093	\$ 154,548	\$ 161,660
2	Plus: Rate Increase	8,819	7,661	9,455
3	a Less: Economic Development Discounts	(20)	(11)	(6)
4	BIPP Charges	1,901	1,901	1,901
5	Net Base Delivery Charges	156,793	164,099	173,010
6	MFC/POR - Credit/Coll/Call Ctr/Admin <sup>1</sup>	7,025	7,025	7,025
7	b Energy Efficiency Portfolio Standards	6,081	5,401	5,592
8	c Temporary State Assessment Surcharge	3,237	1,168	-
9	R&D Surcharge	314	314	314
10	Gross Revenue Tax	3,364	3,755	4,012
11	<b>Total Sales Revenue</b>	176,814	181,761	189,953
12	Late Payments	1,564	1,629	1,708
	<b><u>Other Revenue</u></b>			
13	Reconnection, WMS, Line Extensions, Misc.	710	710	709
14	Intercompany Revenue	389	397	405
15	Damage Billing	167	167	167
16	<b>Total</b>	1,266	1,274	1,282
17	<b>Total</b>	<u>\$ 179,644</u>	<u>\$ 184,665</u>	<u>\$ 192,943</u>

**Notes:**

1) MFC reflects 2010 JP level. The actual MFC will be adjusted per Rate Design section of the JP.

Rochester Gas and Electric Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$000)

		A Rate Year 1 TME 4/30/2017	B Rate Year 2 TME 4/30/2018	C Rate Year 3 TME 4/30/2019
	<b><u>O&amp;M Expenses</u></b>			
1	Labor / Payroll	\$ 20,413	\$ 21,319	\$ 22,000
2	Variable Compensation	508	531	548
3	401K	792	865	944
4	Productivity Offset	(534)	(559)	(568)
5	Medical Benefits	1,335	1,364	1,392
6	Other Employee Benefits	62	63	65
7	OPEBs	955	958	1,148
8	Pension	5,512	6,130	5,666
9	Employee Related	430	439	448
10	Collections	689	704	718
11	Uncollectibles - Delivery	3,401	3,548	3,726
12	Insurance	581	593	606
13	Workers Comp	780	796	813
14	Injury / Damages	170	173	177
15	IUMC Costs	9,179	9,415	9,657
16	Outside Services	7,700	7,700	7,700
17	Legal / Regulatory Expense	202	202	202
18	Transportation	1,143	1,167	1,192
19	Vehicle Depreciation	1,494	1,593	1,694
20	Materials & Supplies	2,124	2,169	2,214
21	Postage	1,147	1,171	1,196
22	Telephone	229	234	239
23	Advertising	17	17	17
24	Rents & Leases	1,406	1,435	1,449
25	Regulatory Commission Assessment Fees	978	999	1,020
26	Stores	577	589	602
27	Integrity of Gas Pipeline	1,199	1,224	1,250
28	Incremental Maintenance	2,273	2,273	2,273
29	Vegetation Management	269	275	280
30	Environmental Remediation	2,023	2,023	2,023
31	a Economic Development	400	400	400
32	Low Income Program	4,146	5,459	6,773
33	Security	881	972	967
34	CS Enhancements	998	1,043	1,086
35	Communications - Reporting Gas Odors	215	220	225
36	Gas Expansion	642	293	295
37	Research & Development	1,230	1,230	1,230
38	Operations / Staffing Audit	20	20	20
39	Other	(842)	(876)	(891)
40	<b>Total Delivery O&amp;M</b>	<b>\$ 74,741</b>	<b>\$ 78,171</b>	<b>\$ 80,796</b>
	<b><u>Surcharge Expenses</u></b>			
41	b Energy Efficiency Portfolio Standards (EEPS)	\$ 6,081	\$ 5,401	\$ 5,592
42	c Temporary State Assessment Surcharge (TSAS)	3,237	1,168	-
43	<b>Total Surcharges</b>	<b>\$ 9,318</b>	<b>\$ 6,569</b>	<b>\$ 5,592</b>
	<b><u>Amortizations</u></b>			
44	PowerTax Regulatory Asset	\$ 1,017	\$ 1,017	\$ 1,017
45	Unfunded Income Tax Regulatory Asset	239	239	239
46	Property Tax Deferral	(239)	(239)	(239)
47	<b>Total Amortizations</b>	<b>\$ 1,018</b>	<b>\$ 1,018</b>	<b>\$ 1,018</b>
48	<b>Total O&amp;M Plus Surcharges, Deferrals &amp; Amortizations</b>	<b>\$ 85,077</b>	<b>\$ 85,757</b>	<b>\$ 87,406</b>

Rochester Gas and Electric Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Operation & Maintenance Expense  
(\$000)

		<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
	<b><u>Economic Development Reconciliation</u></b>			
<b>49</b>	Total Economic Development Program	\$ 420	\$ 411	\$ 406
<b>50</b>	a Rate Discounts	\$ 20	\$ 11	\$ 6
	<u>Non-Rate discounts:</u>			
<b>51</b>	a Economic Development - O&M	400	400	400
<b>52</b>	<b>Total Rate and Non-Rate Discounts</b>	<u>\$ 420</u>	<u>\$ 411</u>	<u>\$ 406</u>
	<b><u>Energy Efficiency Portfolio Standards Reconciliation</u></b>			
	<u>Revenue</u>			
<b>53</b>	b Energy Efficiency Portfolio Standards	\$ 6,081	\$ 5,401	\$ 5,592
	<u>O&amp;M Expense</u>			
<b>54</b>	b Energy Efficiency Portfolio Standards	6,081	5,401	5,592
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b><u>Temporary State Assessment Surcharge Reconciliation</u></b>			
	<u>Revenue</u>			
<b>55</b>	c Temporary State Assessment Surcharge	\$ 3,237	\$ 1,168	\$ -
	<u>Expense</u>			
<b>56</b>	c Temporary State Assessment Surcharge	3,237	1,168	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Rochester Gas and Electric Corporation**  
**Gas Department**

**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**

**Depreciation Expense**  
**(\$000)**

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b>1 Depreciation Expense</b>	<u>\$ 20,440</u>	<u>\$ 21,537</u>	<u>\$ 22,821</u>

Rochester Gas and Electric Corporation  
Gas Department

Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019

Operating Taxes  
(\$000)

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b><u>Gross Revenue Taxes</u></b>			
<b>1</b> Total Retail Revenue	\$ 176,814	\$ 181,761	\$ 189,953
<b>2</b> Average GRT Rate	2.00%	2.15%	2.21%
<b>3</b> Total Gross Revenue Tax	3,543	3,910	4,204
<b><u>Other Operating Taxes</u></b>			
<b>4</b> Property Taxes	26,003	27,576	29,183
<b>5</b> Payroll Taxes	1,682	1,736	1,792
<b>6</b> Total Other Operating Taxes	27,685	29,312	30,975
<b>7</b> Total	<u>\$ 31,228</u>	<u>\$ 33,222</u>	<u>\$ 35,178</u>

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Income Taxes**  
**(\$000)**

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b>1</b> Operating Income Before Income Taxes	\$ 42,900	\$ 44,149	\$ 47,538
<b>2</b> Interest Expense	(13,393)	(13,567)	(14,618)
<b>3</b> Book Income Before Income Taxes	29,507	30,582	32,920
<b>4</b> Federal Income Taxes @ 35.000%	10,327	10,704	11,522
<b>5</b> State Taxes @ 6.500%	1,918	1,988	2,140
<b>6</b> Fed Benefit of State Tax Deduction @ 2.275%	(671)	(696)	(749)
<b>7 Total Federal &amp; State @ Statutory Rates</b>	11,574	11,996	12,913
<b><u>Permanent Differences</u></b>			
<b>8</b> Meals and Entertainment	6	6	6
<b>9 Subtotal: Permanent Differences</b>	6	6	6
<b>10 Delivery Income Taxes (Lines 7 &amp; 16)</b>	\$ 11,580	\$ 12,002	\$ 12,919

Rochester Gas and Electric Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Capital Structure Summary Schedule  
(\$ 000 )

RG&E Capital Structure and Costs Rates (\$000)					
	<u>Weight</u>	<u>Cost Rate</u>	<u>Percent</u>	<u>Tax Gross- Up at</u>	<u>Before Tax</u>
<b><u>Rate Year 1</u></b>					
1 Long Term Debt	51.71%	6.23%	3.22%		3.22%
2 Customer Deposits	0.29%	0.85%	0.00%		0.00%
3 Total Debt	52.00%		3.23%		3.23%
4 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
5 Total	100.00%		7.55%		10.34%
<b><u>Rate Year 2</u></b>					
6 Long Term Debt	51.72%	6.09%	3.15%		3.15%
7 Customer Deposits	0.28%	0.85%	0.00%		0.00%
8 Total Debt	52.00%		3.15%		3.15%
9 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
10 Total	100.00%		7.47%		10.26%
<b><u>Rate Year 3</u></b>					
6 Long Term Debt	51.74%	6.10%	3.15%		3.15%
7 Customer Deposits	0.26%	0.85%	0.00%		0.00%
8 Total Debt	52.00%		3.16%		3.16%
9 Common Equity	48.00%	9.00%	4.32%	2.79%	7.11%
10 Total	100.00%		7.48%		10.26%

Rochester Gas and Electric Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Regulatory Amortizations  
(\$000)

	A	B	C	D	E
	Starting Rate Year		Rate Year 1	Rate Year 2	Rate Year 3
	Asset/(Liab)	Amortization	Amortization	Amortization	Amortization
	Balance	Period (years)	4/30/2017	4/30/2018	4/30/2019
<b>Amortizations</b>					
1 Bonus Depreciation NCR - 2010 Rate Plan	\$ (14,643)	-	\$ -	\$ -	\$ -
2 Cap Ex NCR 03-G-0766	646	-	-	-	-
3 Cost to Achieve Efficiency Initiatives	114	-	-	-	-
4 Economic Development	(1,127)	-	-	-	-
5 Energy Efficiency Portfolio Standard	35	-	-	-	-
6 Environmental	(8,787)	-	-	-	-
7 Excess DIT - New York State Tax Rate change	(1,193)	-	-	-	-
8 Gas ESM	(1,111)	-	-	-	-
9 Incremental Maintenance	(266)	-	-	-	-
10 IRS Audit - 1998-2001	(199)	-	-	-	-
11 Low Income Program	(855)	-	-	-	-
12 Management Audit - 2011	(38)	-	-	-	-
13 Medicare Part D	(360)	-	-	-	-
14 Mixed Use 263(a) NCR	(1,595)	-	-	-	-
15 Net Plant Reconciliation	(67)	-	-	-	-
16 NYS Tax Audit	624	-	-	-	-
17 NYS Tax Rate	(516)	-	-	-	-
18 OPEB Deferral	(1,070)	-	-	-	-
19 PBA Utilization	348	-	-	-	-
20 Pension Deferral	12,971	-	-	-	-
21 Gas Pipeline Integrity Costs	677	-	-	-	-
22 Property Tax Deferral	(19,260)	*	239	239	239
23 Property Tax 481(a) - NCR	(151)	-	-	-	-
24 Purchase of Receivables Discount	1,357	-	-	-	-
25 Gas R&D Deferral	(135)	-	-	-	-
26 Gas R&D Tax Credit	(192)	-	-	-	-
27 Sarbanes-Oxley	194	-	-	-	-
28 Service Quality Performance Program	(415)	-	-	-	-
29 Unit of Property CTA	228	-	-	-	-
30 PowerTax Regulatory Asset	34,584	34	(1,017)	(1,017)	(1,017)
31 Unfunded Income Tax Regulatory Asset	11,968	50	(239)	(239)	(239)
32 Variable Rate Debt	14	-	-	-	-
33 Vegetation Management	(228)	-	-	-	-
34 Continuation of Current Amorts - 2010 Rate Plan	4,358	-	-	-	-
35 <b>Total Amortizations</b>	<u>\$ 15,909</u>		<u>\$ (1,018)</u>	<u>\$ (1,018)</u>	<u>\$ (1,018)</u>

\* The Property Tax Deferral amortization is set to equal the Unfunded Income Tax Regulatory Asset amortization.

Rochester Gas and Electric Corporation  
Gas Department  
Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019  
Rate Base  
(\$000)

	<b>A</b> Rate Year 1 TME 4/30/2017	<b>B</b> Rate Year 2 TME 4/30/2018	<b>C</b> Rate Year 3 TME 4/30/2019
<b><u>Rate Base</u></b>			
1 Utility Plant	\$ 868,695	\$ 913,874	\$ 977,619
2 Depreciation Reserve	(365,597)	(381,314)	(398,361)
3 Materials & Supplies	2,810	2,869	2,930
4 Prepayments	10,023	10,234	10,449
5 O&M Working Capital per the FERC Formula	9,678	10,088	10,395
6 Deferred Debits & Credits	5,786	(1,254)	(6,281)
7 Deferred Income Taxes	(114,461)	(122,563)	(131,915)
8 Total Before Earnings Base-Capitalization Adjustment	\$ 416,934	\$ 431,934	\$ 464,835
9 Earnings Base-Capitalization Adjustment	(1,846)	(1,846)	(1,846)
10 <b>Total</b>	<b>\$ 415,088</b>	<b>\$ 430,087</b>	<b>\$ 462,989</b>

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Revenue Requirement for Forecast Years Ending April 30, 2017, 2018, 2019**  
**Deferred Debits & Credits - Average Balances**  
**(\$000)**

	<b>A</b>	<b>B</b>	<b>C</b>
	Rate Year 1	Rate Year 2	Rate Year 3
	TME	TME	TME
	4/30/2017	4/30/2018	4/30/2019
<b><u>Regulatory Assets &amp; Liabilities:</u></b>			
<b>1</b> Bonus Depreciation NCR - 2010 Rate Plan	\$ (14,643)	\$ (14,643)	\$ (14,643)
<b>2</b> Cap Ex NCR 03-G-0766	646	646	646
<b>3</b> Cost to Achieve Efficiency Initiatives	114	114	114
<b>4</b> Economic Development	(1,127)	(1,127)	(1,127)
<b>5</b> Energy Efficiency Portfolio Standard	35	35	35
<b>6</b> Environmental	(8,787)	(8,787)	(8,787)
<b>7</b> Excess DIT - New York State Tax Rate change	(1,193)	(1,193)	(1,193)
<b>8</b> Gas ESM	(1,111)	(1,111)	(1,111)
<b>9</b> Incremental Maintenance	(266)	(266)	(266)
<b>10</b> IRS Audit - 1998-2001	(199)	(199)	(199)
<b>11</b> Low Income Program	(855)	(855)	(855)
<b>12</b> Management Audit - 2011	(38)	(38)	(38)
<b>13</b> Medicare Part D	(360)	(360)	(360)
<b>14</b> Mixed Use 263(a) NCR	(1,595)	(1,595)	(1,595)
<b>15</b> Net Plant Reconciliation	(67)	(67)	(67)
<b>16</b> NYS Tax Audit	624	624	624
<b>17</b> NYS Tax Rate	(516)	(516)	(516)
<b>18</b> OPEB Deferral	(1,070)	(1,070)	(1,070)
<b>19</b> PBA Utilization	348	348	348
<b>20</b> Pension Deferral	12,971	12,971	12,971
<b>21</b> Gas Pipeline Integrity Costs	677	677	677
<b>22</b> Property Tax Deferral	(19,140)	(18,901)	(18,662)
<b>23</b> Property Tax 481(a) - NCR	(151)	(151)	(151)
<b>24</b> Purchase of Receivables Discount	1,357	1,357	1,357
<b>25</b> Gas R&D Deferral	(135)	(135)	(135)
<b>26</b> Gas R&D Tax Credit	(192)	(192)	(192)
<b>27</b> Sarbanes-Oxley	194	194	194
<b>28</b> Service Quality Performance Program	(415)	(415)	(415)
<b>29</b> Unit of Property CTA	228	228	228
<b>30</b> PowerTax Regulatory Asset	34,075	33,058	32,041
<b>31</b> Unfunded Income Tax Regulatory Asset	11,849	11,609	11,370
<b>32</b> Variable Rate Debt	14	14	14
<b>33</b> Vegetation Management	(228)	(228)	(228)
<b>34</b> Continuation of Current Amorts - 2010 Rate Plan	4,358	4,358	4,358
<b>35 Subtotal</b>	\$ 15,401	\$ 14,383	\$ 13,366
<b><u>Other Deferred Assets &amp; Liabilities:</u></b>			
<b>36</b> FAS-112 Post Employment Benefit Liability	\$ (814)	\$ (814)	\$ (814)
<b>37</b> Loss on Reacquired Debt	1,579	1,579	1,579
<b>38</b> Net (Gains)/Losses on Interest Rate Hedges	14,878	14,878	14,878
<b>39</b> OPEB Reserve	(29,391)	(28,703)	(28,146)
<b>40</b> Pension Asset	5,264	(1,448)	(6,014)
<b>41</b> PSC Assessment - General	(55)	(55)	(55)
<b>42</b> Workers Comp Reserve	(1,284)	(1,284)	(1,284)
<b>43</b> All Other	209	209	209
<b>44 Subtotal</b>	\$ (9,614)	\$ (15,637)	\$ (19,647)
<b>45 Grand Total</b>	\$ 5,786	\$ (1,254)	\$ (6,281)

### **Key Text Associated with Revenue Requirement**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

The text provided below is intended to assist in explaining the amounts included in the revenue requirement as depicted in Appendices B through E.

### **Revenue**

- 1) **Delivery Revenues:** Delivery Revenues reflect the forecast sales, units, customers and revenues for each applicable service class. Delivery revenues changes are provided on Appendix A - Summary Rate Increase Schedule and in detail on Appendices B through E - Revenue Requirements Schedules, Schedule B Revenues. Rate levelization has occurred at NYSEG Electric and NYSEG Gas, and rate shaping has occurred at RG&E Electric. The rate increase levelization deferral and the rate increase shaping deferral are depicted on Schedule B under “Deferrals & Amortizations.”
- 2) **NYSEG Electric Wholesale Transmission Revenues:** Wholesale Transmission Revenues for NYSEG Electric have been set at \$53.4 million. Any difference between actual transmission revenues and the level embedded in Delivery rates is recovered or returned through the Non-Bypassable Wires Charge (NBC).
- 3) **NYSEG Gas Transition Surcharge:** Effective May 1, 2016, the Deferred / Uncontrollable Cost Component will discontinue.
- 4) **NYSEG Electric Pole Attachment Revenues:** The NYSEG Electric revenue requirement includes pole attachment revenues and rate base associated with certain disputed joint-use poles and the potential purchase of half-interests in those joint-use poles. Appendix G - NYSEG Electric Pole Attachment Revenue Requirement illustrates the embedded revenue requirement of these disputed joint-use poles. If a sale of joint-use poles occurs, NYSEG Electric will defer the difference between the amount embedded in rates and the result of any sale. The deferred value will be included in the Rate Adjustment Mechanism.
- 5) **NYSEG Electric Excess Depreciation Reserve (“EDR”):** The revenue requirement for NYSEG Electric includes an EDR amortization of \$23.3 million annually. No EDR amortization is included in revenue requirement for each of the remaining Businesses, i.e., NYSEG Gas, RG&E Electric and RG&E Gas.
- 6) **Other Revenue – Damage Billings:** The revenue requirement excludes damage billings for Super Storm Sandy mutual aid provided to the Long Island Power Authority (“LIPA”).



**Operation and Maintenance Expenses**

- 7) **Labor / Payroll:** The revenue requirement for all Businesses reflects the labor and payroll amounts as adjusted in the Companies' rebuttal testimony.
- 8) **Variable Compensation:** The revenue requirement for all Businesses excludes executive variable compensation. The revenue requirement includes the customer-driven portion of non-executive variable compensation. As noted in the text of the Proposal, the Companies will work with Staff on the compensation studies to be provided in their next rate cases.
- 9) **Productivity:** The Productivity offset embedded in revenue requirement for all Businesses is set at 1.5%.
- 10) **Pension:** Pension costs reflect the Companies' actuarial calculation with an expected return on assets of 7.4% beginning in 2016 and then decreasing by 10 basis points per year.
- 11) **Insurance – NEIL Credits:** The revenue requirement includes an average of NEIL credits received over the prior three years, and the Companies will defer the difference between the amounts reflected in rates and any actual credits received. The average NEIL credit amounts included in the revenue requirement are reflected on Appendix Q - Reconciliation Targets.
- 12) **Iberdrola USA Management Corporation (“IUMC”) Costs:** The revenue requirement reflects the removal of 100% of Global Mobility costs from test year IUMC costs.
- 13) **Legal and Regulatory Rate Case Costs:** The revenue requirement includes \$4.375 million of rate case legal and consultant costs and is being amortized over three years.
- 14) **Major Electric Storm Cost:** The Major Electric Storm annual rate allowance for NYSEG Electric is \$21.4 million and the Major Electric Storm annual rate allowance for RG&E Electric is \$2.52 million. NYSEG Electric and RG&E Electric will continue to employ reserve accounting for qualifying major storms as defined in Appendix I - Major Storm Definition and Reserve Accounting.
- 15) **Minor Electric Storm Cost:** The Minor Electric Storm amount included in rates for NYSEG Electric is \$5.290 million annually. The RG&E annual Minor Electric Storm amount included in rates is \$2.412 million. There is no deferral or reserve accounting for Minor Storm costs.
- 16) **Incremental Maintenance Costs:** The revenue requirement reflects the Electric and Gas Incremental Maintenance costs for projects as identified in Appendix Q - Reconciliation Targets.
- 17) **Electric Distribution Vegetation Management Costs:** The revenue requirement includes Distribution Vegetation Management costs for NYSEG Electric, RY1 costs of \$25 million, RY2 costs of \$30 million and RY3 costs of \$30.3 million with downward reconciliation only as detailed in Appendix J - Electric Distribution and Transmission Vegetation Management.

The RG&E Electric revenue requirement includes Distribution Vegetation Management costs for RY1 of \$7.737 million, RY2 costs of \$7.919 million and RY3 costs of \$8.076 million with downward reconciliation only as detailed in Appendix J.

- 18) **Electric Transmission Vegetation Management Costs:** As detailed in Appendix J, the revenue requirement includes Transmission Vegetation Management costs for NYSEG Electric of \$5.8 million for RY1, \$6.13 million for RY2 and \$6.4 million for RY3. RG&E Electric includes Transmission Vegetation Management costs of \$1.3 million for RY1, \$1.3 million for RY2 and \$1.3 million for RY3.
- 19) **Environmental Remediation:** The revenue requirement includes an ongoing level of Environmental Remediation costs as shown on Appendices B through E as well as Appendix Q. The Companies will continue to utilize reserve accounting for environmental remediation costs.
- 20) **Economic Development:** The revenue requirement reflects an ongoing level of Economic Development costs. As noted in the Proposal, NYSEG Electric will utilize \$5 million of deferred Economic Development amounts for Energy Smart Community capital costs. Economic Development program details are included in Appendix Q.
- 21) **Low Income Program Costs:** The revenue requirement includes costs for Low Income Program bill reduction and arrears forgiveness components as detailed in Appendix O - Low Income Programs.
- 22) **NYSEG Gas Research and Development (“R&D”) Costs:** The revenue requirement for NYSEG Gas R&D will utilize a portion of the previously deferred R&D regulatory liability to offset annual R&D cost requirements over the term of this Rate Plan.
- 23) **Management and Operational Audit Costs:** The Companies will defer expenses associated with consultants for any management audit initiated by the Commission. The Companies will also defer expenses associated with consultants for operations or staffing audits initiated by the Commission in excess of one per rate year to the extent that costs exceed those allowed in base rates. To the extent the Commission does not include the treatment of net costs / benefits associated with the implementation of audit recommendations in the individual audit proceedings, the net cost / benefits of implementation any audit recommendation would be covered by Section XIX(K) (Legislative, Accounting, Regulatory, Tax and Related Actions).
- 24) **Electric and Gas Common Allocation Factors:** NYSEG and RG&E will implement new common allocation factors beginning in RY1. The common allocation factors are shown in Appendix Z - Common Allocation Factors.

### **Depreciation**

- 25) **Depreciation:** The revenue requirement reflects the depreciation rates as shown on Appendix U - Depreciation Rates. Depreciation rates (lives and salvage rates) to be used by

all Businesses, and the plant accounts upon which they will be used, are agreed to as part of this Proposal.

- 26) **NYSEG EDR:** The amortization of EDR in the NYSEG Electric Business is shown in Other Revenues (see paragraph 5 of this Appendix).
- 27) **Beebee and Russell Decommissioning:** The portion of the estimated total costs associated with the completion of the decommissioning efforts at both the Beebee and Russell sites which are in excess of the amounts previously collected for these efforts will be deferred. The estimated deferred amounts are built into revenue requirements as a 5-year amortization as noted on Schedule D of Appendix D.

### **Operating Taxes**

- 28) **Property Taxes:** The revenue requirement includes the forecast level of Property Tax expense. The Companies will reconcile property taxes in accordance with the text of the Proposal.

### **Income Taxes**

- 29) **Income Taxes – PowerTax Regulatory Asset:** The revenue requirement of the four Businesses reflects the recovery of the deferred PowerTax regulatory asset. The recovery period is over the average remaining book life for each respective Business. NYSEG Electric PowerTax regulatory asset is amortized over 27 years and NYSEG Gas PowerTax regulatory asset is amortized over 39 years. The RG&E Electric PowerTax regulatory asset is amortized over 39 years and the RG&E Gas PowerTax regulatory asset is amortized over 34 years.
- 30) **Income Taxes – Full Normalization:** The revenue requirement of the four Businesses reflects full normalization as of the start of RY1. NYSEG and RG&E are authorized to fully normalize all federal and state book / tax timing differences on their books and records. The Companies revenue requirements reflect the establishment of an Unfunded Future Income Tax regulatory asset at each Business being amortized over a 50 year period beginning at the start of RY1.
- 31) **Bonus Depreciation:** On December 18, 2015, the U.S. Congress passed the new tax extenders package, Protecting Americans from Tax Hikes Act of 2015, that modifies, extends or makes permanent several depreciation-related provisions including an extension and modification of bonus federal tax depreciation. The revenue requirement reflects the impacts of bonus depreciation, based on 100% of capital additions qualifying. The Companies will defer differences due to (1) definitional changes association with the December 18, 2015 legislation, and 2) future legislation and / or regulation under Section XIX(K) of the Proposal (Legislative, Accounting, Regulatory, Tax and Related Actions).

### **Capital Structure**

- 32) **Capital Structure:** The revenue requirement includes the utilization of a 48% common equity ratio and a return on equity ratio of 9.0% for all Businesses as detailed on Appendices B through E, Schedule G.

### **Amortizations**

- 33) **Amortizations:** The revenue requirement for NYSEG Electric and NYSEG Gas includes regulatory amortizations, the majority of which will be amortized over 5 years as detailed in Appendices B and C, Schedules H and in Appendix V. The exceptions for NYSEG Electric and NYSEG Gas are PowerTax Regulatory Asset and Unfunded Future Income Taxes per paragraphs 29 and 30 of this Appendix. The revenue requirement for RG&E Electric and RG&E Gas only includes amortizations for PowerTax Regulatory Asset and Unfunded Future Income Taxes per paragraphs 29 and 30 of this Appendix. RG&E Electric includes the utilization of the Positive Benefit Adjustment (PBA), Property Tax and Post Term Amortizations Deferral – 2010 Joint Proposal regulatory liability balances to offset Ginna Reliability Support Service (RSSA) costs in RY1-3 as detailed on Appendices D and E, Schedule H and Appendix V.

### **Rate Base**

- 34) **Rate Base:** The Rate Base amounts utilized in revenue requirement are detailed on Appendices B through E, Schedule I.

### **Deferred Debits and Credits**

- 35) **Deferred Debits and Credits:** The Deferred Debit and Credit amounts included in revenue requirement are detailed on Appendices B through E, Schedule J.

### **Other Items**

- 36) **Gas Supply:** The Companies and Staff agreed to remove all of NYSEG's and RG&E's heater fuel costs from delivery rates and recover such costs through the Gas Supply Charge consistent with the recovery of heater fuel costs at RG&E's Mendon Station.
- 37) **Gas Balancing:** See Schedule 1 of this Appendix.

### **Daily LDC Balancing Programs**

New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Gas

In accordance with the Commission’s Order in Case 14-G-0131, the Companies will make the following changes to the Companies’ daily LDC balancing programs.

#### **NYSEG SC 17 and RG&E SC 3 Customers**

Within six months of the Commission’s issuance of a final order in these proceedings, NYSEG and RG&E will modify their Daily LDC Balancing Programs to redefine their imbalance dead bands and associated cash-outs for daily LDC balanced customers as follows:

<b>NYSEG Daily LDC Balanced Customer (SC 17) Cash-Out Table</b>				
	Deficiency Imbalance	Index Price Adjustment	Surplus Imbalance	Index Price Adjustment
All Year	0 to -5%	Market Price	0 to +5%	Market Price
All Year	-5% to -10%	105% of Market Price	+5% to +10%	95% of Market Price
All Year	-10% to -15%	110% of Market Price	+10% to +15%	90% of Market Price
All Year	-15% to -20%	120% of Market Price	+15% to +20%	80% of Market Price
All Year	< -20%	150% of Market Price	> +20%	50% of Market Price

<b>RG&amp;E Daily LDC Balanced Customer (SC 3) Cash-Out Table</b>				
	Deficiency Imbalance	Index Price Adjustment	Surplus Imbalance	Index Price Adjustment
All Year	0 to -5%	Market Price	0 to +5%	Market Price
All Year	-5% to -10%	105% of Market Price	+5% to +10%	95% of Market Price
All Year	-10% to -15%	110% of Market Price	+10% to +15%	90% of Market Price
All Year	-15% to -20%	120% of Market Price	+15% to +20%	80% of Market Price
All Year	< -20%	150% of Market Price	> +20%	50% of Market Price

NYSEG and RG&E will calculate the daily balancing demand charge based on the initial dead bands set forth above.<sup>1</sup> NYSEG and RG&E will cash out to the initial dead bands on a day-to-day basis such that only imbalances greater than +/-5% would be cashed out and only back to the 5% level on a daily basis. At the end of the month, the daily imbalances, both positive and negative, would be cashed out to the 0% level.

<sup>1</sup> The Companies’ existing LDC balancing initial dead band is +/-10%.

### **NYSEG SC 15 and RG&E SC 10 Customers**

Within one year of a final order in these proceedings, NYSEG will update its SC 15 tariff and RG&E will update its SC 10 tariff to reflect the specific balancing requirements set forth below:

<b>NYSEG Daily Balanced Customer (SC 15) Cash-Out Table</b>				
	Deficiency Imbalance	Index Price Adjustment	Surplus Imbalance	Index Price Adjustment
All Year	0 to -2%	Market Price	0 to +2%	Market Price
All Year	-2% to -5%	110% of Market Price	+2% to +5%	90% of Market Price
All Year	-5% to -10%	120% of Market Price	+5% to +10%	80% of Market Price
All Year	< -10%	130% of Market Price	> +10%	70% of Market Price

<b>RG&amp;E Daily Balanced Customer (SC 10) Cash-Out Table</b>				
	Deficiency Imbalance	Index Price Adjustment	Surplus Imbalance	Index Price Adjustment
All Year	0 to -2%	Market Price	0 to +2%	Market Price
All Year	-2% to -5%	110% of Market Price	+2% to +5%	90% of Market Price
All Year	-5% to -10%	120% of Market Price	+5% to +10%	80% of Market Price
All Year	< -10%	130% of Market Price	> +10%	70% of Market Price

NYSEG and RG&E will calculate the daily balancing demand charge based on the initial dead bands set forth above.<sup>2</sup> NYSEG and RG&E will cash out to the initial dead bands on a day-to-day basis such that only imbalances greater than +/-2% would be cashed out and only back to the 2% level on a daily basis. At the end of the month, the daily imbalances, both positive and negative, would be cashed out to the 0% level.<sup>3</sup>

### **Balancing Demand Charge**

Upon implementation of the balancing programs, there will be a downward adjustment to the Balancing Demand Charge.

<sup>2</sup> The Companies' existing LDC balancing initial dead band is +/-10%.

<sup>3</sup> Prospective transportation service agreements will reflect the above balancing requirements.

NYSEG Electric  
Disputed Pole Attachment Revenue  
Embedded Revenue Requirement  
( ) = Credit or Lower Revenue Requirement  
(\$000)

Revenue Requirement Adjs	Revenue Requirement		Rate Year 1	Rate Year 2	Rate Year 3
	JP Appendix		TME	TME	TME
	Appendix	Schedule	4/30/2017	4/30/2018	4/30/2019
1 Rent Revenue	B	B	\$ (4,358)	\$ (4,358)	\$ (4,358)
2 Depreciation Expense	B	D	(457)	(454)	(449)
3 Operating Income Before Income Taxes			\$ (3,901)	\$ (3,904)	\$ (3,909)
4 Allowed Return on Rate Base, Before Tax			579	564	537
5 Revenue Requirement Adjustments, net			\$ (3,322)	\$ (3,341)	\$ (3,371)
6 Gross-up Factor			0.9836	0.9836	0.9836
7 Embedded Revenue Requirement <sup>1</sup>			\$ (3,377)	\$ (3,396)	\$ (3,427)
<u>Average Rate Base:</u>					
8 Utility Plant	B	I	27,109	27,109	27,109
9 Depreciation Reserve	""	""	(15,787)	(16,244)	(16,698)
10 Accumulated Deferred Income Taxes	""	""	(5,173)	(4,993)	(4,815)
11 Total Adjustments to Rate Base			6,150	5,872	5,596
12 Weighted Average Cost of Capital			9.41%	9.60%	9.60%
13 Allowed Return on Rate Base, Before Tax			579	564	537

<sup>1</sup> If a sale of joint-use poles occurs, NYSEG electric will defer the difference between the revenue requirement embedded in rates and the impact of the sale. The deferred value will be included in the RAM. Any deferral amount will be prorated if a sale is only for a portion of joint-use poles.

Note - the calculations included in this schedule assume the sale of half interests in 76,086 joint-use poles  
To the extent that the actual number of half-interests in poles sold vary from the 76,086 number, the revenue requirement and rate adjustments will be modified on a pro-rated basis based on the actual number of poles divided by 76,086.

**Earnings Sharing Mechanism – List of Inclusions and Exclusions,  
Measurement of Rate Base and Common Equity**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

**Included Items**

- 1) Gains and losses on the sale of property with an original cost of less than \$100,000;
- 2) Amortization of the gains and losses on reacquired debt, call premiums associated with recapitalization, and gains and losses on hedges consistent with PSC Orders related to RG&E and NYSEG Financing Petitions;
- 3) Amortization of deferred debits and credits used in calculating the revenue requirement;
- 4) All payroll and other employee benefits, including hourly, salary (non-executive) incentive and variable compensation, and executive incentive and variable compensation. Executive incentive compensation will be limited to no more than a ceiling of \$2,000,000 annually across all four Businesses, charged to electric or gas operating expense;
- 5) Qualified Pension and OPEB costs / income, including gains and losses, net of deferrals pursuant to the Commission's Policy Statement enunciated in Case 91-M-0890<sup>1</sup>;
- 6) Refunds of taxes or other costs considered part of the electric or gas cost of service as reported in conformance with 16 NYCRR § 89.3;
- 7) Revenues and costs of generation assets and liabilities, including generation in rate base;
- 8) All other revenues and prudently incurred expenses considered part of the electric or gas cost of service; and
- 9) Adjustments to interest expense and associated income taxes relating to the synchronization of interest expense with the capital structure supporting rate base.

**Excluded Items**

- 1) Allowance for Funds Used During Construction;
- 2) Interest accrued on any deferred revenue or costs that result during this Proposal;
- 3) Interest accrued under FIN 48 associated with tax risk exposures (under Section XIX(K) of the Proposal, the Companies will defer the revenue requirement impact of tax expense and associated interest resulting from rulings in tax audits);
- 4) Deferral of any shared earnings (income statement and balance sheet), shareholder incentives including performance incentives and leak prone pipe incentives, and asset sale incentives;
- 5) Revenue adjustments pursuant to the electric reliability, gas safety, customer service, and vegetation management mechanisms in this Proposal;
- 6) Interest on Temporary Cash Investments ("TCIs");

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<sup>1</sup> Case 91-M-0890 - In the Matter of the Development of a Statement of Policy Concerning the Accounting and Ratemaking Treatment for Pensions and Post Retirement Benefits Other than Pensions, Statement of Policy Concerning the Accounting and Ratemaking Treatment for Pensions and Post Retirement Benefits Other than Pensions (Sept. 7, 1993).



- 7) All other amounts charged to Other Income and Deductions consistent with the Uniform System of Accounts not considered part of cost of service;
- 8) Costs relating to non-qualified pension plans; and
- 9) Other Comprehensive Income from Common Equity.

#### **Rate Base and Common Equity**

- 1) The amount of common equity used for measuring earnings sharing will be the lower of actual average rate base times each Company's actual average equity ratio or actual average rate base times 50%;
- 2) Actual average rate base excludes non-operating amounts (including, but not limited to, TCIs, Interest-Bearing Construction Work in Progress, non-operating assets (e.g., investments in affiliates) and interest-bearing operating assets / liabilities); and
- 3) The amount of common equity used for measuring earning sharing will be further limited so that the sum of the common equity used in the Electric earnings test and the common equity used in the Gas earnings test does not exceed the respective Company's aggregate actual average equity.

#### **Prior Period Adjustments**

- 1) Prior period adjustments which would require recalculation and restatement of a previously filed ESM will be limited to changes for the applicable business required due to a new event impacting the prior year amount by \$1.0 million pre-tax or more at each NYSEG Electric and RG&E Electric or \$500,000 pre-tax or more at each NYSEG Gas or RG&E Gas. All other prior period items will remain in the ESM calculation for the year in which they are recorded on the books of that Business.

## **Major Storm Definition and Reserve Accounting**

New York State Electric & Gas Corporation – Electric  
Rochester Gas and Electric Corporation – Electric

### **Major Storm Definition**

A Major Storm will be defined as a period of adverse weather during which service interruptions affect at least 10% of customers or more and / or results in customers being without electric service for more than 24 hours in an operating district (16 NYCRR Part 97). For any operating district which does not meet the Major Storm definition above, incremental restoration costs related to that operating district will not be eligible for reserve accounting.

Except as otherwise provided herein, once a storm satisfies the Major Storm definition, incremental maintenance costs incurred to restore service as a result of the event must reach a level of at least \$750,000 for NYSEG and \$500,000 for RG&E in order for expenses related to the adverse weather event to be chargeable to the Major Storm Reserve.

### **Annual Allowance**

The annual allowance for Major Storms will be \$21.4 million for NYSEG and \$2.52 million for RG&E. The annual O&M allowance for Minor Storms will be \$5.29 million for NYSEG and \$2.41 million for RG&E. Major Storm costs will continue to utilize reserve accounting. Minor Storm costs will be expensed with no reserve or reconciliation.

To the extent that either Company incurs incremental Major Storm expenses in excess of the amount accrued in the Major Storm Reserve, that Company will defer expenses for recovery from customers. To the extent that either Company incurs Major Storm expenses less than the amount accrued in the Major Storm Reserve, the Company will defer the variation for future ratepayer benefit.

Deferred Major Storm cost will be included in the Company's RAM. The reserve balance, whether a debit balance or credit balance, will accrue carrying charges as delineated in the discussion of the Companies' RAM in Appendix S.

### **Calculation of Per Storm Threshold**

If a storm meets the primary definition of a Major Storm noted above, the incremental restoration costs for each operating district that meets the Major Storm definition will be totaled and compared to the per storm threshold. If the total incremental costs for all Major Storm districts are equal to or greater than the per storm threshold, the restoration costs for those operating districts determined to be major only will be charged to the storm reserve. If the total incremental costs fail to meet the per storm threshold, the storm costs will be considered Minor Storm costs and charged to the appropriate categories of O&M expenses.

Because the Companies track restoration costs by storm event and not by district,<sup>1</sup> an allocation factor will be used to determine the level of costs that would be charged to the storm reserve if direct assignment cannot be determined. The allocation factor will be based on the number of impacted customers in each district impacted by the storm event. Examples of the allocation process to be utilized are included at the end of this Appendix I.

### **Costs Chargeable to the Major Storm Reserve**

The following types of incremental restoration costs are appropriately charged to the Major Storm Reserve: incremental labor and the related applicable payroll taxes; and incremental accounts payable. Incremental labor is overtime paid to union and non-union employees consistent with corporate pay policies in conjunction with the storm event. Incremental accounts payable includes but is not limited to: tree trimming; mutual aid; other contractor / temporary employees; communication (excluding communication costs for cell phone usage); dry ice; water; lodging; food; miscellaneous employee expenses; transportation expenses that do not originate from the Companies; use taxes; and materials and supplies costs that the Companies would not have incurred except for the Major Storm event. Costs not chargeable against the Major Storm Reserve include: straight-time payroll; fleet costs other than fuel; employee benefits costs; loaders for stores and occupancy; and costs that are appropriately capitalized. Insurance proceeds associated with the storm event should be credited to the reserve. Intercompany regular pay and benefits charged to a sister company in conjunction with storm restoration for mutual aid will be credited to the Major Storm Reserve of the entity providing the mutual aid.

All incremental costs associated with restoration efforts that occur during a Major Storm and within ten days following the date on which the Company is able to serve all customers after such an event will be charged to the Major Storm Reserve consistent with meeting the thresholds and guidance stated above. The trigger of ten days does not refer to completion or receipt of billing from vendors or mutual aid-providing entities, but rather to the restoration of service to all customers. If incremental restoration efforts take place more than ten days following restoration of the ability to serve all customers, the Companies have the right to petition the Commission for authorization to charge costs related to those efforts to the Major Storm Reserve and these amounts would not be subject to the Commission's traditional "three-prong" deferral test.

### **Storm Preparation (Pre-Staging) Costs**

NYSEG is authorized, not more than three times per Rate Year, and RG&E is authorized, not more than twice per Rate Year, to charge their Major Storm Reserves for costs incurred to obtain the assistance of contractors and / or utility companies providing mutual assistance in reasonable anticipation that a storm will affect their electric operations to the degree meeting the criteria of a Major Storm, but which ultimately does not do so, when the costs exceed \$250,000 per event. The cost to obtain mutual assistance includes the cost of travel to and from NYSEG and / or RG&E. If the costs associated with securing and obtaining the mutual assistance for a storm that does not ultimately meet the definition of a Major Storm is less than the \$250,000

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<sup>1</sup> This allocation factor is necessary to determine the allocation of storm restoration costs between districts meeting the Major Storm definition and districts not meeting the definition.

threshold as described above, the relevant Company will charge the costs to its non-Major Storm expense (O&M expense).

### **Examples of Application of Allocation Process Among Multiple Districts**

#### **EXAMPLE 1 OF STORM COST ALLOCATION AMONG DISTRICTS WHERE NOT ALL DISTRICTS REACH OPERATIONAL MAJOR STORM DEFINITION**

Assumptions: Total Incremental Storm Recovery Costs of \$14,000,000  
Storm restoration takes 16 hours  
Three NYSEG Operating Districts require storm restoration

	Total <u>Customers</u>	Customers <u>Impacted</u>	Percent <u>Impacted</u>	Meet Major Storm <u>Ops definition?</u>	
District 1	50,000	13,000	26%	Yes	>10%
District 2	30,000	2,500	8%	No	
District 3	20,000	4,500	23%	Yes	>10%
		20,000			

#### **Two of the three districts meet the operational Major Storm definition**

Allocation Approach: Use the number of impacted customers as the basis for allocating the total incremental storm restoration costs

	% impacted <u>customers</u>	Times total <u>storm cost</u>	<b><u>Allocate to Major</u></b>	<b><u>Allocate to Minor</u></b>
District 1	65.0%	\$14,000,000	\$9,100,000	
District 2	12.5%	\$14,000,000		\$1,750,000
District 3	22.5%	\$14,000,000	\$3,150,000	
			\$12,250,000	\$1,750,000

Narrative: District 1 and District 3 meet the Major Storm operational definition - using the greater than 10% of customers impacted criteria.

Impacted customers in District 1 were 65% of the total number of impacted customers, and impacted customers in District 3 were 22.5% of the total number of impacted customers, therefore a total of 87.5% of the total incremental storm restoration costs are charged against the Major Storm Reserve. The remaining 12.5% of incremental storm restoration costs are charged as Minor Storm costs.

**EXAMPLE 2 OF STORM COST ALLOCATION AMONG DISTRICTS WHERE NOT ALL DISTRICTS REACH OPERATIONAL MAJOR STORM DEFINITION**

Assumptions: Total Incremental Storm Recovery Costs of \$900,000  
Storm restoration takes 16 hours  
Three NYSEG Operating Districts require storm restoration

	Total <u>Customers</u>	Customers <u>Impacted</u>	Percent <u>Impacted</u>	Meet Major Storm <u>Ops definition?</u>	
District 1	50,000	13,000	26%	Yes	>10%
District 2	30,000	2,500	8%	No	
District 3	20,000	4,500	23%	Yes	>10%
		20,000			

**Two of the three districts meet the operational Major Storm definition**

Allocation Approach: Use the number of impacted customers as the basis for allocating the total incremental storm restoration costs

	% impacted <u>customers</u>	Times total <u>storm cost</u>	<u>Allocate to Major</u>	<u>Allocate to Minor</u>
District 1	65.0%	\$900,000	\$585,000	
District 2	12.5%	\$900,000		\$112,500
District 3	22.5%	\$900,000	\$202,500	
			\$787,500	\$112,500

Narrative: District 1 and District 3 meet the Major Storm operational definition - using the greater than 10% of customers impacted criteria.

Impacted customers in District 1 were 65% of the total number of impacted customers, and impacted customers in District 3 were 22.5% of the total number of impacted customers, therefore a total of 87.5% of the total incremental storm restoration costs are charged against the Major Storm Reserve. The remaining 12.5% of incremental storm restoration costs are charged as Minor Storm costs.

**EXAMPLE 3 OF STORM COST ALLOCATION AMONG DISTRICTS WHERE NOT ALL DISTRICTS REACH OPERATIONAL MAJOR STORM DEFINITION**

Assumptions: Total Incremental Storm Recovery Costs of \$900,000  
Storm restoration takes 16 hours  
Three NYSEG Operating Districts require storm restoration

	<u>Total Customers</u>	<u>Customers Impacted</u>	<u>Percent Impacted</u>	<u>Meet Major Storm Ops definition?</u>	
District 1	50,000	13,000	26%	Yes	>10%
District 2	30,000	2,500	8%	No	
District 3	20,000	4,500	23%	Yes	>10%
		20,000			

**Two of the three districts meet the operational Major Storm definition**

Allocation Approach: Use the number of impacted customers as the basis for allocating the total incremental storm restoration costs

	<u>% impacted customers</u>	<u>Times total storm cost</u>	<u>Allocate to Major</u>	<u>Allocate to Minor</u>
District 1	65.0%	\$850,000		\$552,500
District 2	12.5%	\$850,000		\$106,250
District 3	22.5%	\$850,000		\$191,250
			\$0	\$850,000

**Narrative:**

Consistent with Storm Definition proposal, the total incremental costs for those districts meeting the operational Major Storm definition is \$743,750 and this amount is below the \$750,000 NYSEG threshold. Therefore none of the \$850,000 would be charged to the Major Storm Reserve.

**Electric Distribution and Transmission Vegetation Management**

New York State Electric & Gas Corporation – Electric  
Rochester Gas and Electric Corporation – Electric

**NYSEG Electric – Distribution Vegetation Management**

NYSEG will utilize the following schedule and Rate Year funding levels for its distribution system vegetation management:

<b>Distribution</b>	
<b>Year</b>	<b>Annual Funding Level</b>
Rate Year 1	\$25.0 million
Rate Year 2	\$30.0 million
Rate Year 3	\$30.3 million
Calendar 2016	\$23.33 million
Calendar 2017	\$28.33 million
Calendar 2018	\$30.0 million
Calendar 2019	\$30.0 million

**RG&E Electric – Distribution Vegetation Management**

RG&E Electric will continue its full-cycle vegetation management trimming for its distribution system and will utilize the following schedule and Rate Year funding levels:

<b>Distribution</b>	
<b>Year</b>	<b>Annual Funding Level</b>
Rate Year 1	\$7.8 million
Rate Year 2	\$7.9 million
Rate Year 3	\$8.1 million
Calendar 2016	\$7.4 million
Calendar 2017	\$7.86 million
Calendar 2018	\$8.03 million
Calendar 2019	\$8.1 million

**Electric Distribution Vegetation Management Reconciliation**

For purposes of the downward-only reconciliation, each Company will calculate any underage in spending on its distribution vegetation management program based on a calendar year comparison, using the calendar year amounts identified above. If the amount expended by a Company for distribution vegetation management is less than the Company's funding level targets, that Company will defer the shortfall for use in subsequent calendar years.

**Electric Distribution Vegetation Management Mileage Targets and Revenue Adjustments**

NYSEG agrees that for any operating division that has completed its five-year trim cycle as of the end of calendar year 2015, it will trim that entire division's mileage over the five-year period (i.e., 2016 – 2020).

If NYSEG Electric fails to meet the minimum total target distribution trimming miles [Start Redaction] [End Redaction] on an annual calendar year basis, a negative revenue adjustment of \$2.15 million will be applied.

If RG&E Electric fails to meet the minimum total target distribution trimming miles [Start Redaction] [End Redaction] on an annual calendar year basis, a negative revenue adjustment of \$420,000 will be applied.

**Electric Distribution Vegetation Management Reporting**

By March 15th of each year, the Companies will report to the Secretary to the Commission the prior year's distribution vegetation management expenditures and distribution mileage by voltage class. By March 15th of each year (beginning in 2017), the Companies will report to the Secretary to the Commission on the Companies' unit cost based on mileage for regular clearing and the unit cost for non-mileage hot spot / immediate reliability work trimming. The hot spot / immediate reliability unit cost consists of a time and equipment rate. Both unit costs will be determined through a competitive process. The report will segregate any divisions which have met their five-year cycle trim as of the end of calendar year 2015.

By March 15th of each year, the Companies will report to the Secretary to the Commission the distribution mileage trimming anticipated for that year by voltage class as calculated utilizing the unit cost and the overall level of allowed vegetation management funding for the current year. The planned level of distribution hot spot expenditures will also be identified. Upon receipt of the Companies' March 15th report, Staff will provide its comments and any recommendations to assist the Companies in balancing reliability benefits against total achievable distribution mileage trimming.

**Electric Distribution Trimming Specifications**

The Companies agree to share with Staff the "full-spec" trimming specifications used in bidding for contracting services required to perform distribution vegetation management. The Companies and Staff may reach an alternative agreement regarding use of modified trimming specifications in limited locations.



**NYSEG Electric – Transmission Vegetation Management**

NYSEG's vegetation management trimming for its transmission system will utilize the following schedule and Rate Year funding levels:

<b>Transmission</b>	
<b>Year</b>	<b>Annual Funding Level</b>
Rate Year 1	\$5.80 million
Rate Year 2	\$6.13 million
Rate Year 3	\$6.40 million

The funding levels provide for the hiring of one additional dedicated transmission arborist in RY2 and one additional dedicated transmission arborist in RY3.

**RG&E Electric – Transmission Vegetation Management**

RG&E's vegetation management trimming for its transmission system will utilize the following schedule and Rate Year funding levels:

<b>Transmission</b>	
<b>Year</b>	<b>Annual Funding Level</b>
Rate Year 1	\$1.3 million
Rate Year 2	\$1.3 million
Rate Year 3	\$1.3 million

## **Accounting and Tax Matters**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

### **Accounting Matters**

#### *Units of Property*

The Companies will align and establish consistent definitions for a number of types of units of property between the Companies. This will result in better and more consistent tracking of property and costs. The change primarily affects the level of O&M expense for NYSEG Electric as NYSEG will adopt the RG&E Electric definition of units of property for cross arms, guy wires, anchors and cutouts. These items were previously expensed at NYSEG and will now be capitalized. The estimated impact of this change at NYSEG Electric was a \$1.65 million reduction in O&M expense from the test year to the rate year.

#### *Capitalization of Payments Made to Third-Party Entities*

The Companies will capitalize and amortize / depreciate payments made to third-party entities for the installation and upgrade of equipment at facilities owned by these third-party entities when those installations and upgrades are required to support the completion of major capital projects at NYSEG or RG&E. Previously, the Companies' Electric Businesses have treated comparable payments to these entities as an O&M cost. Staff and the Companies agree that the Companies should utilize an alternative accounting approach that capitalizes these types of project payments made to third-party entities when they are in excess of \$500,000.

The Companies have identified several projects where this situation is expected and the agreement to capitalize payments made to third-party entities has been reflected in revenue requirements. The two largest examples are:

- RG&E's Rochester Area Reliability Project, with expected payments of more than \$7 million to third-party entities; and
- NYSEG's Auburn Transmission Project, with expected payments of nearly \$7 million to third-party entities.

The Companies' Gas Businesses will continue to capitalize payments made to pipeline companies for capital project costs consistent with past practice.

#### *Gas Mains and Services*

The Companies will capitalize, with the cost of new mains, the associated costs to tie existing services to the new mains. The Companies also will capitalize, with the cost of new services, the reconnection of customer house lines when services are replaced or relocated. Previously the

Companies have accounted for these costs as O&M expense, and these costs (approximately \$1 million at NYSEG Gas and \$400,000 at RG&E Gas in the test year) are not included in the Companies' O&M revenue requirements.

### **Tax Matters**

#### *PowerTax Regulatory Asset*

The revenue requirement of the four Businesses reflects the recovery of the deferred PowerTax regulatory asset. The recovery period is over the average remaining book life for each respective Business. Specifically, the NYSEG Electric PowerTax regulatory asset will be amortized over 27 years; the NYSEG Gas PowerTax regulatory asset will be amortized over 39 years; the RG&E Electric PowerTax regulatory asset will be amortized over 39 years; and the RG&E Gas PowerTax regulatory asset will be amortized over 34 years. Staff will conduct an audit during the term of the Rate Plan to verify balances related to the PowerTax regulatory assets. Staff and the Companies will work together to resolve any differences. Differences that cannot be resolved will be submitted to the Commission's Alternative Dispute Resolution process for resolution. Final agreed-upon or Commission-ordered differences resulting from the Staff audit will be applied to the PowerTax Regulatory Asset and amortized over the remaining life.

#### *Normalization and Unfunded Income Tax Regulatory Assets*

The revenue requirement of the four Businesses reflects full tax normalization as of May 1, 2016. NYSEG and RG&E are authorized to fully normalize all federal and state book / tax timing differences on their books and records. The Companies' revenue requirements reflect the establishment of an Unfunded Income Tax regulatory asset at each Business being amortized over a 50-year period beginning May 1, 2016.

Staff will conduct an audit during the Rate Plan term to verify the balances related to the unfunded income tax regulatory assets. Staff will conduct an audit during the term of the Rate Plan to verify balances related to the PowerTax regulatory assets. Staff and the Companies will work together to resolve any differences. Differences that cannot be resolved will be submitted to the Commission's Alternative Dispute Resolution process for resolution. Final agreed upon or Commission ordered differences resulting from the Staff audit will be applied to the Unfunded Income Tax regulatory asset and amortized over 50 years.

#### *Bonus Tax Depreciation*

On December 18, 2015, the United State Congress passed a tax extenders package, Protecting Americans from Tax Hikes Act of 2015, that modifies, extends, or makes permanent several depreciation-related provisions including an extension and modification of bonus federal tax depreciation. The extension of bonus federal tax depreciation is reflected in the calculation of the Companies' revenue requirements for purposes of the Proposal.

The Companies continue to review the new federal legislation and, to the extent regulatory rules are adopted that are different than assumed (e.g., qualifying property), then adjustments to the

impacts of the extension of bonus depreciation may be necessary. Therefore, the Companies will defer differences pursuant to the provisions of Section XIX(K) (Legislative, Accounting, Regulatory, Tax and Related Actions) to the Proposal due to: (1) definitional changes associated with the December 18, 2015 legislation; and (2) future legislation and/or regulation.

*Tax Audits*

The Companies will defer the revenue requirement impact of all tax expense and associated interest recorded as the result of federal, state and local tax audits.

## **Electric Reliability Measures**

New York State Electric & Gas Corporation – Electric  
Rochester Gas and Electric Corporation – Electric

### **Electric Company Reliability Performance**

Beginning in 2016 and continuing until changed by the Commission, should NYSEG Electric or RG&E Electric fail to meet any of the reliability performance targets<sup>1</sup> set forth below during any calendar year, the associated negative electric system reliability revenue adjustment will apply as outlined in the following table:

	<b>Performance Target</b>	<b>Base Revenue Adjustment</b>
<b>Frequency (SAIFI)</b>		
NYSEG		
Minimum Threshold	1.20	\$3,500,000
Maximum Threshold	1.26	\$7,000,000
RG&E	0.90	\$5,000,000
<b>Duration (CAIDI)</b>		
NYSEG		
Minimum Threshold	2.08	\$3,500,000
Maximum Threshold	2.18	\$7,000,000
RG&E	1.90	\$5,000,000

### **Events Outside of the Companies' Control**

Factors beyond the control of the Companies (“Non-Utility Control Outages”) could adversely affect the ability of each Company to meet the electric reliability performance measure targets established in this Appendix. Non-Utility Control outages include, but are not limited to, outages due to the following: (1) vandalism; (2) unexpected deforestation (e.g., Emerald Ash Borer); (3) foreign utility supply; (4) motor vehicle accidents; (5) weather; (6) strategic pole hits; and (7) disruptions in neighboring utility systems. Accordingly, the Companies do not waive and expressly retain their right to petition the Commission for a waiver, release, or other relief related to a Company’s failure to meet the targets set forth in this Appendix as a result of factors beyond the Company’s control. The Companies may petition the Commission to request that Non-Utility Control outages be exempt from SAIFI and CAIDI calculations within 45 days after such an outage occurs.

### **Reporting Requirements**

By March 15th of each year, each Company shall file with the Secretary to the Commission a report on electric reliability for the prior calendar year period.

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<sup>1</sup> “SAIFI” is System Average Interruption Frequency Index. “CAIDI” is Customer Average Interruption Duration Index.

## **Gas Safety Performance Measures**

New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Gas

For the Term of the Proposal, beginning in Calendar Year (“CY”) 2016 and until changed by the Commission, the Companies shall be subject to the following gas safety performance measures. The Companies will also be subject to negative revenue adjustments (“NRAs”) for failing to meet the performance targets described below as well as positive revenue adjustments (“PRAs”) for exceeding such targets as set forth below. The gas safety performance measures (and associated NRAs and PRAs) are based on the Commission’s rules and regulations in effect as of the signing of this Proposal. Any new rules or regulations would not be included in the determination of any NRAs or PRAs.<sup>1</sup>

### **Leak Prone Main**

NYSEG and RG&E will replace, at a minimum, the following miles of leak prone main:<sup>2</sup> (1) 26 miles in CY 2016; (2) 28 miles in CY 2017; and (3) 30 miles in CY 2018. If either NYSEG or RG&E fails to meet these annual mileage targets, the applicable Company will incur an NRA of 8 basis points.

If the annual mileage target is not met in either CY 2016, 2017 or 2018, then a 3-year average of 28 miles can be used as the target. If the 3-year average is being utilized as the annual mileage target, then a combined NRA of 24 basis points will be incurred if the target is not met.

The annual mileage target will continue for future calendar years at the same levels identified for CY 2018 until rates are reset by the Commission.

Beginning in CY 2019, in the event NYSEG or RG&E replaces or eliminates Leak Prone Main in excess of their mileage targets and associated mileage buffer (i.e., 31 miles), for each full mile in excess of the applicable target, the Company shall receive a PRA of 2 basis points per additional mile,<sup>3</sup> capped at a maximum of 5 miles (i.e., 10 basis points) per calendar year which the Companies will defer for future recovery. This positive incentive mechanism will continue until changed by the Commission. For the avoidance of doubt, the Companies are expressly authorized to include Leak Prone Main eliminations (abandonment, disuse or any other method that terminates use of the Leak Prone Main while still serving the customer) in this deferral mechanism.

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<sup>1</sup> For the avoidance of doubt, the Companies’ Emergency Response metric will not include carbon monoxide reports in the determination of any NRA.

<sup>2</sup> NYSEG and RG&E may include Distribution Integrity Management Plan pre-1971 wrapped steel to meet the Leak Prone Pipe annual mileage target provided that the applicable Company provides adequate justification and supporting documentation to Staff.

<sup>3</sup> For example, 32.99 leak prone pipe miles replaced will result in a PRA of 2 basis points.

### **Leak Backlog Management**

The year-end total leak backlog (Types 1, 2, 2A and 3) target for each Company in CY 2016, 2017 and 2018 is 100 leaks. If the year-end total leak backlog exceeds this target, the Company will incur an NRA of 12 basis points.

If the year-end total leak backlog for either RG&E or NYSEG is 25 leaks or less, the Company will incur a PRA of 5 basis points.

### **Emergency Response**

For CY 2016, 2017 and 2018, NYSEG and RG&E will respond to:

- (1) 75% of all gas leak and odor calls within 30 minutes each calendar year. If NYSEG or RG&E fails to meet this target, it will incur a 6 basis point NRA.
- (2) 90% of all gas leak and odor calls within 45 minutes each calendar year. If NYSEG or RG&E fails to meet this target, it will incur a 4 basis point NRA.
- (3) 95% of all gas leak and odor calls within 60 minutes each calendar year. If NYSEG or RG&E fails to meet this target, it will incur a 2 basis point NRA.

Gas leak and odor calls resulting from mass area odor complaints, major weather related occurrences and major equipment failure are excluded from this performance measure. These calls shall be approved by the Commission prior to their exclusion.

### **Gas Safety Violations Performance Measure**

NYSEG and RG&E will incur an NRA for instances of noncompliance (occurrences) of certain pipeline safety regulations, set forth in 16 NYCRR Parts 255 and 261 (see Schedule 1 of this Appendix), as identified during Staff's annual field and record audits. This Appendix sets forth a list of identified "High Risk" and "Other Risk" pipeline safety regulations pertaining to this metric. Each Company will be assessed an NRA for each High Risk or Other Risk occurrence up to a combined maximum of: (1) 30 basis points for CY 2016; (2) 60 basis points for CY 2017 and (3) 100 basis points each CY thereafter as set forth below:

#### **NYSEG**

<b>Violation Type</b>	<b>NRA<sup>4</sup> (basis points)</b>	<b>CY 2016 Target</b>	<b>CY 2017 Target</b>	<b>CY 2018 Target</b>
High Risk	1/2	51-75	26-50	1-25
	1	76+	51+	26+
Other Risk	1/9	51-75	26-50	1-25
	1/3	76+	51+	26+

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<sup>4</sup> The NRA will be incurred for each occurrence of a High Risk or Other Risk Gas Safety Violation.

RG&E

<b>Violation Type</b>	<b>NRA<sup>5</sup> (basis points per violation)</b>	<b>CY 2016 Target</b>	<b>CY 2017 Target</b>	<b>CY 2018 Target</b>
High Risk	1/2	11-25	6-25	1-25
	1	26+	26+	26+
Other Risk	1/9	11-25	6-25	1-25
	1/3	26+	26+	26+

The NRA described above will be capped at 10 violations / occurrences per section of the Commission's pipeline safety regulations subject to this performance measure as listed in this Appendix. With respect to violations, only documentation or actions performed, or required to be documented or performed, on or after the date of the Commission's approval of the Proposal will constitute an occurrence under the metric.

This metric will be measured on a calendar year basis and will become effective January 1, 2017 (meaning, therefore, the 2017 audit of CY 2016 will be the first applicable audit for these targets). At the conclusion of each audit, Staff will offer and hold a compliance meeting with the Companies where Staff will present its findings to the Companies. The Companies will have ten business days from the date the audit findings are presented to cure any identified document deficiency. Only official NYSEG and / or RG&E records, as defined in the Companies' Operating and Maintenance plan, will be considered by Staff as a cure to a document deficiency.

Staff will submit its final audit report to the Secretary to the Commission. If the Companies dispute any of Staff's final audit results including, but not limited to, the counting of violations that encompass more than one code section towards this metric, the Companies may appeal Staff's finding[s] to the Commission. The Companies will not incur an NRA on the contested finding[s] until such time as the Commission has issued a final decision on the contested finding[s]. The Companies do not waive their right to seek an appeal of any Commission determination regarding a violation or penalty under applicable law.

If an alleged High Risk or Other Risk violation set forth in this appendix is the subject of a separate penalty proceeding by the Commission under PSL Section 25 or 25-a, that instance will not constitute an occurrence under this performance metric.

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<sup>5</sup> The NRA will be incurred for each occurrence of a High Risk or Other Risk Gas Safety Violation.



### **Damage Prevention**

NYSEG and RG&E will be subject to the following gas Total Damage targets, Mismark targets, and Company / Company Contractor Damages (“CCCD”) and corresponding potential NRAs:

<b>Damage Type</b>	<b>Calendar Year End (per 1,000 tickets)</b>			<b>NRA (basis points)</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	
Total Damages (+ No Calls and Excavators)	1.77	1.74	1.71	4
Mismarks	0.41	0.39	0.37	10
CCCD	0.09	0.09	0.08	4

The Companies will voluntarily report all previous unreported damages upon discovery. Such previous unreported damages, however, shall not be included for purposes of calculating whether the Companies have met their Damage Prevention metrics.

### **Events Outside of the Companies’ Control**

Factors beyond the control of the Companies could adversely affect the ability of each Company to meet the gas safety performance measure targets established in this Appendix. Examples of such factors could include, but are not limited to: weather; contractor damage to pipes; and disruptions in neighboring utility systems. Accordingly, the Companies do not waive and expressly retain their right to petition the Commission for a waiver, release, or other relief related to a Company’s failure to meet the targets set forth in this Appendix as a result of factors beyond the Company’s control. The Companies may petition the Commission for relief within 45 days after such an event occurs.

### **Reporting Requirements**

By March 15th of each year, each Company shall file with the Secretary to the Commission a report on gas safety performance for the prior calendar year period.

HIGH RISK SECTIONS PART 255		
ACTIVITY TITLE	CODE SECTION	RISK FACTOR
Material - General	255.53(a),(b),(c)	HIGH
Transportation of Pipe	255.65	HIGH
Pipe Design - General	255.103	HIGH
Design of Components - General Requirements	255.143	HIGH
Design of Components - Flexibility	255.159	HIGH
Design of Components - Supports and anchors	255.161	HIGH
Compressor Stations: Emergency shutdown	255.167	HIGH
Compressor Stations: Pressure limiting devices	255.169	HIGH
Compressor Stations: Ventilation	255.173	HIGH
Valves on pipelines to operate at 125 psig or more	255.179	HIGH
Distribution line valves	255.181	HIGH
Vaults: Structural Design requirements	255.183	HIGH
Vaults: Drainage and waterproofing	255.189	HIGH
Protection against accidental overpressuring	255.195	HIGH
Control of the pressure of gas delivered from high pressure distribution systems	255.197	HIGH
Requirements for design of pressure relief and limiting devices	255.199	HIGH
Required capacity of pressure relieving and limiting stations	255.201	HIGH
Qualification of welding procedures	255.225	HIGH
Qualification of Welders	255.227	HIGH
Protection from weather	255.231	HIGH
Miter Joints	255.233	HIGH
Preparation for welding	255.235	HIGH
Inspection and test of welds	255.241(a),(b)	HIGH
Nondestructive testing-Pipeline to operate at 125 PSIG or more	255.243(a)-(e)	HIGH
Welding inspector	255.244(a),(b),(c)	HIGH
Repair or removal of defects	255.245	HIGH
Joining Of Materials Other Than By Welding - General	255.273	HIGH
Joining Of Materials Other Than By Welding - Copper Pipe	255.279	HIGH
Joining Of Materials Other Than By Welding - Plastic Pipe	255.281	HIGH
Plastic pipe: Qualifying persons to make joints	255.285(a),(b),(d)	HIGH
Notification requirements	255.302	HIGH
Compliance with construction standards	255.303	HIGH
Inspection: General	255.305	HIGH
Inspection of materials	255.307	HIGH
Repair of steel pipe	255.309	HIGH
Repair of plastic pipe	255.311	HIGH
Bends and elbows	255.313(a),(b),(c)	HIGH
Wrinkle bends in steel pipe	255.315	HIGH
Installation of plastic pipe	255.321	HIGH
Underground clearance	255.325	HIGH
Customer meters and service regulators: Installation	255.357(d)	HIGH
Service lines: Installation	255.361(e),(f),(g),(h),(i)	HIGH
Service lines: Location of valves	255.365(b)	HIGH
External corrosion control: Buried or submerged pipelines installed after July 31, 1971	255.455(d),(e)	HIGH
External corrosion control: Buried or submerged pipelines installed before August 1, 1971	255.457	HIGH
External corrosion control: Protective coating	255.461(c)	HIGH
External corrosion control: Cathodic protection	255.463	HIGH
External corrosion control: Monitoring	255.465(a),(e)	HIGH
Internal corrosion control: Design and construction of transmission line	255.476(a),(c)	HIGH
Remedial measures: General	255.483	HIGH
Remedial measures: transmission lines	255.485(a),(b)	HIGH
Strength test requirements for steel pipelines to operate at 125 PSIG or more	255.505(a),(b),(c),(d)	HIGH
General requirements (UPGRADES)	255.553 (a),(b),(c),(f)	HIGH
Upgrading to a pressure of 125 PSIG or more in steel pipelines	255.555	HIGH
Upgrading to a pressure less than 125 PSIG	255.557	HIGH
Conversion to service subject to this Part	255.559(a)	HIGH
General provisions	255.603	HIGH
Operator Qualification	255.604	HIGH
Essentials of operating and maintenance plan	255.605	HIGH
Change in class location: Required study	255.609	HIGH
Damage prevention program	255.614	HIGH
Emergency Plans	255.615	HIGH

Customer education and information program	255.616	HIGH
Maximum allowable operating pressure: Steel or plastic pipelines	255.619	HIGH
Maximum allowable operating pressure: High pressure distribution systems	255.621	HIGH
Maximum and minimum allowable operating pressure: Low pressure distribution systems	255.623	HIGH
Odorization of gas	255.625(a),(b)	HIGH
Tapping pipelines under pressure	255.627	HIGH
Purging of pipelines	255.629	HIGH
Control Room Management	255.631(a)	HIGH
Transmission lines: Patrolling	255.705	HIGH
Leakage Surveys - Transmission	255.706	HIGH
Transmission lines: General requirements for repair procedures	255.711	HIGH
Transmission lines: Permanent field repair of imperfections and damages	255.713	HIGH
Transmission lines: Permanent field repair of welds	255.715	HIGH
Transmission lines: Permanent field repair of leaks	255.717	HIGH
Transmission lines: Testing of repairs	255.719	HIGH
Distribution systems: Leak surveys and procedures	255.723	HIGH
Compressor stations: procedures	255.729	HIGH
Compressor stations: Inspection and testing relief devices	255.731	HIGH
Compressor stations: Additional inspections	255.732	HIGH
Compressor stations: Gas detection	255.736	HIGH
Pressure limiting and regulating stations: Inspection and testing	255.739(a),(b)	HIGH
Regulator Station Overpressure Protection	255.743(a),(b)	HIGH
Transmission Line Valves	255.745	HIGH
Prevention of accidental ignition	255.751	HIGH
Protecting cast iron pipelines	255.755	HIGH
Replacement of exposed or undermined cast iron piping	255.756	HIGH
Replacement of cast iron mains paralleling excavations	255.757	HIGH
Leaks: Records	255.807(d)	HIGH
Leaks: Instrument sensitivity verification	255.809	HIGH
Leaks: Type 1	255.811(b),(c),(d),(e)	HIGH
Leaks: Type 2A	255.813(b),(c),(d)	HIGH
Leaks: Type 2	255.815(b),(c),(d)	HIGH
Leak Follow-up	255.819(a)	HIGH
High Consequence Areas	255.905	HIGH
Required Elements (IMP)	255.911	HIGH
Knowledge and Training (IMP)	255.915	HIGH
Identification of Potential Threats to Pipeline Integrity and Use of the Threat Identification in an Integrity Program (IMP)	255.917	HIGH
Baseline Assessment Plan( IMP)	255.919	HIGH
Conducting a Baseline Assessment (IMP)	255.921	HIGH
Direct Assessment (IMP)	255.923	HIGH
External Corrosion Direct Assessment (ECDA) (IMP)	255.925	HIGH
Internal Corrosion Direct Assessment (ICDA) (IMP)	255.927	HIGH
Confirmatory Direct Assessment (CDA) (IMP)	255.931	HIGH
Addressing Integrity Issues (IMP)	255.933	HIGH
Preventive and Mitigative Measures to Protect the High Consequence Areas (IMP)	255.935	HIGH
Continual Process of Evaluation and Assessment (IMP)	255.937	HIGH
Reassessment Intervals (IMP)	255.939	HIGH
General requirements of a GDPIM plan	255.1003	HIGH
Implementation requirements of a GDPIM plan.	255.1005	HIGH
Required elements of a GDPIM plan.	255.1007	HIGH
Required report when compression couplings fail.	255.1009	HIGH
Requirements a small liquefied petroleum gas (LPG) operator must satisfy to implement a GDPIM plan	255.1015	HIGH

HIGH RISK SECTIONS PART 261		
Operation and maintenance plan	261.15	HIGH
Leakage Survey	261.17(a),(c)	HIGH
Carbon monoxide prevention	261.21	HIGH
Warning tag procedures	261.51	HIGH
HEFPA Liaison	261.53	HIGH
Warning Tag Inspection	261.55	HIGH
Warning tag: Class A condition	261.57	HIGH
Warning tag: Class B condition	261.59	HIGH

OTHER RISK SECTIONS PART 255		
ACTIVITY TITLE	CODE SECTION	RISK FACTOR
Preservation of records	255.17	OTH
Compressor station: Design and construction	255.163	OTH
Compressor station: Liquid removal	255.165	OTH
Compressor stations: Additional safety equipment	255.171	OTH
Vaults: Accessibility	255.185	OTH
Vaults: Sealing, venting, and ventilation	255.187	OTH
Calorimeter or calorimeter structures	255.190	OTH
Design pressure of plastic fittings	255.191	OTH
Valve installtion in plastic pipe	255.193	OTH
Instrument, control, and sampling piping and components	255.203	OTH
Limitations On Welders	255.229	OTH
Quality assurance program	255.230	OTH
Preheating	255.237	OTH
Stress relieving	255.239	OTH
Inspection and test of welds	255.241(c)	OTH
Nondestructive testing-Pipeline to operate at 125 PSIG or more	255.243(f)	OTH
Plastic pipe: Qualifying joining procedures	255.283	OTH
Plastic pipe: Qualifying persons to make joints	255.285(c)(e)	OTH
Plastic pipe: Inspection of joints	255.287	OTH
Bends and elbows	255.313(d)	OTH
Protection from hazards	255.317	OTH
Installation of pipe in a ditch	255.319	OTH
Casing	255.323	OTH
Cover	255.327	OTH
Customer meters and regulators: Location	255.353	OTH
Customer meters and regulators: Protection from damage	255.355	OTH
Customer meters and service regulators: Installation	255.357(a)-(c)	OTH
Customer meter installations: Operating pressure	255.359	OTH
Service lines: Installation	255.361(a), (b), (c), (d)	OTH
Service lines: valve requirements	255.363	OTH
Service lines: Location of valves	255.365(a), (c)	OTH
Service lines: General requirements for connections to main piping	255.367	OTH
Service lines: Connections to cast iron or ductile iron mains	255.369	OTH
Service lines: Steel	255.371	OTH
Service lines: Cast iron and ductile iron	255.373	OTH
Service lines: Plastic	255.375	OTH
Service lines: Copper	255.377	OTH
New service lines not in use	255.379	OTH
Service lines: excess flow valve performance standards	255.381	OTH
External corrosion control: Buried or submerged pipelines installed after July 31, 1971	255.455 (a)	OTH
External corrosion control: Examination of buried pipeline when exposed	255.459	OTH
External corrosion control: Protective coating	255.461(a), (b), (d), (e), (f), (g)	OTH
External corrosion control: Monitoring	255.465 (b)(c)(d)(f)	OTH
External corrosion control: Electrical isolation	255.467	OTH
External corrosion control: Test stations	255.469	OTH
External corrosion control: Test lead	255.471	OTH
External corrosion control: Interference currents	255.473	OTH
Internal corrosion control: General	255.475(a)(b)	OTH
Atmospheric corrosion control: General	255.479	OTH
Atmospheric corrosion control: Monitoring	255.481	OTH
Remedial measures: transmission lines	255.485(c)	OTH
Remedial measures: Pipelines lines other than cast iron or ductile iron lines	255.487	OTH
Remedial measures: Cast iron and ductile iron pipelines	255.489	OTH
Direct Assessment	255.490	OTH
Corrosion control records	255.491	OTH
General requirements (TESTING)	255.503	OTH
Strength test requirements for steel pipelines to operate at 125 PSIG or more	255.505 (e),(h), (i)	OTH
Test requirements for pipelines to operate at less than 125 PSIG	255.507	OTH
Test requirements for service lines	255.511	OTH
Environmental protection and safety requirements	255.515	OTH
Records (TESTING)	255.517	OTH
Notification requirements (UPGRADES)	255.552	OTH
General requirements (UPGRADES)	255.553 (d)(e)	OTH
Conversion to service subject to this Part	255.559(b)	OTH

Change in class location: Confirmation or revision of maximum allowable operating pressure	255.611(a), (d)	OTH
Continuing surveillance	255.613	OTH
Odorization	255.625 (e)(f)	OTH
Pipeline Markers	255.707(a),(c),(d),(e)	OTH
Transmission lines: Record keeping	255.709	OTH
Distribution systems: Patrolling	255.721(b)	OTH
Test requirements for reinstating service lines	255.725	OTH
Inactive Services	255.726	OTH
Abandonment or inactivation of facilities	255.727(b)-(g)	OTH
Compressor stations: storage of combustible materials	255.735	OTH
Pressure limiting and regulating stations: Inspection and testing	255.739 (c), (d)	OTH
Pressure limiting and regulating stations: Telemetry or recording gauges	255.741	OTH
Regulator Station MAOP	255.743 (c)	OTH
Service Regulator - Min.& Oper. Load, Vents	255.744	OTH
Distribution Line Valves	255.747	OTH
Valve maintenance: Service line valves	255.748	OTH
Regulator Station Vaults	255.749	OTH
Caulked bell and spigot joints	255.753	OTH
Reports of accidents	255.801	OTH
Emergency lists of operator personnel	255.803	OTH
Leaks General	255.805 (a), (b), (e), (g), (h)	OTH
Leaks: Records	255.807(a)-(c)	OTH
Type 3	255.817	OTH
Interruptions of service	255.823 (a)-(b)	OTH
Logging and analysis of gas emergency reports	255.825	OTH
Annual Report	255.829	OTH
Reporting safety-related conditions	255.831	OTH
General (IMP)	255.907	OTH
Changes to an Integrity Management Program (IMP)	255.909	OTH
Low Stress Reassessment (IMP)	255.941	OTH
Measuring Program Effectiveness (IMP)	255.945	OTH
Records (IMP)	255.947	OTH
Records an operator must keep	255.1011	OTH

OTHER RISK SECTIONS PART 261		
High Pressure Piping - Annual Notice	261.19	OTH
Warning tag: Class C condition	261.61	OTH
Warning tag: Action and follow-up	261.63(a)-(h)	OTH
Warning Tag Records	261.65	OTH

### **Customer Service Quality**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

#### **RG&E Service Quality Metrics, Targets and Amounts at Risk**

Total risk = \$5,900,000

Effective immediately RG&E measures, targets, thresholds and negative revenue adjustments will be as follows:

<b>RG&amp;E</b>		
Performance Measures	Performance Thresholds	Maximum Revenue Amount at Risk
PSC Complaint Rate	≥ 1.4	\$500,000
	≥ 1.6	\$1,000,000
	≥ 1.7	\$1,500,000
	≥ 1.8	\$2,000,000
Contact Satisfaction	< 88%	\$500,000
	< 84%	\$1,000,000
	< 83%	\$1,500,000
	< 82%	\$2,000,000
Calls Answered in 30 Seconds	< 77%	\$175,000
	< 76%	\$350,000
	< 75%	\$525,000
	< 74%	\$1,000,000
Estimated Meter Reads	> 6%	\$175,000
	> 7%	\$350,000
	> 8%	\$525,000
	> 9%	\$900,000
Total Amount At Risk		\$5,900,000
Electric		\$4,500,000
Gas		\$1,400,000

**NYSEG Service Quality Metrics, Targets and Amounts at Risk**

Total risk = \$ 9,520,000

Effective immediately NYSEG measures, targets, thresholds and negative revenue adjustments will be as follows:

<b>NYSEG</b>		
PSC Complaint Rate	≥ 1.0	\$800,000
	≥ 1.2	\$1,600,000
	≥ 1.4	\$2,400,000
	≥ 1.7	\$3,200,000
Contact Satisfaction	< 89.5%	\$800,000
	< 88.0%	\$1,600,000
	< 87.0%	\$2,400,000
	< 86.0%	\$3,200,000
Calls Answered in 30 Seconds	< 63%	\$330,000
	< 62.0%	\$660,000
	< 61.0%	\$990,000
	< 60.0%	\$1,720,000
Estimated Meter Reads	> 6.1%	\$250,000
	> 7.1%	\$500,000
	> 8.1%	\$750,000
	> 9.1%	\$1,400,000
Total Amount at Risk		\$9,520,000
Electric		\$8,186,667
Gas		\$1,333,333

**Reporting Requirements**

Each Company will submit the results of its individual service quality performance quarterly to the Secretary to the Commission within 30 days of the close of each quarter. A final report will be submitted for each calendar year within 30 days of the end of the year. The final report will also state whether a revenue adjustment is applicable, and if so, the amount of the revenue adjustment.

**The Doubling Provision**

The negative revenue adjustment for an individual measure set forth above will double if the Company misses any of the target levels for that particular measure for two consecutive years. Any doubling of the negative revenue adjustment would apply to the year encompassing the second miss of the target. The negative revenue adjustment would continue to double for each consecutive miss of the target. If doubling takes place and the Company subsequently meets the previously missed target, the negative revenue adjustment for that target will revert to the original (i.e., non-doubled) amounts set forth above.



**Terminations and Uncollectibles**

The following targets and associated incentives are set for the Companies' level of delivery uncollectible expense and the number of terminations for non-payment. These become effective in 2016.

	<b>NYSEG</b>		<b>RG&amp;E</b>	
	<b>Terminations</b>	<b>Uncollectibles</b>	<b>Terminations</b>	<b>Uncollectibles</b>
4-Year Average	23,500	\$13,800,000	12,675	\$13,000,000
Lower Target	20,000	\$10,900,000	10,675	\$9,700,000
Positive Incentive (both measures below targets)	\$855,000		\$560,000	
Positive Incentive (one measure at or below lower target, other is at or below 4-Year Average)	\$427,500		\$280,000	

### **Low Income Programs**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

#### **Total Low Income Program Annual Budget:**

	<b>NYSEG</b>				<b>RG&amp;E</b>		
	Year 1	Year 2	Year 3		Year 1	Year 2	Year 3
Bill Reduction	\$14,250,878	\$16,324,608	\$18,200,719		\$5,088,199	\$6,401,707	\$7,715,215
Arrears Forgiveness	\$1,500,000	\$1,500,000	\$1,500,000		\$1,129,865	\$1,129,865	\$1,129,865
<b>Total Funding</b>	<b>\$15,750,878</b>	<b>\$17,824,608</b>	<b>\$19,700,719</b>		<b>\$6,218,064</b>	<b>\$7,531,572</b>	<b>\$8,845,080</b>

**Bill Reduction:** Eligible customers will receive the following discount on their monthly bill.<sup>1</sup>

<b>NYSEG</b>				
<b>Utility Type</b>	<b>Tier</b>	<b>Year 1 Discount</b>	<b>Year 2 Discount</b>	<b>Year 3 Discount</b>
Gas Heat	Tier 1	\$13.00	\$13.00	\$13.00
Gas Heat	Tier 2	\$13.00	\$13.00	\$13.00
Gas Heat	Tier 3	\$15.70	\$18.40	\$21.00
Gas Non Heat	Tier 1	\$6.60	\$6.60	\$6.60
Gas Non Heat	Tier 2	\$6.60	\$6.60	\$6.60
Gas Non Heat	Tier 3	\$7.00	\$7.00	\$7.00
Electric Heat	Tier 1	\$18.57	\$18.57	\$18.57
Electric Heat	Tier 2	\$18.57	\$18.57	\$18.57
Electric Heat	Tier 3	\$21.00	\$21.00	\$21.00
Electric Non Heat	Tier 1	\$9.57	\$9.57	\$9.57
Electric Non Heat	Tier 2	\$9.57	\$9.57	\$9.57
Electric Non Heat	Tier 3	\$13.57	\$17.57	\$21.00

<sup>1</sup> The customer tier (Tiers 1 – 3) will be determined based on criteria identified in the Staff Report dated June 1, 2016 in the Proceeding to Examine Programs to Address Energy Affordability for Low Income Utility Customers (Case 14–M-0565). The bill reduction amount for each tier will be set using either the existing customer benefit or the escalating benefit amount (over the 3 Rate Years) to reach the 6% energy burden as outlined in the Staff report, whichever is greater. The Signatory Parties agree that Tier 4 customers as identified in the Staff Report will not receive benefits under the Companies’ Low Income Programs.

<b>RG&amp;E</b>				
<b>Heat Type</b>	<b>Tier</b>	<b>Year 1 Discount</b>	<b>Year 2 Discount</b>	<b>Year 3 Discount</b>
Gas Heat	Tier 1	\$5.60	\$5.60	\$5.60
Gas Heat	Tier 2	\$5.60	\$5.60	\$5.60
Gas Heat	Tier 3	\$9.40	\$13.20	\$17.00
Gas Non Heat	Tier 1	\$2.00	\$2.00	\$2.00
Gas Non Heat	Tier 2	\$2.00	\$2.00	\$2.00
Gas Non Heat	Tier 3	\$9.00	\$9.00	\$9.00
Electric Heat	Tier 1	\$24.00	\$24.00	\$24.00
Electric Heat	Tier 2	\$24.00	\$24.00	\$24.00
Electric Heat	Tier 3	\$24.00	\$24.00	\$24.00
Electric Non Heat	Tier 1	\$5.00	\$5.00	\$5.00
Electric Non Heat	Tier 2	\$5.00	\$5.00	\$5.00
Electric Non Heat	Tier 3	\$17.00	\$17.00	\$17.00

Bill discount amounts will run from November 1 through October 31. Program costs are based on the 2014 level of HEAP recipients.

## Appendix P

### **NYSEG and RG&E Net Plant Reconciliation and Capital Expenditure Forecast Index**

Schedule I	NYSEG	Page 1 of 3	Net Plant and Depreciation Targets
		Page 2 of 3	Illustration of the Net Plant Reconciliation
		Page 3 of 3	Capital Expenditures Included in the Revenue Requirements
Schedule II	RG&E	Page 1 of 3	Net Plant and Depreciation Targets
		Page 2 of 3	Illustration of the Net Plant Reconciliation
		Page 3 of 3	Capital Expenditures Included in the Revenue Requirements

NYSEG  
Net Plant and Depreciation Targets  
( \$ 000 )

	Electric			Gas		
	Rate Year 1 2016-2017	Rate Year 2 2017-2018	Rate Year 3 2018-2019	Rate Year 1 2016-2017	Rate Year 2 2017-2018	Rate Year 3 2018-2019
<b>Net Plant Targets:</b>						
(a) Plant in Service, CCNC, NIBCWIP, Capital Leases	\$ 4,124,880	\$ 4,314,690	\$ 4,523,464	\$ 1,022,041	\$ 1,071,022	\$ 1,137,387
Accumulated Reserve	(2,134,722)	(2,222,989)	(2,317,672)	(391,832)	(414,239)	(436,315)
Amortization of Excess Depreciation Reserve	<u>11,650</u>	<u>34,950</u>	<u>58,250</u>	<u>na</u>	<u>na</u>	<u>na</u>
Net Plant Targets	<u>\$ 2,001,808</u>	<u>\$ 2,126,651</u>	<u>\$ 2,264,042</u>	<u>\$ 630,209</u>	<u>\$ 656,783</u>	<u>\$ 701,072</u>
<b>Depreciation Targets:</b>						
(a) Depreciation Expense	\$ 102,412	\$ 107,555	\$ 113,075	\$ 26,820	\$ 28,191	\$ 30,098
Exclude Transportation Depreciation	<u>(9,205)</u>	<u>(9,643)</u>	<u>(10,145)</u>	<u>(1,324)</u>	<u>(1,432)</u>	<u>(1,555)</u>
Depreciation Targets	<u>\$ 93,207</u>	<u>\$ 97,912</u>	<u>\$ 102,930</u>	<u>\$ 25,496</u>	<u>\$ 26,759</u>	<u>\$ 28,543</u>

(a) Includes allocated common.

NYSEG  
Illustration of the Net Plant Reconciliation  
( \$ 000 )

	Electric				Gas			
	Rate Year 1 2016-2017	Rate Year 2 2017-2018	Rate Year 3 2018-2019	Cumulative	Rate Year 1 2016-2017	Rate Year 2 2017-2018	Rate Year 3 2018-2019	Cumulative
<b><u>Net Plant</u></b>								
Actual (for illustrative purposes only)	\$ 2,000,000	\$ 2,100,000	\$ 2,250,000		\$ 635,000	\$ 660,000	\$ 702,000	
Target	<u>2,001,808</u>	<u>2,126,651</u>	<u>2,264,042</u>		<u>630,209</u>	<u>656,783</u>	<u>701,072</u>	
Difference	(1,808)	(26,651)	(14,042)		4,791	3,217	928	
Pre-Tax Cost of Capital	<u>9.47%</u>	<u>9.60%</u>	<u>9.60%</u>		<u>9.47%</u>	<u>9.60%</u>	<u>9.60%</u>	
Return Component	\$ (171)	\$ (2,558)	\$ (1,348)		\$ 454	\$ 309	\$ 89	
<b><u>Depreciation Expense</u></b>								
Actual (for illustrative purposes only)	\$ 93,000	\$ 99,000	\$ 104,000		\$ 25,000	\$ 27,000	\$ 29,000	
Target	<u>93,207</u>	<u>97,912</u>	<u>102,930</u>		<u>25,496</u>	<u>26,759</u>	<u>28,543</u>	
Difference	<u>(207)</u>	<u>1,088</u>	<u>1,070</u>		<u>(496)</u>	<u>241</u>	<u>457</u>	
<b><u>Revenue Requirement Impact - Before Tax</u></b>	<u>\$ (378)</u>	<u>\$ (1,470)</u>	<u>\$ (278)</u>	<u>\$ (2,126)</u>	<u>\$ (42)</u>	<u>\$ 550</u>	<u>\$ 546</u>	<u>\$ 1,054</u>
<b><u>Amount Deferred for Customer Benefit -</u></b>								
Smaller of Cumulative Amount at End of RY 3 or \$0				<u>\$ (2,126)</u>				<u>\$ -</u>

**NYSEG**  
**Capital Expenditures Included in the Revenue Requirements**  
**(\$ 000 )**

	Model In-Service Date	Electric				Gas			
		Calendar Yr 2016	Calendar Yr 2017	Calendar Yr 2018	Calendar Yr 2019	Calendar Yr 2016	Calendar Yr 2017	Calendar Yr 2018	Calendar Yr 2019
NERC Bright Line	Various	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Marcy South Series Capacitance		-	-	-	-	-	-	-	-
Auburn Transmission Project (Auburn 345 kV Source)	2018	35,416	20,322	-	-	-	-	-	-
Columbia County Transmission Project (Klinekill 115 kV)	Mar-18	1,988	8,303	6,135	-	-	-	-	-
Coopers Corners - Add 3rd 345/115 kV Transformer	>2019	-	461	2,346	7,063	-	-	-	-
Davis Road - Replace 115/34.5 kV Transformers #2 & #3	>2019	-	-	-	5,509	-	-	-	-
Eelpot - Add 2nd 115/34.5 KV Transformer	Nov-16	3,741	-	-	-	-	-	-	-
Fraser Substation - Add 2nd 345/115 kV Transformer	> 2019	100	2,607	4,968	8,224	-	-	-	-
Meyer Substation - New 115/34.5 kV Transformer	Jun-17	854	943	-	-	-	-	-	-
Oakdale Reconfiguration Project	>2019	100	100	218	977	-	-	-	-
Perry Center Area - Install New 34.5 kV Substation	>2019	100	500	800	1,019	-	-	-	-
South Perry - New 230 kV & 115 kV Transformers	May-19	3,713	1,500	1,500	1,621	-	-	-	-
Stephentown Substation - New Transformer	Sep-17	100	1,355	-	-	-	-	-	-
Watercure Road - 2nd 345 kV Transformer	>2019	100	180	1,239	1,253	-	-	-	-
Westover Substation - New 115 kV Transformer/Capacitors	>2019	100	471	2,000	4,529	-	-	-	-
Wood Street - Add 3rd 345/115 kV Transformer	Dec-19	100	3,165	3,500	3,761	-	-	-	-
Amenia - 2nd Bank & 13.2 KV Conversion	Dec-19	-	-	3,000	7,000	-	-	-	-
Dingle Ridge - 2nd Bank & 13.2 kV Conversion	Dec-17	1,045	4,555	-	-	-	-	-	-
Glenwood - Replace Substation Transformers	Dec-16	1,000	-	-	-	-	-	-	-
Hilldale 115 kV Source - Transformer Bank & 2nd 12 kV Circuit	>2019	-	-	8,192	2,516	-	-	-	-
Old Fall Substation - Install 2nd LTC Transformer	>2019	3,738	3,042	1,500	2,000	-	-	-	-
Orchard Park - Add 2nd Transformer Bank	Dec-19	-	-	-	4,136	-	-	-	-
Stillwater Substation - Upgrade Transformer to 14 MVA	Dec-19	2,454	3,410	1,000	1,500	-	-	-	-
West Davenport Substation - Replace Transformer	>2019	-	-	-	2,827	-	-	-	-
Misc Projects under \$1 million		1,921	874	-	2,263	-	-	-	-
Electric Distribution Operations		59,941	61,652	63,756	65,882	-	-	-	-
Substations		13,065	17,569	17,098	17,471	-	-	-	-
Electric Operations Technology		1,943	245	247	5,664	-	-	-	-
Energy Smart Community (ESC)	Various	3,728	2,465	1,943	648	-	-	-	-
AMI - ESC	Aug-17	-	10,000	-	-	-	-	-	-
Hydro Generation		3,914	6,348	5,401	9,096	-	-	-	-
Other Electric Automation		5,000	8,000	7,500	7,500	-	-	-	-
Asset Condition Projects - Red Health Index		11,250	12,000	12,750	13,500	-	-	-	-
Electric Portion of Common		21,655	30,018	27,532	32,727	-	-	-	-
Gas Phelps (South) Transmission Replacement	Dec-17, Dec-18	-	-	-	-	500	2,300	5,671	-
DeRuyter Transmission Replacement	Dec-18, Dec-19	-	-	-	-	-	500	15,000	17,000
Gas Distribution Mains		-	-	-	-	8,985	26,896	15,280	1,963
Leak Prone Main Replacement		-	-	-	-	13,024	14,007	14,820	14,820
Leak Prone Service Replacement		-	-	-	-	3,350	3,644	3,950	4,032
Other Gas Programs		-	-	-	-	17,445	14,237	14,022	13,640
Gas Highway Relocations		-	-	-	-	2,109	2,151	2,194	2,238
Gas Gate Stations		-	-	-	-	1,100	5,995	6,000	4,775
Gas Operations Technology		-	-	-	-	-	600	2,600	2,100
Gas Portion of Common		-	-	-	-	5,326	7,383	6,772	8,049
<b>Total</b>		<b>\$ 181,066</b>	<b>\$ 210,085</b>	<b>\$ 182,625</b>	<b>\$ 218,686</b>	<b>\$ 51,839</b>	<b>\$ 77,713</b>	<b>\$ 86,309</b>	<b>\$ 68,617</b>

**Rochester Gas and Electric Corporation**  
**Net Plant and Depreciation Targets**  
**( \$ 000 )**

	<b>Electric</b>			<b>Gas</b>		
	<b>Rate Year 1 2016-2017</b>	<b>Rate Year 2 2017-2018</b>	<b>Rate Year 3 2018-2019</b>	<b>Rate Year 1 2016-2017</b>	<b>Rate Year 2 2017-2018</b>	<b>Rate Year 3 2018-2019</b>
<b><u>Net Plant Targets:</u></b>	(a)					
Plant in Service, CCNC, NIBCWIP, Capital Leases	\$ 2,203,129	\$ 2,452,660	\$ 2,700,191	\$ 868,695	\$ 913,874	\$ 977,619
Accumulated Reserve	<u>(687,297)</u>	<u>(727,497)</u>	<u>(769,037)</u>	<u>(365,597)</u>	<u>(381,314)</u>	<u>(398,361)</u>
Net Plant Targets	<u>\$ 1,515,832</u>	<u>\$ 1,725,163</u>	<u>\$ 1,931,154</u>	<u>\$ 503,098</u>	<u>\$ 532,560</u>	<u>\$ 579,258</u>
<b><u>Depreciation Targets:</u></b>	(a)					
Depreciation Expense	\$ 48,790	\$ 53,387	\$ 58,405	\$ 21,934	\$ 23,130	\$ 24,515
Exclude Transportation Depreciation	<u>(3,474)</u>	<u>(3,722)</u>	<u>(3,974)</u>	<u>(1,494)</u>	<u>(1,593)</u>	<u>(1,694)</u>
Depreciation Targets	<u>\$ 45,316</u>	<u>\$ 49,665</u>	<u>\$ 54,431</u>	<u>\$ 20,440</u>	<u>\$ 21,537</u>	<u>\$ 22,821</u>

(a) Includes allocated common.



**Rochester Gas and Electric Corporation**  
**Illustration of the Net Plant Reconciliation**  
**( \$ 000 )**

	Electric				Gas			
	Rate Year 1 2016-2017	Rate Year 2 2017-2018	Rate Year 3 2018-2019	Cumulative	Rate Year 1 2016-2017	Rate Year 2 2017-2018	Rate Year 3 2018-2019	Cumulative
<b><u>Net Plant</u></b>								
Actual (for illustrative purposes only)	\$ 1,500,000	\$ 1,721,000	\$ 1,928,000		\$ 505,000	\$ 535,000	\$ 582,000	
Target	<u>1,515,832</u>	<u>1,725,163</u>	<u>1,931,154</u>		<u>503,098</u>	<u>532,560</u>	<u>579,258</u>	
Difference	(15,832)	(4,163)	(3,154)		1,902	2,440	2,742	
Pre-Tax Cost of Capital	<u>10.33%</u>	<u>10.26%</u>	<u>10.27%</u>		<u>10.33%</u>	<u>10.26%</u>	<u>10.27%</u>	
Return Component	\$ (1,635)	\$ (427)	\$ (324)		\$ 196	\$ 250	\$ 282	
<b><u>Depreciation Expense</u></b>								
Actual (for illustrative purposes only)	\$ 44,800	\$ 49,300	\$ 52,200		\$ 20,450	\$ 21,350	\$ 22,400	
Target	<u>45,316</u>	<u>49,665</u>	<u>54,431</u>		<u>20,440</u>	<u>21,537</u>	<u>22,821</u>	
Difference	<u>(516)</u>	<u>(365)</u>	<u>(2,231)</u>		<u>10</u>	<u>(187)</u>	<u>(421)</u>	
<b><u>Revenue Requirement Impact - Before Tax</u></b>	<u>\$ (2,151)</u>	<u>\$ (792)</u>	<u>\$ (2,555)</u>	<u>\$ (5,498)</u>	<u>\$ 206</u>	<u>\$ 63</u>	<u>\$ (139)</u>	<u>\$ 130</u>
<b><u>Amount Deferred for Customer Benefit -</u></b>								
Smaller of Cumulative Amount at End of RY 3 or \$0				<u>\$ (5,498)</u>				<u>\$ -</u>

**Rochester Gas and Electric Corporation**  
**Capital Expenditures Included in the Revenue Requirements**  
**( \$ 000 )**

Model In-Service Date	Electric				Gas			
	Calendar Yr 2016	Calendar Yr 2017	Calendar Yr 2018	Calendar Yr 2019	Calendar Yr 2016	Calendar Yr 2017	Calendar Yr 2018	Calendar Yr 2019
NERC Bright Line	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Rochester Area Reliability Project (RARP)	10,987	41,372	55,429	66,632	-	-	-	-
Genoa Retirement Transmission Alternative (GRTA)	Mar-17 106,004	15,514			-	-	-	-
Station 70-Auto Sectionalization-115 kV Circuit 917	Dec-18	8,000	10,000		-	-	-	-
Circuits 904/905 - Move from Double Circuit Towers	Dec-18	8,000	10,000		-	-	-	-
Station 23 - New Downtown 115 kV Source	May-18 37,070	40,859	7,313		-	-	-	-
Station 23 - Transformer & 11 kV Switchgear	Dec-17 2,039	3,732	603	-	-	-	-	-
Station 49 - Replace 34.5/11.5 kV Transformer	May-18 100	2,755	2,000	-	-	-	-	-
Station 95 - Add 2nd 34.5/11.5 kV Transformer	Dec-16 1,273	-	-	-	-	-	-	-
Station 168 - Service Area Reinforcement	Various 3,991	4,387	7,813	4,449	-	-	-	-
Station 262- New 115/34.5 kV Substation	>2019 100	2,363	2,023	3,500	-	-	-	-
Sectionalize 115 kV Circuit 917 (S7 - S418)	Jun-19 100	1,478	2,755	2,000	-	-	-	-
Station 43 - Replace Transformer Banks #3 and #4	Dec-17 4,500	2,785	-	-	-	-	-	-
Station 46 - Replace Transformer Banks #1 and #3	>2019 -	-	-	2,920	-	-	-	-
Station 51 - Transformer / Facilities Upgrade	Dec-18 -	4,000	5,316		-	-	-	-
Station 117 - Replace Transformer Bank #1	>2019 -	-	-	5,100	-	-	-	-
Station 192 - Transformer / Facilities Upgrade	Dec-17 2,678	2,265	-	-	-	-	-	-
Electric Distribution Operations - Other	30,058	31,046	31,744	32,521	-	-	-	-
Substations	11,638	14,815	20,411	15,974	-	-	-	-
Electric Operations Technology	139	139	139	2,424	-	-	-	-
Hydro Generation	6,328	13,360	11,781	10,021	-	-	-	-
Other Electric Automation	1,000	2,000	2,500	2,500	-	-	-	-
Asset Condition Projects - Red Health Index	3,750	4,000	4,250	4,500	-	-	-	-
Electric Portion of Common	13,249	13,076	14,237	12,683	-	-	-	-
CM-1 Transmission Gas Main Replacement	Dec-18, Dec-19 -	-	-	-	-	500	5,000	10,000
CM-5 Gas Main Replacement	Dec-17 -	-	-	-	4,000	10,553	-	-
RED Transmission Main Extension	2018 -	-	-	-	2,096	12,354	-	-
Thruway Park Drive - Replace Gas Transmission	Sep-16 -	-	-	-	2,000	-	-	-
Gas Distribution Mains	-	-	-	-	5,155	17,840	990	239
Leak Prone Main Replacement	-	-	-	-	13,317	14,312	15,346	15,406
Leak Prone Service Replacement	-	-	-	-	1,005	1,095	1,188	1,213
Other Gas Programs	-	-	-	-	8,513	9,042	9,315	9,325
Gas Highway Relocations	-	-	-	-	2,932	2,991	3,051	3,112
Gas Gate Stations	-	-	-	-	3,482	2,586	3,000	3,000
Gas Operations Technology	-	-	-	-	175	-	2,000	1,500
Gas Portion of Common	-	-	-	-	5,310	5,240	5,705	5,083
Total	\$ 240,004	\$ 225,946	\$ 198,314	\$ 175,224	\$ 47,985	\$ 76,513	\$ 45,595	\$ 48,878

New York State Electric & Gas Corporation								
Electric Business								
Reconciliation Targets								
(\$000)								
				Rate Year 1	Rate Year 2	Rate Year 3	Ongoing Annual	
				TME	TME	TME	Targets Effective	
	<u>Reconciliation</u>	<u>RAM</u>	<u>Notes</u>	<u>4/30/2017</u>	<u>4/30/2018</u>	<u>4/30/2019</u>	<u>5/1/2019</u>	
1	Pensions	Symmetrical	(1)	30,428	33,064	32,155	32,155	
2	OPEBs	Symmetrical	(1)	1,236	1,638	1,424	1,424	
3	Property Taxes	Symmetrical - subject to sharing	X	(2)	100,011	105,803	111,869	111,869
4	Electric Distribution Vegetation Management	Downward with carryover			Calendar Year Basis - Per Appendix J			
5	Management and Operation Audit Expenses	Symmetrical	(3)	0	0	0	0	
6	REV Incremental Costs and Fees	Symmetrical	X	(4)	0	0	0	
7	Variable Rate and New Fixed Rate Debt	Symmetrical			See Appendix T			
8	Incremental Maintenance	Downward with carryover	(5)	3,583	5,825	6,475	6,475	
9	Environmental Costs, Reserve Accounting	Symmetrical	(6)	15,084	15,084	15,084	15,084	
10	Major Storm Costs, Reserve Accounting	Symmetrical	X	(6)	21,400	21,400	21,400	21,400
11	Legislative, Actg, Regulatory, Tax and Related Actions	Symmetrical			Subject to annual Rate Year threshold of \$2.0 M pretax			
12	NEIL Credits	Symmetrical		(77)	(77)	(77)	(77)	
13	Exogenous Costs	Deferred Cost		0	0	0	0	
14	Economic Development	Symmetrical - carryover	(7)	4,512	4,512	4,508	4,508	
15	Low Income Program	Symmetrical - Per Appendix O		8,931	10,076	11,059	11,059	
16	Credit and Debit Card Fees	Symmetrical	(8)	348	348	348	348	
17	Pole Attachment Revenue Requirement	Upon Sale	X	(9)	See Appendix G			

**NOTES:** See Joint Proposal language / other appendices for specific conditions.

(1) Excludes non-qualified plan costs.

(2) 90% of the variation above or below the target will be deferred. The Company's 10% share of property tax expense above or below the target will be limited to 10 basis points on the amount of common equity supporting Rate Base. 100% of additional variances are deferred. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(3) Costs associated with consultants retained to conduct management audits are fully deferrable. One operations audit per year assumed in base rates, all costs for consultants retained to perform operations or staffing audits above one per year are deferrable to the extent that they exceed the amount included in base rates as shown on Appendix B, Schedule C, line 41.

(4) The Company shall defer certain REV costs and fees. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(5) Refer to page 5 for Incremental Maintenance Initiatives.

(6) The Companies shall continue to utilize reserve accounting for Environmental Costs and Major Storm Costs, per Appendix I. Major Storm deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(7) Includes both Rate and Non-Rate discounts.

(8) Credit and Debit Card Fees are contained within the CS Enhancements component of O&M.

(9) Electric Pole Attachment amount will be prorated based on the results of any sale.

New York State Electric & Gas Corporation  
Gas Business  
Reconciliation Targets  
(\$000)

	<u>Reconciliation</u>	<u>RAM Eligible</u>	<u>Notes</u>	<u>Rate Year 1 TME 4/30/2017</u>	<u>Rate Year 2 TME 4/30/2018</u>	<u>Rate Year 3 TME 4/30/2019</u>	<u>Ongoing Annual Targets Effective 5/1/2019</u>
1	Pensions	Symmetrical	(1)	7,793	8,469	8,236	8,236
2	OPEBs	Symmetrical	(1)	317	420	365	365
3	Property Taxes	Symmetrical - subject to sharing	X (2)	20,582	21,348	22,134	22,134
4	Gas Vegetation Management	Downward Only		269	274	280	280
5	Management and Operation Audit Expenses	Symmetrical	(3)	0	0	0	0
6	REV Incremental Costs and Fees	Symmetrical	X (4)	0	0	0	0
7	Variable Rate and New Fixed Rate Debt	Symmetrical		See Appendix T			
8	Gas R&D	Symmetrical		1,689	1,689	1,689	1,689
9	Pipeline Integrity Costs	Downward with carryover		512	523	534	534
10	Incremental Maintenance	Downward with carryover	(5)	2,360	2,360	2,360	2,360
11	Environmental Costs, Reserve Accounting	Symmetrical	(6)	4,298	4,298	4,298	4,298
12	Legislative, Actg, Regulatory, Tax and Related Actions	Symmetrical		Subject to annual Rate Year threshold of \$1.0 M pretax			
13	Exogenous Costs	Deferred Cost		0	0	0	0
14	Economic Development	Symmetrical - carryover	(7)	657	614	614	614
15	Low Income Program	Symmetrical - Per Appendix O		6,819	7,747	8,641	8,641
16	Credit and Debit Card Fees	Symmetrical	(8)	103	103	103	103
17	Leak Prone Pipe Replacement		X	Mileage above target - See Appendix M			

**NOTES: See Joint Proposal language / other appendices for specific conditions.**

(1) Excludes non-qualified plan costs.

(2) 90% of the variation above or below the target will be deferred. The Company's 10% share of property tax expense above or below the target will be limited to 10 basis points on the amount of common equity supporting Rate Base. 100% of additional variances are deferred. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(3) Costs associated with consultants retained to conduct management audits are fully deferrable. One operations audit per year assumed in base rates, all costs for consultants retained to perform operations or staffing audits above one per year are deferrable to the extent that they exceed the amount included in base rates as shown on Appendix C, Schedule C, line 38.

(4) The Company shall defer certain REV costs and fees. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(5) Refer to page 5 for Incremental Maintenance Initiatives.

(6) The Companies shall continue to utilize reserve accounting for Environmental Costs.

(7) Includes both Rate and Non-Rate discounts.

(8) Credit and Debit Card Fees are contained within the CS Enhancements component of O&M.

**Rochester Gas and Electric Corporation  
Electric Business  
Reconciliation Targets  
(\$000)**

	<u>Reconciliation</u>	<u>RAM Eligible</u>	<u>Notes</u>	<u>Rate Year 1 TME 4/30/2017</u>	<u>Rate Year 2 TME 4/30/2018</u>	<u>Rate Year 3 TME 4/30/2019</u>	<u>Ongoing Annual Targets Effective 5/1/2019</u>
1	Pensions	Symmetrical	(1)	8,767	9,751	9,013	9,013
2	OPEBs	Symmetrical	(1)	1,519	1,524	1,827	1,827
3	Property Taxes	Symmetrical - subject to sharing	X (2)	75,034	81,585	88,437	88,437
4	Electric Distribution Vegetation Management	Downward with carryover		Calendar Year Basis - Per Appendix J			
5	Management and Operation Audit Expenses	Symmetrical	(3)	0	0	0	0
6	REV Incremental Costs and Fees	Symmetrical	X (4)	0	0	0	0
7	Variable Rate and New Fixed Rate Debt	Symmetrical		See Appendix T			
8	Incremental Maintenance	Downward with carryover	(5)	305	256	256	256
9	Environmental Costs, Reserve Accounting	Symmetrical	(6)	4,340	4,340	4,340	4,340
10	Major Storm Costs, Reserve Accounting	Symmetrical	X (6)	2,520	2,520	2,520	2,520
11	Legislative, Actg, Regulatory, Tax and Related Actions	Symmetrical		Subject to annual Rate Year threshold of \$1.5 M pretax			
12	NEIL Credits	Symmetrical		(804)	(804)	(804)	(804)
13	Exogenous Costs	Deferred Cost		0	0	0	0
14	Economic Development	Symmetrical - carryover	(7)	4,432	4,376	4,286	4,286
15	Low Income Program	Symmetrical - Per Appendix O		2,072	2,072	2,072	2,072
16	Credit and Debit Card Fees	Symmetrical	(8)	136	136	136	136

**NOTES:** See Joint Proposal language / other appendices for specific conditions.

(1) Excludes non-qualified plan costs.

(2) 90% of the variation above or below the target will be deferred. The Company's 10% share of property tax expense above or below the target will be limited to 10 basis points on the amount of common equity supporting Rate Base. 100% of additional variances are deferred. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(3) Costs associated with consultants retained to conduct management audits are fully deferrable. One operations audit per year assumed in base rates, all costs for consultants retained to perform operations or staffing audits above one per year are deferrable to the extent that they exceed the amount included in base rates as shown on Appendix D, Schedule C, line 39.

(4) The Company shall defer certain REV costs and fees. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(5) Refer to page 6 for Incremental Maintenance Initiatives.

(6) The Companies shall continue to utilize reserve accounting for Environmental Costs and Major Storm Costs, per Appendix I. Major Storm deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(7) Includes both Rate and Non-Rate discounts.

(8) Credit and Debit Card Fees are contained within the CS Enhancements component of O&M.

Rochester Gas and Electric Corporation Gas Business Reconciliation Targets (\$000)							
	<u>Reconciliation</u>	<u>RAM Eligible</u>	<u>Notes</u>	<u>Rate Year 1 TME 4/30/2017</u>	<u>Rate Year 2 TME 4/30/2018</u>	<u>Rate Year 3 TME 4/30/2019</u>	<u>Ongoing Annual Targets Effective 5/1/2019</u>
1	Pensions	Symmetrical	(1)	5,512	6,130	5,666	5,666
2	OPEBs	Symmetrical	(1)	955	958	1,148	1,148
3	Property Taxes	Symmetrical - subject to sharing	X (2)	26,003	27,576	29,183	29,183
4	Gas Vegetation Management	Downward Only		269	275	280	280
5	Management and Operation Audit Expenses	Symmetrical	(3)	0	0	0	0
6	REV Incremental Costs and Fees	Symmetrical	X (4)	0	0	0	0
7	Variable Rate and New Fixed Rate Debt	Symmetrical		See Appendix T			
8	Gas R&D	Symmetrical		1,230	1,230	1,230	1,230
9	Pipeline Integrity Costs	Downward with carryover		1,199	1,224	1,250	1,250
10	Incremental Maintenance	Downward with carryover	(5)	2,273	2,273	2,273	2,273
11	Environmental Costs, Reserve Accounting	Symmetrical	(6)	2,023	2,023	2,023	2,023
12	Legislative, Actg, Regulatory, Tax and Related Actions	Symmetrical		Subject to annual Rate Year threshold of \$1.0 M pretax			
13	Exogenous Costs	Deferred Cost		0	0	0	0
14	Economic Development	Symmetrical - carryover	(7)	420	411	406	406
15	Low Income Program	Symmetrical - Per Appendix O		4,146	5,459	6,773	6,773
16	Credit and Debit Card Fees	Symmetrical	(8)	113	113	113	113
17	Leak Prone Pipe Replacement		X	Mileage above target - See Appendix M			

**NOTES:** See Joint Proposal language / other appendices for specific conditions.

(1) Excludes non-qualified plan costs.

(2) 90% of the variation above or below the target will be deferred. The Company's 10% share of property tax expense above or below the target will be limited to 10 basis points on the amount of common equity supporting Rate Base. 100% of additional variances are deferred. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(3) Costs associated with consultants retained to conduct management audits are fully deferrable. One operations audit per year assumed in base rates, all costs for consultants retained to perform operations or staffing audits above one per year are deferrable to the extent that they exceed the amount included in base rates as shown on Appendix E, Schedule C, line 38.

(4) The Company shall defer certain REV costs and fees. Deferral subject to the provisions of Appendix S - Rate Adjustment Mechanism (RAM).

(5) Refer to page 6 for Incremental Maintenance Initiatives.

(6) The Companies shall continue to utilize reserve accounting for Environmental Costs.

(7) Includes both Rate and Non-Rate discounts.

(8) Credit and Debit Card Fees are contained within the CS Enhancements component of O&M.

**Incremental Maintenance Initiatives - NYSEG**

**NYSEG Electric**

1	Steel Transmission Pole Inspection and Maintenance
2	Aluminum Base Insulator Replacement
3	Transmission Corridor Encroachment
4	WPIT Distribution to 10-yr cycle
5	Substation Transformer PCB Retrofills
6	Electric System Storm Susceptibility Assessment
7	Substation Facility Assessment (non-electric systems)
8	T&D Study Loss
9	Harris Lake Unit No. 2 Maintenance and Fuel
10	Harris Lake Unit No. 1 T-G Inspection and Maintenance
11	Mechanicville Headwater Benefits
12	Rainbow Falls Fishbypass, Rackraker and Rack Maintenance
13	Kents Falls Rackraker and Rack Maintenance
14	Earthen Berm Maintenance
15	Hydro Plants Exterior Structure/Building Maintenance
16	Auburn T-G Inspection and Maintenance
17	<b>Total Rate Year Allowance</b>

(\$000's)		
Rate Year 1	Rate Year 2	Rate Year 3
TME	TME	TME
4/30/2017	4/30/2018	4/30/2019
\$ 441	\$ 882	\$ 882
1,000	1,000	1,000
205	413	413
1,050	2,100	2,100
110	295	245
75	125	500
125	250	750
48	-	-
50	100	100
135	75	-
17	35	35
12	15	15
5	10	10
85	175	175
125	250	250
100	100	-
<u>\$ 3,583</u>	<u>\$ 5,825</u>	<u>\$ 6,475</u>

**NYSEG Gas**

18	Damage Prevention (Enhanced DPV)
19	Public Awareness (Fire Department Outreach)
20	Corrosion Control (Residential Meter Atmospheric Corrosion Inspections)
21	Corrosion Control (Flame Spray M&R Station Piping)
22	Corrosion Control (Vacuum Excavation/Core-boring contract for anode installation)
23	Distribution Integrity Management (Data automation & electronic records)
24	Public awareness
25	Exposed piping on bridges
26	Distribution Integrity Management
27	<b>Total Rate Year Allowance</b>

\$ 975	\$ 975	\$ 975
206	206	206
48	48	48
108	108	108
160	160	160
206	206	206
81	81	81
226	226	226
349	349	349
<u>\$ 2,360</u>	<u>\$ 2,360</u>	<u>\$ 2,360</u>

**Note:** Electric and Gas Incremental Maintenance costs will be reconciled in total.

**Incremental Maintenance Initiatives - RG&E**

	(\$000's)		
	<b>Rate Year 1</b>	<b>Rate Year 2</b>	<b>Rate Year 3</b>
	<b>TME</b>	<b>TME</b>	<b>TME</b>
	<b>4/30/2017</b>	<b>4/30/2018</b>	<b>4/30/2019</b>
<b>1</b>	\$ 118	\$ 118	\$ 118
<b>2</b>	138	138	138
<b>3</b>	48	-	-
<b>4 Total Rate Year Allowance</b>	<u>\$ 305</u>	<u>\$ 256</u>	<u>\$ 256</u>
<b>5</b>	\$ 976	\$ 976	\$ 976
<b>6</b>	206	206	206
<b>7</b>	55	55	55
<b>8</b>	161	161	161
<b>9</b>	108	108	108
<b>10</b>	206	206	206
<b>11</b>	68	68	68
<b>12</b>	140	140	140
<b>13</b>	353	353	353
<b>14 Total Rate Year Allowance</b>	<u>\$ 2,273</u>	<u>\$ 2,273</u>	<u>\$ 2,273</u>

**Note:** Electric and Gas Incremental Maintenance costs will be reconciled in total.



**NON-RATE ASSISTANCE ECONOMIC DEVELOPMENT PROGRAMS**

**NEW YORK STATE ELECTRIC & GAS CORPORATION – ELECTRIC  
NEW YORK STATE ELECTRIC & GAS CORPORATION – GAS  
ROCHESTER GAS AND ELECTRIC CORPORATION – ELECTRIC  
ROCHESTER GAS AND ELECTRIC CORPORATION – GAS**

The following nine schedules identify existing and new non-rate assistance economic development programs being implemented as part of these rate plans:

- a) Appendix R, Schedule A - New York State Electric & Gas Corporation – Existing Non-Rate Assistance Programs;
- b) Appendix R, Schedule B - Rochester Gas and Electric Corporation – Existing Electric Non-Rate Assistance Programs;
- c) Appendix R, Schedule C - New York State Electric & Gas Corporation – New Electric Non-Rate Assistance Programs and Rochester Gas and Electric Corporation – New Electric Non-Rate Assistance Programs;
- d) Appendix R, Schedule D - New York State Electric & Gas Corporation – Existing Electric Non-Rate Targeted Financial Assistance Program;
- e) Appendix R, Schedule E - Rochester Gas and Electric Corporation – Existing Electric Non-Rate Targeted Financial Assistance Program;
- f) Appendix R, Schedule F - New York State Electric & Gas Corporation – Existing Gas Non-Rate Assistance Program;
- g) Appendix R, Schedule G - New York State Electric & Gas Corporation – New Gas Non-Rate Assistance Program and Rochester Gas and Electric Corporation – New Gas Non-Rate Assistance Program;
- h) Appendix R, Schedule H - New York State Electric & Gas Corporation – New Electric Non-Rate Targeted Financial Assistance Program; and
- i) Appendix R, Schedule I - Rochester Gas and Electric Corporation – New Electric Non-Rate Targeted Financial Assistance Program.

**New York State Electric & Gas Corporation – Existing Electric Non-Rate Assistance Programs**

<i><b>PROGRAM</b></i>	<i><b>DESCRIPTION</b></i>	<i><b>MINIMUM ELIGIBILITY REQUIREMENTS</b></i>
<b>Brownfield/Building Redevelopment Program</b>	<p>NYSEG will provide assistance up to \$500,000 per project for electric-related infrastructure improvements on either the NYSEG-owned or customer-owned (as directed by NYSEG) equipment and other and other costs necessary for the redevelopment of a brownfield site or vacant building.</p> <p>This includes redevelopment of historically declining metropolitan mixed-use properties, contingent upon qualified usage being more than 50% of the project.</p> <p>No minimum monthly demand threshold required.</p>	<ul style="list-style-type: none"> <li>➤ The funds may be utilized for up to 10% of the redevelopment costs.</li> <li>➤ Funding cannot exceed the estimated cost of the electricity delivery-related infrastructure improvements.</li> <li>➤ Project must hold NYSEG harmless with regard to contaminant liability.</li> <li>➤ Site/facility must be located within the NYSEG service area.</li> <li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li> <li>➤ Applicant must be the owner or leaseholder of facility and current payments to NYSEG (existing customers).</li> <li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and/or local economic development incentives.</li> <li>➤ Business use with the facility must be classified under the following industries: agriculture, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance and real estate or business services.</li> <li>➤ Applicant must demonstrate a viable reuse strategy for the site, facility or company operation based on the following factors: <ul style="list-style-type: none"> <li>– Physical condition of the building or site;</li> <li>– Demonstrate potential for land acquisition and site control;</li> <li>– Regional economic development impact;</li> <li>– Demonstrated efforts to qualify and obtain other federal, state, local, as well as private funding;</li> <li>– Demonstrated ability to market the site or building to attract economic investment.</li> </ul> </li> </ul> <p>Applicant must have the ability to sustain the reuse of site, facility or company operation a minimum of five years.</p>

<p><b>Utility Infrastructure Investment Program</b></p>	<p>NYSEG will invest up to \$400,000 per project for new electric-related infrastructure improvements on either NYSEG-owned or customer-owned (as directed by NYSEG) equipment to help develop sites or buildings in its service territory.</p> <p>Other sites will be considered based upon the project's economic impact to the community. Projects may include existing or prospective customers, either stand alone or in a business or industrial park. These may include revitalization or redevelopment of underutilized, metropolitan, waterfront properties with mixed-use purposes.</p> <p>Proceeds cannot exceed the estimated cost of the electric delivery related infrastructure improvements related to the project.</p>	<ul style="list-style-type: none"> <li>➤ Project must involve capital investment in facility and /or equipment purchases which total more than \$1 million</li> <li>➤ The monthly incremental electric demand after capital investment must be at least 100 kilowatts.</li> <li>➤ Project must hold NYSEG harmless in regard to contaminant liability.</li> <li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li> <li>➤ Facility must be located within the NYSEG service area.</li> <li>➤ Applicant must be the owner or leaseholder of facility and current payments to NYSEG (existing customers).</li> <li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and/or local economic development incentives.</li> <li>➤ Business use with the facility must be classified under the following industries: agriculture, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance and real estate, business services and colleges or universities that have a research and development component.</li> </ul>
<p><b>Capital Investment Incentive Program</b></p>	<p>NYSEG will provide funding assistance up to \$300,000 per project for capital investments of \$1 million or greater to fund electric-related improvements on equipment either owned by NYSEG or the customer (as directed by NYSEG).</p> <p>Funds are targeted for business projects that involve major capital investment in plant and equipment.</p>	<ul style="list-style-type: none"> <li>➤ The monthly incremental electric demand after capital investment must be at least 100 kilowatts.</li> <li>➤ Project must hold NYSEG harmless in regard to contaminant liability.</li> <li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li> <li>➤ Facility must be located within the NYSEG service area.</li> <li>➤ Applicant must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li> <li>➤ Applicant must demonstrate the ability to retain and/or attract jobs and capital investment to the eligible facility.</li> <li>➤ Business use with the facility must be classified under the following</li> </ul>

		industries: agriculture, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance and real estate, business services and colleges or universities that have a research and development component.
<b>Agricultural Capital Investment Incentive Program</b>	This program would allow NYSEG to provide financial assistance up to \$100,000 toward electric-related infrastructure improvements on either NYSEG-owned or customer-owned (as directed by NYSEG). The Company would establish levels of financial assistance based on incremental electric load and capital investment.	<ul style="list-style-type: none"> <li>➤ Project must involve capital investment of at least \$50,000 toward facility and/or equipment purchases.</li> <li>➤ The monthly incremental electric demand after capital investment must be at least 25 kilowatts (kW).</li> <li>➤ Project must hold NYSEG harmless in regard to any contaminant liability.</li> <li>➤ Recipient must demonstrate that financial assistance from this Program for either NYSEG-owned and/or customer-owned electric infrastructure will be a benefit to attracting new investment activity.</li> <li>➤ Facility must be within the NYSEG service area.</li> <li>➤ Recipient must be the owner or leaseholder of facility and current in any outstanding payments to NYSEG (existing customers).</li> </ul>
<b>Business Energy Efficiency Assistance Programs</b>	<p>NYSEG partners with the New York State Energy Research and Development Authority (NYSERDA) on several programs to encourage energy efficiency. Under these NYSERDA programs, the applicant will be required to make a financial contribution of at least 33.33% to the total investment made.</p> <p>1) Through NYSERDA's Energy Audit Program, if applicant decides to make investments in its business as a result of an energy audit, NYSEG will provide up to 50% matching funds against the total investment made, with a maximum contribution of \$10,000 per audit.</p>	<ul style="list-style-type: none"> <li>➤ Facility must be within NYSEG service territory</li> <li>➤ Applicant must be current in payments to NYSEG or deferred payment agreement is in place and current</li> <li>➤ The criteria for eligibility and program details for NYSERDA's Energy Audit Program, Flexible Technical Assistance Program, and the New Construction Program can be found at <a href="http://www.nyserda.org">www.nyserda.org</a> or by calling toll free at 1-866-NYSERDA.</li> </ul>

	<p>2) Under NYSERDA’s Flexible Technical Assistance Program (“Flex Tech”):</p> <p>a. NYSEG will pay up to 33.33% of the cost of a feasibility study or analysis, not to exceed \$20,000 per study/analysis.</p> <p>b. If applicant decides to make investments in the business as a result of the study/analysis, NYSEG will provide up to \$50,000.00 toward total investment made. The applicant will be required to make its own financial contribution of at least 33.33% to the total investment made.</p> <p>3) In addition, NYSEG will provide assistance for business expansions and new growth opportunities under NYSERDA’s New Construction Program.</p> <p>a. For feasibility/technical/commissioning studies, after NYSERDA pays the customer the first \$5000 or other amount if applicable, NYSEG would pay up to 33.33% of the remaining cost. The applicant will also be required to make its own financial contribution of at least 33.33% of the remaining cost to the total investment</p>	
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	<p>made. Essentially, the remaining cost will be split 33.33% between NYSERDA, NYSEG, and the applicant.</p> <p>b. For implementation of measures, most incentives are based on energy efficiency performance above Energy Conservation Construction Code for the State of New York. After NYSERDA incentives are provided under the various measures, NYSEG would pay up to \$50,000 toward total investment made. The applicant will be required to make its own financial contribution of at least 33.33% to the total investment made.</p>	
<b>Economic Development Outreach Program</b>	<p>NYSEG will invest up to \$50,000 per initiative on strategic economic development outreach projects primarily focusing on attracting new business investment into the NYSEG service area.</p>	<ul style="list-style-type: none"> <li>➤ Must be a 50% matching fund from federal, state, local and/or private sources.</li> <li>➤ Recipients must be a state, regional, or local economic development organization within the NYSEG service area.</li> <li>➤ Initiative must promote a specific asset or group of assets that enhance the competitiveness of a specific NYSEG service area or all of Upstate New York.</li> <li>➤ Project must be targeted to decision makers who can influence the attraction of new jobs and new business investment within the NYSEG service area.</li> <li>➤ Project must not duplicate or replace previously existing initiatives.</li> <li>➤ Research initiatives must involve action items such as clearly defined industry targets, promotional messages, or other materials that facilitate recipient documentation.</li> <li>➤ Limited to initiatives such as:</li> </ul>

		<ul style="list-style-type: none"><li>– Trade show, professional trade/business meetings, tours, etc</li><li>– Sales missions</li><li>– Advertising and direct mailings</li><li>– Special events and promotions</li><li>– Research and analysis</li><li>– Ambassador programs</li><li>– Reports to community leaders</li></ul>
<b>Power Quality/Reliability Program</b>	Under this program, NYSEG will provide up to 50% of the equipment cost required for power reliability or power quality improvements to be installed behind the meter, with a maximum contribution of \$50,000. Under this program, NYSEG, in consultation with the customer and/or its representatives, would make the final determination/assessment of the customer need for power quality equipment to address power quality issues behind the meter.	<ul style="list-style-type: none"><li>➤ Facility must be within NYSEG service territory.</li><li>➤ Applicant must be current in payments to NYSEG or deferred payment agreement is in place and current.</li><li>➤ Applicant must be the owner of an eligible facility or prospective eligible facility.</li><li>➤ Prospective recipient must demonstrate efforts to obtain state and local economic development incentives and subsequent endorsement of an authorizing entity.</li><li>➤ Applicant must demonstrate the ability to retain and/or attract jobs and capital investment to the eligible facility.</li></ul>

**Rochester Gas and Electric Corporation – Existing Electric Non-Rate Assistance Programs**

<i><b>PROGRAM</b></i>	<i><b>DESCRIPTION</b></i>	<i><b>MINIMUM ELIGIBILITY REQUIREMENTS</b></i>
<b>Brownfield/Building Redevelopment Program</b>	<p>RG&amp;E will provide assistance up to \$500,000 per project for electric-related infrastructure improvements on either the RG&amp;E-owned or customer-owned (as directed by RG&amp;E) equipment and other and other costs necessary for the redevelopment of a brownfield site or vacant building.</p> <p>This includes redevelopment of historically declining metropolitan mixed-use properties, contingent upon qualified usage being more than 50% of the project.</p> <p>No minimum monthly demand threshold required.</p>	<ul style="list-style-type: none"> <li>➤ The funds may be utilized for up to 10% of the redevelopment costs.</li> <li>➤ Funding cannot exceed the estimated cost of the electricity delivery-related infrastructure improvements.</li> <li>➤ Project must hold RG&amp;E harmless with regard to contaminant liability.</li> <li>➤ Site/facility must be located within the RG&amp;E service area.</li> <li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li> <li>➤ Applicant must be the owner or leaseholder of facility and current payments to RG&amp;E (existing customers).</li> <li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li> <li>➤ Business use with the facility must be classified under the following industries: agriculture, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance and real estate or business services.</li> <li>➤ Applicant must demonstrate a viable reuse strategy for the site, facility or company operation based on the following factors: <ul style="list-style-type: none"> <li>– Physical condition of the building or site</li> <li>– Demonstrate potential for land acquisition and site control</li> <li>– Regional economic development impact</li> <li>– Demonstrated efforts to qualify and obtain other federal, state, local, as well as private funding</li> <li>– Demonstrated ability to market the site or building to attract economic investment</li> </ul> </li> <li>➤ Applicant must have the ability to sustain the reuse of site, facility or company operation a minimum of five years.</li> </ul>



<b>Utility Infrastructure Investment Program</b>	<p>RG&amp;E will invest up to \$400,000 per project for new electric-related infrastructure improvements on either RG&amp;E-owned or customer-owned (as directed by RG&amp;E) equipment to help develop sites or buildings in its service territory.</p> <p>Prime consideration is given to sites or buildings that were identified in one of the following programs: RG&amp;E Prime Site, BuildNow NY, City of Rochester Renewal Community, or Empire Zone locations.</p> <p>Other sites will be considered based upon the project's economic impact to the community. Projects may include existing or prospective customers, either stand-alone or in a business or industrial park. These may include revitalization or redevelopment of underutilized, metropolitan, waterfront properties with mixed-use purposes.</p> <p>Funding proceeds per project cannot exceed 50% of the net incremental revenue received from the recipient in its first year of operation.</p> <p>Proceeds cannot exceed the estimated cost of the electric delivery related infrastructure improvements related to the project.</p>	<ul style="list-style-type: none"><li>➤ Project must involve capital investment in facility and /or equipment purchases which total more than \$1 million.</li><li>➤ The monthly incremental electric demand after capital investment must be at least 100 kilowatts.</li><li>➤ Project must hold RG&amp;E harmless in regard to contaminant liability.</li><li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li><li>➤ Facility must be located within the RG&amp;E service area.</li><li>➤ Applicant must be the owner or leaseholder of facility and current payments to RG&amp;E (existing customers).</li><li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li><li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li><li>➤ Business use with the facility must be classified under the following industries: agriculture, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance and real estate or business services.</li></ul>
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<p><b>Capital Investment Incentive Program</b></p>	<p>RG&amp;E will provide funding assistance up to \$300,000 per project for capital investments of \$1 million or greater to fund electric-related improvements on equipment either owned by RG&amp;E or the customer (as directed by RG&amp;E).</p> <p>Funds are targeted for business projects that involve major capital investment in plant and equipment.</p>	<ul style="list-style-type: none"> <li>➤ The monthly incremental electric demand after capital investment must be at least 100 kilowatts.</li> <li>➤ Project must hold RG&amp;E harmless in regard to contaminant liability.</li> <li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li> <li>➤ Facility must be located within the RG&amp;E service area.</li> <li>➤ Applicant must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li> <li>➤ Applicant must demonstrate the ability to retain and/or attract jobs and capital investment to the eligible facility.</li> </ul>
<p><b>Business Energy Efficiency Assistance Programs</b></p>	<p>RG&amp;E partners with the New York State Energy Research and Development Authority (NYSERDA) on several programs to encourage energy efficiency. Under these NYSERDA programs, the applicant will be required to make a financial contribution of at least 33.33% to the total investment made.</p> <p>1) Through NYSERDA's Energy Audit Program, if applicant decides to make investments in its business as a result of an energy audit, RG&amp;E will provide up to 50% matching funds against the total investment made, with a maximum contribution of \$10,000 per audit.</p>	<ul style="list-style-type: none"> <li>➤ Facility must be within RG&amp;E service territory</li> <li>➤ Applicant must be current in payments to RG&amp;E or deferred payment agreement is in place and current</li> <li>➤ The criteria for eligibility and program details for NYSERDA's Energy Audit Program, Flexible Technical Assistance Program, and the New Construction Program can be found at <a href="http://www.nysERDA.org">www.nysERDA.org</a> or by calling toll free at 1-866-NYSERDA.</li> </ul>

	<p>2) Under NYSERDA’s Flexible Technical Assistance Program (“Flex Tech”):</p> <p>a. RG&amp;E will pay up to 33.33% of the cost of a feasibility study or analysis, not to exceed \$20,000 per study/analysis.</p> <p>b. If applicant decides to make investments in the business as a result of the study/analysis, RG&amp;E will provide up to \$50,000.00 toward total investment made. The applicant will be required to make its own financial contribution of at least 33.33% to the total investment made.</p> <p>3) In addition, RG&amp;E will provide assistance for business expansions and new growth opportunities under NYSERDA’s New Construction Program.</p> <p>a. For feasibility/technical/commissioning studies, after NYSERDA pays the customer the first \$5000 or other amount if applicable, RG&amp;E would pay up to 33.33% of the remaining cost. The applicant will also be required to make its own financial contribution of at least 33.33% of the remaining cost to the total investment made. Essentially, the remaining cost</p>	
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	<p>will be split 33.33% between NYSERDA, RG&amp;E, and the applicant.</p> <p>b. For implementation of measures, most incentives are based on energy efficiency performance above Energy Conservation Construction Code for the State of New York. After NYSERDA incentives are provided under the various measures, RG&amp;E would pay up to \$50,000 toward total investment made. The applicant will be required to make its own financial contribution of at least 33.33% to the total investment made.</p>	
<b>Economic Development Outreach Program</b>	<p>RG&amp;E will invest up to \$50,000 per initiative on strategic economic development outreach projects primarily focusing on attracting new business investment into the RG&amp;E service area.</p>	<ul style="list-style-type: none"> <li>➤ Must be a 50% matching fund from federal, state, local and/or private sources.</li> <li>➤ Recipients must be a state, regional, or local economic development organization within the RG&amp;E service area.</li> <li>➤ Initiative must promote a specific asset or group of assets that enhance the competitiveness of a specific RG&amp;E service area or all of Upstate New York.</li> <li>➤ Project must be targeted to decision makers who can influence the attraction of new jobs and new business investment within the RG&amp;E service area.</li> <li>➤ Project must not duplicate or replace previously existing initiatives.</li> <li>➤ Research initiatives must involve action items such as clearly defined industry targets, promotional messages, or other materials that facilitate recipient documentation.</li> <li>➤ Limited to initiatives such as: <ul style="list-style-type: none"> <li>– Trade show, professional trade/business meetings, tours, etc</li> <li>– Sales missions</li> <li>– Advertising and direct mailings</li> </ul> </li> </ul>

		<ul style="list-style-type: none"><li>– Special events and promotions</li><li>– Research and analysis</li><li>– Ambassador programs</li><li>– Reports to community leaders</li></ul>
<b>Power Quality/Reliability Program</b>	Under this program, RG&E will provide up to 50% of the equipment cost required for power reliability or power quality improvements to be installed behind the meter, with a maximum contribution of \$50,000. Under this program, RG&E, in consultation with the customer and/or its representatives, would make the final determination/assessment of the customer need for power quality equipment to address power quality issues behind the meter.	<ul style="list-style-type: none"><li>➤ Facility must be within RG&amp;E service territory.</li><li>➤ Applicant must be current in payments to RG&amp;E or deferred payment agreement is in place and current.</li><li>➤ Applicant must be the owner of an eligible facility or prospective eligible facility.</li><li>➤ Prospective recipient must demonstrate efforts to obtain state and local economic development incentives and subsequent endorsement of an authorizing entity.</li><li>➤ Applicant must demonstrate the ability to retain and/or attract jobs and capital investment to the eligible facility.</li></ul>

**New York State Electric & Gas Corporation – New Electric Non-Rate Assistance Programs**  
**Rochester Gas and Electric Corporation – New Electric Non-Rate Assistance Programs**

<i><b>PROGRAM</b></i>	<i><b>DESCRIPTION</b></i>	<i><b>MINIMUM ELIGIBILITY REQUIREMENTS</b></i>
<b>Brownfield/Building Redevelopment Program</b>  <b>(Enhancement for NYSEG and RGE)</b>	<p>The Companies will provide assistance up to \$500,000 per project / unique phase of project for electric-related infrastructure improvements on either the company - owned or company approved customer-owned equipment necessary for the redevelopment of a brownfield site or a vacant building.</p> <p>This program includes brownfield sites and redevelopment of historic / legacy buildings, waterfront developments, etc. that result in totally dedicated facilities or mixed-use facilities, contingent upon qualified business sectors, load, usage or square footage being more than 50% of the project.</p> <p>No minimum monthly demand threshold is required.</p> <p>In addition, as part of the maximum contribution of up to \$500,000, the Companies will provide up to \$20,000 toward a feasibility/assessment and/or remediation redevelopment efforts. The customer would have to invest at least 33.33% toward total investment.</p>	<ul style="list-style-type: none"> <li>➤ The funds may be utilized for up to 10% of the redevelopment costs.</li> <li>➤ Funding cannot exceed the estimated cost of the electricity delivery-related infrastructure improvements.</li> <li>➤ Project must hold the Companies harmless with regard to contaminant liability.</li> <li>➤ Site/facility must be located within the Companies' service area.</li> <li>➤ Applicant must be the owner or leaseholder of facility and current on their account (existing customers).</li> <li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development's (ESD) Regional Economic Development Councils and/or the Governor's office.</li> </ul> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p> <ul style="list-style-type: none"> <li>➤ Applicant must demonstrate a viable reuse strategy for the site, facility or company operation based on the following factors: <ul style="list-style-type: none"> <li>– Physical condition of the building or site;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>– Demonstrate potential for land acquisition and site control;</li> <li>– Regional economic development impact;</li> <li>– Demonstrate efforts to qualify and obtain other federal, state, local, as well as private funding;</li> <li>– Demonstrate ability to market the site or building to attract economic investment</li> </ul> <p>➤ Applicant must have the ability to sustain the reuse of site, facility or company operation a minimum of five years.</p>
<p><b>Capital Investment Incentive Program – Tier I</b></p> <p><b>(Renamed from NYSEG Utility Infrastructure Investment Program)</b></p> <p><b>(Enhancement for NYSEG and RGE)</b></p>	<p>The Companies will provide assistance up to \$400,000 per project / unique phase of project for electric-related infrastructure improvements on either company-owned or customer-owned equipment and other costs necessary for the construction of a new building or the addition to or redevelopment of an existing building.</p> <p>Funds are targeted for business projects that involve major capital investment in plant and equipment.</p> <p>Support will be considered based upon the project’s overall economic impact to the community.</p> <p>Projects included may be either stand-alone buildings or those in a business or industrial park. Additionally, projects may include mixed-use facilities, including waterfront developments, contingent upon qualified business sectors, load, usage, or square footage being more than 50% of the project.</p>	<ul style="list-style-type: none"> <li>➤ Project must involve capital investment in facility and /or equipment purchases which total at least \$1 million or more.</li> <li>➤ The expected monthly incremental electric demand after capital investment must be at least 100 kilowatts.</li> <li>➤ Project must hold the Companies harmless with regard to contaminant liability.</li> <li>➤ Site/facility must be located within the companies’ service area.</li> <li>➤ Applicant must be the owner or leaseholder of facility and current on their account (existing customers).</li> <li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development’s (ESD) Regional Economic Development Councils and/or the Governor’s office.</li> </ul> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p>

<p><b>Capital Investment Incentive Program Tier 2</b></p> <p><b>(Renamed from Capital Investment Incentive Program)</b></p> <p><b>(Enhancement for NYSEG and RGE)</b></p>	<p>The Companies will provide assistance up to \$200,000 per project / unique phase of project for electric-related infrastructure improvements on either company-owned or customer-owned equipment and other costs necessary for the construction of a new building or the addition to or redevelopment of an existing building.</p> <p>Funds are targeted for business projects that involve major capital investment in plant and equipment.</p> <p>Support will be considered based upon the project's overall economic impact to the community.</p> <p>Projects included may be either stand-alone buildings or those in a business or industrial park. Additionally, projects may include mixed-use facilities, including waterfront developments, contingent upon qualified business sectors, load, usage, or square footage being more than 50% of the project.</p>	<ul style="list-style-type: none"> <li>➤ Project must involve capital investment in facility and /or equipment purchases which total at least \$500,000 or more.</li> <li>➤ The expected monthly incremental electric demand after capital investment must be at least 50 kilowatts.</li> <li>➤ Project must hold the companies harmless with regard to contaminant liability.</li> <li>➤ Site/facility must be located within the companies' service area.</li> <li>➤ Applicant must be the owner or leaseholder of facility and current on their account (existing customers).</li> <li>➤ Project must demonstrate the ability to retain and/or attract new employment.</li> <li>➤ Applicant must demonstrate efforts to obtain state and /or local economic development incentives.</li> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development's (ESD) Regional Economic Development Councils and/or the Governor's office.</li> </ul> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p>
<p><b>Business Energy Efficiency Assistance Program</b></p> <p><b>(Enhancement for NYSEG and RGE)</b></p>	<p><u>NYSERDA Programs:</u></p> <p>The Companies will assist customers interested in improving the energy efficiency of their facility or operations by providing supplemental assistance to those participating in New York State Energy Research and Development Authority's (NYSERDA) energy efficiency programs.</p>	<ul style="list-style-type: none"> <li>➤ Facility must be within the company's service territory</li> <li>➤ Applicant must be current in payments to the company or deferred payment agreement is in place and current.</li> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development's (ESD) Regional Economic Development Councils and/or the Governor's office.</li> </ul>



	<p>Through NYSERDA's Energy Audit Program, for investments in energy efficiency improvements resulting from an energy audit, the Companies will provide up to 50% matching funds against the total investment made, with a maximum contribution of \$10,000 per audit.</p> <p>Under NYSERDA's Flexible Technical Assistance Program, Existing Facilities Program, Industrial Process Efficiency Program and New Construction Program, for commercial and industrial businesses, the Companies will provide supplemental assistance for an energy efficiency study/analysis and/or implementation of measures.</p> <p><u>Company-Sponsored Energy Efficiency Programs:</u> As an alternative to providing supplemental assistance to NYSERDA's energy efficiency programs above, applicable to commercial and industrial businesses, supplemental assistance will be provided to support company-sponsored energy efficiency programs.</p> <p><u>Support for Clean Energy Proposal Initiatives</u> The Companies will also maintain flexibility to provide supplemental assistance to energy efficiency programs that evolve through the Clean Energy Proposal.</p> <p>In all cases, the Companies will provide up to \$20,000 toward a study/analysis and up to \$50,000 toward implementation of measures. The customer will also be required to make a financial contribution of at least 33.33% toward total investment made.</p>	<p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p>
<p><b>Power Quality/Reliability Program</b></p> <p><b>(Enhancement for NYSEG and RGE)</b></p>	<p>The Companies will provide up to 50% of the equipment cost required for power reliability or power quality improvements to be installed behind the meter with a maximum contribution of up to \$100,000.</p>	<ul style="list-style-type: none"> <li>➤ Facility must be within the Companies' service territory.</li> <li>➤ Applicant must be current in payments to the company or deferred payment agreement is in place and current.</li> <li>➤ Applicant must be the owner of an eligible facility or prospective eligible facility.</li> <li>➤ Business use must be classified under the following general categories:</li> </ul>

	<p>Under this program, the Companies, in consultation with the customer and/or its representatives, would make the final determination/assessment of the customer need for power quality equipment to address power quality issues behind the meter.</p> <p>In addition, as part of the maximum contribution of up to \$100,000, the Companies will also provide up to \$20,000 toward a feasibility study. The customer would have to invest at least 33.33% toward the total cost of a study.</p>	<p>agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development's (ESD) Regional Economic Development Councils and/or Governor's office.</p> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p>
<p><b>Agriculture Capital Investment Incentive Program</b></p> <p><b>(Enhancement for NYSEG)</b></p> <p><b>(New program for RGE)</b></p>	<p>The Companies will provide financial support toward electric-related infrastructure improvements on either company-owned or customer-owned equipment up to \$100,000. Decisions on actual awards will be commensurate with level of capital investment, load, and overall improvements. The overall intent in many instances is to help this industry convert from single phase to three phases to grow their business and install new technologies.</p>	<ul style="list-style-type: none"> <li>➤ Project must involve capital investment of at least \$50,000 toward facility and/or equipment purchases.</li> <li>➤ The monthly incremental electric demand after capital investment must be at least 25 kilowatts (kW).</li> <li>➤ Project must hold the company harmless in regard to any liability.</li> <li>➤ Facility must be within the company's service area.</li> <li>➤ Recipient must be the owner or leaseholder of facility and current in any outstanding payments to the company (existing customers).</li> <li>➤ Business sectors to also include craft beverage industry which includes wineries, micro-breweries, distilleries, cideries, etc. to support recent legislation.</li> </ul>
<p><b>Economic Development Outreach Program</b></p> <p><b>(Enhancement for NYSEG and RGE)</b></p>	<p>The Companies will invest up to \$75,000 per initiative on strategic economic development outreach projects primarily focusing on attracting new business investment into the company's service area.</p>	<ul style="list-style-type: none"> <li>➤ Must be a 50 % matching fund from federal, state, local and/or private sources.</li> <li>➤ Recipients must be a state, regional, or local economic development organization within the company's service area.</li> <li>➤ Initiative must promote a specific asset or group of assets that enhance the competitiveness of a specific company service area or all of Upstate New York.</li> <li>➤ Project must be targeted to decision makers who can influence the attraction of new jobs and new business investment within the company's service area.</li> <li>➤ Project must not duplicate or replace previously existing initiatives.</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Research initiatives must involve action items such as clearly defined industry targets, promotional messages, or other materials that facilitate recipient documentation.</li> <li>➤ Limited to initiatives such as: <ul style="list-style-type: none"> <li>– Trade show, professional trade/business meetings, tours, etc</li> <li>– Sales missions</li> <li>– Advertising and direct mailings</li> <li>– Special events and promotions</li> <li>– Research and analysis</li> <li>– Ambassador programs</li> </ul> </li> </ul>
<b>Commercial Corridor / Main Street Revitalization Assistance Program</b>  <b>(New Program for NYSEG and RGE)</b>	<p>The Companies will provide matching grants up to \$200,000 per development annually to municipal economic development entities, non-profit development organizations and private developers involved in efforts to revitalize a municipality defined target area. The program is designed to assist the companies' economic development partners promote private sector investment in distressed business corridors and districts.</p> <p>The program's goals include increasing jobs, property tax bases, and promoting sustainable investment in commercial corridors / neighborhoods. These sustainable investment opportunities may include designated districts or zones (<u>i.e.</u>, eco-districts). This program will provide funding assistance for electric infrastructure, lighting installations associated with street improvements, site preparation, building rehabilitation and other hard costs deemed appropriate by the development agency in revitalizing the area.</p> <p>In addition, the Companies will provide up to \$20,000 with 50% matching funds toward the development of pre-construction drawings to advance an urban design plan associated with the proposed project.</p>	<ul style="list-style-type: none"> <li>➤ Initiative must promote a specific target area as identified and supported by the municipality.</li> <li>➤ Prospective recipient must demonstrate efforts to obtain state and federal economic development incentives.</li> <li>➤ Applicant must demonstrate the ability to retain and/or attract jobs and capital investment to the targeted area.</li> </ul>

<p><b>Manufacturing Accelerator Program</b></p> <p><b>(New Program for NYSEG and RG&amp;E)</b></p>	<p>The Companies will provide matching grants up to the lesser of \$15,000 or 40% of the costs incurred by eligible applicants whose top management commits the time and resources to productivity improvement projects such as Lean manufacturing, Lean office procedures, waste reduction, ISO quality programs and other projects that lower costs, improve quality and reduce lead times.</p> <p>In addition, the MAP will provide matching grants the lesser of \$15,000 or 50% to fund growth-targeted activities such as new product development, <i>export initiatives</i>, sales and marketing system improvements, and other projects designed to increase revenue.</p> <p>Customers who choose to commit time and resources to both productivity and growth initiatives will be eligible for grants of up to \$40,000 or 60% (whichever is less) of the costs incurred to implement such transformative programs.</p> <p>The MAP will provide funding for companies willing to commit their efforts to growth projects that can combine improved productivity with innovations in products, processes and markets to increase revenue and help secure the firm's long term future.</p>	<ul style="list-style-type: none"> <li>➤ The project must be within the companies' service territory.</li> <li>➤ Applicant must be current in payments to the company or deferred payment agreement is in place and current.</li> <li>➤ To be eligible for this program, the applicant must: <ul style="list-style-type: none"> <li>– Be an SC-2, SC-3, SC-7, SC-8 customer in good standing within the NYSEG/RG&amp;E service territories;</li> <li>– Be a business that is classified as Manufacturing (NAICS codes 31, 32 or 33);</li> <li>– Execute an agreement that commits top management to the productivity and/or growth improvement contemplated by the MAP; and,</li> <li>– Provide evidence of funding from the company and other sources that is sufficient to complete the proposed project. The company must provide a minimum of 25% of the total funding from its own capital.</li> </ul> </li> </ul>
<p><b>Innovation Zone - Ignition Grant Program</b></p> <p><b>(New program for NYSEG and RGE)</b></p>	<p>The Companies will provide one-time financial support designed to spur development of high growth potential companies by selectively and competitively awarding funds to early stage startup companies that agree to locate in a recognized innovation zone. The awards are determined based on the technical and commercial opportunity of the business, and will typically be made to pre-revenue companies at a proof-of-concept stage, with funding awards up to \$25,000 with 50% matching funds. It is</p>	<ul style="list-style-type: none"> <li>➤ The program will be administered by the awarded high tech advocacy organization within a given region.</li> <li>➤ The awarded organization will assemble an independent screening and selection committee that will review all applications for Ignition Grant awards, and select the most promising companies for inclusion in the program.</li> <li>➤ Startups that receive awards must locate their business in a recognized innovation zone and will agree to receive coaching, mentoring, and connections to help them maximize their chance of success.</li> <li>➤ Startups that receive awards must also agree to keep their business in New York State for a period of at least three years.</li> </ul>

	startups get past the ‘valley of death’ stage, by providing the necessary early stage funding to help them move closer to commercial success. Funds could be utilized for market and/or customer research, business model or business plan development, prototype/product development and intellectual property/patent related activities.	<ul style="list-style-type: none"><li>➤ Project must hold the company harmless in regard to any liability.</li><li>➤ Facility must be within the company’s service area.</li><li>➤ Recipient must be the owner or leaseholder of facility and current in any outstanding payments to the company (existing customers).</li></ul>
<b>Web-Site (Enhancement for NYSEG and RG&amp;E)</b>	Note: Although not a separate economic development program for both Companies, we would like to broaden our use of non-rate assistance funds to not only enhance web-site and marketing events for programs, but also to automate our application process through a software web-based system to improving efficiency and productivity. Currently, we manage 200-250 active projects at any one time across New York for economic development. Previous Commission Orders have allowed up to \$100,000 per year for each Company.	

**New York State Electric & Gas Corporation – Existing Electric Non-Rate Targeted Financial Assistance Program**

<b>PROGRAM</b>	<b>DESCRIPTION</b>	<b>MINIMUM ELIGIBILITY REQUIREMENTS</b>
<b>Targeted Financial Assistance</b>	<p>The Targeted Financial Assistance Program (TFA) will supplement New York State Electric and Gas Corporation's (NYSEG) existing economic development assistance programs and enable NYSEG to offer business retention and attraction opportunities. These opportunities, which will retain or provide substantial economic development benefits to New York State that would otherwise be lost absent such financial assistance, will be provided in conjunction with other economic development incentives. Under the proposed program and subject to the limitations described below, NYSEG will provide financial assistance of up to \$750,000* in any one (1) year and up to \$1,500,000* over a three (3) year period to a customer. Once a customer receives TFA funding regardless of the period for which it received such funding, that customer will be ineligible for additional TFA funding.</p> <p>Applicants can include a customer facing server competitive challenges from sources outside New York State that could lead to closure and the loss of jobs, payroll and benefits in a customer's county ("Retention"). Alternatively, an applicant can demonstrate a competitive development location outside the State of New York that will be pursued in lieu of such development in New York State absent the TFA supplemental funding ("Attraction").</p>	<p>Facility must be located within the NYSEG service territory or be committed to locating within the NYSEG service territory.</p> <p><u>Retention</u></p> <ul style="list-style-type: none"> <li>➤ Facility must be classified as Manufacturing (SIC 20-39) and must be a continuous, electricity dependent processing operation;</li> <li>➤ Facility must have an annual peak demand of 5,000 kW or greater;</li> <li>➤ Facility must have an average annual load factor of at least 68 percent;</li> <li>➤ Facility must employ at least 500 full-time employees, or, have \$10 million budgeted annually for payroll and employee benefits;</li> <li>➤ Facility must demonstrate to NYSEG's sole satisfaction, through a corporate officer's affidavit and financial documentation, at least one (1) of the following competitive challenges: <ul style="list-style-type: none"> <li>– Manufacturing plant's relocation from NYSEG's service territory to another location outside of NYSEG's service territory;</li> <li>– Facility closure due to competitive pressures from other manufacturing plants outside of New York State.</li> </ul> </li> </ul> <p><u>Attraction</u></p> <ul style="list-style-type: none"> <li>➤ Facility must be Non-Retail classified as Manufacturing, Wholesale Distribution, Financial Services or other Wholesale businesses;</li> <li>➤ Facility must have an annual peak demand of 2,000 kW;</li> <li>➤ Facility must employ at least 200 full-time employees, or, have \$3 million budgeted annually for payroll and employee benefits;</li> <li>➤ Applicant must demonstrate to NYSEG's sole satisfaction, through a corporate officer's affidavit and financial documentation, the following competitive challenge:</li> </ul>

	<p>* Funding assistance programs have annual limits. Availability of funds is contingent on firm commitments for qualified projects.</p>	<ul style="list-style-type: none"><li>– Applicant/customer would not locate the facility in the NYSEG service territory absent the TFA supplemental component to NYSEG’s rate inducements and Investment &amp; Outreach Program.</li></ul> <p><u>Provisions Applicable to Retention and Attraction:</u></p> <ul style="list-style-type: none"><li>➤ Facility must be served at primary, sub-transmission or transmission voltage level;</li><li>➤ Applicant/Customer must demonstrate ability to retain and/or attract new employment:<ul style="list-style-type: none"><li>– Employment level at the “retention” facility must be maintained at a level of at least 97.5% of the previous year’s employment level;</li><li>– An “attraction” applicant and qualified TFA participant must reach the threshold employment level within two (2) years of commencing industrial or commercial operations;</li></ul></li><li>➤ Applicant/Customer must obtain complementary financial support from other sources, such as state or local economic development agencies. Such financial support shall not amount to less than 50% of NYSEG’s TFA to the Applicant/Customer:<ul style="list-style-type: none"><li>– Sources of funding obtained for qualification for other Investment &amp; Outreach programs may not also be considered as complementary financial support for this program.</li></ul></li></ul>
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**Rochester Gas and Electric Corporation – Existing Electric Non-Rate Targeted Financial Assistance Program**

<b>PROGRAM</b>	<b>DESCRIPTION</b>	<b>MINIMUM ELIGIBILITY REQUIREMENTS</b>
<b>Targeted Financial Assistance</b>	<p>Targeted Financial Assistance (“TFA”) will supplement RG&amp;E’s existing economic development assistance programs and enable the Company to offer retention and attraction opportunities. These opportunities, which will retain or provide substantial economic development benefits to New York State that would otherwise be lost absent such financial assistance, will be addressed in conjunction with other rate or non-rate economic development incentives already offered by RG&amp;E and its local and state economic development allies. With TFA, RG&amp;E will provide financial assistance up to \$750,000* in any one (1) year and up to \$1,750,000 over a three (3) year period for a project. Once a project receives TFA funding, regardless of the period for which it received such funding, that project will be ineligible for additional TFA funding.</p> <p>Applicants can include a customer facing severe competitive challenges, from sources outside New York State that could lead to closure and the loss of jobs, payroll and benefits in and around the customer’s location (“Retention”). Alternatively, an applicant can demonstrate a competitive development location outside the State of New York that will be pursued in lieu of such development in New York State absent the TFA supplemental funding (“Attraction”).</p> <p>Economic assistance under the TFA can be provided, in RG&amp;E’s discretion in the situation where the package of economic development funding from RG&amp;E, through other rate and non-rate program incentives, and from RG&amp;E’s economic development allies at the state and local levels is not adequate to retain or attract</p>	<p>Facility must be located within the RG&amp;E service territory or be committed to locating within the RG&amp;E service territory.</p> <p><u>Retention and Attraction:</u></p> <ul style="list-style-type: none"> <li>➤ Facility must be Non-Retail and classified as Manufacturing (SIC 20-39), or other non-residential or non-public authority customers with SIC codes 01-14 (Agriculture, Forestry, Fishing &amp; Mining, 50 and 51 (Wholesale Trade (durable and non-durable, respectively), 60-67 (Finance, Insurance, and Real Estate) or 73 (Business Services).</li> <li>➤ Applicant/Customer must demonstrate the intention to retain and/or attract new employment: <ul style="list-style-type: none"> <li>– In the event of corporate restructuring for a Retention facility, employment levels must either be a) maintained at 97.5% of expected employment levels after restricting efforts have been completed , or be maintained at employment levels established under provisions of a Community Benefits Package offered by other economic development allies.</li> </ul> </li> <li>➤ Applicant/Customer must obtain complementary financial support from other sources, such as state or local economic development agencies. Such financial support shall not amount to less than 50% of RG&amp;E’s TFA to the Applicant/Customer. <ul style="list-style-type: none"> <li>– Sources of funding obtained for qualification for other Non-Rate Incentive components may not also be considered as complementary financial support for the TFA.</li> </ul> </li> </ul> <p><u>Retention:</u></p> <ul style="list-style-type: none"> <li>➤ A Manufacturing facility must have an annual peak demand of at least 1,000 kW, as well as 1,000 kW for all other eligible SIC codes set forth above for the TFA;</li> </ul>



<p>the project at risk or opportunity. TFA funding can be provided in one of two ways: (a) a direct investment of TFA dollars to an eligible customer to meet electric supply or equipment costs, beyond what RG&amp;E is authorized to provide under other Non-Rate Incentive components; or (b) a uniquely-designed, supplemental, financial electric supply or equipment cost assistance package for a customer eligible and qualifying for an economic rate program. In either case, the TFA grant <u>will not</u> be in the form of an additional rate discount and will not increase the overall level of spending for the Non-Rate Program Fund. RG&amp;E will calculate the dollars to be withdrawn from the Non-Rate Program Fund for the TFA component as the overall economic development package of funding from RG&amp;E less any RG&amp;E rate incentive and non-rate program funding provided to the customer for the project. As indicated under “Eligibility Requirements” below, TFA funds will be granted only in those situations where the customer has also secured complementary financial support from other sources, such as state or local economic development agencies equal to at least 50% of RG&amp;E’s TFA amount.</p> <p>Because RG&amp;E has the obligation to allocate funds to those applicants that will provide the most benefit to the service territory, RG&amp;E reserves the right to refuse to pursue such economic development assistance for a customer that satisfies the eligibility criteria.</p> <p>*Funding assistance programs have annual limits. Availability of funds is contingent on firm commitments of qualified projects. Although total cap for overall project is up to \$1,750,000 over three year period, funding assistance could exceed \$750,000 per year if annual spending requirements are not exceeded and assistance better aligns with project construction schedules.</p>	<ul style="list-style-type: none"><li>➤ Facility must have an average annual load factor of at least 50 percent;</li><li>➤ Facility must employ at least 50 full-time employees, or, have \$1 million budgeted annually for payroll and employee benefits; and</li><li>➤ Facility must demonstrate to RG&amp;E’s sole satisfaction, through affidavit and financial documentation, at least one (1) of the following competitive challenges:<ul style="list-style-type: none"><li>– The facility’s relocation from RG&amp;E’s service territory to another location outside of RG&amp;E’s service territory</li><li>– Manufacturing facility closure due to competitive pressures from other outside New York State or documented un-competitiveness of a non-manufacturing facility of all other eligible SIC codes, similarly facing closure.</li></ul></li></ul> <p><u>Attraction</u></p> <ul style="list-style-type: none"><li>➤ Facility must have an annual peak demand of 300 kW for Manufacturing or 150 kW for a qualifying Non-Retail business SIC, as set forth above;</li><li>➤ Facility must demonstrate to RG&amp;E’s sole satisfaction, through affidavit and financial documentation, the following competitive challenge:<ul style="list-style-type: none"><li>– Facility would not locate in RG&amp;E service territory, absent the TFA supplemental component to RG&amp;E’s rate inducements; and</li><li>– Facility will invest a minimum \$10 million of capital in the project.</li></ul></li></ul>
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**New York State Electric & Gas Corporation – Existing Gas Non-Rate Assistance Program**

<b><i>PROGRAM</i></b>	<b><i>DESCRIPTION</i></b>	<b><i>MINIMUM ELIGIBILITY REQUIREMENTS</i></b>
<b>Natural Gas Infrastructure Investment Program</b>	NYSEG will invest in new Gas delivery-related facilities involving existing or prospective customers, stand alone or in a business or industrial park, provided that the average monthly throughput after capital investment is at least 50 therms per hour. In addition, the project must involve capital investment in facility and/or equipment purchases, which total more than \$250,000. Funding proceeds per project cannot exceed 50% of the net incremental revenue received from the recipient in its first year of operation. (Up to \$25,000 per project.)	<ul style="list-style-type: none"><li>➤ Facility must be within the NYSEG service area.</li><li>➤ Applicant must demonstrate that a deficiency in NYSEG owned gas infrastructure is a barrier to attracting new investment activity.</li><li>➤ Recipient must be the owner or leaseholder of facility and current in payments to NYSEG.</li><li>➤ Project must demonstrate ability to retain and/or attract new employment.</li><li>➤ Recipient must demonstrate efforts to obtain state and local economic development incentives and subsequent endorsement of an authorizing entity.</li><li>➤ Business use within the facility must be classified as: Manufacturing; Wholesale Trade; Regional Warehousing or storage; Professional, Scientific, Technical and/or Administrative Support Services.</li></ul>

**New York State Electric & Gas Corporation – New Gas Non-Rate Assistance Program**  
**Rochester Gas and Electric Corporation – New Gas Non-Rate Assistance Program**

<i><b>PROGRAM</b></i>	<i><b>DESCRIPTION</b></i>	<i><b>MINIMUM ELIGIBILITY REQUIREMENTS</b></i>
<b>Natural Gas Infrastructure Investment Program</b>	<p>The Companies will provide funding assistance up to \$200,000 per project to fund natural gas related infrastructure improvements on equipment either owned by the Companies or the customer (as directed by the Companies). These improvements can involve existing/prospective customers, either stand alone or in a business/industrial park.</p> <p>Actual grant awards would be commensurate with the magnitude of each project including capital investment and infrastructure improvements.</p>	<ul style="list-style-type: none"> <li>➤ Project must involve capital investment in facility/equipment purchases of at least \$100,000.</li> <li>➤ The average monthly throughput after capital investment must be at least 20 therms per hour.</li> <li>➤ Project must hold the Companies harmless in regard to any contaminant liability.</li> <li>➤ Applicant must demonstrate that financial assistance from this program will be a benefit to attracting new investment activity.</li> <li>➤ Facility must be located within the Companies' service area.</li> <li>➤ Recipient must be the owner or leaseholder of facility and current in payments to the Companies (existing customers).</li> <li>➤ Project must demonstrate ability to retain and/or attract new employment.</li> <li>➤ Recipient must demonstrate efforts to obtain state and local economic development incentives.</li> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development's (ESD) Regional Economic Development Councils and/or the Governor's office.</li> </ul> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p>

**New York State Electric & Gas Corporation – New Electric Non-Rate Targeted Financial Assistance Program**

<b>PROGRAM</b>	<b>DESCRIPTION</b>	<b>MINIMUM ELIGIBILITY REQUIREMENTS</b>
<b>Targeted Financial Assistance</b>	<p>The Targeted Financial Assistance Program (TFA) will supplement New York State Electric &amp; Gas Corporation's (NYSEG) existing economic development assistance programs and enable the Company to offer retention and attraction opportunities. These opportunities, which will retain or provide substantial economic development benefits to New York State that would otherwise be lost absent such financial assistance, will be addressed in conjunction with other rate and/or non-rate economic development incentives already offered by NYSEG and its local and state economic development allies. With TFA, NYSEG will provide financial assistance of up to \$750,000* in any one (1) year and up to \$1,750,000* over a three (3) year period for a project. Once a project receives TFA funding regardless of the period for which it received such funding, that project will be ineligible for additional TFA funding.</p> <p>Applicants can include a customer facing severe competitive challenges from sources outside New York State that could lead to closure and the loss of jobs, payroll and benefits in a customer's location ("Retention"). Alternatively, an applicant can demonstrate a competitive development location outside the State of New York that will be pursued in lieu of such development in New York State absent the TFA supplemental funding ("Attraction").</p>	<p>Facility must be located within the NYSEG service area or be committed to locating within the NYSEG service area.</p> <p><u>Retention and Attraction:</u></p> <ul style="list-style-type: none"> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development's (ESD) Regional Economic Development Councils and/or the Governor's office.</li> </ul> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.  **Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p> <ul style="list-style-type: none"> <li>➤ Applicant/Customer must demonstrate the intention to retain and/or attract new employment: <ul style="list-style-type: none"> <li>– In the event of corporate restructuring for a Retention facility, employment levels must either be a) maintained at 97.5% of expected employment levels after restructuring efforts have been completed , or b) maintained at employment levels established under provisions of a Community Benefits Package offered by other economic development allies.</li> </ul> </li> </ul>

	<p>Economic assistance under the TFA can be provided, in NYSEG’s discretion in the situation where the package of economic development funding from NYSEG, through other rate and non-rate program incentives, and from NYSEG’s economic development allies at the state and local levels is not adequate to retain or attract the project at risk or opportunity.</p> <p>TFA funding can be utilized to help offset electric-related infrastructure improvements on either the Company-owned or Company approved customer-owned equipment.</p> <p>As indicated under “Minimum Eligibility Requirements”, TFA funds will be granted only in those situations where the customer has also secured complementary financial support from other sources, such as state or local economic development agencies equal to at least 50% of NYSEG’s TFA amount.</p> <p>Because NYSEG has the obligation to allocate funds to those applicants that will provide the most benefit to the service area, NYSEG reserves the right to refuse to pursue such economic development assistance for a customer that satisfies the eligibility criteria.</p> <p>* Funding assistance programs have annual limits. Availability of funds is contingent on firm commitments for qualified projects.</p>	<ul style="list-style-type: none"> <li>➤ Applicant/Customer must obtain complementary financial support from other sources, such as state or local economic development agencies. Such financial support shall not amount to less than 50% of NYSEG’s TFA to the Applicant/Customer. <ul style="list-style-type: none"> <li>– Sources of funding obtained for qualification for other Non-Rate Incentive components are not to be considered as complementary financial support for the TFA</li> </ul> </li> </ul> <p><u>Retention</u></p> <ul style="list-style-type: none"> <li>➤ Facility must have an annual peak demand of 1,000 kW;</li> <li>➤ Facility must have an average annual load factor of at least 50 percent;</li> <li>➤ Facility must employ at least 50 full-time employees, or, have \$1 million budgeted annually for payroll and employee benefits;</li> <li>➤ Facility must demonstrate to NYSEG’s sole satisfaction, through a corporate officer’s affidavit/financial documentation, at least one (1) of the following competitive challenges: <ul style="list-style-type: none"> <li>– The facility’s relocation from NYSEG’s service territory to another location outside of NYSEG’s service area or New York State;</li> <li>– Facility closure due to competitive pressures from outside NYSEG service area or New York State</li> </ul> </li> </ul> <p><u>Attraction</u></p> <ul style="list-style-type: none"> <li>➤ Facility must have an annual peak demand of 300 kW for manufacturing or 150 kW for other qualifying business sectors or projects</li> <li>➤ Applicant must demonstrate to NYSEG’s sole satisfaction, through a corporate officer’s affidavit/financial documentation, the following competitive challenge: <ul style="list-style-type: none"> <li>– Facility would not locate in the NYSEG service area, absent the TFA</li> <li>– Facility will invest a minimum of \$10 million of capital in the project</li> </ul> </li> </ul>
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**Rochester Gas and Electric Corporation – New Electric Non-Rate Targeted Financial Assistance Program**

<b>PROGRAM</b>	<b>DESCRIPTION</b>	<b>MINIMUM ELIGIBILITY REQUIREMENTS</b>
<b>Targeted Financial Assistance</b>	<p>Targeted Financial Assistance (“TFA”) will supplement Rochester Gas and Electric Corporation’s (RG&amp;E) existing economic development assistance programs and enable the Company to offer retention and attraction opportunities. These opportunities, which will retain or provide substantial economic development benefits to New York State that would otherwise be lost absent such financial assistance, will be addressed in conjunction with other rate and/or non-rate economic development incentives already offered by RG&amp;E and its local and state economic development allies. With TFA, RG&amp;E will provide financial assistance up to \$750,000* in any one (1) year and up to \$1,750,000 over a three (3) year period for a project. Once a project receives TFA funding, regardless of the period for which it received such funding, that project will be ineligible for additional TFA funding.</p> <p>Applicants can include a customer facing severe competitive challenges, from sources outside New York State that could lead to closure and the loss of jobs, payroll and benefits in and around the customer’s location (“Retention”). Alternatively, an applicant can demonstrate a competitive development location outside the State of New York that will be pursued in lieu of such development in New York State absent the TFA supplemental funding (“Attraction”).</p> <p>Economic assistance under the TFA can be provided, in RG&amp;E’s discretion in the situation where the package of economic development funding from RG&amp;E, through other rate and non-rate</p>	<p>Facility must be located within the RG&amp;E service area or be committed to locating within the RG&amp;E service area.</p> <p><u>Retention and Attraction:</u></p> <ul style="list-style-type: none"> <li>➤ Business use must be classified under the following general categories: agriculture*, forestry, fishing, mining, manufacturing, wholesale trade durable goods, wholesale trade non-durable goods, finance, insurance, real estate, business services, clean technologies, regional warehouses and distribution centers, colleges/universities and hospitals/health care facilities**, and projects that are endorsed by one of the Empire State Development’s (ESD) Regional Economic Development Councils and/or the Governor’s office.</li> </ul> <p>*Agriculture includes the craft beverage industry supported by recent legislation for wineries, distilleries, micro-breweries, farm cideries, etc.</p> <p>**Colleges/universities and health care facilities must demonstrate that project for economic development assistance goes beyond typical educational facilities/dormitories/traditional health care occupancy and promotes research and development and/or state-of-the-art technologies/best practices, centers of excellence, that foster regional economic development benefits.</p> <ul style="list-style-type: none"> <li>➤ Applicant/Customer must demonstrate the intention to retain and/or attract new employment: <ul style="list-style-type: none"> <li>– In the event of corporate restructuring for a Retention facility, employment levels must either be a) maintained at 97.5% of expected employment levels after restructuring efforts have been completed , or b) maintained at employment levels established under provisions of a Community Benefits Package offered by other economic development allies.</li> </ul> </li> </ul>

	<p>program incentives, and from RG&amp;E’s economic development allies at the state and local levels is not adequate to retain or attract the project at risk or opportunity.</p> <p>TFA funding can be utilized to help offset electric-related infrastructure improvements on either the Company-owned or Company approved customer-owned equipment.</p> <p>As indicated under “Minimum Eligibility Requirements” , TFA funds will be granted only in those situations where the customer has also secured complementary financial support from other sources, such as state or local economic development agencies equal to at least 50% of RG&amp;E’s TFA amount.</p> <p>Because RG&amp;E has the obligation to allocate funds to those applicants that will provide the most benefit to the service area, RG&amp;E reserves the right to refuse to pursue such economic development assistance for a customer that satisfies the eligibility criteria.</p> <p>*Funding assistance programs have annual limits. Availability of funds is contingent on firm commitments of qualified projects.</p>	<ul style="list-style-type: none"> <li>➤ Applicant/Customer must obtain complementary financial support from other sources, such as state or local economic development agencies. Such financial support shall not amount to less than 50% of RG&amp;E’s TFA to the Applicant/Customer. <ul style="list-style-type: none"> <li>– Sources of funding obtained for qualification for other Non-Rate Incentive components are not to be considered as complementary financial support for the TFA</li> </ul> </li> </ul> <p><u>Retention:</u></p> <ul style="list-style-type: none"> <li>➤ Facility must have an annual peak demand of 1,000 kW;</li> <li>➤ Facility must have an average annual load factor of at least 50 percent;</li> <li>➤ Facility must employ at least 50 full-time employees, or, have \$1 million budgeted annually for payroll and employee benefits; and</li> <li>➤ Facility must demonstrate to RG&amp;E’s sole satisfaction, through affidavit /financial documentation, at least one (1) of the following competitive challenges: <ul style="list-style-type: none"> <li>– The facility’s relocation from RG&amp;E’s service territory to another location outside of RG&amp;E’s service area or New York State</li> <li>– Facility closure due to competitive pressures from outside RG&amp;E service area or New York State</li> </ul> </li> </ul> <p><u>Attraction</u></p> <ul style="list-style-type: none"> <li>➤ Facility must have an annual peak demand of 300 kW for manufacturing or 150 kW for other qualifying business sectors or projects</li> <li>➤ Facility must demonstrate to RG&amp;E’s sole satisfaction, through affidavit /financial documentation, the following competitive challenge: <ul style="list-style-type: none"> <li>– Facility would not locate in RG&amp;E service area, absent the TFA</li> <li>– Facility will invest a minimum \$10 million of capital in the project</li> </ul> </li> </ul>
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## **Rate Adjustment Mechanism (“RAM”) Process and Procedures**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

### **RAM Eligible Deferrals and Costs**

All RAM Eligible Deferrals and Costs shall be the difference between actual costs and the amounts provided for in base rates. RAM Eligible Deferrals and Costs shall include:

- 1) Property Taxes;
- 2) Major Storm Deferral Balances;
- 3) Gas Leak Prone Pipe Replacement;
- 4) REV costs and fees which are not covered by other recovery mechanisms;<sup>1</sup> and
- 5) NYSEG Electric Pole Attachment revenue requirements.

All RAM revenues and deferrals are subject to reconciliation.

### **Annual RAM Recovery / Return Limits**

The annual RAM recovery / return shall be limited to: (1) \$19.3 million for NYSEG Electric; (2) \$5.2 million for NYSEG Gas; (3) \$11.4 million for RG&E Electric; and (4) \$4.4 million for RG&E Gas. The RAM will only be implemented for each applicable Business once the limit is reached from netting the RAM Eligible Deferrals for that Business. Any net RAM Eligible Deferral value in excess of the specific Business limit will remain deferred and will be carried forward to the calculation of the RAM limits in the following year. Any net regulatory asset or liability in excess of each Business’ annual RAM recovery / return limit shall be carried forward to the calculation of the RAM in the following year.

### **Deferred Regulatory Asset and Liability Balances**

For each Business, NYSEG and RG&E shall each measure the deferred regulatory asset and liability balances for the items specified as RAM Eligible Deferrals and Costs (listed above) as of December 31 for each year. The RAM for each Business shall be identified in each Company’s respective RAM Compliance Filings submitted on March 31 of each year and shall be implemented in rates on July 1 of each year for collection over the 12 months from July 1 to June 30. The RAM Compliance Filings will include proposed RAM rates by service classification. Annually, NYSEG and RG&E will submit RAM tariff statements effective on July 1.

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<sup>1</sup> The RAM will not include recovery of full or partial scale Advance Metering Infrastructure (“AMI”) investments to the extent such investments are authorized by the Commission. Recovery of any AMI investments (excluding Energy Smart Community (“ESC”) Project AMI) will require separate Commission authorization. AMI investments associated with the ESC Project are included in base delivery rates.



The first RAMs will be effective July 1, 2017 based on eligible deferred balances as of December 31, 2016.

### **RAM Annual Recovery / Return Allocation**

The Electric RAM annual recovery / return amounts shall be allocated to service classifications based on delivery service revenues and recovered on a per kwh basis for non-demand customers and on a per kw basis for demand billed customers.

The Gas RAM annual recovery / return amounts shall be allocated to service classifications based on delivery service revenues and recovered from customers on a per therm basis.

### **Carrying Costs**

The Companies will accrue carrying costs on RAM Eligible Deferrals and costs as follows:

- 1) During the period that the RAM is in effect for those deferral balances being specifically collected or returned, carrying costs will be based on the Commission's authorized Other Customer Capital Rate.
- 2) RAM Eligible Deferral Balances not in the RAM tariff due to the annual dollar amount restrictions set forth above will accrue carrying charges as follows:
  - a. Net Deferral amounts at or under the annual RAM recovery / return limits will accrue carrying charges at the Other Customer Capital Rate;
  - b. Additional deferral amounts over the annual RAM recovery / return limits, up to one year's worth of value, will accrue carrying costs at the Other Customer Capital Rate; and
  - c. Additional deferral amounts over the annual RAM recovery / return limits in (2)(a) and (2)(b) above, will accrue carrying costs at NYSEG's and RG&E's respective Pre-Tax Weighted Cost of Capital, applied to the after-tax balance.<sup>2</sup>

### **RAM Review Process**

Concurrent with the submission of the RAM Compliance Filings, the Companies will provide to Staff and parties to these rate proceedings the Companies' workpapers underlying the calculation of the RAM.

Within 30 calendar days of filing the RAM Compliance Filings, the Companies will convene an informational meeting either in person or via teleconference of all interested parties to these proceedings to review the Companies' calculation of the RAM for each Business.

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<sup>2</sup> **Carrying Costs Example:** If a NYSEG Electric RAM Eligible Deferral equals \$50 million, then the first \$19.3 million would be in the RAM and accrue carrying costs at the Commission's authorized Other Customer Capital Rate. The next \$19.3 million would also accrue carrying costs at the Other Customer Capital Rate. The remaining \$11.4 million (\$50.0 million - \$39.6 million) will accrue carrying costs at the Pre-Tax Weighted Cost of Capital.

In the event Staff or any interested party to these proceedings objects to the calculation of the RAM, Staff or such party shall notify the Companies and the parties in writing within 21 calendar days after the informational meeting. The Companies will respond in writing within 21 calendar days addressing the objection. To the extent that Staff or other such party believes its concerns were not fully addressed by the Companies' response, Staff or such party may submit written comments to the Commission.

In the event of a dispute regarding the calculation of the annual RAM, the parties will use their best efforts to resolve the dispute within 150 calendar days of the Companies' response. The parties agree to utilize the Commission's dispute resolution process to resolve any contested matters. To the extent the parties are unable to resolve any remaining differences, the parties agree to present such differences to the Commission for resolution. RAM amounts will be subject to true-up and reconciliation, including carrying costs as noted above.

The implementation of the RAM shall not limit Staff's right to audit the deferred costs included by each Company in their respective RAMs.

**NYSEG and RG&E**

**Variable Rate Debt and New Issuances of Fixed Rate Debt Subject to Reconciliation  
(\$000)**

	<b><u>NYSEG</u></b>	<b><u>Issue Date</u></b>	<b><u>Assumed Rate</u></b>	<b><u>Principal</u></b>
1	PCN 2004 Series C - Variable Rate	2014	0.527%	\$ 96,850
2	New Fixed Rate Issuance 1	Rate Year 1	4.570%	210,000
3	New Fixed Rate Issuance 2	Rate Year 2	5.850%	345,000
4	New Fixed Rate Issuance 3	Rate Year 3	6.100%	60,000
5				

	<b><u>RG&amp;E</u></b>	<b><u>Issue Date</u></b>	<b><u>Assumed Rate</u></b>	<b><u>Principal</u></b>
6	PCN 1997 Series A	1997	0.130%	\$ 31,550
7	PCN 1997 Series B	1997	0.130%	30,600
8	New Fixed Rate Issuance 1	Rate Year 1	4.880%	100,000
9	New Fixed Rate Issuance 2	Rate Year 2	5.850%	115,000
10	New Fixed Rate Issuance 3	Rate Year 3	6.100%	100,000
11				

	<b><u>RG&amp;E *</u></b>	<b><u>Threshold</u></b>	<b><u>Est. Balance</u></b>
12	Department of Energy Liability	\$ 46	\$ 122,000
<p>* RG&amp;E will reconcile and defer the annual difference between the DOE liability carrying costs and threshold amount provided for in rates (\$46,439).</p>			

**Notes:**

- 1) Fixed Rate issuances are reconciled based on interest rate variations.
- 2) Fixed Rate principal values reflect embedded new debt required based on Joint Proposal revenue requirements.

NYSEG ELECTRIC  
DEPRECIATION RATES

	<u>Account Number</u>	<u>Depreciation Life (Yrs)</u>	<u>Salvage Rate</u>	<u>Depreciation Rate</u>	
<u>STEAM PLANT</u>	311	30	0%	3.33%	
<u>HYDRO</u>	331	75	-20%	1.60%	
	332	75	-25%	1.67%	
	333	75	-25%	1.67%	
	334	50	-20%	2.40%	
	335	55	-15%	2.09%	
	336	75	0%	1.33%	
<u>OTHER PRODUCTION</u>	341	35	0%	2.86%	
	342	50	0%	2.00%	
	343	35	0%	2.86%	
	344	45	0%	2.22%	
	345	35	0%	2.86%	
<u>TRANSMISSION</u>	352	70	-25%	1.79%	
	353	65	-10%	1.69%	
	354	75	-30%	1.73%	
	355	65	-40%	2.15%	
	356	75	-50%	2.00%	
	357	60	0%	1.67%	
	358	60	-10%	1.83%	
<u>DISTRIBUTION</u>	361	65	-30%	2.00%	
	362	60	-25%	2.08%	
	364	65	-45%	2.23%	
	365	70	-60%	2.29%	
	366	50	-20%	2.40%	
	366.1	65	-5%	1.62%	
	367	65	-15%	1.77%	
	368	50	-15%	2.30%	
	369	52	-60%	3.08%	
	370	29	-20%	4.14%	
	373	29	-20%	4.14%	
<u>GENERAL</u>	390	65	-10%	1.69%	
	391	20	0%	5.00%	V
	391.2	7	0%	14.29%	V
	392.1	9	0%	11.11%	T
	393	25	0%	4.00%	V
	394	25	0%	4.00%	T
	395	20	0%	5.00%	V
	396	9	20%	8.89%	T
	396.1	12	20%	6.67%	T
	397	15	0%	6.67%	
	397.1	35	0%	2.86%	
	398	20	0%	5.00%	V

Notes

Accounts labeled as V are "Vintage" accounts and will amortize net plant using the above depreciation rates. Accounts labeled as T are Transportation accounts and are depreciated by asset. All other accounts are Group accounts and will be depreciated by applying depreciation rates to gross plant.

Account 391.2 rates will also cover software, which is reflected in account 303 per FERC guidance.

Accounts not covered above are considered non-depreciable.

The \$23.3 million of EDR being amortized annually will be applied on a pro-rated basis to the following depreciation reserve accounts: 355, 358, 364, 365, 368 and 369

NYSEG GAS  
DEPRECIATION RATES

	<u>Account Number</u>	<u>Depreciation Life (Yrs)</u>	<u>Salvage Rate</u>	<u>Depreciation Rate</u>	
<u>DISTRIBUTION</u>	374.1	75	0%	1.33%	
	375	70	-15%	1.64%	
	376.00	75	-85%	2.47%	
	376.11	75	-85%	2.47%	
	376.20	70	-15%	1.64%	
	376.40	75	-85%	2.47%	
	378	60	-65%	2.75%	
	380	51	-45%	2.84%	
	380.2	51	-40%	2.75%	
	381	25	-15%	4.60%	
	382	25	-15%	4.60%	
	383	50	-5%	2.10%	
	384	50	-5%	2.10%	
	385	60	-5%	1.75%	
	387	50	0%	2.00%	
<u>GENERAL</u>	390	35	-5%	3.00%	
	390.3	20	0%	5.00%	
	391	20	0%	5.00%	V
	391.2	7	0%	14.29%	V
	392.22	7	5%	13.57%	T
	392.23	10	5%	9.50%	T
	393	25	0%	4.00%	V
	394	25	0%	4.00%	T
	395	20	0%	5.00%	V
	396	12	15%	7.08%	T
	397	15	0%	6.67%	
	398	20	0%	5.00%	V

Notes

Accounts labeled as V are "Vintage" accounts and will amortize net plant using the above depreciation rates.  
Accounts labeled as T are Transportation accounts and are depreciated by asset.  
All other accounts are Group accounts and will be depreciated by applying depreciation rates to gross plant.

Account 391.2 rates will also cover software, which is reflected in account 303 per FERC guidance.

Accounts not covered above are considered non-depreciable.

NYSEG COMMON  
DEPRECIATION RATES

	<u>Account Number</u>	<u>Depreciation Life (Yrs)</u>	<u>Salvage Rate</u>	<u>Depreciation Rate</u>	
<u>COMMON</u>	390	75	0	1.33%	
	391	20	0	5.00%	V
	391.2	7	0	14.29%	V
	391.4	7	0	14.29%	V
	392	7	10%	12.86%	T
	392.1	9	10%	10.00%	T
	393	25	0	4.00%	V
	394	25	0	4.00%	T
	397	15	0	6.67%	
	398	20	0	5.00%	V

Notes

Accounts labeled as V are "Vintage" accounts and will amortize net plant using the above depreciation rates.  
Accounts labeled as T are Transportation accounts and are depreciated by asset.  
All other accounts are Group accounts and will be depreciated by applying depreciation rates to gross plant.

Account 391.2 rates will also cover software, which is reflected in account 303 per FERC guidance.

Accounts not covered above are considered non-depreciable.

RG&E ELECTRIC  
DEPRECIATION RATES

	<u>Account Number</u>	<u>Depreciation Life (Yrs)</u>	<u>Salvage Rate</u>	<u>Depreciation Rate</u>	
<u>HYDRO</u>	331	75	-20%	1.60%	
	332	45	-40%	3.11%	
	333	55	-50%	2.73%	
	334	85	-15%	1.35%	
	335	80	-65%	2.06%	
	336	90	0%	1.11%	
<u>TRANSMISSION</u>	350	75	0%	1.33%	
	352	65	-10%	1.69%	
	353	67	-15%	1.72%	
	354	50	-20%	2.40%	
	355	60	-20%	2.00%	
	356	60	-15%	1.92%	
	357	70	-5%	1.50%	
	358	70	-15%	1.64%	
<u>DISTRIBUTION</u>	360	75	0%	1.33%	
	361	65	-10%	1.69%	
	362	66	-15%	1.74%	
	364	60	-45%	2.42%	
	365	60	-15%	1.92%	
	366	75	-25%	1.67%	
	367	55	-20%	2.18%	
	368	65	-5%	1.62%	
	369	65	-50%	2.31%	
	370	29	-15%	3.97%	
	373	29	-20%	4.14%	
<u>GENERAL</u>	390	40	-35%	3.38%	
	391	20	0%	5.00%	V
	391.2	7	0%	14.29%	V
	391.3	15	0%	6.67%	V
	394	25	0%	4.00%	T
	395	20	0%	5.00%	V
	397	15	0%	6.67%	
	397.1	35	0%	2.86%	
	398	15	0%	6.67%	V

Notes

Accounts labeled as V are "Vintage" accounts and will amortize net plant using the above depreciation rates.  
Accounts labeled as T are Transportation accounts and are depreciated by asset.  
All other accounts are Group accounts and will be depreciated by applying depreciation rates to gross plant.

Account 391.2 rates will also cover software, which is reflected in account 303 per FERC guidance.

Accounts not covered above are considered non-depreciable.

RG&E GAS  
DEPRECIATION RATES

	<u>Account Number</u>	<u>Depreciation Life (Yrs)</u>	<u>Salvage Rate</u>	<u>Depreciation Rate</u>	
<u>DISTRIBUTION</u>	374.2	75	0%	1.33%	
	375	80	-10%	1.38%	
	376.00	68	-55%	2.28%	
	376.20	80	-50%	1.88%	
	376.30	62	-100%	3.23%	
	376.40	50	-100%	4.00%	
	378	50	-15%	2.30%	
	380	50	-25%	2.50%	
	380.2	50	-25%	2.50%	
	381	30	0%	3.33%	
	382	30	0%	3.33%	
	383	40	-25%	3.13%	
	384	40	-25%	3.13%	
<u>GENERAL</u>	390	55	-15%	2.09%	
	394	25	0%	4.00%	T

Note

Account labeled as T are Transportation accounts and are depreciated by asset.

All other accounts are Group accounts and will be depreciated by applying depreciation rates to gross plant.

Accounts not covered above are considered non-depreciable.



RG&E COMMON  
DEPRECIATION RATES

	<u>Account Number</u>	<u>Depreciation Life (Yrs)</u>	<u>Salvage Rate</u>	<u>Depreciation Rate</u>	
<u>COMMON</u>	390.00	50	-35%	2.70%	
	391.00	20	0%	5.00%	V
	391.20	7	0%	14.29%	V
	391.30	15	0%	6.67%	V
	392.09	8	0%	12.50%	T
	392.13	8	10%	11.25%	T
	392.32	11	10%	8.18%	T
	392.33	9	10%	10.00%	T
	392.34	12	10%	7.50%	T
	392.36	8	10%	11.25%	T
	392.37	9	10%	10.00%	T
	392.38	9	10%	10.00%	T
	392.39	12	10%	7.50%	T
	392.42	11	10%	8.18%	T
	392.43	11	10%	8.18%	T
	393	30	0%	3.33%	V
	394	25	0%	4.00%	T
	395	20	0%	5.00%	V
	396	13	5%	7.31%	T
	397	15	0%	6.67%	
	398	15	0%	6.67%	V

Notes

Accounts labeled as V are "Vintage" accounts and will amortize net plant using the above depreciation rates.  
Accounts labeled as T are Transportation accounts and are depreciated by asset.  
All other accounts are Group accounts and will be depreciated by applying depreciation rates to gross plant.

Account 391.2 rates will also cover software, which is reflected in account 303 per FERC guidance.

Accounts not covered above are considered non-depreciable.

NYSEG Electric  
Post Term Amortization Deferral

		A	B	C	D	E	F
		Starting Rate Year					
		Asset / (Liab)	Amortization	Rate Year 1	Rate Year 2	Rate Year 3	Projected
Ref		Balance	Period (years)	Amortization	Amortization	Amortization	Balance
							4/30/2019
<b><u>NYSEG Electric</u></b>							
1	ACF - ASGA - 2010 Joint Proposal - Stipulation Appendix G, para 56	\$ (6,000)	5	\$ 1,200	\$ 1,200	\$ 1,200	\$ (2,400)
2	ASGA	8,215	5	(1,643)	(1,643)	(1,643)	3,286
3	Bonus Depreciation NCR - 2010 Rate Plan	a (52,808)	5	10,562	10,562	10,562	(21,123)
4	CAIDI/SAIFI Study	93	5	(19)	(19)	(19)	37
5	CapEx Customer Credit 07-M-0906 Merger Order	(6,800)	5	1,360	1,360	1,360	(2,720)
6	CapEx Shareholder Deferral	10,486	5	(2,097)	(2,097)	(2,097)	4,194
7	Cost to Achieve Efficiency Initiatives	637	5	(127)	(127)	(127)	255
8	Def Inc Tax Deferral - Book Depr Rate Change	(4,925)	5	985	985	985	(1,970)
9	Economic Development	b (15,639)	5	3,128	3,128	3,128	(1,256)
10	Environmental	(51,287)	5	10,257	10,257	10,257	(20,515)
11	ESM	(3,352)	5	670	670	670	(1,341)
12	Excess DIT - New York State Tax Rate change	(10,722)	5	2,144	2,144	2,144	(4,289)
13	Low Income Program	(5,635)	5	1,127	1,127	1,127	(2,254)
14	2011 Management Audit	(116)	5	23	23	23	(46)
15	Medicare Subsidy NCR	(3,091)	5	618	618	618	(1,236)
16	MHP Meter Costs	13	5	(3)	(3)	(3)	5
17	Mixed Use 263(a) NCR	(19,857)	5	3,971	3,971	3,971	(7,943)
18	NYPA Ancillaries	27	5	(5)	(5)	(5)	11
19	OPEB Deferral	(56,171)	5	11,234	11,234	11,234	(22,469)
20	PBA Utilization	(13,655)	5	2,731	2,731	2,731	(5,462)
21	Pension Deferral	88,903	5	(17,781)	(17,781)	(17,781)	35,561
22	Property Tax Deferral	39,090	5	(7,818)	(7,818)	(7,818)	15,636
23	Major Storms - Non-Superstorm	c 139,200	5	(27,840)	(27,840)	(27,840)	55,680
24	Stray Voltage	(4,616)	5	923	923	923	(1,846)
25	Theoretical Reserve Inc Tax Flow Through	(26,837)	5	5,367	5,367	5,367	(10,735)
26	Unit of Property CTA	98	5	(20)	(20)	(20)	39
27	Variable Rate Debt	(10,942)	5	2,188	2,188	2,188	(4,377)
28	Post Term Amortization Deferral - 2010 Joint Proposal	15,431	5	(3,086)	(3,086)	(3,086)	6,172
29	<b>Subtotal - NYSEG Electric 5 Year Amortizations</b>	<b>\$ 9,740</b>		<b>\$ (1,948)</b>	<b>\$ (1,948)</b>	<b>\$ (1,948)</b>	<b>\$ 3,896</b>
30	Major Storms - Superstorm	c 122,885	10	(12,289)	(12,289)	(12,289)	86,020
31	PowerTax Regulatory Asset	54,274	27	(2,012)	(2,012)	(2,012)	48,238
32	Unfunded Income Tax Regulatory Asset	(1,129)	50	23	23	23	(1,062)
33	<b>Subtotal - NYSEG Electric Non-5 Year Amortizations</b>	<b>\$ 176,029</b>		<b>\$ (14,278)</b>	<b>\$ (14,278)</b>	<b>\$ (14,278)</b>	<b>\$ 133,195</b>
34	<b>Total - NYSEG Electric</b>	<b>\$ 185,769</b>		<b>\$ (16,226)</b>	<b>\$ (16,226)</b>	<b>\$ (16,226)</b>	<b>\$ 137,091</b>
<b><u>Make Whole Provision:</u></b>							
35	The company will utilize existing regulatory liabilities such as Bonus Depreciation NCR - 2010 Rate Plan to recover any Rate Year 1 make whole values.	a					
<b><u>Economic Development:</u></b>							
36	Regulatory Liability Balance	b \$ (15,639)					
37	Energy Smart Community (ESC) utilization	5,000					
38	Amortizations - Rate Years 1 through 3	9,384					
39	<b>Remaining Balance</b>	<b>\$ (1,256)</b>					
<b><u>Major Storms:</u></b>							
40	Major Storms - Non-Superstorm	c \$ 139,200		\$ (27,840)	\$ (27,840)	\$ (27,840)	\$ 55,680
41	Major Storms - Superstorm	c 122,885		(12,289)	(12,289)	(12,289)	86,020
42	<b>Total Major Storms</b>	<b>\$ 262,085</b>		<b>\$ (40,129)</b>	<b>\$ (40,129)</b>	<b>\$ (40,129)</b>	<b>\$ 141,700</b>

NYSEG Gas  
Post Term Amortization Deferral

		A	B	C	D	E	F
		Starting Rate Year					
		Asset / (Liab)	Amortization	Rate Year 1	Rate Year 2	Rate Year 3	Projected
Ref		Balance	Period (years)	Amortization	Amortization	Amortization	Balance
							4/30/2019
<b>NYSEG Gas</b>							
1	Bonus Depreciation NCR - 2010 Rate Plan	a	\$ (11,865)	5	\$ 2,373	\$ 2,373	\$ (4,746)
2	Cost to Achieve Efficiency Initiatives		(73)	5	15	15	(29)
3	Economic Development		(1,796)	5	359	359	(718)
4	EEPS Loss Revenue Gas		20	5	(4)	(4)	8
5	Environmental		(17,101)	5	3,420	3,420	(6,840)
6	Excess DIT > 7.1% (NYS)		(2,656)	5	531	531	(1,062)
7	Gains/Losses on Surplus Sales - Gas		(42)	5	8	8	(17)
8	Gas Phase 2A/B		53	5	(11)	(11)	21
9	Gas R&D Deferral	b	(1,652)	5	155	155	(662)
10	Gas R&D Tax Credit		(501)	5	100	100	(201)
11	Incremental Maintenance		(33)	5	7	7	(13)
12	IRS Audit		49	5	(10)	(10)	20
13	Low Income Program		14,763	5	(2,953)	(2,953)	5,905
14	2011 Management Audit		(126)	5	25	25	(50)
15	Medicare Subsidy NCR		(1,795)	5	359	359	(718)
16	Mixed Use 263(a) NCR		(6,005)	5	1,201	1,201	(2,402)
17	Net Plant Reconciliation		(137)	5	27	27	(55)
18	OPEB Deferral		(11,832)	5	2,366	2,366	(4,733)
19	Outreach & Education		305	5	(61)	(61)	122
20	PBA Utilization		231	5	(46)	(46)	93
21	Pension Deferral		26,967	5	(5,393)	(5,393)	10,787
22	Gas Pipeline Integrity Costs		(447)	5	89	89	(179)
23	Property Tax Deferral		9,738	5	(1,948)	(1,948)	3,895
24	Sarbanes-Oxley		182	5	(36)	(36)	73
25	Seneca Pipeline Integrity Initiative		(218)	5	44	44	(87)
26	Seneca Storage		(212)	5	42	42	(85)
27	Unit of Property CTA		2,018	5	(404)	(404)	807
28	Variable Rate Debt		(3,186)	5	637	637	(1,274)
29	Vegetation Management		(104)	5	21	21	(42)
30	Pension Costs		3,559	5	(712)	(712)	1,424
31	Post Term Amortization Deferral - 2010 Joint Proposal		(3,447)	5	689	689	(1,379)
32	Seneca Sale - ASGA Amort		791	5	(158)	(158)	317
33	Seneca Sale - Operational Savings		(615)	5	123	123	(246)
34	<b>Subtotal - NYSEG Gas 5 Year Amortizations</b>		<b>\$ (5,164)</b>		<b>\$ 857</b>	<b>\$ 857</b>	<b>\$ (2,067)</b>
35	PowerTax Regulatory Asset		22,325	39	(572)	(572)	20,608
36	Unfunded Income Tax Regulatory Asset		27,426	50	(549)	(549)	25,780
37	<b>Subtotal - NYSEG Gas Non-5 Year Amortizations</b>		<b>\$ 49,751</b>		<b>\$ (1,121)</b>	<b>\$ (1,121)</b>	<b>\$ 46,388</b>
38	<b>Total NYSEG Gas</b>		<b>\$ 44,588</b>		<b>\$ (264)</b>	<b>\$ (264)</b>	<b>\$ 44,321</b>
<b>Make Whole Provision:</b>							
39	The company will utilize existing regulatory liabilities such as Bonus Depreciation NCR - 2010 Rate Plan to recover any Rate Year 1 make whole values.	a					
<b>Gas R&amp;D Deferral:</b>							
40	Regulatory Liability Balance	b	\$ (1,652)				
41	Estimated Gas R&D spending above rate allowance		525				
42	Amortizations - Rate Years 1 through 3		465				
43	<b>Remaining Balance</b>		<b>\$ (662)</b>				
44	Gas R&D spending above the rate allowance in the table above is estimated. The company will charge actual amounts above the rate allowance against the regulatory liability.						

**RG&E Electric**  
**Post Term Amortization Deferral**

	A	B	C	D	E	D	E	G
	Starting Rate Year		Starting Rate Year					
	Asset / (Liab)	Ginna RSSA	Asset / (Liab)	Amortization	Rate Year 1	Rate Year 2	Rate Year 3	Projected
Ref	Balance	Utilization	Balance net of Ginna	Period (years)	Amortization	Amortization	Amortization	Balance
								4/30/2019
<b><u>RG&amp;E Electric</u></b>								
1	Allegheny Sale Loss and Savings	\$ (4,824)	\$ -	\$ (4,824)	n/a	\$ -	\$ -	\$ (4,824)
2	ASGA	(10,792)	-	(10,792)	""	-	-	(10,792)
3	CAIDI/SAIFI Study	94	-	94	""	-	-	94
4	Cap Ex NCR 03-E-0765, 03-G-0766	3,401	-	3,401	""	-	-	3,401
5	CapEx Customer Credit 07-M-0906 Merger Order	(10,000)	-	(10,000)	""	-	-	(10,000)
6	Cost to Achieve Efficiency Initiatives	105	-	105	""	-	-	105
7	Economic Development	(17,052)	-	(17,052)	""	-	-	(17,052)
8	Electric Reliability Organization	304	-	304	""	-	-	304
9	Environmental	(21,617)	-	(21,617)	""	-	-	(21,617)
10	ESM	(5,422)	-	(5,422)	""	-	-	(5,422)
11	Excess DIT - New York State Tax Rate change	(1,519)	-	(1,519)	""	-	-	(1,519)
12	IRS Audit - 1998-2001	70	-	70	""	-	-	70
13	Low Income Program	(3,634)	-	(3,634)	""	-	-	(3,634)
14	Major Storms - Non-Superstorm	(2,005)	-	(2,005)	""	-	-	(2,005)
15	2011 Management Audit	(217)	-	(217)	""	-	-	(217)
16	Medicare Part D	(240)	-	(240)	""	-	-	(240)
17	MHP Meter Costs	(4)	-	(4)	""	-	-	(4)
18	Mixed Use 263(a) NCR	(3,807)	-	(3,807)	""	-	-	(3,807)
19	Net Plant Reconciliation	(9,653)	-	(9,653)	""	-	-	(9,653)
20	Nine Mile II - TCCs	(11,472)	-	(11,472)	""	-	-	(11,472)
21	Nuclear Fuel DOE Liability True-up - 2004	(12,188)	-	(12,188)	""	-	-	(12,188)
22	NYS Tax Audit	228	-	228	""	-	-	228
23	NYS Tax Rate	(319)	-	(319)	""	-	-	(319)
24	OPEB Deferral	(1,559)	-	(1,559)	""	-	-	(1,559)
25	PBA Utilization	(37,853)	4,480	(33,373)	""	-	-	(33,373)
26	Pension Deferral	21,403	-	21,403	""	-	-	21,403
27	Property Tax	(63,108)	63,108	-	""	-	-	-
28	Property Tax 481(a) - NCR	(346)	-	(346)	""	-	-	(346)
29	ROW Tree Trim	1,472	-	1,472	""	-	-	1,472
30	Sarbanes-Oxley	386	-	386	""	-	-	386
31	SO2 Allowance	(829)	-	(829)	""	-	-	(829)
32	Stray Voltage	1,635	-	1,635	""	-	-	1,635
33	Theoretical Reserve Inc Tax Flow Through	(6,119)	-	(6,119)	""	-	-	(6,119)
34	Unit of Property CTA	70	-	70	""	-	-	70
35	Variable Rate Debt	(284)	-	(284)	""	-	-	(284)
36	Post Term Amortization Deferral - 2010 Joint Proposal	(42,412)	42,412	-	""	-	-	-
37	<b>Subtotal - RG&amp;E Electric Non-Amortizing Items</b>	<b>\$ (238,105)</b>	<b>\$ 110,000</b>	<b>\$ (128,105)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (128,105)</b>
38	Bonus Depreciation NCR - 2010 Rate Plan	\$ (44,782)	\$ -	\$ (44,782)		\$ 2,499	\$ 5,000	\$ (27,283)
39	PowerTax Regulatory Asset	43,622	-	43,622	39	(1,119)	(1,119)	40,267
40	Unfunded Income Tax Regulatory Asset	124,953	-	124,953	50	(2,499)	(2,499)	117,456
41	<b>Subtotal - RG&amp;E Electric Amortizing Items</b>	<b>\$ 123,793</b>	<b>\$ -</b>	<b>\$ 123,793</b>		<b>\$ (1,119)</b>	<b>\$ 1,382</b>	<b>\$ 6,382</b>
42	<b>Total RG&amp;E Electric</b>	<b>\$ (114,312)</b>	<b>\$ 110,000</b>	<b>\$ (4,312)</b>		<b>\$ (1,119)</b>	<b>\$ 1,382</b>	<b>\$ 2,334</b>

**Make Whole Provision:**

43 The company will utilize existing regulatory liabilities such as PBA Utilization to recover any Rate Year 1 make whole values. a

**Bonus Depreciation NCR - 201 Rate Plan**

44 RG&E Electric: Bonus Depreciation NCR - If the Company has not filed for new rates effective for rate years beginning on or after May 1, 2019, then this item will continue to amortize (at the Rate Year 3 amount) until the balance is fully depleted, at which time the Company will begin to defer the revenue requirement effect associated with this item. b

**RG&E Gas**  
**Post Term Amortization Deferral**

		A	B	C	D	E	F
	Ref	Starting Rate Year Asset / (Liab) Balance	Amortization Period (years)	Rate Year 1 Amortization	Rate Year 2 Amortization	Rate Year 3 Amortization	Projected Balance 4/30/2019
<b>RG&amp;E Gas</b>							
1	a	\$ (14,643)	n/a	\$ -	\$ -	\$ -	\$ (14,643)
2		646	""	-	-	-	646
3		114	""	-	-	-	114
4		(1,127)	""	-	-	-	(1,127)
5		35	""	-	-	-	35
6		(8,787)	""	-	-	-	(8,787)
7		(1,193)	""	-	-	-	(1,193)
8		(1,111)	""	-	-	-	(1,111)
9		(266)	""	-	-	-	(266)
10		(199)	""	-	-	-	(199)
11		(855)	""	-	-	-	(855)
12		(38)	""	-	-	-	(38)
13		(360)	""	-	-	-	(360)
14		(1,595)	""	-	-	-	(1,595)
15		(67)	""	-	-	-	(67)
16		624	""	-	-	-	624
17		(516)	""	-	-	-	(516)
18		(1,070)	""	-	-	-	(1,070)
19		348	""	-	-	-	348
20		12,971	""	-	-	-	12,971
21		677	""	-	-	-	677
22		(151)	""	-	-	-	(151)
23		1,357	""	-	-	-	1,357
24		(135)	""	-	-	-	(135)
25		(192)	""	-	-	-	(192)
26		194	""	-	-	-	194
27		(415)	""	-	-	-	(415)
28		228	""	-	-	-	228
29		14	""	-	-	-	14
30		(228)	""	-	-	-	(228)
31		4,358	""	-	-	-	4,358
32		<b>\$ (11,383)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,383)</b>
33		34,584	34	(1,017)	(1,017)	(1,017)	\$ 31,533
34		11,968	50	(239)	(239)	(239)	11,250
35	b	(19,260)		239	239	239	(18,543)
36		<b>\$ 27,292</b>		<b>\$ (1,018)</b>	<b>\$ (1,018)</b>	<b>\$ (1,018)</b>	<b>\$ 24,240</b>
37		<b>\$ 15,909</b>		<b>\$ (1,018)</b>	<b>\$ (1,018)</b>	<b>\$ (1,018)</b>	<b>\$ 12,857</b>

**Make Whole Provision:**

- 38 The company will utilize existing regulatory liabilities such as Bonus Depreciation NCR - 2010 Rate Plan to recover any Rate Year 1 make whole values. a

**Property Tax Deferral:**

- 39 The Property Tax Deferral amortization is set to equal the Unfunded Income Tax Regulatory Asset amortization.

Case Nos. 15-E-0283, et al.

**Joint Proposal**

**NYSEG and RG&E**

**Post Term Amortization Deferral**

( ) denotes a net credit amortization

\$ - thousands

**All Companies**

Rate Levelization Deferral: Beginning May 1, 2019 any rate levelized business will defer the Rate Year 3 revenue requirement impact of any rate levelization or rate shaping built into Rate Year 3 rates.

**NYSEG**

All amortizations are set for a period of at least 5 years. In the event that NYSEG has not filed for new rates effective May 1, 2021, then the Company will begin to defer the revenue requirement effect associated with the expiring 5 Year Amortizations in the annual amounts identified below.

		<b>Annual Amortization Effective May 1, 2021</b>	
<b>1</b>	<b>NYSEG Electric</b>	<b>\$ (1,948)</b>	Detail per page 1
<b>2</b>	<b>NYSEG Gas</b>	<b>857</b>	Detail per page 2
<b>3</b>	<b>Total</b>	<b>\$ (1,091)</b>	

**RG&E**

The amortizations are limited to specific items. There is no Post Term Amortization deferral expected.

RG&E Electric: Bonus Depreciation NCR - If the Company has not filed for new rates effective for rate years beginning on or after May 1, 2019, then this item will continue to amortize (at the Rate Year 3 amount) until the balance is fully depleted, at which time the Company will begin to defer the revenue requirement effect associated with this item. See page 3, line 38 of this appendix for details.

## **Revenue Allocation and Rate Design**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

### **Cost of Service**

#### *Electric and Gas Embedded Cost of Service Studies*

Competitive service rates (i.e., the Administrative and Credit and Collections / Call Center components of the Merchant Function Charges (“MFC”), Billing Issuance and Payment Processing (“BIPP”) Charges and electric Metering Charges) are based on the embedded cost of service (“ECOS”) studies filed by the Companies in these proceedings.

In their next electric rate cases, the Companies will provide separate electric ECOS studies that classify Accounts 364-368 using:

- 1) 50% demand / 50% customer basis;
- 2) 100% demand basis; and
- 3) A different customer / demand basis if the Companies support something other than one of the classifications listed above.

#### *Electric Marginal Cost of Service Studies*

The Signatory Parties agree that, within the first six months of RY2, the Companies will initiate discussions with Staff and any interested parties to review and identify up to three specific methodologies for conducting future electric marginal cost studies. One of the methodologies shall be the Companies’ sole selection. The Companies agree to perform and file in their next rate cases up to three marginal cost of service studies, one for each identified methodology. Notwithstanding the foregoing, the Companies and parties expressly reserve the right to file testimony supporting or opposing the use of, application of, or reliance on, any such studies (and their underlying methodologies) in the rate cases or any other Commission proceedings.

#### *Study Costs*

The costs associated with conducting the agreed-upon embedded and marginal cost of service studies will be included in the Companies’ revenue requirement and the Companies will be authorized to recover the costs associated with performing such studies through the rates adopted in the next electric rate cases.

### **Revenue Allocation**

The Signatory Parties recognize that the revenue allocation determined in these proceedings does not use or otherwise reflect any one ECOS study sponsored by any party in reaching agreement on each Company’s allocation of the revenue increases to service classifications.

### *RY1*

The base delivery revenue increases applicable to NYSEG Electric, NYSEG Gas, RG&E Electric and RG&E Gas are derived by taking the total delivery increases as summarized in Appendix A to this Proposal, net of Gross Receipts Taxes, and adjusting by the delivery component of the MFC and BIPP charges, as determined per the ECOS studies. Electric base delivery revenue increases also account for adjustments for standby rate changes.

The revenue allocation for each service class is comprised of an initial allocation and an adjustment for any surplus or deficiency of revenues resulting from the initial allocation. The resulting revenue allocations of the base delivery revenue increases for each Company are set forth in Appendix X.

### *RY2-3*

The base delivery revenue increases for each Company will be allocated on an equal percentage of base delivery revenues basis to each service classification. Adjustments are made each year to account for the impacts of rate changes and rate design on unit changes from prior years. The electric base delivery revenue increases account for adjustments for standby rate changes each year. The resulting revenue allocations of the base delivery revenue increases for each Company are set forth in Appendix X.

## **Electric Rates**

### *Service Class Rate Design*

Residential and Small Non-Residential Classes: No increases are applied to monthly customer charges for NYSEG service classifications SC-1, SC-6, SC-8, SC-9, SC-12 and RG&E service classifications SC-1, SC-2, and SC-4. The revenue increases for each Rate Year are recovered through volumetric (per kWh) delivery charges.

Medium and Large Non-Residential Classes: For RY1, monthly customer charges are increased by 25% for NYSEG service classifications SC-2, SC-3P, SC-3S, SC-7-1, SC-7-2, SC-7-3, SC-7-4, and RG&E service classifications SC-3, SC-7, SC-8-Pri, SC-8-Sec, SC-8-ST Com, ST-8-ST Ind, SC-8-Tra, SC-8-Substa, and SC-9. Demand charges collect the remainder of the revenue requirement, with corresponding reductions to volumetric (per kWh) delivery charges as applicable. For RY2 and RY3, the revenue increases are applied on an equal percent basis to monthly customer charges and demand charges.

Area Lighting and Street Lighting Classes: For each Rate Year, the revenue increase is applied on an equal percent basis to the unit rates of each service classification.

### *Electric Load Profiles*

Updated service class load profiles used to support the load settlement process with the New York Independent System Operator (“NYISO”) (both energy and capacity tagging) and commodity rate calculations for NYSEG and RG&E will be implemented beginning with the effective date of new rates for RY1 in these proceedings.



### *Voluntary Residential Time-of-Use Rates*

The hedge adjustment will be removed from the calculation of the commodity charges for NYSEG SC-8 and SC-12, and RG&E SC-4, Schedules 1 and 2 commencing with the effective date of new rates for RY1 in these proceedings. In addition, the cost of the capacity component will be applied to on-peak hours only as opposed to all the hours.

### *NYSEG Electric SC-2 Heating Option*

The space heating rate option for NYSEG SC-2 General Service with Demand Metering, SC-6 General Service, and SC-9 General Service – Day Night will be eliminated beginning with the effective date of new rates for RY1 in these proceedings.

### *Mandatory Hourly Pricing (“MHP”) Customers*

The incremental meter charge for electric MHP customers will be eliminated beginning with the effective date of new rates in RY1 in these proceedings. Additionally, the Companies will implement tariff provisions to manage the requests for newer meter equipment in the absence of an equipment failure.

### *Transmission Plant Allocator for NYSEG Reliability Support Surcharge (“RSS”) Rate Design*

The transmission plant allocator in the NYSEG Electric ECOS study filed in this proceeding will be used to update the NYSEG RSS rate upon the first reset of the RSS rate after the Commission’s final rate order in these proceedings.

### *Emergency Demand Response Program (“EDRP”) and Day Ahead Demand Response Program (“DADRP”)*

RG&E customers participating in the EDRP and DADRP with RG&E as their provider will pay a monthly subscription service fee. The fee for each program is \$40 per month and is consistent with the fee charged to NYSEG EDRP and DADRP customers.

### *Energy Smart Community Project*

A collaborative to address the testing of new rate designs will be instituted upon the implementation of Advanced Metering Infrastructure (“AMI”) and related equipment in the Energy Smart Community Project.

## **Gas Rates**

### *Service Class Rate Design*

Residential and Small Non-Residential Classes: No increases are applied to monthly customer charges for NYSEG service classifications SC-1S, SC-13T, SC-2S, SC-14T and RG&E service classifications SC1 and SC 5. For the NYSEG service classifications, the revenue increases are recovered through the volumetric block rates on an equal percentage basis. For the RG&E service classifications, the volumetric tail block rate is set at the current level and the revenue

increases are recovered through the remaining volumetric block rates on an equal percentage basis.

Other Classes: For RY1, monthly customer charges are increased by 25% for NYSEG service classifications SC-9S, SC-1T, SC-5T, and RG&E service classifications SC-3. The volumetric tail block rate for each service classification is set at the current level and any remaining revenue deficiency or surplus will be applied on an equal percentage basis to all remaining volumetric block rates. For SC-3HP, the customer charge is set at the current level and the increase is spread to the volumetric rates consistent with SC-3. For RY2 and RY3, the revenue increases are applied on an equal percent basis to monthly customer charges and all volumetric block rates except the volumetric tail block rates, except for SC-3HP. The customer charge is set at the current level for SC-3HP for all rate years.

Gas Rates for Distributed Generation (“DG”) Service: DG delivery rates for NYSEG service classifications SC-10, SC-11, SC-16, SC-19, and RG&E service classifications SC-6, SC-7, SC-8 and SC-9 are updated in accordance with Commission Orders in Case 02-M-0515 such that the current relationships between the DG rates and the rates of the non-DG service classes are maintained.

*Lost and Unaccounted For (“LAUF”)*

The Companies will incorporate the recommendations provided in Staff’s White Paper on LAUF Gas that was provided to the gas utilities on January 27, 2012 (“Staff’s White Paper”) with the following clarifications:

- 1) Adjustments to the fixed Factor of Adjustment (“FOA”) are allowed for exogenous events. Exogenous events would include, but are not limited to, events such as flooding and significant theft of service that are outside of the Companies’ control.
- 2) Adjustments to the fixed FOA are allowed for significant and unanticipated impacts due to the restructuring of the natural gas industry in New York State. Any adjustment will apply to the calculation of the actual FOAs in any given year for incentive purposes.
- 3) The Companies will update the five-year average LAUF to five years ending August 31, 2015. The new LAUF will go into effect with the gas year commencing September 1, 2016. The Companies will switch to the System Performance Adjustment (“SPA”) methodology as modified above for the gas year September 1, 2016 through August 31, 2017 and going forward.
- 4) The following recommendations from Staff’s White Paper will be reflected:
  - a. LAUF will measure losses as metered supplies into the system less metered deliveries to customers;
  - b. Wholesale generators that are not on a dedicated line but are on a high pressure transmission line can negotiate a specific LLF, subject to a minimum of 1% unless the system average is lower;
  - c. Wholesale generators that are not served by a dedicated line and that do not negotiate a LLF will have the system average LLF applied;
  - d. The target for the LAUF mechanism will remain static for the life of the Proposal and the target will not be adjusted every year;

- e. The deadband will be two standard deviations of the five-year average annual loss percentage on either side of the target LAUF percentage;
- f. The standard deviation used to establish the deadband will be capped at 0.5%;
- g. If the Actual LLF is above the top of the deadband, the Companies will pay for the difference between the Actual LLF and the top of the deadband while the customers would pay a difference for the percentage between the top of the deadband and the Average LLF;
- h. If the Actual LLF is in-between the Average LLF and the top of the deadband, the customers will pay a surcharge for the percentage between the Actual LLF and the Average LLF;
- i. If the Actual LLF is in-between the Average LLF and the bottom of the deadband, the customers will receive a refund for the percentage between the Actual LLF and the Average LLF;
- j. If the Actual LLF is below the bottom of the deadband, the Companies will receive a benefit for the difference between the Actual LLF and the bottom of the deadband while the customers would receive a refund for the percentage between the bottom of the deadband and the Average LLF;
- k. Incentives should not be earned if the calculated FOA falls below 1.00; and
- l. When the bottom of the deadband is limited to 1.0000, the top of the deadband should be set at one plus four standard deviations.

#### *RG&E Gas Interruptible Rate*

The Signatory Parties agree that 90 days after the date of the Commission's final rate order in these proceedings, the Companies will file tariffs to implement a gas interruptible rate. The Signatory Parties recognize and agree that the tariffs will be similar to SC-3 Interruptible Sales Service under PSC No. 87, and SC-2 Interruptible Transportation Service under PSC No. 88 currently in effect for NYSEG.

#### *Gas Delivery Rate Realignment Collaborative*

The Signatory Parties agree that 60 days after Commission's final rate order in these proceedings, the Companies will initiate discussions with Staff and interested parties to discuss potential realignment of NYSEG and RG&E gas delivery rate structures in order to make them more consistent, as outlined in the Gas Realignment Reports filed with the Companies' initial testimony. The Companies will file progress reports with Staff every 90 days after the start of the collaborative through its conclusion. The Companies will also file a final report with Staff 90 days after the conclusion of the collaborative.

#### **Competitive Service Rates**

Schedule 1 to this Appendix contains the information from the Companies' ECOS studies to be used in the development of the Competitive Service Rates.

The MFC and the POR Discount will continue to be calculated as stated in the Companies' respective currently-effective tariffs and as agreed-upon in Appendix W of the Joint Proposal in Cases 09-E-0715 et al., with the exception of the following modification to the Credit and Collections component of each:

- 1) The commodity related credit and collections and call center ("CCCC") component will be based on a percentage of the Merchant Function CCCC expenses identified in the ECOS studies filed by the Companies in Cases 15-E-0283 et al (see ECOS Exhibit 11).
- 2) A fixed percentage factor will be applied to the CCCC expenses identified in the Merchant Function. This will split the CCCC expenses into POR-related and MFC-related.
- 3) The fixed percentage factor will be based on the units used to develop the September 1, 2015 POR discount rates (see Schedule 1 to this Appendix) and will be calculated as follows:

$\text{POR fixed percentage factor} = \frac{\text{The total POR actual units}}{\text{POR actual units} + \text{forecasted retail company supplied units}}$

$\text{MFC fixed percentage factor} = \frac{\text{The forecasted total retail company supplied units}}{\text{POR actual units} + \text{forecasted retail company supplied units}}$

*Purchase of Receivables Discount (Electric and Gas)*

- 1) The POR CCCC annual expense amount will be fixed for the term of the Rate Plan.
- 2) The POR CCCC annual expense amount will be reconciled annually for differences in actual versus design sales only.
- 3) The CCCC Adder percentage for the POR discount rate will be calculated by using the fixed POR CCCC expenses plus any POR prior period under- or over-collections divided by the forecasted POR receivables.
- 4) Only the POR CCCC reconciliation will flow through the POR annual reset.
- 5) Prior period true-ups related to POR will be included in the initial POR calculation for RY1.

*MFC CCCC component (Electric and Gas)*

- (1) The MFC CCCC annual expense amount will be fixed for the term of the Rate Plan.
- (2) The MFC CCCC annual expense amount will be reconciled annually for differences in actual versus design sales only.
- (3) The CCCC component of the MFC will be calculated by dividing the MFC CCCC annual expense amount by forecasted units and will be reset annually.
- (4) The MFC CCCC reconciliation will flow through the MFC annual reconciliation process and will be included in the Prior Period Reconciliation component.
- (5) Prior period true-ups related to MFC will be included in the initial MFC calculation for RY1.

### **Economic Development Rates**

Discounted rates offered under NYSEG's Economic Development Zone Incentive ("EDZI") Program, RG&E's Empire Zone Rates ("EZR") Program, and the Companies' Excelsior Jobs Programs are updated based on the results of the Companies' filed marginal cost of service studies in these proceedings.

### **Standby Rates**

#### *Rate Design*

Standby customer charges are set at the same level as otherwise applicable service classifications. The remaining revenue requirement associated with standby rates for each service classification is recovered through contract demand charges and as-used demand charges in proportion to the revenues collected through current contract demand and as-used demand charges.

#### *Performance-Based Credit*

Standby customers will be provided an opportunity to earn credits against their contract demand charges based on the performance of their generating facilities.

The output of the generating facility must be separately metered using Commission-approved, revenue grade, interval metering with telecommunications capability that the customer arranges to be furnished and installed at customer expense. The customer, at its expense, must provide and maintain the communications service for the meter(s) recording the generating facility's output (the "output meter"). A customer that is interested in the opportunity to earn credits based on summer 2016 performance, and whose generating facility is not currently separately metered using interval metering with telecommunications capability, must arrange to have the metering and telecommunications capability installed before June 15, 2016, at customer's expense and accept the risk of the Commission not adopting this performance-based credit. Within two weeks following execution of this Proposal, the Companies will notify all existing standby customers and parties to this proceeding of the potential availability of this performance credit<sup>1</sup> and the steps to be taken by standby customers interested in qualifying for this credit.

The credits to the contract demand charges will be determined each year in October based on generating facility performance during a previous measurement period for which interval data was available from the output meter. For the first year of a customer's participation, the measurement period will be weekdays from 7:00 am to 10:00 pm for NYSEG and 7:00 am to 11:00 pm for RG&E during the previous full summer period (defined for the purposes of this credit provision as June 15 through September 15) adjusted for Outage Events as described below. The measurement period for the second and subsequent years of a customer's participation will be weekdays from 7:00 am to 10:00 pm for NYSEG and 7:00 am to 11:00 pm for RG&E during the previous two consecutive full summer periods adjusted for Outage Events

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<sup>1</sup> For example, the notice will disclose the fact that the Signatory Parties are proposing this performance mechanism for Commission approval, but that the Commission may not adopt this Proposal and, therefore, customers are at risk for the expense of installing interval metering with telecommunications capability necessary to qualify for this program.

as described below. The credit for any measurement period will be equal to the product of: (a) the lesser of the lowest kW recorded on the output meter during the measurement period or the customer's Contract Demand; and (b) the Contract Demand Delivery Charge per kW in effect on October 1 of the year in which the credit is determined. The credit will be applied to the customer's successive 12 monthly bills commencing in November until the following October when the credit will be re-determined.

The measurement period will exclude up to three Outage Events each summer (regardless of cause) comprised of no more than five 24-hour weekday periods, where (a) each Outage Event may be comprised of one or more consecutive 24-hour periods, and (b) any part of a 24-hour period (excluding weekends and holidays<sup>2</sup>) will count as one of the five 24-hour periods (i.e., the 24-hour periods cannot be applied on a partial basis).

A customer seeking a performance-based credit must request such credit by October 1 of each year and, at the same time, specify the outage events the customer requests to be excluded from the measurement period. Prior to October 1, the Companies will notify participating customers of their need to request the applicable credit.

Credits provided to standby customers will be recovered from all customers, including standby customers, through the applicable Non-Bypassable Charge.

This performance-based credit will be re-evaluated and is subject to change at the earlier of: (a) changes to standby rates resulting from determinations made in Track Two of the Reforming the Energy Vision ("REV") proceeding (Case 14-M-0101); or (b) the effective date of the Companies' next change in base electric delivery rates.

The Companies will file an annual report with the Secretary to the Commission detailing the number of customers that received a credit, the number of customers that applied but did not qualify for a credit, the reason(s) for not qualifying (without attribution to individual customers), and the total cost of the credits. The Companies will confer with Staff to determine what, if any, additional information should be included in the annual report.

Nothing in the Proposal precludes any Signatory Party from proposing to the Commission additional changes to the Companies' standby service terms and conditions as part of: (a) Track Two of the REV proceeding in which the Commission has announced its intention to review the Commission's standby rates policy; (b) any other generic proceeding established by the Commission to consider standby rates for all New York State electric utilities; or (c) the Companies' next electric delivery rate filings. The Signatory Parties reserve all rights to participate in such proceedings without limitation. If as a result of the REV or such other generic proceeding the Commission directs a change in standby rates to take effect before new base electric delivery rates are set in these proceedings, the Companies will be permitted at the time of any such rate changes to make rate adjustments to offset the revenue effect, if any, of any changes to electric standby rates being less than the amount assumed in setting rates.

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<sup>2</sup> If an Outage Event commences on a Friday and extends beyond Saturday and Sunday, the first 24-hour period will be calculated from the hour of commencement on Friday (e.g., 10:00 am) until the same hour on Monday (i.e., 10:00 am), or Tuesday, if Monday is a holiday.

*Performance-Based Credit – Illustrative Example*

(1)	Customer Contract Demand (kW)	1,000
(2)	Lowest Output Recorded on Generator Output Meter During Measurement Period (kW) <sup>3</sup> :	500
(3)	Contract Demand Charge (\$/kW)	\$1.50
(4)	Performance Credit Earned: (2) x (3) - Applied to Customer's Successive 12 Monthly Bills Commencing November Following the Previous Measurement Period	\$750.00
(5)	Total Annual Credit Earned: (4) x 12 months	\$9,000.00

**Light-Emitting Diode (“LED”) Lighting**

The Companies will make a separate tariff filing within six months of the date of the Commission's final rate order in this proceeding that will offer Company-owned LED street lighting options. There are approximately 500 municipalities in NYSEG's service territory and 83 in RG&E's service territory that are served under each Company's respective Company-owned street lighting tariff. The six-month timeframe is needed to make a reasonable assessment of general customer interest in LED street lighting from a sample of municipalities, as practicable, and evaluate LED lighting offerings that can serve as replacements for current street lighting luminaires.

**Unaccounted for Energy (“UFE”)**

The Signatory Parties believe the allocation of UFE for MHP customers may be impacted by the use of load profiles for non-MHP customers. Therefore, the Signatory Parties agree to the following for NYSEG's and RG&E's service territories:

When calculating wholesale hourly electric load allocations per Load Serving Entity (“LSE”) for reporting to the NYISO, the Companies will not allocate any portion of the subzonal UFE to MHP customer load. The load assigned to LSEs for MHP customers will be the MHP customer's metered hourly load plus the tariff voltage level / service class energy loss factor for that customer. All subzonal UFE will be allocated to LSEs based on each LSEs share of non-MHP load in a given hour.

**Tariffs**

The compliance filing submitted in these proceedings will include the provisions submitted with the Companies' initial filing, as modified per discussions with Staff that achieve further consistency between the Companies' tariffs.

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<sup>3</sup> The amount cannot exceed a customer's contract demand.

New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation  
Embedded Cost of Service Information for Rate Development

Line	Information from ECOS Studies	Source		
1				
2				
3	New York State Electric & Gas Corporation BIPP	May 20, 2015 RARDEDT Exhibit 23		\$0.81 Per bill
4				
5	Rochester Gas and Electric Corporation BIPP	May 20, 2015 RARDEDT Exhibit 23		\$0.72 Per bill
6				
7				
8	NYSEG Electric CCCC Expenses	August 5, 2015 ECOS Exhibit A11		\$5,737,441
9	NYSEG Gas CCCC Expenses	May 20, 2015 ECOS Exhibit C11		\$1,702,829
10	RGE Electric CCCC Expenses	August 5, 2015 ECOS Exhibit B11		\$2,519,345
11	RGE Gas CCCC Expenses	May 20, 2015 ECOS Exhibit D11		\$2,394,591
12				
13	NYSEG Electric Admin Expenses	August 5, 2015 ECOS Exhibit A11		\$9,907,480
14	NYSEG Gas Admin Expenses	May 20, 2015 ECOS Exhibit C11		\$2,456,022
15	RGE Electric Admin Expenses	August 5, 2015 ECOS Exhibit B11		\$4,782,813
16	RGE Gas Admin Expenses	May 20, 2015 ECOS Exhibit D11		\$2,406,503
17				
18				
19	<b>CCCC Fixed Factor Percentage Based on units from 9/1/15 POR Discount Rate</b>			
20	<b>Determines how much of CCCC will be recovered through POR Discount Rate and how much recovered through MFC rate</b>			
21		Units		
22	NYSEG Electric MFC	6,763,319,715	71%	\$4,074,460
23	NYSEG Electric POR	2,760,433,616	29%	\$1,662,981
24		<u>9,523,753,331</u>		<u>\$5,737,441</u>
25				
26	NYSEG Gas MFC	226,459,374	74%	\$1,257,983
27	NYSEG Gas POR	80,080,263	26%	\$444,846
28		<u>306,539,637</u>		<u>\$1,702,829</u>
29				
30	RGE Electric MFC	2,679,820,363	68%	\$1,723,106
31	RGE Electric POR	1,238,330,870	32%	\$796,238
32		<u>3,918,151,233</u>		<u>\$2,519,345</u>
33				
34	RGE Gas MFC	237,884,455	74%	\$1,776,852
35	RGE Gas POR	82,702,753	26%	\$617,739
		<u>320,587,208</u>		<u>2,394,591</u>

Note:

BIPP = Bill Issuance and Payment Processing Charge

CCCC = Credit and Collection and Call Center Expenses



**New York State Electric & Gas Corporation  
Calculation of Unbundled Meter Rates by Rate Class**

	<b>GS with Dem &lt; 500kW SC 2</b>	<b>Prim with Dem &gt; 500 kW SC 3P</b>	<b>Subtran with Dem &gt; 500kW SC 3S</b>	<b>GS with Dem &gt; 500kW SC 7-1</b>	<b>Prim with Dem &gt; 500kW SC 7-2</b>	<b>Subtran with Dem &gt; 500kW SC 7-3</b>	<b>Transm Srcv with Dem &gt; 500kW SC 7-4</b>
<hr/>							
<b>Annual Unbundled Meter Rates</b>							
Meter Inventory	\$ 9.13	\$ 20.85	\$ 19.76	\$ 16.01	\$ 59.61	\$ 56.17	\$ 219.84
Meter Services	\$ 124.49	\$ 258.42	\$ 267.74	\$ 190.84	\$ 554.84	\$ 553.10	\$ 1,856.75
Meter Reading	\$ 43.34	\$ 75.62	\$ 54.60	\$ 71.74	\$ 215.29	\$ 186.69	\$ 657.37
Total	\$ 176.96	\$ 354.89	\$ 342.10	\$ 278.60	\$ 829.74	\$ 795.96	\$ 2,733.96
<hr/>							
<b>Monthly Unbundled Meter Rates</b>							
Meter Inventory	\$ 0.76	\$ 1.74	\$ 1.65	\$ 1.33	\$ 4.97	\$ 4.68	\$ 18.32
Meter Services	\$ 10.37	\$ 21.54	\$ 22.31	\$ 15.90	\$ 46.24	\$ 46.09	\$ 154.73
Meter Reading	\$ 3.61	\$ 6.30	\$ 4.55	\$ 5.98	\$ 17.94	\$ 15.56	\$ 54.78
Total	\$ 14.75	\$ 29.57	\$ 28.51	\$ 23.22	\$ 69.15	\$ 66.33	\$ 227.83

Source: October 13, 2015 Rebuttal ECOS Study

**Rochester Gas and Electric Corporation**  
**Calculation of Unbundled Meter Rates by Rate Class**

	<b>GS 100 kW SC 3</b>	<b>GS 12 kW Minimum SC 7</b>	<b>Large GS TOU Primary SC 8P</b>	<b>Large GS TOU Secondary SC 8S</b>	<b>Large GS TOU Subtran - Comm SC 8STComm</b>	<b>Large GS TOU Subtran - Ind SC 8STInd</b>	<b>Large GS TOU Transmission SC 8T</b>	<b>Large GS TOU Substation SC 8SubS</b>	<b>GS TOU SC 9</b>
<b>Annual Unbundled Meter Rates</b>									
Meter Inventory	\$ 25.40	\$ 13.17	\$ 86.51	\$ 68.34	\$ 101.19	\$ 135.37	\$ 226.04	\$ 66.90	\$ 36.95
Meter Services	\$ 172.69	\$ 97.48	\$ 525.55	\$ 446.20	\$ 592.70	\$ 736.13	\$ 1,125.97	\$ 449.85	\$ 286.58
Meter Reading	\$ 27.11	\$ 21.66	\$ 62.69	\$ 44.48	\$ 84.04	\$ 121.51	\$ 215.45	\$ 44.56	\$ 22.16
Total	\$ 225.20	\$ 132.30	\$ 674.75	\$ 559.02	\$ 777.93	\$ 993.00	\$ 1,567.46	\$ 561.30	\$ 345.70
<b>Monthly Unbundled Meter Rates</b>									
Meter Inventory	\$ 2.12	\$ 1.10	\$ 7.21	\$ 5.69	\$ 8.43	\$ 11.28	\$ 18.84	\$ 5.57	\$ 3.08
Meter Services	\$ 14.39	\$ 8.12	\$ 43.80	\$ 37.18	\$ 49.39	\$ 61.34	\$ 93.83	\$ 37.49	\$ 23.88
Meter Reading	\$ 2.26	\$ 1.80	\$ 5.22	\$ 3.71	\$ 7.00	\$ 10.13	\$ 17.95	\$ 3.71	\$ 1.85
Total	\$ 18.77	\$ 11.02	\$ 56.23	\$ 46.59	\$ 64.83	\$ 82.75	\$ 130.62	\$ 46.78	\$ 28.81

Source: August 5, 2015 Update ECOS Study

New York State Electric & Gas Corporation  
Electric Department  
Development of Delivery Revenues  
Rate Year 1 - May 1, 2016 through April 30, 2017

		Delivery Revenue					
		Sales (kWh)	Prior to Rate Increase (000\$)	Rate Year 1 Delivery Revenues (000\$)	Revenue Increase/(Decrease) (000\$)	Change (%)	
1	PSC 120 Service Classifications (SC)						
2	SC # 1 - Residential Regular	4,911,671,325	277,816	294,771	16,955	6.1%	
3							
4	SC # 8 - Residential Day-Night	1,721,127,065	78,494	84,280	5,786	7.4%	
5							
6	SC #12 - Residential Time of Use	186,798,820	7,373	7,729	356	4.8%	
7							
8	SC #6 - General Service Regular	275,699,821	23,061	24,761	1,700	7.4%	
9							
10	SC # 9 - General Service Day-Night	22,684,732	1,291	1,365	75	5.8%	
11							
12	SC # 2 - General Service-w/Demand						
13	High Load Factor	43,222,173	735	766	31	4.2%	
14	Standard	2,829,628,754	98,423	104,129	5,706	5.8%	
15	Total SC 2	2,872,850,927	99,158	104,895	5,737	5.8%	
16							
17	SC # 7-1 - General Service-Time of Use						
18	High Load Factor	207,247,864	4,134	4,305	171	4.1%	
19	Standard	1,264,208,868	30,583	32,147	1,564	5.1%	
20	Total SC 7-1	1,471,456,732	34,717	36,452	1,735	5.0%	
21							
22	SC # 3P - Primary Service						
23	High Load Factor	4,229,423	49	51	2	4.0%	
24	Standard	147,530,983	2,889	3,103	215	7.4%	
25	Total SC 3P	151,760,406	2,938	3,155	217	7.4%	
26							
27	SC # 7-2 - Primary Service-Time of Use						
28	High Load Factor	867,016,185	11,652	12,653	1,000	8.6%	
29	Standard	775,744,959	13,178	14,206	1,028	7.8%	
30	Total SC 7-2	1,642,761,144	24,831	26,859	2,028	8.2%	
31							
32	SC # 3S - Sub transmission Service	Standard	4,618,716	97	102	6	5.8%
33							
34	SC # 7-3 - Sub transmission-Time of Use						
35	High Load Factor	889,900,481	4,643	4,886	243	5.2%	
36	Standard	397,321,520	2,739	2,864	126	4.6%	
37	Total SC 7-3	1,287,222,000	7,381	7,750	369	5.0%	
38							
39	SC # 7-4 - Transmission-Time of Use						
40	High Load Factor	581,108,878	1,228	1,330	103	8.3%	
41	Standard	331,215,803	915	987	73	7.9%	
42	Total SC 7-4	912,324,681	2,143	2,318	175	8.2%	
43							
44	SC #11 - Standby Service	109,907,987	1,645	1,696	51	3.1%	
45							
46	SC # 5 - Outdoor Lighting	19,615,998	2,400	2,615	215	9.0%	
47							
48							
49	Total P.S.C. 120 Revenue	15,590,500,353	563,344	598,748	35,404	6.3%	
50							
51							
52	PSC 121 Service Classifications (SC)						
53	SC #1 - Street Lighting Service	308,093	37	40	3	9.0%	
54	SC #2 - Street Lighting Service	13,432,532	670	730	60	9.0%	
55	SC #1 - Street Lighting Service	54,378,105	9,199	10,023	824	9.0%	
56	SC #4 - Street Lighting Service - Customer Owned Equip.	3,782,872	95	103	8	9.0%	
57							
58	Street Lighting	71,901,602	10,001	10,897	896	9.0%	
59							
60	Subtotal PSC 120 and 121	15,662,401,955	573,345	609,645	36,300	6.3%	
61							
62	Revenue Adjustment (1)		(118)	-	118		
63							
64	Bill Issuance and Payment Processing Charge		6,624	7,306	682	10.3%	
65							
66	Total PSC 120 and 121	15,662,401,955	579,851	616,950	37,100	6.4%	
67							
68	Other Delivery Revenue Adjustments						
69	System Benefit Charge		12,688	12,688	-		
70	Energy Efficiency Portfolio Standards		36,065	36,065	-		
71	Temporary State Assessment Surcharge		9,581	9,581	-		
72	Renewable Portfolio Standards		27,590	27,590	-		
73	Reliability Support Services Surcharge		30,258	30,258	-		
74	MFC/POR-Credit/Coll/Call Ctr/Admin (incl. PY amort)		23,510	15,645	(7,865)	-33.5%	
75	Economic Development Discounts		(12)	(12)	-		
76	Unbilled		-	-	-		
77	Revenue Taxes		8,385	8,752	367	4.4%	
78	Total Tariff Retail Revenue	15,662,401,955	727,916	757,517	29,601	4.1%	
79							
80							
81							
82	Total Sales Revenue		727,916	757,517	29,601	4.1%	

(1) Impact of rate year tariffs on rate year sales units

New York State Electric & Gas Corporation  
Electric Department  
Revenue Allocation  
Rate Year 1 - May 1, 2016 through April 30, 2017

	Delivery Revenue Prior to Rate Increase (000\$)	Revenue Requirement Increase (000 \$)	Rate Year 1 Delivery Revenues (000\$)	Change (%)
1 PSC 120 Service Classifications (SC)				
2 SC # 1 - Residential Regular	277,816	16,955	294,771	6.1%
3				
4 SC # 8 - Residential Day-Night	78,494	5,786	84,280	7.4%
5				
6 SC #12 - Residential Time of Use	7,373	356	7,729	4.8%
7				
8 SC #6 - General Service Regular	23,061	1,700	24,761	7.4%
9				
10 SC # 9 - General Service Day-Night	1,291	75	1,365	5.8%
11				
12 SC # 2 HLF - General Service-w/Demand	735	31	766	4.2%
13				
14 SC # 2 - General Service-w/Demand	98,423	5,706	104,129	5.8%
15				
16 SC # 7-1 HLF - General Service-Time of Use	4,134	171	4,305	4.1%
17				
18 SC #7-1 - General Service-Time of Use	30,583	1,564	32,147	5.1%
19				
20 SC # 3P HLF - Primary Service (HLF)	49	2	51	4.0%
21				
22 SC # 3P - Primary Service	2,889	215	3,103	7.4%
23				
24 SC # 7-2 HLF - Primary Service-Time of Use	11,652	1,000	12,653	8.6%
25				
26 SC # 7-2 - Primary Service-Time of Use	13,178	1,028	14,206	7.8%
27				
28 SC # 3S - Sub transmission Service	97	6	102	5.8%
29				
30 SC # 7-3 HLF - Sub transmission-Time of Use	4,643	243	4,886	5.2%
31				
32 SC # 7-3 - Sub transmission-Time of Use	2,739	126	2,864	4.6%
33				
34 SC # 7-4 HLF - Transmission-Time of Use	1,228	103	1,330	8.3%
35				
36 SC # 7-4 - Transmission-Time of Use	915	73	987	7.9%
37				
38 SC #11 - Standby Service	1,645	51	1,696	3.1%
39				
40 SC # 5 - Outdoor Lighting	2,400	215	2,615	9.0%
41				
42 PSC 121 Service Classifications (SC)				
43 Street Lighting	10,001	896	10,897	9.0%
44				
45 Subtotal PSC 120 and 121	573,345	36,300	609,645	6.3%
46				
47				

48				
49	Total Delivery Revenue Increase			29,235
50	GRT			367
51	Total Delivery Revenue Increase - Appendix A			29,601
52		Current	Proposed	
53	Less: Change in MFC - Delivery Revenue	23,510	15,645	(7,865)
54	Less: Change in BIPP - Revenue	6,624	7,306	682
55	Less: Impact of rate year tariffs on rate year sales units			118
56	Rate Design Net Increase			36,300
57				
58	Standby			51
59	Revenue to be allocated to standard SCs (exclude standby, MFC, BIPP)			36,249
60	Rate Design Net Increase			36,300
61				
62				

New York State Electric & Gas Corporation  
Electric Department  
Development of Delivery Revenues  
Rate Year 2 - May 1, 2017 through April 30, 2018

	Sales (kWh)	Delivery Revenue Prior to Rate Increase (000\$)	Rate Year 2 Delivery Revenues (000\$)	Revenue Increase/(Decrease) (000\$)	Change (%)
1 PSC 120 Service Classifications (SC)					
2 SC # 1 - Residential Regular	4,971,476,184	297,581	311,833	14,252	4.79%
3					
4 SC # 8 - Residential Day-Night	1,741,256,854	85,093	89,169	4,075	4.79%
5					
6 SC #12 - Residential Time of Use	189,032,242	7,815	8,189	374	4.79%
7					
8 SC #6 - General Service Regular	274,761,481	24,893	26,085	1,192	4.79%
9					
10 SC # 9 - General Service Day-Night	22,600,528	1,370	1,435	66	4.79%
11					
12 SC # 2 - General Service-w/Demand	2,867,886,184	104,883	109,906	5,023	4.79%
13					
14 SC # 7-1 - General Service-Time of Use	1,471,502,621	36,507	38,255	1,748	4.79%
15					
16 SC # 3P - Primary Service	151,842,946	3,158	3,310	151	4.79%
17					
18 SC # 7-2 - Primary Service-Time of Use	1,648,773,745	26,955	28,246	1,291	4.79%
19					
20 SC # 3S - Sub transmission Service	4,626,455	103	108	5	4.79%
21					
22 SC # 7-3 - Sub transmission-Time of Use	1,293,795,347	7,785	8,157	373	4.79%
23					
24 SC # 7-4 - Transmission-Time of Use	916,600,216	2,327	2,438	111	4.79%
25					
26 SC #11 - Standby Service	110,013,776	1,696	1,786	90	5.33%
27					
28 SC # 5 - Outdoor Lighting	19,611,718	2,615	2,741	125	4.79%
29					
30					
31 Total P.S.C. 120 Revenue	15,683,780,297	602,780	631,658	28,878	4.79%
32					
33					
34 PSC 121 Service Classifications (SC)					
35 SC #1 - Street Lighting Service	306,737	40	42,20	1.93	4.79%
36 SC #2 - Street Lighting Service	13,373,538	727	761.33	34.80	4.79%
37 SC #1 - Street Lighting Service	54,138,746	9,978	10,455.71	477.87	4.79%
38 SC #4 - Street Lighting Service - Customer Owned Equip.	3,766,228	103	107.50	4.91	4.79%
39					
40 Street Lighting	71,585,249	10,847	11,367	520	4.79%
41					
42 Subtotal PSC 120 and 121	15,755,365,546	613,627	643,024	29,397	4.79%
43					
44 Revenue Adjustment (1)		(129)	-	129	
45					
46 Bill Issuance and Payment Processing Charge		7,306	7,306	-	0.00%
47					
48 Total PSC 120 and 121	15,755,365,546	620,804	650,330	29,526	4.76%
49					
50 Other Delivery Revenue Adjustments					
51 System Benefit Charge		12,718	12,718	-	
52 Energy Efficiency Portfolio Standards		30,327	30,327	-	
53 Temporary State Assessment Surcharge		6,451	6,451	-	
54 Renewable Portfolio Standards		26,049	26,049	-	
55 Reliability Support Services Surcharge		6,180	6,180	-	
56 MFC/POR-Credit/Coll/Call Ctr/Admin (incl. PY amort)		15,645	15,645	-	0.0%
57 Economic Development Discounts		(12)	(12)	-	
58 Unbilled		-	-	-	
59 Revenue Taxes		9,568	9,931	363	3.8%
60 Total Tariff Retail Revenue	15,755,365,546	727,729	757,618	29,889	4.1%
61					
62 Rate Increase Levelization Deferral		2,200	2,200	-	
63					
64 Total Sales Revenue		729,929	759,818	29,889	4.1%

(1) Impact of rate year tariffs on rate year sales units

New York State Electric & Gas Corporation  
Electric Department  
Revenue Allocation  
Rate Year 2 - May 1, 2017 through April 30, 2018

	Delivery Revenue Prior to Rate Increase (000\$)	Revenue Requirement Increase (000 \$)	Rate Year 2 Delivery Revenues (000\$)	Change (%)
1 PSC 120 Service Classifications (SC)				
2 SC # 1 - Residential Regular	297,581	14,252	311,833	4.79%
3				
4 SC # 8 - Residential Day-Night	85,093	4,075	89,169	4.79%
5				
6 SC #12 - Residential Time of Use	7,815	374	8,189	4.79%
7				
8 SC #6 - General Service Regular	24,893	1,192	26,085	4.79%
9				
10 SC # 9 - General Service Day-Night	1,370	66	1,435	4.79%
11				
12 SC # 2 - General Service-w/Demand	104,883	5,023	109,906	4.79%
13				
14 SC #7-1 - General Service-Time of Use	36,507	1,748	38,255	4.79%
15				
16 SC # 3P - Primary Service	3,158	151	3,310	4.79%
17				
18 SC # 7-2 - Primary Service-Time of Use	26,955	1,291	28,246	4.79%
19				
20 SC # 3S - Sub transmission Service	103	5	108	4.79%
21				
22 SC # 7-3 - Sub transmission-Time of Use	7,785	373	8,157	4.79%
23				
24 SC # 7-4 - Transmission-Time of Use	2,327	111	2,438	4.79%
25				
26 SC #11 - Standby Service	1,696	90	1,786	5.33%
27				
28 SC # 5 - Outdoor Lighting	2,615	125	2,741	4.79%
29				
30 NYPA New				
31				
32 PSC 121 Service Classifications (SC)				
33 Street Lighting	10,847	520	11,367	4.8%
34				
35 Subtotal PSC 120 and 121	613,627	29,397	643,024	4.8%
36				
37				
38				
39 Total Delivery Revenue Increase		29,526		
40 GRT		363		
41 Total Delivery Revenue Increase - Appendix A		29,889		
42	Current	Proposed		
43 Less: Change in MFC - Delivery Revenue	15,645	15,645	-	
44 Less: Change in BIPP - Revenue	7,306	7,306	-	
45 Less: Impact of rate year tariffs on rate year sales units			129	
46 Rate Design Net Increase			29,397	
47				
48 Standby			90	
49 Revenue to be allocated to standard SCs (exclude standby, MFC, BIPP)			29,307	
50 Rate Design Net Increase			29,397	
51				
52				

New York State Electric & Gas Corporation  
Electric Department  
Development of Delivery Revenues  
Rate Year 3 - May 1, 2018 through April 30, 2019

	Sales (kWh)	Delivery Revenue Prior to Rate Increase (000\$)	Rate Year 3 Delivery Revenues (000\$)	Revenue Increase/(Decrease) (000\$)	Change (%)
1 PSC 120 Service Classifications (SC)					
2 SC # 1 - Residential Regular	5,029,733,266	314,799	329,478	14,679	4.66%
3					
4 SC # 8 - Residential Day-Night	1,761,227,739	90,034	94,233	4,198	4.66%
5					
6 SC #12 - Residential Time of Use	191,221,080	8,277	8,663	386	4.66%
7					
8 SC #6 - General Service Regular	272,618,794	26,144	27,363	1,219	4.66%
9					
10 SC # 9 - General Service Day-Night	22,421,295	1,435	1,502	67	4.66%
11					
12 SC # 2 - General Service-w/Demand	2,849,770,250	109,431	114,534	5,103	4.66%
13					
14 SC # 7-1 - General Service-Time of Use	1,464,608,692	38,149	39,928	1,779	4.66%
15					
16 SC # 3P - Primary Service	151,485,524	3,305	3,459	154	4.66%
17					
18 SC # 7-2 - Primary Service-Time of Use	1,648,365,833	28,242	29,559	1,317	4.66%
19					
20 SC # 3S - Sub transmission Service	4,608,884	108	113	5	4.66%
21					
22 SC # 7-3 - Sub transmission-Time of Use	1,295,067,418	8,160	8,540	380	4.66%
23					
24 SC # 7-4 - Transmission-Time of Use	916,663,487	2,438	2,552	114	4.66%
25					
26 SC #11 - Standby Service	109,993,988	1,786	1,869	83	4.65%
27					
28 SC # 5 - Outdoor Lighting	19,548,739	2,720	2,847	127	4.66%
29					
30					
31 Total P.S.C. 120 Revenue	15,737,334,989	635,028	664,639	29,611	4.66%
32					
33					
34 PSC 121 Service Classifications (SC)					
35 SC #1 - Street Lighting Service	305,450	42	44	2	4.66%
36 SC #2 - Street Lighting Service	13,317,585	758	793	35	4.66%
37 SC #3 - Street Lighting Service	53,911,726	10,410	10,895	485	4.66%
38 SC #4 - Street Lighting Service - Customer Owned Equip.	3,750,441	107	112	5	4.66%
39					
40 Street Lighting	71,285,203	11,317	11,845	528	4.66%
41					
42 Subtotal PSC 120 and 121	15,808,620,192	646,345	676,484	30,139	4.66%
43					
44 Revenue Adjustment (1)		69	-	(69)	
45					
46 Bill Issuance and Payment Processing Charge		7,306	7,306	-	0.00%
47					
48 Total PSC 120 and 121	15,808,620,192	653,720	683,790	30,070	4.60%
49					
50 Other Delivery Revenue Adjustments					
51 System Benefit Charge		12,710	12,710	-	
52 Energy Efficiency Portfolio Standards		31,369	31,369	-	
53 Temporary State Assessment Surcharge		-	-	-	
54 Renewable Portfolio Standards		24,015	24,015	-	
55 Reliability Support Services Surcharge		-	-	-	
56 MFC/POR-Credit/Coll/Call Ctr/Admin (incl. PY amort)		15,645	15,645	-	0.0%
57 Economic Development Discounts		(8)	(8)	-	
58 Unbilled		-	-	-	
59 Revenue Taxes		10,084	10,312	227	2.3%
60 Total Tariff Retail Revenue	15,808,620,192	747,535	777,832	30,297	4.1%
61					
62 Rate Increase Levelization Deferral		3,793	3,793	-	
63					
64 Total Sales Revenue		751,328	781,625	30,297	4.0%

(1) Impact of rate year tariffs on rate year sales units

New York State Electric & Gas Corporation  
Electric Department  
Revenue Allocation  
Rate Year 3 - May 1, 2018 through April 30, 2019

	Rate Year 3 Delivery Revenue Prior to Rate Increase (000\$)	Revenue Requirement Increase (000 \$)	Rate Year 3 Delivery Revenues (000\$)	Change (%)
1 PSC 120 Service Classifications (SC)				
2 SC # 1 - Residential Regular	314,799	14,679	329,478	4.7%
3				
4 SC # 8 - Residential Day-Night	90,034	4,198	94,233	4.7%
5				
6 SC #12 - Residential Time of Use	8,277	386	8,663	4.7%
7				
8 SC #6 - General Service Regular	26,144	1,219	27,363	4.7%
9				
10 SC # 9 - General Service Day-Night	1,435	67	1,502	4.7%
11				
12 SC # 2 - General Service-w/Demand	109,431	5,103	114,534	4.7%
13				
14 SC #7-1 - General Service-Time of Use	38,149	1,779	39,928	4.7%
15				
16 SC # 3P - Primary Service	3,305	154	3,459	4.7%
17				
18 SC # 7-2 - Primary Service-Time of Use	28,242	1,317	29,559	4.7%
19				
20 SC # 3S - Sub transmission Service	108	5	113	4.7%
21				
22 SC # 7-3 - Sub transmission-Time of Use	8,160	380	8,540	4.7%
23				
24 SC # 7-4 - Transmission-Time of Use	2,438	114	2,552	4.7%
25				
26 SC #11 - Standby Service	1,786	83	1,869	4.7%
27				
28 SC # 5 - Outdoor Lighting	2,720	127	2,847	4.7%
29				
30 NYPA New				
31				
32 PSC 121 Service Classifications (SC)				
33 Street Lighting	11,317	528	11,845	4.7%
34				
35 Subtotal PSC 120 and 121	646,345	30,139	676,484	4.7%
36				

37				
38				
39 Total Delivery Revenue Increase			30,070	
40 GRT			227	
41 Total Delivery Revenue Increase - Appendix A			30,297	
42	Current	Proposed		
43 Less: Change in MFC - Delivery Revenue	15,645	15,645	-	
44 Less: Change in BIPP - Revenue	7,306	7,306	-	
45 Less: Impact of rate year tariffs on rate year sales units			(69)	
46 Rate Design Net Increase			30,139	
47				
48 Standby			83	
49 Revenue to be allocated to standard SCs (exclude standby, MFC, BIPP)			30,056	
50 Rate Design Net Increase			30,139	
51				
52				



New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 1  
Residential Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$15.11	\$15.11	\$15.11	\$15.11
Energy Charge: All kWh per kWh:	\$0.03330	\$0.03676	\$0.03963	\$0.04256
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

P.S.C. No. 120 - Electric  
Service Class No. 8  
Residential Service - Day/Night

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$17.40	\$17.40	\$17.40	\$17.40
Energy: Day, per kWh:	\$0.02980	\$0.03317	\$0.03551	\$0.03790
Night, per kWh:	\$0.02980	\$0.03317	\$0.03551	\$0.03790
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

P.S.C. No. 120 - Electric  
Service Class No. 12  
Residential Service - TOU

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$24.11	\$24.11	\$24.11	\$24.11
Energy: On-Peak, per kWh:	\$0.03360	\$0.03551	\$0.03749	\$0.03951
Mid-Peak, per kWh:	\$0.03360	\$0.03551	\$0.03749	\$0.03951
Off-Peak, per kWh:	\$0.03360	\$0.03551	\$0.03749	\$0.03951
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

New York State Electric & Gas Corporation  
Electric Department

P.S.C. No. 120 - Electric  
Service Class No. 6  
Non Residential General Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$17.60	\$17.60	\$17.60	\$17.60
Energy Charge: All kWh per kWh:	\$0.03248	\$0.03865	\$0.04298	\$0.04746
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

P.S.C. No. 120 - Electric  
Service Class No. 9  
Non Residential General Service - Day/Night

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$20.41	\$20.41	\$20.41	\$20.41
Energy: Day, per kWh:	\$0.03140	\$0.03469	\$0.03759	\$0.04058
Night, per kWh:	\$0.03140	\$0.03469	\$0.03759	\$0.04058
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

P.S.C. No. 120 - Electric  
Service Class No. 3S  
Non Residential Primary Service - Subtransmission

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$242.51	\$303.14	\$317.95	\$333.06
Demand: All kW:	\$4.14	\$4.10	\$4.30	\$4.50
Energy: All kWh per kWh:	\$0.000390	N/A	N/A	N/A
Reactive Charge: Per rkVah:	\$0.000780	\$0.000780	\$0.000780	\$0.000780
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 2  
Non Residential General Service - Secondary

			Rate Year 1 Rates		Rate Year 1 Rates			
			Effective		Effective			
			Current Rates	(5/1/2016)	(9/1/2016)	Rate Year 2 Rates	Rate Year 3 Rates	
Customer Charge:		Standard	\$ 17.61	\$ 22.01	\$ 22.01	\$ 23.15	\$ 24.31	
		HLF	\$ 17.61	\$ 22.01	\$ 22.01	\$ 23.15	\$ 24.31	
Demand:	All kW:	Standard	\$ 8.29	\$ 8.87	\$ 8.86	\$ 9.32	\$ 9.79	
		HLF	\$ 7.43	\$ 8.56	\$ 8.86	\$ 9.32	\$ 9.79	
Energy Charge:	All kWh per kWh:	Standard	\$ 0.003370	\$ 0.002614	\$ 0.002612	\$ 0.002612	\$ 0.002612	
		HLF	\$ 0.002980	\$ 0.002512	\$ 0.002612	\$ 0.002612	\$ 0.002612	
Reactive Charge:	Per rkVah:	Standard	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	
		HLF	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	
Bill Issuance Payment Processing Charge:			\$ 0.73	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	

P.S.C. No. 120 - Electric  
Service Class No. 3P  
Non Residential - Primary Service

			Rate Year 1 Rates		Rate Year 1 Rates			
			Effective		Effective			
			Current Rates	(5/1/2016)	(9/1/2016)	Rate Year 2 Rates	Rate Year 3 Rates	
Customer Charge:		Standard	\$ 72.81	\$ 91.01	\$ 91.01	\$ 96.04	\$ 101.17	
		HLF	\$ 72.81	\$ 91.01	\$ 91.01	\$ 96.04	\$ 101.17	
Demand:	All kW:	Standard	\$ 4.85	\$ 5.51	\$ 5.51	\$ 5.81	\$ 6.12	
		HLF	\$ 4.46	\$ 5.36	\$ 5.51	\$ 5.81	\$ 6.12	
Energy Charge:	All kWh per kWh:	Standard	\$ 0.003530	\$ 0.002615	\$ 0.002614	\$ 0.002614	\$ 0.002614	
		HLF	\$ 0.003260	\$ 0.002545	\$ 0.002614	\$ 0.002614	\$ 0.002614	
Reactive Charge:	Per rkVah:	Standard	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	
		HLF	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	
Bill Issuance Payment Processing Charge:			\$ 0.73	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 7-1  
Non Residential Large General Service - Secondary

			Rate Year 1 Rates		Rate Year 1 Rates					
			Effective		Effective					
			Current Rates	(5/1/2016)	(9/1/2016)		Rate Year 2 Rates	Rate Year 3 Rates		
Customer Charge:		Standard	\$ 117.11	\$ 146.39	\$ 146.39	\$	153.45	\$ 160.65		
		HLF	\$ 117.11	\$ 146.39	\$ 146.39	\$	153.45	\$ 160.65		
Demand:	All kW:	Standard	\$ 8.03	\$ 8.17	\$ 8.14	\$	8.54	\$ 8.94		
		HLF	\$ 7.48	\$ 7.97	\$ 8.14	\$	8.54	\$ 8.94		
Reactive Charge:	Per rkVah:	Standard	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$	0.000780	\$ 0.000780		
		HLF	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$	0.000780	\$ 0.000780		
Bill Issuance Payment Processing Charge:			\$ 0.73	\$ 0.81	\$ 0.81	\$	0.81	\$ 0.81		

P.S.C. No. 120 - Electric  
Service Class No. 7-2  
Non Residential Large General Service - Primary

			Rate Year 1 Rates		Rate Year 1 Rates					
			Effective		Effective					
			Current Rates	(5/1/2016)	(9/1/2016)		Rate Year 2 Rates	Rate Year 3 Rates		
Customer Charge:		Standard	\$ 409.11	\$ 511.39	\$ 511.39	\$	536.33	\$ 561.77		
		HLF	\$ 409.11	\$ 511.39	\$ 511.39	\$	536.33	\$ 561.77		
Demand:	All kW:	Standard	\$ 6.54	\$ 6.75	\$ 6.64	\$	6.97	\$ 7.30		
		HLF	\$ 5.91	\$ 6.52	\$ 6.64	\$	6.97	\$ 7.30		
Reactive Charge:	Per rkVah:	Standard	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$	0.000780	\$ 0.000780		
		HLF	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$	0.000780	\$ 0.000780		
Bill Issuance Payment Processing Charge:			\$ 0.73	\$ 0.81	\$ 0.81	\$	0.81	\$ 0.81		

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 7-3  
Non Residential Large General Service - Subtransmission

			Rate Year 1 Rates		Rate Year 1 Rates			
			Effective		Effective			
			Current Rates	(5/1/2016)	(9/1/2016)	Rate Year 2 Rates	Rate Year 3 Rates	
Customer Charge:		Standard	\$ 849.11	\$ 1,061.39	\$ 1,061.39	\$ 1,114.92	\$ 1,169.55	
		HLF	\$ 849.11	\$ 1,061.39	\$ 1,061.39	\$ 1,114.92	\$ 1,169.55	
Demand:	All kW:	Standard	\$ 2.35	\$ 2.07	\$ 1.95	\$ 2.04	\$ 2.14	
		HLF	\$ 1.79	\$ 1.89	\$ 1.95	\$ 2.04	\$ 2.14	
Reactive Charge:	Per rkVah:	Standard	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	
		HLF	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	
Bill Issuance Payment Processing Charge:			\$ 0.73	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	

P.S.C. No. 120 - Electric  
Service Class No. 7-4  
Non Residential Large General Service - Transmission

		Rate Year 1 Rates		Rate Year 1 Rates					
		Effective		Effective					
		Current Rates	(5/1/2016)	(9/1/2016)	(9/1/2016)	Rate Year 2 Rates	Rate Year 3 Rates		
Customer Charge:	Standard	\$ 1,914.11	\$ 2,392.64	\$ 2,392.64	\$ 2,392.64	\$ 2,515.89	\$ 2,641.63		
	HLF	\$ 1,914.11	\$ 2,392.64	\$ 2,392.64	\$ 2,392.64	\$ 2,515.89	\$ 2,641.63		
Demand:	All kW: Standard	\$ 0.88	\$ 0.80	\$ 0.76	\$ 0.76	\$ 0.79	\$ 0.83		
	HLF	\$ 0.68	\$ 0.73	\$ 0.76	\$ 0.76	\$ 0.79	\$ 0.83		
Reactive Charge:	Per rkVah: Standard	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780		
	HLF	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780	\$ 0.000780		
Bill Issuance Payment Processing Charge:		\$ 0.73	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81		

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 11  
Standby Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge (per month):				
S C 1	\$22.87	\$15.11	\$15.11	\$15.11
S C 8 Day/Night	\$23.63	\$17.40	\$17.40	\$17.40
S C 12 TOU	\$25.84	\$24.11	\$24.11	\$24.11
S C 6	\$23.90	\$17.60	\$17.60	\$17.60
S C 9 Day/Night	\$24.40	\$20.41	\$20.41	\$20.41
S C 2 - Secondary	\$36.26	\$22.01	\$23.15	\$24.31
S C 3P - Primary	\$87.58	\$91.01	\$96.04	\$101.17
S C 3S - SubTransmission	\$80.43	\$303.14	\$317.95	\$333.06
S C 7-1 - Secondary	\$153.44	\$146.39	\$153.45	\$160.65
S C 7-2 - Primary	\$279.44	\$511.39	\$536.33	\$561.77
S C 7-3 - Sub Transmission	\$614.66	\$1,061.39	\$1,114.92	\$1,169.55
S C 7-4 - Transmission	\$1,382.54	\$2,392.64	\$2,515.89	\$2,641.63
Contract Demand Charge (per kW):				
S C 2 - Secondary	\$4.25	\$4.66	\$4.87	\$5.08
S C 3P - Primary	\$2.93	\$3.84	\$4.02	\$4.20
S C 3S - SubTransmission	\$2.01	\$1.58	\$1.67	\$1.75
S C 7-1 - Secondary	\$3.81	\$3.50	\$3.67	\$3.83
S C 7-2 - Primary	\$3.27	\$3.09	\$3.25	\$3.41
S C 7-3 - Sub Transmission	\$0.87	\$0.82	\$0.86	\$0.91
S C 7-4 - Transmission	\$0.10	\$0.10	\$0.11	\$0.12
Contract Demand Charge (per month):				
S C 1	\$6.68	\$12.63	\$13.67	\$14.81
S C 8 Day/Night	\$14.78	\$21.51	\$23.11	\$24.89
S C 12 TOU	\$78.72	\$83.52	\$88.51	\$93.97
S C 6	\$3.65	\$8.04	\$8.86	\$9.85
S C 9 Day/Night	\$14.16	\$17.56	\$18.84	\$20.38
As-Used Demand Charge (per Daily kW):				
S C 2 - Secondary	\$0.19405	\$0.21271	\$0.22259	\$0.23174
S C 3P - Primary	\$0.14245	\$0.18684	\$0.19547	\$0.20417
S C 3S - SubTransmission	\$0.18149	\$0.14281	\$0.15076	\$0.15822
S C 7-1 - Secondary	\$0.19446	\$0.17863	\$0.18733	\$0.19549
S C 7-2 - Primary	\$0.14733	\$0.13911	\$0.14664	\$0.15357
S C 7-3 - Sub Transmission	\$0.05809	\$0.05466	\$0.05768	\$0.06052
S C 7-4 - Transmission	\$0.03397	\$0.03520	\$0.03768	\$0.03957
As-Used Demand Charge (per kWh):				
S C 1	\$0.0091	\$0.0172	\$0.0186	\$0.0202
S C 8 Day/Night	\$0.0093	\$0.0135	\$0.0145	\$0.0157
S C 12 TOU	\$0.0143	\$0.0152	\$0.0161	\$0.0171
S C 6	\$0.00694	\$0.01528	\$0.01684	\$0.01872
S C 9 Day/Night	\$0.01028	\$0.01275	\$0.01368	\$0.01479
Bill Issuance Payment Processing Charge:	\$ 0.73	\$ 0.81	\$ 0.81	\$ 0.81

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 5  
Outdoor Lighting

			Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Safeguard Luminaires (Post - 2/1/88)						
	14,500	150 Watt	\$6.09	\$6.64	\$6.95	\$7.28
	43,000	400 Watt	\$8.94	\$9.74	\$10.21	\$10.68
	123,000	940 Watt	\$7.41	\$8.07	\$8.46	\$8.85
Lamp Charge: Area Lights						
	3,300	50 H.P.S. (PACKLITE)	\$3.31	\$3.61	\$3.78	\$3.96
	5,200	70 H.P.S. (PACKLITE)	\$3.26	\$3.55	\$3.72	\$3.90
	8,500	100 H.P.S. (PACKLITE)	\$3.23	\$3.52	\$3.69	\$3.86
	3,200	100 Mercury (PACKLITE)	\$3.13	\$3.41	\$3.57	\$3.74
	5,200	70 H.P.S. Power Brk.	\$6.24	\$6.80	\$7.12	\$7.46
	8,500	100 H.P.S. Power Brk.	\$6.79	\$7.40	\$7.75	\$8.11
	14,400	150 H.P.S.	\$11.20	\$12.20	\$12.79	\$13.38
	24,700	250 H.P.S.	\$10.98	\$11.96	\$12.54	\$13.12
	45,000	400 H.P.S.	\$10.73	\$11.69	\$12.25	\$12.82
	126,000	1,000 H.P.S.	\$10.01	\$10.91	\$11.43	\$11.96
	10,500	175 Metal Halide Power Brk.	\$4.62	\$5.03	\$5.27	\$5.52
	16,000	250 Metal Halide	\$11.90	\$12.97	\$13.59	\$14.22
	28,000	400 Metal Halide	\$11.75	\$12.80	\$13.42	\$14.04
Lamp Charge: Flood Lights						
	14,400	150 H.P.S.	\$11.94	\$13.01	\$13.63	\$14.27
	24,700	250 H.P.S.	\$11.74	\$12.79	\$13.40	\$14.03
	45,000	400 H.P.S.	\$11.53	\$12.56	\$13.16	\$13.78
	126,000	1,000 H.P.S.	\$12.84	\$13.99	\$14.66	\$15.34
	16,000	250 Metal Halide	\$11.13	\$12.13	\$12.71	\$13.30
	28,000	400 Metal Halide	\$12.26	\$13.36	\$14.00	\$14.65
	88,000	1,000 Metal Halide	\$12.79	\$13.94	\$14.60	\$15.28
Lamp ("Shoebox") Luminaire						
	14,400	150 H.P.S.	\$12.61	\$13.74	\$14.40	\$15.07
	24,700	250 H.P.S.	\$14.88	\$16.21	\$16.99	\$17.78
	45,000	400 H.P.S.	\$15.78	\$17.19	\$18.02	\$18.86
	16,000	250 M. Halide	\$11.92	\$12.99	\$13.61	\$14.24
	28,000	400 M. Halide	\$11.76	\$12.81	\$13.43	\$14.05
	88,000	1,000 M. Halide	\$16.93	\$18.45	\$19.33	\$20.23
Leaf 29-B						
		H.P.S.	\$9.68	\$10.55	\$11.05	\$11.57
		H.P.S.	\$9.90	\$10.79	\$11.30	\$11.83
			\$10.18	\$11.09	\$11.62	\$12.16
Lamp Charge: Post Tops						
	3300	50 H.P.S.	\$9.17	\$9.99	\$10.47	\$10.96
	5200	70 H.P.S.	\$9.17	\$9.99	\$10.47	\$10.96
	8,500	100 H.P.S.	\$9.15	\$9.97	\$10.45	\$10.93
Lamp: High Pressure Sodium Cobra (non-residential)						
	5,200	70 H.P.S.	\$6.82	\$7.43	\$7.79	\$8.15
	8,500	100 H.P.S.	\$6.82	\$7.43	\$7.79	\$8.15

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 120 - Electric  
Service Class No. 5  
Outdoor Lighting

		Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Brackets - Standard (up to 16')		\$0.00	\$0.00	\$0.00	\$0.00
Brackets - 16' and over		\$2.24	\$2.44	\$2.56	\$2.68
Additional Wood Pole Installed for Lamp		\$11.46	\$12.49	\$13.08	\$13.69
Wire Service (Overhead) Per circuit foot of extension		\$0.03	\$0.03	\$0.04	\$0.04
18' Fiberglass Pole - Direct Embedded		\$11.83	\$12.89	\$13.51	\$14.14
20' Fiberglass pole - Pedestal Mount		\$41.08	\$44.76	\$46.90	\$49.09
20' Metal Pole - Pedestal Mount		\$41.08	\$44.76	\$46.90	\$49.09
30' Metal Pole - Pedestal Mount		\$41.08	\$44.76	\$46.90	\$49.09
30' Fiberglass pole - Pedestal Mount		\$41.08	\$44.76	\$46.90	\$49.09
30' Fiberglass Pole - Direct Embedded		\$17.99	\$19.60	\$20.54	\$21.50
Screw Base for Pedestal Mounted Pole - Light Duty		\$12.51	\$13.63	\$14.28	\$14.95
Screw Base for Pedestal Mounted Pole - Heavy Duty (M.V.)		\$15.96	\$17.39	\$18.22	\$19.07
Installations prior to 2/1/88					
	7000	\$9.63	\$10.49	\$10.99	\$11.51
	17200	\$12.44	\$13.55	\$14.20	\$14.87
	48,000	\$13.37	\$14.57	\$15.27	\$15.98
Additional Facilities					
Additional Wood Pole		\$4.34	\$4.73	\$4.96	\$5.19
Wire Service (per Circuit foot)		\$0.01	\$0.01	\$0.01	\$0.01
Monthly Operation, Maintenance and Energy Charges					
Mercury Vapor					
	3200	\$1.74	\$1.90	\$1.99	\$2.08
High Pressure Sodium					
	3300 50 H.P.S.	\$2.34	\$2.55	\$2.67	\$2.80
	5200 70 H.P.S.	\$2.23	\$2.43	\$2.55	\$2.66
	8500 100 H.P.S.	\$2.14	\$2.33	\$2.44	\$2.56
	14400 150 H.P.S.	\$1.96	\$2.14	\$2.24	\$2.34
	24700 250 H.P.S.	\$1.47	\$1.60	\$1.68	\$1.76
	45000 400 H.P.S.	\$0.91	\$0.99	\$1.04	\$1.09
	126000 1000 H.P.S.	\$0.18	\$0.20	\$0.21	\$0.22
Metal Halide					
	5,800 100 M.H.	\$1.73	\$1.88	\$1.98	\$2.07
	12,000 175 M.H.	\$1.73	\$1.88	\$1.98	\$2.07
	16,000 250 M.H.	\$1.73	\$1.88	\$1.98	\$2.07
	28,000 400 M.H.	\$1.28	\$1.39	\$1.46	\$1.53
	88,000 1,000 M.H.	\$0.35	\$0.38	\$0.40	\$0.42



New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 121 S.C. 1 - Street Lighting

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Delivery Charge				
Energy Charge (All kilowatthours, per kilowatthour	\$0.02500	\$0.02724	\$0.02854	\$0.02987
High Pressure Sodium				
50 Watts - 3,300 Lumen	\$2.66	\$2.90	\$3.04	\$3.18
70 Watts - 5,200 Lumen	\$2.70	\$2.94	\$3.08	\$3.23
100 Watt - 8,500 Lumen	\$2.70	\$2.94	\$3.08	\$3.23
150 Watts - 14,400 Lumen	\$2.70	\$2.94	\$3.08	\$3.23
250 Watts - 24,700 Lumen	\$2.70	\$2.94	\$3.08	\$3.23
400 Watts - 45,000 Lumen	\$2.70	\$2.94	\$3.08	\$3.23
1000 Watts - 126,000 Lumen	\$3.85	\$4.19	\$4.40	\$4.60
Metal Halide	\$0.00	\$0.00	\$0.00	\$0.00
250 Watts - 16,000 Lumen	\$2.95	\$3.21	\$3.37	\$3.53
400 Watts - 28,000 Lumen	\$2.95	\$3.21	\$3.37	\$3.53
Mercury Vapor	\$0.00	\$0.00	\$0.00	\$0.00
100 Watts - 3,200 Lumen	\$2.34	\$2.55	\$2.67	\$2.80
175 Watts - 7,000 Lumen	\$2.34	\$2.55	\$2.67	\$2.80
250 Watts - 9,400 Lumen	\$2.34	\$2.55	\$2.67	\$2.80
400 Watts - 17,200 Lumen	\$2.34	\$2.55	\$2.67	\$2.80
1000 Watts - 48,000 Lumen	\$2.63	\$2.87	\$3.00	\$3.14
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 121 S.C. 2 - Street Lighting

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Delivery Charge				
Energy Charge (All kilowatthours, per kilowatthour)	\$0.02500	\$0.02724	\$0.02854	\$0.02987
High Pressure Sodium				
50 Watts - 3,300 Lumen	\$1.20	\$1.31	\$1.37	\$1.43
70 Watts - 5,200 Lumen	\$1.20	\$1.31	\$1.37	\$1.43
100 Watts - 8,500 Lumen	\$1.21	\$1.32	\$1.38	\$1.45
150 Watts - 14,400 Lumen	\$1.21	\$1.32	\$1.38	\$1.45
200 Watts - 19,800 Lumen	\$1.22	\$1.33	\$1.39	\$1.46
250 Watts - 24,700 Lumen	\$1.23	\$1.34	\$1.40	\$1.47
400 Watts - 45,000 Lumen	\$1.26	\$1.37	\$1.44	\$1.51
1000 Watts - 126,000 Lumen	\$2.38	\$2.59	\$2.72	\$2.84
Mercury Vapor				
100 Watts+ - 3,200 Lumen	\$0.83	\$0.90	\$0.95	\$0.99
175 Watts+ - 7,000 Lumen	\$0.85	\$0.93	\$0.97	\$1.02
250 Watts+ - 9,400 Lumen	\$0.87	\$0.95	\$0.99	\$1.04
400 Watts+ - 17,200 Lumen	\$0.91	\$0.99	\$1.04	\$1.09
1000 Watts+ - 48,000 Lumen	\$1.16	\$1.26	\$1.32	\$1.39
Incandescent				
327 Watts - 4,000 Lumen	\$2.87	\$3.13	\$3.28	\$3.43
Fluorescent				
95 Watts - 5,000 Lumen	\$1.51	\$1.65	\$1.72	\$1.80
235 Watts - 10,000 Lumen (2 Lamp)	\$1.64	\$1.79	\$1.87	\$1.96
380 Watts - 20,000 Lumen (2 Lamp)	\$1.90	\$2.07	\$2.17	\$2.27
Metal Halide				
70 Watts - 4,000 Lumen	\$2.45	\$2.67	\$2.80	\$2.93
100 Watts - 5,800 Lumen	\$2.45	\$2.67	\$2.80	\$2.93
175 Watts - 12,000 Lumen	\$2.45	\$2.67	\$2.80	\$2.93
250 Watts - 16,000 Lumen	\$2.47	\$2.69	\$2.82	\$2.95
450 Watts - 28,000 Lumen	\$2.52	\$2.75	\$2.88	\$3.01
1000 Watts - 88,000 Lumen	\$4.09	\$4.46	\$4.67	\$4.89
Other Facilities				
Group Controllers	\$3.09	\$3.37	\$3.53	\$3.69
3000 W photo cell	\$2.05	\$2.23	\$2.34	\$2.45
Cable and Conduit	\$0.08040	\$0.08760	\$0.09180	\$0.09608
Direct Burial Cable	\$0.06880	\$0.07496	\$0.07855	\$0.08221
Cable Only	\$0.03660	\$0.03988	\$0.04179	\$0.04374
Underground Circuits	\$0.04890	\$0.05328	\$0.05583	\$0.05843
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 121 S.C. 3 - Street Lighting

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Delivery Charge				
Energy Charge (All kilowatthours, per kilowatthour	\$0.02500	\$0.02724	\$0.02854	\$0.02987
High Pressure Sodium				
Cobra				
50 Watts+ - 3,300 Lumen	\$6.82	\$7.43	\$7.79	\$8.15
70 Watts - 5,200 Lumen	\$6.82	\$7.43	\$7.79	\$8.15
100 Watts - 8,500 Lumen	\$6.82	\$7.43	\$7.79	\$8.15
150 Watts - 14,400 Lumen	\$6.82	\$7.43	\$7.79	\$8.15
250 Watts - 24,700 Lumen	\$6.82	\$7.43	\$7.79	\$8.15
400 Watts - 45,000 Lumen	\$7.21	\$7.86	\$8.23	\$8.62
1000 Watts - 126,000 Lumen	\$10.69	\$11.65	\$12.21	\$12.77
High Pressure Sodium				
Post Top				
50 Watts - 3,300 Lumen	\$7.88	\$8.59	\$9.00	\$9.42
70 Watts - 5,200 Lumen	\$7.88	\$8.59	\$9.00	\$9.42
100 Watts - 8,500 Lumen	\$8.95	\$9.75	\$10.22	\$10.70
150 Watts - 14,400 Lumen	\$10.00	\$10.90	\$11.42	\$11.95
250 Watts+ - 24,700 Lumen	\$10.00	\$10.90	\$11.42	\$11.95
400 Watts+ - 45,000 Lumen	\$10.39	\$11.32	\$11.86	\$12.42
1000 Watts+ - 126,000 Lumen	\$13.88	\$15.12	\$15.85	\$16.59
High Pressure Sodium				
Cut Off ("Shoebox")				
70 Watts+ - 5,200 Lumen	\$13.83	\$15.07	\$15.79	\$16.53
100 Watts+ - 8,500 Lumen	\$13.83	\$15.07	\$15.79	\$16.53
150 Watts+ - 14,400 Lumen	\$13.83	\$15.07	\$15.79	\$16.53
250 Watts - 24,700 Lumen	\$12.20	\$13.29	\$13.93	\$14.58
400 Watts - 45,000 Lumen	\$14.75	\$16.07	\$16.84	\$17.63
Metal Halide				
Cobra				
70 Watts - 4,000 Lumen	\$4.17	\$4.54	\$4.76	\$4.98
100 Watts - 5,800 Lumen	\$4.17	\$4.54	\$4.76	\$4.98
175 Watts - 12,000 Lumen	\$4.10	\$4.47	\$4.68	\$4.90
250 Watts - 16,000 Lumen	\$13.28	\$14.47	\$15.16	\$15.87
400 Watts - 28,000 Lumen	\$13.28	\$14.47	\$15.16	\$15.87
Metal Halide				
Cut Off ("Shoebox")				
175 Watts - 12,000 Lumen	\$5.66	\$6.17	\$6.46	\$6.76
250 Watts - 16,000 Lumen	\$16.29	\$17.75	\$18.60	\$19.47
400 Watts - 28,000 Lumen	\$17.11	\$18.64	\$19.54	\$20.45
Metal Halide				
Post Top				
70 Watts - 4,000 Lumen	\$4.71	\$5.13	\$5.38	\$5.63
100 Watts - 5,800 Lumen	\$4.79	\$5.22	\$5.47	\$5.72
175 Watts - 12,000 Lumen	\$4.89	\$5.33	\$5.58	\$5.84

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 121 S.C. 3 - Street Lighting

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Mercury Vapor				
Cobra				
100 Watts - 3,200 Lumen	\$3.72	\$4.05	\$4.25	\$4.45
175 Watts - 7,000 Lumen	\$3.72	\$4.05	\$4.25	\$4.45
250 Watts - 9,400 Lumen	\$3.89	\$4.24	\$4.44	\$4.65
400 Watts - 17,200 Lumen	\$3.95	\$4.30	\$4.51	\$4.72
1000 Watts - 48,000 Lumen	\$5.80	\$6.32	\$6.62	\$6.93
Mercury Vapor				
Post Top				
100 Watts - 3,200 Lumen	\$4.82	\$5.25	\$5.50	\$5.76
175 Watts - 7,000 Lumen	\$4.86	\$5.30	\$5.55	\$5.81
250 Watts - 9,400 Lumen	\$4.91	\$5.35	\$5.61	\$5.87
400 Watts - 17,200 Lumen	\$4.99	\$5.44	\$5.70	\$5.96
1000 Watts - 48,000 Lumen	\$6.81	\$7.42	\$7.78	\$8.14
Incandescent Cobra				
103 Watts - 1,000 Lumen	\$5.26	\$5.73	\$6.01	\$6.29
Incandescent				
Post Top				
103 Watts - 1,000 Lumen	\$5.94	\$6.47	\$6.78	\$7.10
Fluorescent				
95 Watts - 5,000 Lumen	\$6.92	\$7.54	\$7.90	\$8.27
235 Watts - 10,000 Lumen (2 Lamp)	\$7.06	\$7.69	\$8.06	\$8.44
380 Watts - 20,000 Lumen (2 Lamp)	\$7.84	\$8.54	\$8.95	\$9.37
High Pressure Sodium				
Special Luminaires				
250 Watts+ - 24,700 - Concourse - A	\$12.20	\$13.29	\$13.93	\$14.58
400 Watts+ - 45,000 - Concourse - A	\$14.75	\$16.07	\$16.84	\$17.63
250 Watts - 24,700 - Hiway Liter	\$40.93	\$44.60	\$46.73	\$48.91
400 Watts - 45,000 - Hiway Liter	\$40.93	\$44.60	\$46.73	\$48.91
150 Watts - 14,400 - Turnpike	\$15.62	\$17.02	\$17.83	\$18.67
250 Watts - 24,700 - Turnpike	\$19.46	\$21.20	\$22.22	\$23.25
400 Watts - 45,000 - Turnpike	\$18.62	\$20.29	\$21.26	\$22.25
150 Watts - 14,400 - Floodlight	\$13.11	\$14.28	\$14.97	\$15.67
250 Watts - 24,700 - Floodlight	\$13.11	\$14.28	\$14.97	\$15.67
400 Watts - 45,000 - Floodlight	\$13.11	\$14.28	\$14.97	\$15.67
Metal Halide - Floodlights				
250 Watts - 16,000 Lumen	\$12.38	\$13.49	\$14.13	\$14.79
400 Watts - 28,000 Lumen	\$13.83	\$15.07	\$15.79	\$16.53

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 121 S.C. 3 - Street Lighting

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Pole Installed by the Corporation Solely for Street Lighting Service				
Standard Wood Pole	\$10.26	\$11.18	\$11.71	\$12.26
Wood Pole - High Mount	\$28.07	\$30.58	\$32.05	\$33.54
Steel Pole	\$4.53	\$4.94	\$5.17	\$5.41
Square Steel Pole	\$16.49	\$17.97	\$18.83	\$19.71
Aluminum Pole 16' and under	\$6.18	\$6.73	\$7.06	\$7.38
Alum. Pole over 16' installed prior to 08/1/87	\$16.41	\$17.88	\$18.74	\$19.61
Alum. Pole over 16' installed after 07/31/87	\$16.41	\$17.88	\$18.74	\$19.61
Alum. Pole over 16' Pedestal Mounted	\$24.50	\$26.69	\$27.97	\$29.28
Concrete Pole	\$5.16	\$5.62	\$5.89	\$6.17
Laminated Wood Pole	\$4.12	\$4.49	\$4.70	\$4.92
Fiberglass Pole Under 18'	\$5.77	\$6.29	\$6.59	\$6.90
Fiberglass Pole 18' to 22'	\$7.84	\$8.54	\$8.95	\$9.37
Center Bored Wood Pole - (no longer available)	\$9.28	\$10.11	\$10.60	\$11.09
Concrete Base for pedestal mounted poles	\$21.77	\$23.72	\$24.86	\$26.01
Screw Steel Base Lite	\$13.49	\$14.70	\$15.40	\$16.12
Screw Steel Base Heavy	\$17.16	\$18.70	\$19.59	\$20.51
Special Brackets				
Standard Bracket - 16' and over	\$2.42	\$2.64	\$2.76	\$2.89
Bracket Allowance	(\$0.64)	(\$0.70)	(\$0.73)	(\$0.76)
Bracket for post-top use on wood poles	\$0.41	\$0.45	\$0.47	\$0.49
Circuit Control				
Group Controllers	\$3.09	\$3.37	\$3.53	\$3.69
3000 Watt Photo Cell	\$2.05	\$2.23	\$2.34	\$2.45
Circuits (Per Trench Foot)				
Cable and Conduit	\$0.08040	\$0.08760	\$0.09180	\$0.09608
Direct Burial Cable	\$0.06880	\$0.07496	\$0.07855	\$0.08221
Cable Only (Conduit Supplied by Customer)	\$0.03660	\$0.03988	\$0.04179	\$0.04374
Underground Circuits	\$0.04890	\$0.05328	\$0.05583	\$0.05843
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81

New York State Electric & Gas Corporation  
Electric Department  
Retail Delivery Rates

P.S.C. No. 121 S.C. 4 - Street Lighting

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Delivery Charge				
Energy Charge (All kilowatthours, per kilowatthour	\$0.02500	\$0.02724	\$0.02854	\$0.02987
Bill Issuance Payment Processing Charge:	\$0.73	\$0.81	\$0.81	\$0.81



Rochester Gas and Electric Corporation  
Electric Department  
Revenue Allocation  
Rate Year 1 - May 1, 2016 through April 30, 2017

	Delivery Revenue Prior to Rate Increase (000 \$)	Revenue Requirement Increase (000 \$)	Rate Year 1 Delivery Revenue (000 \$)	Change (%)
1 PSC 19 Service Classifications (SC)				
2 SC #1 - Residential Service	179,601	5,803	185,404	3.23%
3				
4 SC #4 -Residential Service - Time-of-Use - Schedule I	2,344	76	2,419	3.23%
5				
6 SC #4-Residential Service - Time of Use - Schedule II	2,345	76	2,421	3.23%
7				
8 SC #2 - General Service - Small Use	13,195	528	13,723	4.00%
9				
10 SC #3 - General Service - 100 kW Minimum	28,367	699	29,065	2.46%
11				
12 SC #7 - General Service - 12 kW Minimum	49,245	1,213	50,457	2.46%
13				
14 SC #8 - Large General Service - Time-of-Use				
15 Transmission	712	18	730	2.46%
16				
17 Subtransmission - Industrial	13,720	338	14,058	2.46%
18				
19 Subtransmission - Commercial	9,069	223	9,292	2.46%
20				
21 Substation	2,684	66	2,750	2.46%
22				
23 Primary	19,846	641	20,487	3.23%
24				
25 Secondary	27,239	1,089	28,329	4.00%
26				
27 SC #9 - General Service - Time-of-Use	3,207	79	3,286	2.46%
28				
29 SC # 14 Standby Service	5,207	-483	4,725	-9.27%
30				
31 SC #6 - Area Lighting	1,120	28	1,147	2.46%
32				
33 PSC 18 Service Classifications (SC)				
34 Street Lighting Service - All Classes	5,614	138	5,752	2.46%
35				
36 Total PSC 18 and 19	363,515	10,531	374,046	2.90%
37				
38				

39				
40	Total Delivery Revenue Increase		3,014	
41	GRT		(14)	
42	Total Delivery Revenue Increase - Appendix A		3,000	
43		Current	Proposed	
44	Less: Change in MFC - Delivery Revenue	14,334	7,302	(7,032)
45	Less: Change in BIPP - Revenue	2,753	2,062	(691)
46	Less: Impact of rate year tariffs on rate year sales units			205
47	Rate Design Net Increase			10,531
48				
49	Standby			(483)
50	Revenue to be allocated to standard SCs (exclude standby, MFC, BIPP)			11,014
51	Rate Design Net Increase			10,531
52				
53				



Rochester Gas and Electric Corporation  
Electric Department  
Development of Delivery Revenues  
Rate Year 2 - May 1, 2017 through April 30, 2018

		Delivery Revenue			
	Sales	Prior to Rate	Rate Year 2 Delivery	Revenue	Change
	(kWh)	Increase	Revenues	Increase/(Decrease)	(%)
	(000 \$)	(000 \$)	(000 \$)	(000 \$)	(%)
1	PSC 19 Service Classifications (SC)				
2	SC #1 - Residential Service	2,691,070,012	187,151	197,655	10,503 5.6%
3					
4	SC #4 -Residential Service				
5	Schedule I	40,596,883	2,445	2,582	137 5.6%
6	Schedule II	40,060,074	2,450	2,587	137 5.6%
7					
8	SC #2 - General Service - Small Use	220,749,245	13,804	14,579	775 5.6%
9					
10	SC #3 - General Service - 100 kW Minimum	605,339,427	29,214	30,853	1,640 5.6%
11					
12	SC #7 - General Service - 12 kW Minimum	774,512,946	50,752	53,600	2,848 5.6%
13					
14	SC #8 - Large General Service - Time-of-Use				
15	Transmission	30,636,027	731	772	41 5.6%
16					
17	Subtransmission - Industrial	713,133,981	14,091	14,882	791 5.6%
18					
19	Subtransmission - Commercial	431,851,951	9,348	9,872	525 5.6%
20					
21	Substation	96,880,836	2,763	2,918	155 5.6%
22					
23	Primary	645,453,686	20,574	21,729	1,155 5.6%
24					
25	Secondary	748,206,613	28,459	30,056	1,597 5.6%
26					
27	SC #9 - General Service - Time-of-Use	54,861,075	3,304	3,489	185 5.6%
28					
29	SC #14 - Standby Service	208,226,230	4,725	4,991	267 5.6%
30					
31	SC #6 - Area Lighting	7,927,069	1,166	1,231	65 5.6%
32					
33					
34	Total P.S.C. 19 Revenue	7,309,506,055	370,975	391,796	20,822 5.6%
35					
36	PSC 18 Service Classifications (SC)				
37	SC #1 - Street Lighting Service	16,408,079	4,505	4,758	253 5.6%
38	SC #2 - Street Lighting Service - Customer Owned Equip.	24,267,402	1,132	1,195	64 5.6%
39	SC #3 - Traffic Signal Service	2,867,376	95	100	5 5.6%
40					
41	Total P.S.C. 18 Revenue	43,542,857	5,731	6,053	322 5.6%
42					
43	Subtotal PSC 18 and 19 Revenue	7,353,048,912	376,706	397,849	21,143 5.6%
44					
45	Revenue Adjustment (1)		(25)	-	25
46					
47	Bill Issuance and Payment Processing Revenue		2,062	2,062	- 0.0%
48					
49	Total PSC 18, 19 and Bill Issuance and Payment Processing Revenue	7,353,048,912	378,744	399,912	21,168 5.6%
50					
51					
52	Other Delivery Revenue Adjustments:				
53	Merchant Function Charge - Delivery		7,302	7,302	-
54	Economic Development Discounts		(126)	(126)	-
55	SBC Revenues		6,137	6,137	-
56	Energy Efficiency Revenues		16,969	16,969	-
57	PSC Temporary Assessment		3,993	3,993	-
58	Renewable Portfolio Surcharge Revenues		15,054	15,054	-
59					
60					
61	Gross Revenue Tax		7,016	7,448	432 6.2%
62	Unbilled				
63	Total Other Delivery Revenue Adjustments		56,345	56,777	432 0.8%
64					
65	Total Tariff Retail Revenue	7,353,048,912	435,089	456,689	21,600 5.0%
66					
67	Rate Increase Shaping Deferral		(3,934)	(3,934)	-
68					
69	Total Sales Revenue		431,155	452,755	21,600 5.0%
70					

(1) Impact of rate year tariffs on rate year sales units

Rochester Gas and Electric Corporation  
Electric Department  
Revenue Allocation  
Rate Year 2 - May 1, 2017 through April 30, 2018

	Delivery Revenue Prior to Rate Increase (000 \$)	Revenue Requirement Increase (000 \$)	Rate Year 2 Delivery Revenue (000 \$)	Change (%)
1 PSC 19 Service Classifications (SC)				
2 SC #1 - Residential Service	187,151	10,503	197,655	5.61%
3				
4 SC #4 -Residential Service - Time-of-Use - Schedule I	2,445	137	2,582	5.61%
5				
6 SC #4-Residential Service - Time of Use - Schedule II	2,450	137	2,587	5.61%
7				
8 SC #2 - General Service - Small Use	13,804	775	14,579	5.61%
9				
10 SC #3 - General Service - 100 kW Minimum	29,214	1,640	30,853	5.61%
11				
12 SC #7 - General Service - 12 kW Minimum	50,752	2,848	53,600	5.61%
13				
14 SC #8 - Large General Service - Time-of-Use				
15 Transmission	731	41	772	5.61%
16				
17 Subtransmission - Industrial	14,091	791	14,882	5.61%
18				
19 Subtransmission - Commercial	9,348	525	9,872	5.61%
20				
21 Substation	2,763	155	2,918	5.61%
22				
23 Primary	20,574	1,155	21,729	5.61%
24				
25 Secondary	28,459	1,597	30,056	5.61%
26				
27 SC #9 - General Service - Time-of-Use	3,304	185	3,489	5.61%
28				
29 SC # 14 Standby Service	4,725	267	4,991	5.65%
30				
31 SC #6 - Area Lighting	1,166	65	1,231	5.61%
32				
33 PSC 18 Service Classifications (SC)				
34 Street Lighting Service - All Classes	5,731	322	6,053	5.61%
35				
36 Total PSC 18 and 19	376,706	21,143	397,849	5.61%
37				
38				

39				
40	Total Delivery Revenue Increase		21,168	
41	GRT		432	
42	Total Delivery Revenue Increase - Appendix A		21,600	
43		Current	Proposed	
44	Less: Change in MFC - Delivery Revenue	7,302	7,302	-
45	Less: Change in BIPP - Revenue	2,062	2,062	-
46	Less: Impact of rate year tariffs on rate year sales units			25
47	Rate Design Net Increase			21,143
48				
49	Standby			267
50	Revenue to be allocated to standard SCs (exclude standby, MFC, BIPP)			20,876
51	Rate Design Net Increase			21,143
52				
53				

Rochester Gas and Electric Corporation  
Electric Department  
Development of Delivery Revenues  
Rate Year 3 - May 1, 2018 through April 30, 2019

		Delivery Revenue				
		Sales (kWh)	Prior to Rate Increase (000 \$)	Rate Year 3 Delivery Revenues (000 \$)	Revenue Increase/(Decrease) (000 \$)	Change (%)
1	PSC 19 Service Classifications (SC)					
2	SC #1 - Residential Service	2,721,656,690	199,285	211,913	12,628	6.3%
3						
4	SC #4 - Residential Service					
5	Schedule I	41,054,466	2,606	2,771	165	6.3%
6	Schedule II	40,513,406	2,613	2,779	166	6.3%
7						
8	SC #2 - General Service - Small Use	220,947,556	14,626	15,552	927	6.3%
9						
10	SC #3 - General Service - 100 kW Minimum	605,701,182	30,887	32,844	1,957	6.3%
11						
12	SC #7 - General Service - 12 kW Minimum	775,208,771	53,687	57,089	3,402	6.3%
13						
14	SC #8 - Large General Service - Time-of-Use					
15	Transmission	30,560,764	770	819	49	6.3%
16						
17	Subtransmission - Industrial	711,547,876	14,856	15,797	941	6.3%
18						
19	Subtransmission - Commercial	432,238,438	9,884	10,510	626	6.3%
20						
21	Substation	96,815,422	2,918	3,103	185	6.3%
22						
23	Primary	645,437,030	21,736	23,114	1,377	6.3%
24						
25	Secondary	748,387,652	30,073	31,978	1,906	6.3%
26						
27	SC #9 - General Service - Time-of-Use	54,904,041	3,493	3,714	221	6.3%
28						
29	SC #14 - Standby Service	208,317,473	4,991	5,302	310	6.2%
30						
31	SC #6 - Area Lighting	8,035,329	1,247	1,326	79	6.3%
32						
33						
34	Total P.S.C. 19 Revenue	7,341,326,096	393,672	418,611	24,939	6.3%
35						
36	PSC 18 Service Classifications (SC)					
37	SC #1 - Street Lighting Service	16,538,198	4,803	5,107	304	6.3%
38	SC #2 - Street Lighting Service - Customer Owned Equip.	24,459,839	1,205	1,281	76	6.3%
39	SC #3 - Traffic Signal Service	2,867,376	100	107	6	6.3%
40						
41	Total P.S.C. 18 Revenue	43,865,413	6,107	6,494	387	6.3%
42						
43	Subtotal PSC 18 and 19 Revenue	7,385,191,509	399,779	425,105	25,326	6.3%
44						
45	Revenue Adjustment (1)		(203)	-	203	
46						
47	Bill Issuance and Payment Processing Revenue		2,062	2,062	-	
48						
49	<b>Total PSC 18, 19 and Bill Issuance and Payment Processing Revenue</b>	<b>7,385,191,509</b>	<b>401,639</b>	<b>427,168</b>	<b>25,529</b>	<b>6.4%</b>
50						
51						
52	Other Delivery Revenue Adjustments:					
53	Merchant Function Charge - Delivery		7,302	7,302	-	
54	Economic Development Discounts		(35)	(35)	-	
55	SBC Revenues		6,135	6,135	-	
56	Energy Efficiency Revenues		17,459	17,459	-	
57	PSC Temporary Assessment		-	-	-	
58	Renewable Portfolio Surcharge Revenues		13,874	13,874	-	
59						
60						
61	Gross Revenue Tax		7,419	7,746	327	4.4%
62	Unbilled					
63	Total Other Delivery Revenue Adjustments		52,153	52,480	327	0.6%
64						
65	<b>Total Tariff Retail Revenue</b>	<b>7,385,191,509</b>	<b>453,792</b>	<b>479,647</b>	<b>25,856</b>	<b>5.7%</b>
66						
67	Rate Increase Shaping Deferral		3,962	3,962	-	
68						
69	<b>Total Sales Revenue</b>		<b>457,754</b>	<b>483,609</b>	<b>25,856</b>	<b>5.6%</b>
70						

(1) Impact of rate year tariffs on rate year sales units

Rochester Gas and Electric Corporation  
Electric Department  
Revenue Allocation  
Rate Year 3 - May 1, 2018 through April 30, 2019

		Delivery Revenue Prior to Rate Increase (000 \$)	Revenue Requirement Increase (000 \$)	Rate Year 3 Delivery Revenue (000 \$)	Change (%)
1	PSC 19 Service Classifications (SC)				
2	SC #1 - Residential Service	199,285	12,628	211,913	6.34%
3					
4	SC #4 -Residential Service - Time-of-Use - Schedule I	2,606	165	2,771	6.34%
5					
6	SC #4-Residential Service - Time of Use - Schedule II	2,613	166	2,779	6.34%
7					
8	SC #2 - General Service - Small Use	14,626	927	15,552	6.34%
9					
10	SC #3 - General Service - 100 kW Minimum	30,887	1,957	32,844	6.34%
11					
12	SC #7 - General Service - 12 kW Minimum	53,687	3,402	57,089	6.34%
13					
14	SC #8 - Large General Service - Time-of-Use				
15	Transmission	770	49	819	6.34%
16					
17	Subtransmission - Industrial	14,856	941	15,797	6.34%
18					
19	Subtransmission - Commercial	9,884	626	10,510	6.34%
20					
21	Substation	2,918	185	3,103	6.34%
22					
23	Primary	21,736	1,377	23,114	6.34%
24					
25	Secondary	30,073	1,906	31,978	6.34%
26					
27	SC #9 - General Service - Time-of-Use	3,493	221	3,714	6.34%
28					
29	SC # 14 Standby Service	4,991	310	5,302	6.21%
30					
31	SC #6 - Area Lighting	1,247	79	1,326	6.34%
32					
33	PSC 18 Service Classifications (SC)				
34	Street Lighting Service - All Classes	6,107	387	6,494	6.34%
35					
36	Total PSC 18 and 19	399,779	25,326	425,105	6.33%

40	Total Delivery Revenue Increase		25,529
41	GRT		327
42	Total Delivery Revenue Increase - Appendix A		25,856
43			
44	Less: Change in MFC - Delivery Revenue	Current 7,302 Proposed 7,302	-
45	Less: Change in BIPP - Revenue	2,062 2,062	-
46	Less: Impact of rate year tariffs on rate year sales units		203
47	Rate Design Net Increase		25,326
48			
49	Standby		310
50	Revenue to be allocated to standard SCs (exclude standby, MFC, BIPP)		25,016
51	Rate Design Net Increase		25,326

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 19 - Electric

Service Classification No. 1  
Residential Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$21.38	\$21.38	\$21.38	\$21.38
Energy Charge: All kWh per kWh:	\$0.03572	\$0.03790	\$0.04181	\$0.04645
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 4  
Residential Time-of-Use Service  
Schedule I

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$21.38	\$21.38	\$21.38	\$21.38
Meter Charge Single Phase	\$3.98	\$3.98	\$3.98	\$3.98
Energy Charge: On-Peak, per kWh:	\$0.03863	\$0.04052	\$0.04390	\$0.04792
Off-Peak, per kWh:	\$0.03863	\$0.04052	\$0.04390	\$0.04792
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 4  
Residential Time-of-Use Service  
Schedule II

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$24.86	\$24.86	\$24.86	\$24.86
Meter Charge Single Phase	\$3.98	\$3.98	\$3.98	\$3.98
Energy Charge: On-Peak, per kWh:	\$0.04879	\$0.05071	\$0.05414	\$0.05823
Off-Peak, per kWh:	\$0.04879	\$0.05071	\$0.05414	\$0.05823
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 19 - Electric

Service Classification No. 2  
General Service - Small Use

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$21.38	\$21.38	\$21.38	\$21.38
Energy Charge: All kWh per kWh:	\$0.02701	\$0.02941	\$0.03292	\$0.03712
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 3  
General Service - 100 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$211.66	\$264.58	\$279.42	\$297.13
Demand: All kW:	\$15.69	\$15.65	\$16.53	\$17.57
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 7  
General Service - 12 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$62.17	\$77.71	\$82.76	\$88.77
Energy Charge: First 200 hour use, per kWh:	\$0.01074	\$0.00887	\$0.00887	\$0.00887
Over 200 hour use, per kWh:	\$0.01074	\$0.00887	\$0.00887	\$0.00887
Demand: All kW:	\$14.81	\$15.25	\$16.24	\$17.42
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 19 - Electric

Service Classification No. 8  
Large General Service - Time-of-Use  
Secondary - 300 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$647.93	\$809.91	\$855.78	\$910.47
Demand: All kW:	\$13.26	\$13.46	\$14.22	\$15.13
Reactive Charge: Per rkVah:	\$0.00127	\$0.00127	\$0.00127	\$0.00127
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 8  
Large General Service - Time-of-Use  
Substation - 300 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$1,400.24	\$1,750.30	\$1,850.30	\$1,969.55
Demand: All kW:	\$8.72	\$8.48	\$8.97	\$9.55
Reactive Charge: Per rkVah:	\$0.00127	\$0.00127	\$0.00127	\$0.00127
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 9  
General Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$65.83	\$82.29	\$88.31	\$95.50
Energy Charge: On-Peak, per kWh:	\$0.01506	\$0.01408	\$0.01408	\$0.01408
Off-Peak, per kWh:	\$0.01506	\$0.01408	\$0.01408	\$0.01408
Demand: All kW:	\$10.26	\$10.56	\$11.34	\$12.26
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 19 - Electric

Service Classification No. 8  
Large General Service - Time-of-Use  
Primary - 300 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$814.39	\$1,017.99	\$1,075.86	\$1,144.87
Demand: All kW:	\$12.90	\$13.08	\$13.82	\$14.71
Reactive Charge: Per rkVah:	\$0.00127	\$0.00127	\$0.00127	\$0.00127
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 8  
Large General Service - Time-of-Use  
Sub Transmission Commercial - 300 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$1,441.97	\$1,802.46	\$1,905.16	\$2,027.62
Demand: All kW:	\$9.34	\$9.35	\$9.88	\$10.51
Reactive Charge: Per rkVah:	\$0.00127	\$0.00127	\$0.00127	\$0.00127
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 8  
Large General Service - Time-of-Use  
Sub Transmission Industrial - 300 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$1,504.10	\$1,880.13	\$1,988.06	\$2,116.77
Demand: All kW:	\$8.53	\$8.60	\$9.09	\$9.68
Reactive Charge: Per rkVah:	\$0.00127	\$0.00127	\$0.00127	\$0.00127
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 8  
Large General Service - Time-of-Use  
Transmission - 300 kW Minimum

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge:	\$2,626.05	\$3,282.56	\$3,474.65	\$3,703.73
Demand: All kW:	\$8.13	\$8.25	\$8.73	\$9.31
Reactive Charge: Per rkVah:	\$0.00127	\$0.00127	\$0.00127	\$0.00127
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72



Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 19 - Electricity

Service Classification No. 14  
Standby Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Customer Charge (per month):				
SC 1	\$6.32	\$21.38	\$21.38	\$21.38
SC 2	\$8.51	\$21.38	\$21.38	\$21.38
SC 3	\$270.31	\$264.58	\$279.42	\$297.13
SC 7	\$56.48	\$77.71	\$82.76	\$88.77
SC 8 - Secondary	\$939.82	\$809.91	\$855.78	\$910.47
SC 8 - Substation	\$865.97	\$1,750.30	\$1,850.30	\$1,969.55
SC 8 - Primary	\$1,034.64	\$1,017.99	\$1,075.86	\$1,144.87
SC 8 - Subtransmission - Industrial	\$1,142.35	\$1,880.13	\$1,988.06	\$2,116.77
SC 8 - Subtransmission - Commercial	\$1,142.35	\$1,802.46	\$1,905.16	\$2,027.62
SC 8 - Transmission	\$1,788.68	\$3,282.56	\$3,474.65	\$3,703.73
Contract Demand Charge (per kW):				
SC 3	\$7.17	\$8.34	\$8.83	\$9.39
SC 7	\$10.84	\$11.58	\$12.27	\$13.04
SC 8 - Secondary	\$5.54	\$5.86	\$6.20	\$6.60
SC 8 - Substation	\$4.75	\$3.51	\$3.72	\$3.95
SC 8 - Primary	\$4.95	\$4.93	\$5.22	\$5.56
SC 8 - Subtransmission - Industrial	\$1.48	\$1.38	\$1.46	\$1.55
SC 8 - Subtransmission - Commercial	\$1.48	\$1.24	\$1.31	\$1.40
SC 8 - Transmission	\$6.39	\$7.21	\$7.64	\$8.12
Contract Demand Charge (per month):				
SC 1	\$19.47	\$12.71	\$14.07	\$15.69
SC 2	\$16.64	\$10.34	\$11.57	\$13.01
As-Used Demand Charge (per Daily kW):				
SC 3	\$0.336670	\$0.391486	\$0.414587	\$0.440989
SC 7	\$0.142250	\$0.152023	\$0.161079	\$0.171123
SC 8 - Secondary	\$0.323460	\$0.341989	\$0.362215	\$0.385402
SC 8 - Substation	\$0.194270	\$0.143414	\$0.151953	\$0.161642
SC 8 - Primary	\$0.358350	\$0.356913	\$0.378007	\$0.402238
SC 8 - Subtransmission - Industrial	\$0.362800	\$0.337674	\$0.356833	\$0.379638
SC 8 - Subtransmission - Commercial	\$0.362800	\$0.303338	\$0.321392	\$0.342186
SC 8 - Transmission	\$0.088880	\$0.100224	\$0.106215	\$0.113009
As-Used Demand Charge (per kWh):				
SC 1	\$0.029030	\$0.018948	\$0.020982	\$0.023394
SC 2	\$0.021590	\$0.013410	\$0.015007	\$0.016877
Bill Issuance Payment Processing Charge:	\$0.95	\$0.72	\$0.72	\$0.72

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 19 - Electricity

Service Classification No. 6 Area Lighting

	Current Rates		Rate Year 1 Rates		Rate Year 2 Rates		Rate Year 3 Rates	
	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential
Wire Service For Luminaire	\$0.01799	\$0.01799	\$0.01844	\$0.01844	\$0.01947	\$0.01947	\$0.02070	\$0.02070
Additional Wood Pole	\$4.26	\$4.26	\$4.36	\$4.36	\$4.61	\$4.61	\$4.90	\$4.90
30" Bracket	\$0.68	\$0.68	\$0.70	\$0.70	\$0.74	\$0.74	\$0.78	\$0.78
8' Bracket	\$0.92	\$0.92	\$0.94	\$0.94	\$0.99	\$0.99	\$1.06	\$1.06
12' Bracket	\$1.32	\$1.32	\$1.35	\$1.35	\$1.43	\$1.43	\$1.52	\$1.52
16' Bracket	\$1.82	\$1.82	\$1.87	\$1.87	\$1.97	\$1.97	\$2.10	\$2.10
20' Bracket	\$2.23	\$2.23	\$2.29	\$2.29	\$2.42	\$2.42	\$2.57	\$2.57
Bracket, Single	\$0.58	\$0.58	\$0.59	\$0.59	\$0.62	\$0.62	\$0.66	\$0.66
Bracket, Twin	\$1.15	\$1.15	\$1.18	\$1.18	\$1.25	\$1.25	\$1.33	\$1.33
MV 175, Std Cobra	\$7.59	\$7.66	\$7.77	\$7.84	\$8.21	\$8.28	\$8.73	\$8.81
MV 400, Std Cobra	\$13.28	\$13.49	\$13.60	\$13.82	\$14.37	\$14.60	\$15.28	\$15.52
MV 1000, Std Cobra	\$17.50	\$18.24	\$17.93	\$18.69	\$18.94	\$19.74	\$20.14	\$20.99
HPS 70, Std Cobra	\$6.96	\$6.92	\$7.13	\$7.09	\$7.53	\$7.48	\$8.01	\$7.96
HPS 100, Std Cobra	\$7.04	\$7.03	\$7.22	\$7.21	\$7.62	\$7.61	\$8.11	\$8.09
HPS 150, Std Cobra	\$12.57	\$12.48	\$12.88	\$12.78	\$13.60	\$13.50	\$14.47	\$14.36
HPS 250, Std Cobra	\$16.56	\$16.51	\$16.97	\$16.92	\$17.92	\$17.87	\$19.05	\$19.00
HPS 400, Std Cobra	\$17.83	\$17.92	\$18.27	\$18.36	\$19.29	\$19.39	\$20.52	\$20.62
MH 250, Std Cobra	\$16.84	\$16.81	\$17.26	\$17.22	\$18.22	\$18.19	\$19.38	\$19.34
MH 400, Std Cobra	\$17.76	\$17.85	\$18.20	\$18.29	\$19.22	\$19.32	\$20.43	\$20.54
HPS 150, Flood	\$12.25	\$12.17	\$12.56	\$12.47	\$13.26	\$13.17	\$14.10	\$14.01
HPS 250, Flood	\$13.54	\$13.50	\$13.87	\$13.83	\$14.65	\$14.61	\$15.58	\$15.54
HPS 400, Flood	\$14.71	\$14.78	\$15.07	\$15.15	\$15.92	\$16.00	\$16.93	\$17.01
HPS 1000, Flood	\$29.42	\$29.69	\$30.15	\$30.43	\$31.84	\$32.13	\$33.86	\$34.17
MH 250, Flood	\$15.71	\$15.64	\$16.10	\$16.03	\$17.00	\$16.93	\$18.08	\$18.00
MH 400, Flood	\$16.50	\$16.52	\$16.91	\$16.93	\$17.85	\$17.88	\$18.99	\$19.01
MH 1000, Flood	\$27.62	\$27.85	\$28.31	\$28.53	\$29.89	\$30.14	\$31.79	\$32.04
HPS 250, Shoebox	\$19.09	\$19.09	\$19.56	\$19.56	\$20.65	\$20.65	\$21.96	\$21.96
HPS 400, Shoebox	\$20.16	\$20.16	\$20.65	\$20.65	\$21.81	\$21.81	\$23.19	\$23.19
Bill Issuance Payment Processing Charge:	\$0.95	\$0.95	\$0.72	\$0.72	\$0.72	\$0.72	\$0.72	\$0.72

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 18 - Electricity

Service Classification No. 1

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Fixtures:				
Type 1	\$8.29206	\$8.49626	\$8.97309	\$9.54167
Type 1a	\$8.29206	\$8.49626	\$8.97309	\$9.54167
Type 1b	\$8.29206	\$8.49626	\$8.97309	\$9.54167
Type 3a	\$6.93668	\$7.10750	\$7.50639	\$7.98203
Type 6	\$5.20123	\$5.32931	\$5.62840	\$5.98505
Type 6a	\$5.20123	\$5.32931	\$5.62840	\$5.98505
Type 2	\$11.54533	\$11.82965	\$12.49355	\$13.28521
Type 2a	\$13.97536	\$14.31952	\$15.12316	\$16.08144
Type 2b	\$14.35972	\$14.71334	\$15.53908	\$16.52371
Type 3	\$7.90942	\$8.10419	\$8.55902	\$9.10136
Type 3-2	\$11.46063	\$11.74286	\$12.40189	\$13.18774
Type 3a-2	\$9.50605	\$9.74015	\$10.28678	\$10.93860
Type 5	\$3.35722	\$3.43990	\$3.63295	\$3.86315
Type 5a	\$1.77424	\$1.81793	\$1.91996	\$2.04162
Type 9	\$4.35546	\$4.46272	\$4.71317	\$5.01182
Type 9a	\$2.52292	\$2.58505	\$2.73013	\$2.90312
Type 9b	\$2.85719	\$2.92755	\$3.09185	\$3.28777
Type 9c	\$5.48212	\$5.61712	\$5.93237	\$6.30827
Type 9d	\$4.83232	\$4.95132	\$5.22920	\$5.56055
Type 10	\$10.34308	\$10.59778	\$11.19255	\$11.90177
Type 10a	\$13.01496	\$13.33546	\$14.08387	\$14.97630
Type 10a-2	\$19.09283	\$19.56301	\$20.66092	\$21.97010
Type 10c	\$12.72027	\$13.03352	\$13.76498	\$14.63720
Type 10-2	\$14.05915	\$14.40537	\$15.21383	\$16.17785
Type 10c-2	\$18.81264	\$19.27591	\$20.35771	\$21.64768
Type 11	\$15.07197	\$15.44313	\$16.30983	\$17.34330
Type 11a	\$15.32087	\$15.69816	\$16.57917	\$17.62971
Type 11a-2	\$23.10696	\$23.67598	\$25.00473	\$26.58915
Type 11b	\$17.09578	\$17.51677	\$18.49985	\$19.67209
Type 11b-2	\$26.97343	\$27.63768	\$29.18876	\$31.03831
Type 11-2	\$22.92764	\$23.49226	\$24.81069	\$26.38282
Type 13	\$4.41102	\$4.51964	\$4.77329	\$5.07575
Type 2d	\$14.20215	\$14.55189	\$15.36858	\$16.34241
Type 2e	\$18.56216	\$19.01927	\$20.08667	\$21.35946
Type 2f	\$13.41112	\$13.74138	\$14.51258	\$15.43217
Type 2g	\$13.07172	\$13.39363	\$14.14530	\$15.04162
Type 13a	\$7.48498	\$7.66930	\$8.09972	\$8.61295
Type 13b	\$4.80977	\$4.92822	\$5.20480	\$5.53460
Type 20	\$4.05853	\$4.15848	\$4.39186	\$4.67015
Type 20a	\$7.83564	\$8.02860	\$8.47918	\$9.01647
Type 20c	\$4.41193	\$4.52058	\$4.77428	\$5.07681
Type 21	\$4.09315	\$4.19395	\$4.42932	\$4.70998
Type 20b	\$7.64437	\$7.83262	\$8.27220	\$8.79637
Type 20d	\$9.31751	\$9.54697	\$10.08276	\$10.72166
Type 20g	\$4.54946	\$4.66150	\$4.92311	\$5.23506
Type 20i	\$8.54788	\$8.75838	\$9.24992	\$9.83604
Type 20j	\$3.02698	\$3.10153	\$3.27559	\$3.48315
Type 20k	\$3.71472	\$3.80620	\$4.01981	\$4.27453
Type 21a	\$6.29911	\$6.45423	\$6.81645	\$7.24838
Type 21b	\$4.46113	\$4.57099	\$4.82752	\$5.13342
Type C-5	\$2.69416	\$2.76050	\$2.91543	\$3.10016
Type C-4a	\$10.06529	\$10.31315	\$10.89195	\$11.58212
Type C-5a	\$10.81396	\$11.08027	\$11.70211	\$12.44362
Type C-6	\$5.45571	\$5.59007	\$5.90379	\$6.27788

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 18 - Electricity

Service Classification No. 1

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
<b>Circuit:</b>				
Overhead Wire	\$0.01355	\$0.01389	\$0.01467	\$0.01560
Wood Pole Company Own	\$4.43014	\$4.53924	\$4.79399	\$5.09776
Wood Pole Jointly Own	\$2.21511	\$2.26966	\$2.39704	\$2.54892
Conduit & Cable	\$0.09574	\$0.09810	\$0.10361	\$0.11017
Buried Cable URD Subc	\$0.04441	\$0.04550	\$0.04805	\$0.05110
Cable in Conduit owned	\$0.03413	\$0.03497	\$0.03694	\$0.03928
<b>Lamps:</b>				
1260 Inc	\$4.62705	\$4.74100	\$5.00707	\$5.32434
2500 Inc	\$4.27972	\$4.38511	\$4.63121	\$4.92467
2800 Inc	\$4.51650	\$4.62772	\$4.88744	\$5.19713
2800 Inc (C-5)	\$13.46714	\$13.79878	\$14.57319	\$15.49662
4000 Inc	\$5.83567	\$5.97938	\$6.31495	\$6.71510
6000 Inc	\$7.50996	\$7.69490	\$8.12675	\$8.64170
10000 Inc	\$13.85514	\$14.19633	\$14.99306	\$15.94310
4400 MV	\$2.71699	\$2.78390	\$2.94013	\$3.12643
8500 MV	\$3.92695	\$4.02366	\$4.24947	\$4.51874
13000 MV	\$5.22069	\$5.34926	\$5.64947	\$6.00745
23000 MV	\$7.92378	\$8.11891	\$8.57456	\$9.11788
60000 MV	\$18.12248	\$18.56877	\$19.61088	\$20.85353
4000 HPS	\$1.24834	\$1.27908	\$1.35087	\$1.43646
5800 HPS	\$1.61161	\$1.65129	\$1.74397	\$1.85448
9500 HPS	\$2.16606	\$2.21940	\$2.34396	\$2.49248
16000 HPS	\$3.04008	\$3.11494	\$3.28976	\$3.49822
27500 HPS	\$5.09311	\$5.21853	\$5.51141	\$5.86064
50000 HPS	\$7.61958	\$7.80722	\$8.24538	\$8.76785
140000 HPS	\$22.14617	\$22.69154	\$23.96504	\$25.48358
6950 Flor "Dusk-to-daw	\$3.03214	\$3.10681	\$3.28117	\$3.48908
6950 Flor "24-hour burr	\$4.89101	\$5.01146	\$5.29271	\$5.62808
4000 MH	\$2.80604	\$2.87514	\$3.03650	\$3.22891
5850 MH	\$2.77566	\$2.84401	\$3.00362	\$3.19395
10500 MH	\$2.67142	\$2.73721	\$2.89083	\$3.07400
17000 MH	\$2.67469	\$2.74056	\$2.89436	\$3.07776
28800 MH	\$2.67469	\$2.74056	\$2.89436	\$3.07776
Bill Issuance Payment Proc	\$0.95	\$0.72	\$0.72	\$0.72

Rochester Gas and Electric Corporation  
Electric Department  
Retail Delivery Rates  
P.S.C. No. 18 - Electricity

Service Classification No. 2  
Street Lighting Service - Customer Owned

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
24-Hour Burning	\$0.01632	\$0.01673	\$0.01767	\$0.01879
Dusk-Dawn	\$0.04572	\$0.04684	\$0.04947	\$0.05260
Dusk-1:00 am	\$0.13128	\$0.13452	\$0.14206	\$0.15107
Bill Issuance Payment Processing Charge	\$0.95	\$0.72	\$0.72	\$0.72

Service Classification No. 3  
Traffic Signal Service

	Current Rates	Rate Year 1 Rates	Rate Year 2 Rates	Rate Year 3 Rates
Rate, per billing face	\$1.60136	\$1.64080	\$1.73288	\$1.84268
Bill Issuance Payment Processing Charge	\$0.95	\$0.72	\$0.72	\$0.72

**New York State Electric & Gas Corporation**  
**Gas Department**  
**Development of Delivery Revenues**  
**Rate Year 1 - May 1, 2016 through April 30, 2017**

	Rate Year Sales (therms)	Delivery Revenue Prior to Increase (000 \$)	Rate Year 1 Delivery Revenue (000 \$)	Revenue Increase/ (Decrease) (000 \$)	Change (%)
<b><u>PSC 87 Service Classifications (SC)</u></b>					
SC 1 - Residential Service	178,563,146	\$85,186	\$90,874	\$5,688	6.7%
SC 2 - General Service	56,469,446	\$20,160	\$21,435	\$1,275	6.3%
SC 3 - Interruptible Sales Service	6,102,240	\$416	\$416	\$0	0.0%
SC 5 - Seasonal Gas Cooling Service	16,790	\$0.7	\$0.8	\$0.0	6.7%
SC 9 - Industrial Manufacturing or Processing Purposes	103,927	\$23	\$25	\$1	5.1%
SC 10 - Non-Residential Distributed Generation Firm Sales Service	0	\$0	\$0	\$0	0.0%
SC 11 - Residential Distributed Generation Firm Sales Service	0	\$0	\$0	\$0	0.0%
<b>Total PSC 87</b>	<b>241,255,549</b>	<b>\$105,786</b>	<b>\$112,750</b>	<b>\$6,964</b>	<b>6.6%</b>
<b><u>PSC 88 Service Classifications (SC)</u></b>					
SC 1 - Firm Transportation Service	74,852,232	\$6,675	\$7,013	\$338	5.1%
SC 2 - Interruptible Transportation Service	26,157,805	\$2,029	\$2,029	\$0	0.0%
SC 5 - Small Firm Transportation Service	29,748,938	\$5,539	\$5,819	\$280	5.1%
SC 7 - Firm or Limited Firm Negotiated Transportation Service	63,433,555	\$2,008	\$2,008	\$0	0.0%
SC 13 - Residential Firm Aggregation Transportation Service	51,621,827	\$24,123	\$25,769	\$1,646	6.8%
SC 14 - Non-Residential Firm Aggregation Transportation Service	61,264,536	\$18,963	\$20,313	\$1,350	7.1%
SC 15 - Basic Electric Generation Transportation Service	0	\$0	\$0	\$0	0.0%
SC 16 - Non-Residential Distributed Generation Firm Transportation Service	0	\$0	\$0	\$0	0.0%
SC 19 - Residential Distributed Generation Firm Transportation Service	0	\$0	\$0	\$0	0.0%
<b>Total PSC 88</b>	<b>307,078,893</b>	<b>\$59,336</b>	<b>\$62,950</b>	<b>\$3,614</b>	<b>6.1%</b>
<b>Total PSC 87, PSC 88 Revenue</b>	<b>548,334,442</b>	<b>165,121</b>	<b>175,700</b>	<b>10,579</b>	<b>6.4%</b>
Revenue Adjustment <sup>(1)</sup>		(\$77)	\$0	\$77	
Bill Issuance and Payment Processing (BIPP) Revenue		\$1,483	\$1,583	\$100	6.8%
<b>Total PSC 87, PSC 88 and BIPP Revenue</b>	<b>548,334,442</b>	<b>\$166,527</b>	<b>\$177,284</b>	<b>\$10,757</b>	<b>6.5%</b>
<b><u>Other Delivery Revenue Adjustments:</u></b>					
Low Income Discounts		\$0	\$0	\$0	0.0%
Economic Development Discounts		(\$57)	(\$57)	\$0	0.0%
Merchant Function Charge		\$2,097	\$4,159	\$2,062	98.3%
EEPS Revenues		\$5,467	\$5,467	\$0	0.0%
TSAS Revenues		\$3,160	\$3,160	\$0	0.0%
Transition Surcharge Revenues (recovery of deferred/uncontrollable costs)		\$0	\$0	\$0	0.0%
R&D Revenues		\$650	\$650	\$0	0.0%
Unbilled Revenues		\$0	\$0	\$0	0.0%
Revenue Taxes		\$2,375	\$2,625	\$250	10.5%
<b>Total Retail Revenue</b>	<b>548,334,442</b>	<b>\$180,219</b>	<b>\$193,288</b>	<b>\$13,068</b>	<b>7.3%</b>

(1) Impact of rate year tariffs on rate year sales units

**New York State Electric & Gas Corporation**  
**Gas Department**  
**Revenue Allocation**  
**Rate Year 1 - May 1, 2016 through April 30, 2017**

	<b>Delivery Revenue Prior to Increase (000 \$)</b>	<b>Allocation (000 \$)</b>	<b>Rate Year 1 Delivery Revenue (000 \$)</b>	<b>Allocation (%)</b>
<b>PSC 87 and 88 - Gas</b>				
SC No.1S - Residential Sales	\$ 85,186	\$ 5,716	\$ 90,901	6.7%
SC No. 13T - Residential Transportation	\$ 24,123	\$ 1,619	\$ 25,741	6.7%
<b>Subtotal - Residential</b>	<b>\$ 109,308</b>	<b>\$ 7,334</b>	<b>\$ 116,642</b>	
SC No. 2S - General Service Sales	\$ 20,160	\$ 1,353	\$ 21,513	6.7%
SC No. 14T - General Service Transportation	\$ 18,963	\$ 1,272	\$ 20,235	6.7%
<b>Subtotal - General Service</b>	<b>\$ 39,123</b>	<b>\$ 2,625</b>	<b>\$ 41,748</b>	
SC No. 5S - Seasonal Gas Cooling	\$ 1	\$ 0.0	\$ 1	6.7%
SC No. 9S - Industrial Manufacturing	\$ 23	\$ 1	\$ 25	5.1%
SC No. 1T - Large Firm Transportation	\$ 6,675	\$ 338	\$ 7,013	5.1%
SC No. 5T - Small Firm Transportation	\$ 5,539	\$ 280	\$ 5,819	5.1%
<b>Total firm classes to which increase is spread</b>	<b>\$ 160,669</b>	<b>\$ 10,579</b>	<b>\$ 171,248</b>	<b>6.6%</b>
SC No. 3S - Interruptible Sales				
SC No. 2T - Interruptible Transportation				
SC No. 7T - Negotiated Transportation				
SC No. 10S - Non-Residential DG Sales				
SC No. 11S - Residential DG Sales				
SC No. 15T - Basic Electric Generation Transportation				
SC No. 16T - Non-Residential DG Generation Transportation				
SC No. 19T - Residential DG Generation Transportation				
<b>Total</b>				

<b>Revenue Increase</b>	<b>Total</b>	
Gross Base Delivery Charge Increase	\$	12,818
GRT	\$	250
Total Delivery Charge Increase - Appendix A	\$	13,068
	<u>Current</u>	<u>Proposed</u>
Less: Change in MFC-Delivery Charges	\$ 2,097	\$ 4,159
Less: Change in BIPP Charges	\$ 1,483	\$ 1,583
Plus: Impact of rate year tariffs on rate year sales units		\$ (77)
<b>Rate Design Net Increase - Gross Base Delivery Revenues</b>	<b>\$</b>	<b>10,579</b>
<b>Uniform Increase</b>		<b>6.6%</b>

New York State Electric & Gas Corporation  
Gas Department  
Development of Delivery Revenues  
Rate Year 2 - May 1, 2017 through April 30, 2018

	Rate Year Sales (therms)	Delivery Revenue Prior to Increase (000 \$)	Rate Year 2 Delivery Revenue (000 \$)	Revenue Increase/ (Decrease) (000 \$)	Change (%)
<b>1 PSC 87 Service Classifications (SC)</b>					
2					
3 SC 1 - Residential Service	179,548,860	\$ 91,400	\$ 98,380	\$6,979	7.6%
4					
5 SC 2 - General Service	56,794,669	\$21,534	\$ 23,096	\$1,562	7.3%
6					
7 SC 3 - Interruptible Sales Service	6,102,240	\$416	\$416	\$0	0.0%
8					
9 SC 5 - Seasonal Gas Cooling Service	16,661	\$1	\$ 1	\$0.1	7.7%
10					
11 SC 9 - Industrial Manufacturing or Processing Purposes	103,817	\$25	\$ 26	\$2	7.7%
12					
13 SC 10 - Non-Residential Distributed Generation Firm Sales Service	0	\$0	\$0	\$0	0.0%
14					
15 SC 11 - Residential Distributed Generation Firm Sales Service	0	\$0	\$0	\$0	0.0%
16					
17 Total PSC 87	242,566,247	\$113,375	\$121,918	\$8,543	7.5%
18					
<b>19 PSC 88 Service Classifications (SC)</b>					
20					
21 SC 1 - Firm Transportation Service	75,283,873	\$7,061	\$ 7,602	\$542	7.7%
22					
23 SC 2 - Interruptible Transportation Service	26,157,805	\$2,029	\$2,029	\$0	0.0%
24					
25 SC 5 - Small Firm Transportation Service	29,916,356	\$5,844	\$ 6,292	\$448	7.7%
26					
27 SC 7 - Firm or Limited Firm Negotiated Transportation Service	63,433,555	\$2,008	\$2,008	\$0	0.0%
28					
29 SC 13 - Residential Firm Aggregation Transportation Service	51,884,662	\$25,871	\$ 27,890	\$2,019	7.8%
30					
31 SC 14 - Non-Residential Firm Aggregation Transportation Service	61,590,610	\$20,376	\$ 22,029	\$1,654	8.1%
32					
33 SC 15 - Basic Electric Generation Transportation Service	0	\$0	\$0	\$0	0.0%
34					
35 SC 16 - Non-Residential Distributed Generation Firm Transportation Service	0	\$0	\$0	\$0	0.0%
36					
37 SC 19 - Residential Distributed Generation Firm Transportation Service	0	\$0	\$0	\$0	0.0%
38					
39 Total PSC 88	308,266,861	\$63,188	\$67,850	\$4,662	7.4%
40					
41 <b>Total PSC 87, PSC 88 Revenue</b>	<b>550,833,108</b>	<b>176,563</b>	<b>189,769</b>	<b>13,206</b>	<b>7.5%</b>
42 Revenue Adjustment <sup>(1)</sup>		\$ (581)		\$ 581	
43 Bill Issuance and Payment Processing (BIPP) Revenue		\$1,583	\$1,583	\$0	0.0%
44					
45 <b>Total PSC 87, PSC 88 and BIPP Revenue</b>	<b>550,833,108</b>	<b>\$177,565</b>	<b>\$191,352</b>	<b>\$13,787</b>	<b>7.8%</b>
46					
47 <b>Other Delivery Revenue Adjustments:</b>					
48 Low Income Discounts		\$0	\$0	\$0	0.0%
49 Economic Development Discounts		\$ (14)	\$ (14)	\$0	0.0%
50 Merchant Function Charge		\$4,159	\$4,159	\$0	0.0%
51 EEPS Revenues		\$4,591	\$4,591	\$0	0.0%
52 TSAS Revenues		\$1,603	\$1,603	\$0	0.0%
53 Transition Surcharge Revenues (recovery of deferred/uncontrollable costs)		\$0	\$0	\$0	0.0%
54 R&D Revenues		\$650	\$650	\$0	0.0%
55 Unbilled Revenues		\$0	\$0	\$0	0.0%
56 Revenue Taxes		\$2,860	\$2,954	\$94	3.3%
57					
58 <b>Total Retail Revenue</b>	<b>550,833,108</b>	<b>\$191,415</b>	<b>\$205,295</b>	<b>\$13,880</b>	<b>7.3%</b>
58					
58 <b>Rate Increase Levelization Deferral</b>		<b>\$6,349</b>	<b>\$6,349</b>	<b>\$0</b>	
58					
58 <b>Total Sales Revenue</b>		<b>\$197,764</b>	<b>\$211,644</b>	<b>\$13,880</b>	

(1) Impact of rate year tariffs on rate year sales units



New York State Electric & Gas Corporation  
Gas Department  
Revenue Allocation  
Rate Year 2 - May 1, 2017 through April 30, 2018

		Delivery Revenue Prior to Increase (000 \$)	Allocation (000 \$)	Rate Year 2 Delivery Revenue (000 \$)	Allocation (%)
1	PSC 87 and 88 - Gas				
2					
3	SC No.1S - Residential Sales	\$ 91,400	\$ 7,013	\$ 98,414	7.7%
4					
5	SC No. 13T - Residential Transportation	\$ 25,871	\$ 1,985	\$ 27,856	7.7%
6					
7	Subtotal - Residential	\$117,271	\$8,998	\$ 126,269	
8					
9	SC No. 2S - General Service Sales	\$ 21,534	\$ 1,652	\$ 23,186	7.7%
10					
11	SC No. 14T - General Service Transportation	\$ 20,376	\$ 1,563	\$ 21,939	7.7%
12					
13	Subtotal - General Service	\$41,909	\$3,216	\$ 45,125	
14					
15	SC No. 5S - Seasonal Gas Cooling	\$1	\$0	\$ 1	7.7%
16					
17	SC No. 9S - Industrial Manufacturing	\$ 25	\$2	\$ 26	7.7%
18					
19	SC No. 1T - Large Firm Transportation	\$ 7,061	\$ 542	\$ 7,602	7.7%
20					
21	SC No. 5T - Small Firm Transportation	\$ 5,844	\$ 448	\$ 6,292	7.7%
22					
23					
24	Total firm classes to which increase is spread	\$ 172,110	\$ 13,206	\$ 185,316	7.7%
25					
26	SC No. 3S - Interruptible Sales				
27					
28	SC No. 2T - Interruptible Transportation				
29					
30	SC No. 7T - Negotiated Transportation				
31					
32	SC No. 10S - Non-Residential DG Sales				
33					
34	SC No. 11S - Residential DG Sales				
35					
36	SC No. 15T - Basic Electric Generation Transportation				
37					
38	SC No. 16T - Non-Residential DG Generation Transportation				
39					
40	SC No. 19T - Residential DG Generation Transportation				
41					
42	Total				
43					
44					
45					
46					
47	Revenue Increase		Total		
48					
49	Gross Base Delivery Charge Increase	\$ 13,787			
50	GRT	\$ 94			
51	Total Delivery Charge Increase - Appendix A	\$ 13,880			
52					
53		Current	Proposed		
54	Less: Change in MFC-Delivery Charges	\$ 4,159	\$ 4,159	\$ -	
55	Less: Change in BIPP Charges	\$ 1,583	\$ 1,583	\$ -	
56	Plus: Impact of rate year tariffs on rate year sales units			\$ (581)	
57					
58					
59	Rate Design Net Increase - Gross Base Delivery Revenues	\$ 13,206			
60	Uniform Increase			7.7%	

**New York State Electric & Gas Corporation**  
**Gas Department**  
**Development of Delivery Revenues**  
**Rate Year 3 - May 1, 2018 through April 30, 2019**

	Rate Year Sales (therms)	Delivery Revenue Prior to Increase (000 \$)	Rate Year 3 Delivery Revenue (000 \$)	Revenue Increase/ (Decrease) (000 \$)	Change (%)
<b>1 PSC 87 Service Classifications (SC)</b>					
2					
3 SC 1 - Residential Service	180,764,552	\$ 99,044	\$ 106,420	\$7,376	7.4%
4					
5 SC 2 - General Service	57,206,723	\$23,303	\$ 24,958	\$1,654	7.1%
6					
7 SC 3 - Interruptible Sales Service	6,102,240	\$416	\$416	\$0	0.0%
8					
9 SC 5 - Seasonal Gas Cooling Service	16,540	\$1	\$ 1	\$0.1	7.5%
10					
11 SC 9 - Industrial Manufacturing or Processing Purposes	103,657	\$26	\$ 28	\$2	7.5%
12					
13 SC 10 - Non-Residential Distributed Generation Firm Sales Service	0	\$0	\$0	\$0	0.0%
14					
15 SC 11 - Residential Distributed Generation Firm Sales Service	0	\$0	\$0	\$0	0.0%
16					
17 Total PSC 87	244,193,713	\$122,790	\$131,822	\$9,032	7.4%
18					
<b>19 PSC 88 Service Classifications (SC)</b>					
20					
21 SC 1 - Firm Transportation Service	75,283,873	\$7,631	\$ 8,201	\$571	7.5%
22					
23 SC 2 - Interruptible Transportation Service	26,157,805	\$2,029	\$2,029	\$0	0.0%
24					
25 SC 5 - Small Firm Transportation Service	29,916,357	\$6,299	\$ 6,770	\$471	7.5%
26					
27 SC 7 - Firm or Limited Firm Negotiated Transportation Service	62,931,132	\$1,991	\$1,991	\$0	0.0%
28					
29 SC 13 - Residential Firm Aggregation Transportation Service	52,008,405	\$27,910	\$ 30,029	\$2,119	7.6%
30					
31 SC 14 - Non-Residential Firm Aggregation Transportation Service	61,735,262	\$22,120	\$ 23,862	\$1,743	7.9%
32					
33 SC 15 - Basic Electric Generation Transportation Service	0	\$0	\$0	\$0	0.0%
34					
35 SC 16 - Non-Residential Distributed Generation Firm Transportation Service	0	\$0	\$0	\$0	0.0%
36					
37 SC 19 - Residential Distributed Generation Firm Transportation Service	0	\$0	\$0	\$0	0.0%
38					
39 Total PSC 88	308,032,833	\$67,979	\$72,882	\$4,903	7.2%
40					
<b>41 Total PSC 87, PSC 88 Revenue</b>	<b>552,226,546</b>	<b>190,768</b>	<b>204,704</b>	<b>13,935</b>	<b>7.3%</b>
42 Revenue Adjustment <sup>(1)</sup>		\$ (762)		\$762	
43 Bill Issuance and Payment Processing (BIPP) Revenue		\$1,583	\$1,583	\$0	0.0%
44					
<b>45 Total PSC 87, PSC 88 and BIPP Revenue</b>	<b>552,226,546</b>	<b>\$191,590</b>	<b>\$206,287</b>	<b>\$14,697</b>	<b>7.7%</b>
46					
<b>47 Other Delivery Revenue Adjustments:</b>					
48 Low Income Discounts		\$0	\$0	\$0	0.0%
49 Economic Development Discounts		(\$14)	(\$14)	\$0	0.0%
50 Merchant Function Charge		\$4,159	\$4,159	\$0	0.0%
51 EEPS Revenues		\$4,749	\$4,749	\$0	0.0%
52 TSAS Revenues		\$0	\$0	\$0	0.0%
53 Transition Surcharge Revenues (recovery of deferred/uncontrollable costs)		\$0	\$0	\$0	0.0%
54 R&D Revenues		\$650	\$650	\$0	0.0%
55 Unbilled Revenues		\$0	\$0	\$0	0.0%
56 Revenue Taxes		\$2,893	\$2,992	\$99	3.4%
57					
<b>58 Total Retail Revenue</b>	<b>552,226,546</b>	<b>\$204,027</b>	<b>\$218,823</b>	<b>\$14,796</b>	<b>7.3%</b>
58					
<b>58 Rate Increase Levelization Deferral</b>		<b>(\$244)</b>	<b>(\$244)</b>	<b>\$0</b>	
58					
<b>58 Total Sales Revenue</b>		<b>\$203,783</b>	<b>\$218,579</b>	<b>\$14,796</b>	

(1) Impact of rate year tariffs on rate year sales units

**New York State Electric & Gas Corporation**  
**Gas Department**  
**Revenue Allocation**  
**Rate Year 3 - May 1, 2018 through April 30, 2019**

		<b>Delivery Revenue Prior to Increase (000 \$)</b>	<b>Allocation (000 \$)</b>	<b>Rate Year 3 Delivery Revenue (000 \$)</b>	<b>Allocation (%)</b>
1	<b>PSC 87 and 88 - Gas</b>				
2					
3	SC No.1S - Residential Sales	\$ 99,044	\$ 7,407	\$ 106,451	7.5%
4					
5	SC No. 13T - Residential Transportation	\$ 27,910	\$ 2,087	\$ 29,997	7.5%
6					
7	<b>Subtotal - Residential</b>	<b>\$ 126,954</b>	<b>\$ 9,494</b>	<b>\$ 136,448</b>	
8					
9	SC No. 2S - General Service Sales	\$ 23,303	\$ 1,743	\$ 25,046	7.5%
10					
11	SC No. 14T - General Service Transportation	\$ 22,120	\$ 1,654	\$ 23,774	7.5%
12					
13	<b>Subtotal - General Service</b>	<b>\$ 45,423</b>	<b>\$ 3,397</b>	<b>\$ 48,820</b>	
14					
15	SC No. 5S - Seasonal Gas Cooling	\$ 1	\$ 0	\$ 1	7.5%
16					
17	SC No. 9S - Industrial Manufacturing	\$ 26	\$ 2	\$ 28	7.5%
18					
19	SC No. 1T - Large Firm Transportation	\$ 7,631	\$ 571	\$ 8,201	7.5%
20					
21	SC No. 5T - Small Firm Transportation	\$ 6,299	\$ 471	\$ 6,770	7.5%
22					
23					
24	<b>Total firm classes to which increase is spread</b>	<b>\$ 186,334</b>	<b>\$ 13,935</b>	<b>\$ 200,269</b>	<b>7.5%</b>
25					
26	SC No. 3S - Interruptible Sales				
27					
28	SC No. 2T - Interruptible Transportation				
29					
30	SC No. 7T - Negotiated Transportation				
31					
32	SC No. 10S - Non-Residential DG Sales				
33					
34	SC No. 11S - Residential DG Sales				
35					
36	SC No. 15T - Basic Electric Generation Transportation				
37					
38	SC No. 16T - Non-Residential DG Generation Transportation				
39					
40	SC No. 19T - Residential DG Generation Transportation				
41					
42	<b>Total</b>				
43					
44					
45					
46					
47	<b>Revenue Increase</b>	<b>Total</b>			
48					
49	Gross Base Delivery Charge Increase	\$ 14,697			
50	GRT	\$ 99			
51	Total Delivery Charge Increase - Appendix A	\$ 14,796			
52					
53		<u>Current</u>	<u>Proposed</u>		
54	Less: Change in MFC-Delivery Charges	\$ 4,159	\$ 4,159	\$ -	
55	Less: Change in BIPP Charges	\$ 1,583	\$ 1,583	\$ -	
56	Plus: Impact of rate year tariffs on rate year sales units			\$ (762)	
57					
58					
59	<b>Rate Design Net Increase - Gross Base Delivery Revenues</b>	<b>\$ 13,935</b>			
60	<b>Uniform Increase</b>	<b>7.5%</b>			

**New York State Electric & Gas Corporation**  
**Gas Department**  
**Retail Delivery Rates**  
**Delivery Rates**  
**PSC 87 Service Classifications 1, 2, 5, and 9 Sales**  
**PSC 88 Service Classifications 1, 5, 13, and 14 Transportation**

		Current RATES				RY1 RATES				RY2 RATES				RY3 RATES			
		Customer Charge Without Sales Status Reserved	Customer Charge With Sales Status Reserved	Volumetric Rate Without Sales Status Reserved	Volumetric Rate With Sales Status Reserved	Customer Charge Without Sales Status Reserved	Customer Charge With Sales Status Reserved	Volumetric Rate Without Sales Status Reserved	Volumetric Rate With Sales Status Reserved	Customer Charge Without Sales Status Reserved	Customer Charge With Sales Status Reserved	Volumetric Rate Without Sales Status Reserved	Volumetric Rate With Sales Status Reserved	Customer Charge Without Sales Status Reserved	Customer Charge With Sales Status Reserved	Volumetric Rate Without Sales Status Reserved	Volumetric Rate With Sales Status Reserved
<b>SC1S / SC13T (Res Agg) HEAT</b>																	
	Basic Service Charge	\$16.30				\$16.30				\$16.30				\$16.30			
	0 3			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	4 50			\$0.51930				\$0.57893				\$0.65170				\$0.72809	
	Over 50			\$0.12200				\$0.13601				\$0.15310				\$0.17105	
<b>SC1S / SC13T (Res Agg) NON-HEAT</b>																	
	Basic Service Charge	\$12.30				\$12.30				\$12.30				\$12.30			
	0 3			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	4 50			\$0.51930				\$0.57893				\$0.65170				\$0.72809	
	Over 50			\$0.12200				\$0.13601				\$0.15310				\$0.17105	
<b>SC2S / SC14T (Non-Res Agg) RATES</b>																	
	Basic Service Charge	\$23.60	\$23.93			\$23.60	\$23.93			\$23.60	\$23.93			\$23.60	\$23.93		
	0 3			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	4 500			\$0.33780	\$0.44890			\$0.36687	\$0.47797			\$0.40235	\$0.51345			\$0.43958	\$0.55068
	501 15,000			\$0.19460	\$0.30570			\$0.21134	\$0.32244			\$0.23179	\$0.34289			\$0.25323	\$0.36433
	Over 15,000			\$0.11970	\$0.23080			\$0.13000	\$0.24110			\$0.14257	\$0.25367			\$0.15577	\$0.26687
<b>SC5S Seasonal Gas Cooling</b>																	
	Basic Service Charge	\$16.86				\$16.86				\$16.86				\$16.86			
	0 3			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	Over 3			\$0.03140				\$0.03433				\$0.03791				\$0.04168	
<b>SC9S Industrial (Binghamton Only)</b>																	
	Basic Service Charge	\$243.87				\$304.84				\$328.23				\$352.77			
	0 500			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	501 15,000			\$0.16550				\$0.15399				\$0.16580				\$0.17820	
	Over 15,000			\$0.12000				\$0.12000				\$0.12000				\$0.12000	
<b>SC1T RATES (All areas)</b>																	
	Basic Service Charge	\$1,124.19	\$1,179.74			\$1,405.24	\$1,460.79			\$1,561.10	\$1,616.65			\$1,723.55	\$1,779.10		
	0 500			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	501 15,000			\$0.11860	\$0.22970			\$0.11971	\$0.23081			\$0.13299	\$0.24409			\$0.14683	\$0.25793
	15,001 50,000			\$0.06390	\$0.17500			\$0.06450	\$0.17560			\$0.07165	\$0.18275			\$0.07911	\$0.19021
	Over 50,000			\$0.06050	\$0.17160			\$0.06050	\$0.17160			\$0.06050	\$0.17160			\$0.06050	\$0.17160
<b>SC5T RATES</b>																	
	Basic Service Charge	\$243.87	\$299.42			\$304.84	\$360.39			\$330.51	\$386.06			\$357.39	\$412.94		
	0 500			\$0.00000				\$0.00000				\$0.00000				\$0.00000	
	501 15,000			\$0.16870	\$0.27980			\$0.16899	\$0.28009			\$0.18323	\$0.29433			\$0.19813	\$0.30923
	Over 15,000			\$0.12000	\$0.23110			\$0.12000	\$0.23110			\$0.12000	\$0.23110			\$0.12000	\$0.23110

**New York State Electric & Gas Corporation**  
**Gas Department**  
**Delivery Rates**  
**PSC 87 Service Classifications 10 and 11 Sales**  
**PSC 88 Service Classifications 16 and 19 Transportation**

		Current RATES				RY1 RATES				RY2 RATES				RY3 RATES			
		Winter (Nov-Mar)		Summer (Apr-Oct)		Winter (Nov-Mar)		Summer (Apr-Oct)		Winter (Nov-Mar)		Summer (Apr-Oct)		Winter (Nov-Mar)		Summer (Apr-Oct)	
		Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate
<b>SC10/SC16 NON-RESIDENTIAL DISTRIBUTED GENERATION FIRM SALES RATES</b>																	
<b>A. Non-residential Small DG Customer with DG &lt; 5MW Usage</b>																	
<b>1) Using 1 to 40,000 therms/year</b>																	
0	3	\$23.60	\$0.00000	\$23.60	\$0.00000	\$23.60	\$0.00000	\$23.60	\$0.00000	\$23.60	\$0.00000	\$23.60	\$0.00000	\$23.60	\$0.00000	\$23.60	\$0.00000
4	500		\$0.17920		\$0.13410		\$0.17880		\$0.15295		\$0.19619		\$0.16774		\$0.21424		\$0.18326
501	15,000		\$0.10100		\$0.07720		\$0.10191		\$0.08811		\$0.11175		\$0.09663		\$0.12211		\$0.10558
15,001	1,000,000		\$0.06200		\$0.04750		\$0.06319		\$0.05420		\$0.06912		\$0.05944		\$0.07572		\$0.06494
			\$0.06200		\$0.04750												
<b>2. Using 40,001 to 250,000 therms/year</b>																	
0	3	\$243.87	\$0.00000	\$243.87	\$0.00000	\$304.84	\$0.00000	\$304.84	\$0.00000	\$330.51	\$0.00000	\$330.51	\$0.00000	\$357.39	\$0.00000	\$357.39	\$0.00000
4	15,000		\$0.08740		\$0.07240		\$0.08993		\$0.07702		\$0.09750		\$0.08351		\$0.10539		\$0.09030
15,001	1,000,000		\$0.06010		\$0.05150		\$0.06299		\$0.05469		\$0.06299		\$0.05469		\$0.06307		\$0.05469
<b>3. Using &gt; 250,000 therms/year</b>																	
0	500	\$1,124.19	\$0.00000	\$1,124.19	\$0.00000	\$1,405.24	\$0.00000	\$1,405.24	\$0.00000	\$1,561.10	\$0.00000	\$1,561.10	\$0.00000	\$1,723.55	\$0.00000	\$1,723.55	\$0.00000
500	15,000		\$0.11140		\$0.08720		\$0.10899		\$0.08625		\$0.12111		\$0.09581		\$0.13277		\$0.10578
15,001	50,000		\$0.05790		\$0.04700		\$0.05647		\$0.04647		\$0.06275		\$0.05162		\$0.06924		\$0.05699
50,001	1,000,000		\$0.05500		\$0.04450		\$0.05272		\$0.04359		\$0.05273		\$0.04359		\$0.05284		\$0.04359
<b>B. Large DG Customers - DG 5 MW - &lt; 50 MW</b>																	
0	500	\$1,124.19	\$0.00000	\$1,124.19	\$0.00000	\$1,405.24	\$0.00000	\$1,405.24	\$0.00000	\$1,561.10	\$0.00000	\$1,561.10	\$0.00000	\$1,723.55	\$0.00000	\$1,723.55	\$0.00000
Demand Charge per therm of MDQ > 23 therms:			\$1.06000		\$1.06000		\$1.00000		\$1.00000		\$1.07000		\$1.07000		\$1.15000		\$1.15000
Usage Charge per therm of All therms over 500			\$0.01660		\$0.01350		\$0.01609		\$0.01318		\$0.01718		\$0.01406		\$0.01840		\$0.01507

**SC11/SC19 RESIDENTIAL DISTRIBUTED  
GENERATION FIRM SALES RATES**

0 3  
4 30,000

Current RATES	
Customer Charge	Volumetric Rate
\$16.30	\$0.00000
	\$0.16475

RY1 RATES	
Customer Charge	Volumetric Rate
\$16.30	\$0.00000
	\$0.19285

RY2 RATES	
Customer Charge	Volumetric Rate
\$16.30	\$0.00000
	\$0.21708

RY3 RATES	
Customer Charge	Volumetric Rate
\$16.30	\$0.00000
	\$0.24245

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Development of Delivery Revenues**  
**Rate Year 1 - May 1, 2016 through April 30, 2017**

	Rate year Sales (therms)	Delivery Revenue Prior to Increase (000 \$)	Rate Year 1 Delivery Revenue ( 000\$)	Revenue Increase/ (Decrease) (000 \$)	Change (%)
<b>1 PSC 16 Service Classifications (SC)</b>					
2					
3 SC 1 - General Service	245,157,878	\$97,429	\$104,709	\$7,281	7.5%
4					
5 SC 5 - Small Transportation Service	128,817,112	\$39,321	\$42,350	\$3,030	7.7%
6					
7 SC 3 - Large Transportation Service	139,116,498	\$9,346	\$10,230	\$884	9.5%
8					
9 SC 3HP - Large Transportation Service at High Pressure	1,226,911	\$57	\$61	\$4	7.5%
10					
11 Total PSC 16	514,318,399	\$146,152	\$157,350	\$11,198	7.7%
12 Revenue Adjustment <sup>(1)</sup>		(\$59)	\$0	\$59	
13					
14 Bill Issuance and Payment Processing (BIPP) Revenue		\$1,901	\$ 1,507	(\$393)	-20.7%
15					
16					
17 Total PSC 16 and BIPP Revenue	514,318,399	147,994	158,858	10,864	7.3%
18					
19					
20 <b>Other Delivery Revenue Adjustments:</b>					
21 Low Income Discounts		\$0	\$0	\$0	0.0%
22 Economic Development Discounts		(\$20)	(\$20)	\$0	0.0%
23 Merchant Function Charge		\$7,025	\$4,801	(\$2,223)	-31.7%
24 EEPS Surcharge		\$6,081	\$6,081	\$0	0.0%
25 TSAS Surcharge		\$3,237	\$3,237	\$0	0.0%
26 R&D Surcharge		\$314	\$314	\$0	0.0%
27 Unbilled		\$0	\$0	\$0	0.0%
28 Revenue Taxes		\$3,364	\$3,543	\$179	5.3%
29					
30					
31 <b>Total Retail Revenue</b>	<b>514,318,399</b>	<b>167,995</b>	<b>176,814</b>	<b>8,819</b>	<b>5.2%</b>

(1) Impact of rate year tariffs on rate year sales units

**Rochester Gas and Electric Corporation  
Gas Department  
Revenue Allocation  
Rate Year 1 - May 1, 2016 through April 30, 2017**

		<b>Delivery Revenue Prior to Increase (\$000)</b>	<b>Allocation (\$000)</b>	<b>Rate Year 1 Delivery Revenue (\$000)</b>	<b>Allocation (%)</b>
<b>1</b>	<b><u>PSC 16 Service Classification</u></b>				
<b>2</b>					
<b>3</b>	SC 1 - General Service	\$97,429	\$7,346	\$104,774	7.5%
<b>4</b>					
<b>5</b>	SC 5 - Small Transportation Service	\$39,321	\$2,965	\$42,285	7.5%
<b>6</b>					
<b>7</b>	SC 3 - Large Transportation Service	\$9,346	\$884	\$10,230	9.5%
<b>8</b>					
<b>9</b>	SC 3HP - Large Transportation Service at High Pressure	\$57	\$4	\$61	7.5%
<b>10</b>					
<b>11</b>					
<b>12</b>	Total	<u>\$146,152</u>	<u>\$11,198</u>	<u>\$157,350</u>	<u>7.7%</u>

<b>13</b>				
<b>14</b>				
<b>15</b>				
<b>16</b>				
<b>17</b>				
<b>18</b>				
<b>19</b>				
<b>20</b>				
<b>21</b>				Total
<b>22</b>				<u>(\$ 000)</u>
<b>23</b>	<b>Gross Base Delivery Charge Increase</b>			\$8,641
<b>24</b>	<b>GRT</b>			<u>\$179</u>
<b>25</b>	<b>Total Delivery Charge Increase - Appendix A</b>			\$8,819
<b>26</b>				
<b>27</b>		<u>Current</u>	<u>Proposed</u>	
<b>28</b>	Less: Change in MFC-Delivery charges	\$7,025	\$4,801	(\$2,223)
<b>29</b>	Less: Change in BIPP Charges	\$1,901	\$1,507	(\$393)
<b>30</b>	Plus: Impact of rate year tariffs on rate year sales units			(\$59)
<b>31</b>				
<b>32</b>				
<b>33</b>	<b>Gross Base Delivery Charge Increase - for Rate Design</b>			<b>\$11,198</b>
<b>34</b>	<b>Uniform Increase</b>			<b>7.7%</b>

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Development of Delivery Revenues**  
**Rate Year 2 - May 1, 2017 through April 30, 2018**

	Rate year Sales (therms)	Delivery Revenue Prior to Increase (000 \$)	Rate Year 2 Delivery Revenue ( 000\$)	Revenue Increase/ (Decrease) (000 \$)	Change (%)
<b>PSC 16 Service Classifications (SC)</b>					
SC 1 - General Service	246,244,884	\$105,174	\$109,631	\$4,457	4.2%
SC 5 - Small Transportation Service	129,400,505	\$42,539	\$44,393	\$1,854	4.4%
SC 3 - Large Transportation Service	139,044,318	\$10,148	\$10,582	\$434	4.3%
SC 3HP - Large Transportation Service at High Pressure	1,226,911	\$61	\$63	\$3	4.3%
Total PSC 16	515,916,618	\$157,922	\$164,670	\$6,748	4.3%
Revenue Adjustment <sup>(1)</sup>		\$ (758)	\$ -	\$ 758	
Bill Issuance and Payment Processing (BIPP) Revenue		\$1,507	\$1,507	\$0	0.0%
Total PSC 16 and BIPP Revenue	515,916,618	158,672	166,178	7,506	4.7%
<b>Other Delivery Revenue Adjustments:</b>					
Low Income Discounts		\$0	\$0	\$0	0.0%
Economic Development Discounts		(\$11)	(\$11)	\$0	0.0%
Merchant Function Charge		\$4,801	\$4,801	\$0	0.0%
EEPS Surcharge		\$5,401	\$5,401	\$0	0.0%
TSAS Surcharge		\$1,168	\$1,168	\$0	0.0%
R&D Surcharge		\$314	\$314	\$0	0.0%
Unbilled		\$0	\$0	\$0	0.0%
Revenue Taxes		\$3,755	\$3,910	\$155	4.1%
<b>Total Retail Revenue</b>	<b>515,916,618</b>	<b>174,100</b>	<b>181,761</b>	<b>7,661</b>	<b>4.4%</b>

(1) Impact of rate year tariffs on rate year sales units



**Rochester Gas and Electric Corporation  
Gas Department  
Revenue Allocation  
Rate Year 2 - May 1, 2017 through April 30, 2018**

	<b>Delivery Revenue Prior to Increase (\$000)</b>	<b>Allocation (\$000)</b>	<b>Rate Year 2 Delivery Revenue (\$000)</b>	<b>Allocation (%)</b>
<b><u>PSC 16 Service Classification</u></b>				
SC 1 - General Service	\$105,174	\$4,494	\$109,668	4.3%
SC 5 - Small Transportation Service	\$42,539	\$1,818	\$44,357	4.3%
SC 3 - Large Transportation Service	\$10,148	\$434	\$10,582	4.3%
SC 3HP - Large Transportation Service at High Pressure	\$61	\$3	\$63	4.3%
<b>Total</b>	<b><u>\$157,922</u></b>	<b><u>\$6,748</u></b>	<b><u>\$164,670</u></b>	<b><u>4.3%</u></b>

			Total (\$ 000)
<b>Gross Base Delivery Charge Increase</b>			\$7,506
<b>GRT</b>			\$155
<b>Total Delivery Charge Increase - Appendix A</b>			\$7,661
	<u>Current</u>	<u>Proposed</u>	
Less: Change in MFC-Delivery charges	\$4,801	\$4,801	\$0
Less: Change in BIPP Charges	\$1,507	\$1,507	\$0
Plus: Impact of rate year tariffs on rate year sales units			(\$758)
<b>Gross Base Delivery Charge Increase - for Rate Design</b>			<b>\$6,748</b>
<b>Uniform Increase</b>			<b>4.3%</b>

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Development of Delivery Revenues**  
**Rate Year 3 - May 1, 2018 through April 30, 2019**

	Rate year Sales (therms)	Delivery Revenue Prior to Increase (000 \$)	Rate Year 3 Delivery Revenue ( 000\$)	Revenue Increase/ (Decrease) (000 \$)	Change (%)
1 <b><u>PSC 16 Service Classifications (SC)</u></b>					
2					
3 SC 1 - General Service	247,224,686	\$110,077	\$115,528	\$5,452	5.0%
4					
5 SC 5 - Small Transportation Service	129,784,133	\$44,569	\$46,835	\$2,266	5.1%
6					
7 SC 3 - Large Transportation Service	139,044,318	\$10,582	\$11,110	\$528	5.0%
8					
9 SC 3HP - Large Transportation Service at High Pressure	1,226,911	\$63	\$67	\$3	5.0%
10					
11 Total PSC 16	517,280,048	\$165,291	\$173,541	\$8,249	5.0%
12 Revenue Adjustment <sup>(1)</sup>		(\$1,014)		\$1,014	
13					
14 Bill Issuance and Payment Processing (BIPP) Revenue		\$1,507	\$ 1,507	\$0	0.0%
15					
16					
17 Total PSC 16 and BIPP Revenue	517,280,048	165,785	175,048	9,263	5.6%
18					
19					
20 <b><u>Other Delivery Revenue Adjustments:</u></b>					
21 Low Income Discounts		\$0	\$0	\$0	0.0%
22 Economic Development Discounts		(\$6)	(\$6)	\$0	0.0%
23 Merchant Function Charge		\$4,801	\$4,801	\$0	0.0%
24 EEPs Surcharge		\$5,592	\$5,592	\$0	0.0%
25 TSAS Surcharge		\$0	\$0	\$0	0.0%
26 R&D Surcharge		\$314	\$314	\$0	0.0%
27 Unbilled		\$0	\$0	\$0	0.0%
28 Revenue Taxes		\$4,012	\$4,204	\$192	4.8%
29					
30					
31 <b>Total Retail Revenue</b>	<b>517,280,048</b>	<b>180,498</b>	<b>189,953</b>	<b>9,455</b>	<b>5.2%</b>

(1) Impact of rate year tariffs on rate year sales units

**Rochester Gas and Electric Corporation  
Gas Department  
Revenue Allocation  
Rate Year 3 - May 1, 2018 through April 30, 2019**

	<b>Delivery Revenue Prior to Increase (\$000)</b>	<b>Allocation (\$000)</b>	<b>Rate Year 3 Delivery Revenue (\$000)</b>	<b>Allocation (%)</b>
<b><u>PSC 16 Service Classification</u></b>				
SC 1 - General Service	\$110,077	\$5,494	\$115,570	5.0%
SC 5 - Small Transportation Service	\$44,569	\$2,224	\$46,793	5.0%
SC 3 - Large Transportation Service	\$10,582	\$528	\$11,110	5.0%
SC 3HP - Large Transportation Service at High Pressure	\$63	\$3	\$67	5.0%
<b>Total</b>	<b>\$165,291</b>	<b>\$8,249</b>	<b>\$173,541</b>	<b>5.0%</b>

		<b>Total (\$ 000)</b>
<b>Gross Base Delivery Charge Increase</b>		\$9,263
<b>GRT</b>		\$192
<b>Total Delivery Charge Increase - Appendix A</b>		\$9,455
	<u>Current</u>	<u>Proposed</u>
Less: Change in MFC-Delivery charges	\$4,801	\$4,801
Less: Change in BIPP Charges	\$1,507	\$1,507
Plus: Impact of rate year tariffs on rate year sales units		(\$1,014)
<b>Gross Base Delivery Charge Increase - for Rate Design</b>		<b>\$8,249</b>
<b>Uniform Increase</b>		<b>5.0%</b>

**Rochester Gas and Electric Corporation**  
**Gas Department**  
**Delivery Rates**  
**PSC 16 Service Classifications 1, 3, and 5**

		CURRENT RATES		RY1 RATES		RY2 RATES		RY3 RATES	
		Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate
<b>SC1 &amp; SC5 RATES</b>									
0	3	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000
4	100		\$0.23097		\$0.26434		\$0.28468		\$0.30946
101	500		\$0.21538		\$0.24650		\$0.26546		\$0.28857
501	1,000		\$0.19041		\$0.21792		\$0.23469		\$0.25511
1,001	30,000		\$0.10859		\$0.10859		\$0.10859		\$0.10859
<b>SC3 RATES</b>									
0	1,000	\$1,080.00	\$0.00000	\$1,350.00	\$0.00000	\$1,408.40	\$0.00000	\$1,479.53	\$0.00000
1,001	30,000		\$0.06098		\$0.05960		\$0.06217		\$0.06531
30,001	100,000		\$0.04832		\$0.04722		\$0.04927		\$0.05175
100,001	1,000,000		\$0.01869		\$0.01827		\$0.01906		\$0.02002
1,000,001	10,000,000		\$0.00964		\$0.00964		\$0.00964		\$0.00964
<b>SC3HP RATES</b>									
0	1,000	\$1,550.00	\$0.00000	\$1,550.00	\$0.00000	\$1,550.00	\$0.00000	\$1,550.00	\$0.00000
1,001	30,000		\$0.03129		\$0.03480		\$0.03694		\$0.03955
30,001	100,000		\$0.03129		\$0.03480		\$0.03694		\$0.03955
100,001	1,000,000		\$0.03129		\$0.03480		\$0.03694		\$0.03955
1,000,001	10,000,000		\$0.00964		\$0.00964		\$0.00964		\$0.00964

**Rochester Gas and Electric Corporation  
Gas Department  
Delivery Rates  
PSC 16 Service Classifications 6, 7, 8, and 9**

		CURRENT RATES				RY1 RATES				RY2 RATES				RY3 RATES			
		Winter (Nov-Mar)		Summer (Apr-Oct)		Winter (Nov-Mar)		Summer (Apr-Oct)		Winter (Nov-Mar)		Summer (Apr-Oct)		Winter (Nov-Mar)		Summer (Apr-Oct)	
		Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate	Customer Charge	Volumetric Rate
<b>SC6 &amp; SC7 RATES</b>																	
<b>A. Non-residential Small DG Customer with DG &lt; 5MW and Usage &lt; 35,000 therms</b>																	
0	3	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000	\$16.30	\$0.00000
4	100		\$0.09769		\$0.08375		\$0.11193		\$0.09548		\$0.12054		\$0.10282		\$0.13104		\$0.11177
101	500		\$0.08858		\$0.07809		\$0.10160		\$0.08903		\$0.10941		\$0.09588		\$0.11894		\$0.10423
501	1,000		\$0.08111		\$0.06904		\$0.09229		\$0.07871		\$0.09938		\$0.08477		\$0.10805		\$0.09214
1,001	30,000		\$0.04583		\$0.03937		\$0.04548		\$0.03922		\$0.04547		\$0.03922		\$0.04548		\$0.03922
<b>B. Non-residential Small DG Customer with DG &lt; 5MW and Usage ≥ 35,000 therms</b>																	
0	1,000	\$1,080.00	\$0.00000	\$1,080.00	\$0.00000	\$1,350.00	\$0.00000	\$1,350.00	\$0.00000	\$1,408.40	\$0.00000	\$1,408.40	\$0.00000	\$1,479.53	\$0.00000	\$1,479.53	\$0.00000
1,001	30,000		\$0.03440		\$0.02918		\$0.04554		\$0.03818		\$0.04748		\$0.03983		\$0.04987		\$0.04184
30,001	100,000		\$0.02791		\$0.02312		\$0.03688		\$0.03025		\$0.03845		\$0.03156		\$0.04040		\$0.03315
100,001	1,000,000		\$0.01083		\$0.00894		\$0.01403		\$0.01170		\$0.01463		\$0.01221		\$0.01538		\$0.01282
1,000,001	10,000,000		\$0.00556		\$0.00461		\$0.00829		\$0.00618		\$0.00828		\$0.00618		\$0.00828		\$0.00618
<b>C. Non-residential Large DG Customer with DG of 5MW to less than 50MW</b>																	
0	1,000	\$1,080.00	\$0.00000	\$1,080.00	\$0.00000	\$1,350.00	\$0.00000	\$1,350.00	\$0.00000	\$1,408.40	\$0.00000	\$1,408.40	\$0.00000	\$1,479.53	\$0.00000	\$1,479.53	\$0.00000
1,001	10,000,000		\$0.00550		\$0.00461		\$0.00747		\$0.00618		\$0.00746		\$0.00618		\$0.00746		\$0.00618
Demand Charge per therm of MDQ > 47 therms:			\$0.49		\$0.49		\$0.55		\$0.55		\$0.58		\$0.58		\$0.62		\$0.62

**SC8 & SC9 RATES**

		CURRENT RATES	
		Customer Charge	Volumetric Rate
0	3	\$16.30	\$0.00000
4	30,000		\$0.11736

		RY1 RATES	
		Customer Charge	Volumetric Rate
		\$16.30	\$0.00000
			\$0.13223

		RY2 RATES	
		Customer Charge	Volumetric Rate
		\$16.30	\$0.00000
			\$0.14183

		RY3 RATES	
		Customer Charge	Volumetric Rate
		\$16.30	\$0.00000
			\$0.15356

## **Revenue Decoupling Mechanisms**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

The Companies will continue their revenue decoupling mechanisms (“RDMs”) as described in the Proposal and as set forth below.

### **Electric**

The Electric RDM will reconcile actual billed delivery service revenue to allowed delivery service revenue.

Actual billed delivery service revenues are defined as customer, demand, reactive, and delivery kWh rate components only. The RPS, SBC, MFC, NBC and TSAS, which have separate recovery mechanisms, or delivery service revenues derived from an RDM adjustment will not be included as actual billed delivery service revenue.

For each service class or subclass subject to the RDM, each Company will, on a monthly basis, compare actual billed delivery service revenue to a delivery service revenue target. If the monthly actual billed delivery service revenue exceeds the delivery service revenue target, the delivery service revenue excess will be accrued for refund to customers at the end of the Rate Year. Likewise, if the monthly actual billed delivery service revenue is less than the delivery service revenue target, the delivery revenue shortfall will be accrued for recovery from customers at the end of the Rate Year.

At the end of the Rate Year, total delivery service revenues will be compared to cumulative monthly target revenues for each service class or subclass. Any variance from cumulative target revenues will be either refunded / surcharged to customers over the 12 monthly periods of the immediately succeeding Rate Year. Any surcharge or credit (RDM Adjustment) amount will reflect interest at the then-effective other customer deposit rate and will be either recovered or returned on a service class or subclass specific basis. The surcharge or credit for each applicable service class or subclass shall be determined by dividing the amount to be refunded / surcharged to customers in that service class or subclass by estimated kWh or kW deliveries to customers in that service class or subclass over a 12-month period or RDM Adjustment Period. A per kW surcharge or credit will be applied for those classes that do not have a kWh delivery charge and a per kWh surcharge or credit will apply for all other classes. The reconciliation procedures are shown in Appendix Y.

The Companies will file the service class or subclass specific RDM surcharge / credit rates with the Commission on not less than 30 days’ notice, to be effective August 1 of each year. Each service class- or subclass-specific RDM surcharge / credit will be identified on a tariff statement.

Following each RDM Adjustment Period, any difference between the amounts required to be charged or credited to customers in each service class or subclass and the amounts actually charged or credited will be charged or credited to customers in that service class or subclass, with interest, over the subsequent RDM Adjustment period, or as determined by the Commission if no RDM is in effect.

In order to prevent large over- or under-collection of balances accruing during the year, an interim surcharge / credit will be triggered when actual total accumulated billed delivery service revenues vary plus or minus 1.50% or more from the total accumulated delivery service target revenues. Interim surcharges or credits will be developed on a service class or subclass basis and filed with the Commission on not less than 10 days' notice. Each service class or subclass specific RDM surcharge / credit will be identified on a tariff statement.

The interim surcharge / credit will be limited to no more than one per Rate Year. The interim surcharge / credit will be recovered and returned over the longer or four months or the end of the Rate Year.

For purposes of comparing actual to target revenues, actual delivery revenue in the first two months of each Rate Year will be adjusted upward to reverse the effect of proration between old and new rates in actual billed delivery service revenue. This will be accomplished by multiplying actual billing determinants for each RDM applicable service class or subclass by the approved rates for the Rate Year.

Flexible rate and NYPA customer migration will continue to be treated symmetrically in the RDM using the following methodology:

- 1) If a customer moves from a flexible rate contract to an RDM class, the RDM target will increase by the level of revenue forecast for that customer in the Rate Year under the flexible rate contract prorated by the number of months in the new service class, making the Company whole for delivery revenues below the level forecasted in the Rate Year. Any revenue in excess of the forecast will be credited to the RDM class.
- 2) If a customer moves from an RDM class to a flexible rate contract, the RDM target will be decreased by that customer's sales in the flexible rate contract priced out at full tariff rates, making the RDM class whole for delivery revenues from the migrating customer.
- 3) In situations (1) and (2) above, the Companies will adjust the RDM targets for the remaining months of the current Rate Year and in the subsequent Rate Years.

All sales to low income and economic development rate incentive customers will be priced out at full tariff rates in developing class-specific RDM revenue targets and actual revenues for variance and reconciliation purposes.

## **Gas**

Actual billed delivery service revenues per customer will be reconciled to allowed weather normalized delivery service revenues per customer on a monthly basis. Actual delivery service revenues are defined as the revenue received from base delivery rates (customer charges and per-therm delivery rates). Actual delivery service revenues will reflect the weather normalization adjustment clause. SBC, MFC and TSAS, which have separate recovery mechanisms, will not be subject to the RDM.

All sales to low income and economic development rate incentive customers will be priced out at full tariff rates in developing revenue per customer targets and actual revenues per customer for variance and reconciliation purposes.

At the end of the Rate Year, actual billed revenues per customer by service class for the entire Rate Year will be compared to the cumulative monthly targets for the entire Rate Year. Any variance from the cumulative monthly targets for the Rate Year will be either surcharged or credited to customers over the 12 monthly periods of the immediately succeeding Rate Year. Surcharges or credits will be developed on a service class basis. Any surcharge or credit amount will reflect interest at the then-effective other customer deposit rate. Any such surcharge or credit under the annual reconciliation or interim reconciliation process (discussed below) will be recovered or returned through service class specific rates. Surcharges or credits arrived at in the annual reconciliation will reflect amounts already surcharged or refunded through the interim reconciliation process. The reconciliation procedures are shown in Appendix Y.

Each Company will file the class-specific RDM surcharge / credit rates with the Commission on not less than 30 days' notice, to be effective August 1 of each year. Each class-specific RDM surcharge / credit will be identified on the filed tariff statement.

In order to prevent large over- or under-collection of balances accruing during the year, an interim surcharge / credit will be triggered when cumulative actual billed revenues per customer vary plus or minus 1.50% or more from the cumulative target revenues per customer as illustrated in Appendix Y attached hereto. Interim surcharges or credits will be developed on a service class basis to be filed on not less than 10 days' notice. Each class-specific RDM surcharge / credit will be identified on the filed tariff statement.

The interim surcharge / credit will be limited to no more than one per Rate Year. The interim surcharge / credit will be recovered and returned over the longer or four months or the end of the Rate Year.

For purposes of comparing actual to target revenues, actual delivery revenue in the first two months of each Rate Year will be adjusted upward to reverse the effect of proration between old and new rates in actual billed delivery service revenue. This will be accomplished by multiplying actual billing determinants for each RDM applicable service class by the approved rates for the Rate Year.



# Cases 15-E-0283 et al. Joint Proposal

# Appendix Y Page 4 of 17

## New York State Electric & Gas Corporation Electric Business Rate Year 1 RDM Targets Revenue (\$000) and Usage (MWh) By Service Class (SC)

### RATE YEAR REVENUE BY SERVICE CLASS (\$000)

		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC1	Residential	\$ 22,541	\$ 22,614	\$ 24,722	\$ 24,720	\$ 24,491	\$ 22,407	\$ 23,088	\$ 25,150	\$ 27,818	\$ 26,278	\$ 25,813	\$ 24,194	\$ 293,835
SC8	Residential Day/Night	\$ 6,299	\$ 5,671	\$ 5,753	\$ 5,784	\$ 5,823	\$ 5,700	\$ 6,535	\$ 7,849	\$ 9,324	\$ 9,069	\$ 8,693	\$ 7,635	\$ 84,135
SC12	Residential TOU	\$ 643	\$ 487	\$ 662	\$ 569	\$ 686	\$ 504	\$ 595	\$ 556	\$ 892	\$ 661	\$ 857	\$ 617	\$ 7,729
	Total Residential	\$ 29,483	\$ 28,772	\$ 31,137	\$ 31,072	\$ 31,000	\$ 28,611	\$ 30,218	\$ 33,554	\$ 38,034	\$ 36,009	\$ 35,363	\$ 32,446	\$ 385,699
SC2	General Service w/Demand	\$ 8,321	\$ 9,105	\$ 9,424	\$ 9,404	\$ 9,246	\$ 8,800	\$ 8,543	\$ 8,178	\$ 8,781	\$ 8,109	\$ 8,292	\$ 8,403	\$ 104,605
SC2S	General Service-Space Heating	\$ 21	\$ 19	\$ 20	\$ 20	\$ 20	\$ 26	\$ 18	\$ 25	\$ 29	\$ 31	\$ 32	\$ 27	\$ 289
SC6	General Service Regular	\$ 1,941	\$ 1,911	\$ 1,986	\$ 2,046	\$ 2,017	\$ 1,895	\$ 1,956	\$ 2,063	\$ 2,327	\$ 2,266	\$ 2,191	\$ 2,162	\$ 24,761
SC9	General Service Day/Night	\$ 103	\$ 99	\$ 100	\$ 103	\$ 101	\$ 97	\$ 105	\$ 125	\$ 141	\$ 138	\$ 130	\$ 123	\$ 1,365
SC3P	Primary	\$ 254	\$ 273	\$ 270	\$ 278	\$ 281	\$ 269	\$ 241	\$ 266	\$ 268	\$ 248	\$ 249	\$ 257	\$ 3,155
SC3S	Subtransmission	\$ 8	\$ 9	\$ 8	\$ 10	\$ 8	\$ 9	\$ 8	\$ 9	\$ 7	\$ 8	\$ 7	\$ 9	\$ 102
SC7-1	Secondary	\$ 3,039	\$ 3,189	\$ 3,372	\$ 3,145	\$ 3,233	\$ 3,003	\$ 2,935	\$ 2,904	\$ 2,942	\$ 2,871	\$ 2,828	\$ 2,991	\$ 36,452
SC7-2	Primary	\$ 2,188	\$ 2,279	\$ 2,443	\$ 2,256	\$ 2,375	\$ 2,329	\$ 2,248	\$ 2,235	\$ 2,154	\$ 2,083	\$ 2,103	\$ 2,165	\$ 26,859
SC7-3	Subtransmission	\$ 643	\$ 659	\$ 668	\$ 649	\$ 672	\$ 643	\$ 644	\$ 653	\$ 623	\$ 630	\$ 633	\$ 633	\$ 7,750
SC5	Outdoor Lighting Street Lighting Total Non-Residential	\$ 16,518	\$ 17,544	\$ 18,291	\$ 17,913	\$ 17,954	\$ 17,073	\$ 16,697	\$ 16,458	\$ 17,272	\$ 16,384	\$ 16,466	\$ 16,770	\$ 205,339
RDM REVENUE-TOTAL		\$ 46,001	\$ 46,316	\$ 49,429	\$ 48,985	\$ 48,955	\$ 45,684	\$ 46,915	\$ 50,012	\$ 55,306	\$ 52,392	\$ 51,829	\$ 49,216	\$ 591,039

### RATE YEAR USAGE BY SERVICE CLASS (MWH)

		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC1	Residential	356,239	357,716	414,750	414,322	408,239	351,591	370,305	426,480	498,990	457,042	444,341	400,644	4,900,660
SC8	Residential Day/Night	121,662	102,632	105,095	105,970	107,239	103,624	128,890	168,602	213,121	205,455	194,159	161,727	1,718,177
SC12	Residential TOU	15,515	11,131	16,053	13,445	16,751	11,621	14,199	13,084	22,561	16,075	21,596	14,768	186,799
	Total Residential	493,416	471,479	535,899	533,737	532,229	466,836	513,394	608,166	734,673	678,571	660,096	577,138	6,805,636
SC2	General Service w/Demand	213,756	235,815	261,716	259,916	251,485	221,383	221,647	235,846	264,504	236,828	234,148	228,277	2,865,323
SC2S	General Service-Space Heating	470	454	455	495	424	521	317	787	936	1,020	898	751	7,528
SC 6	General Service Regular	19,915	18,917	20,759	22,285	21,624	18,584	20,257	23,107	29,951	28,363	26,425	25,512	275,700
SC9	General Service Day/Night	1,585	1,458	1,503	1,565	1,533	1,408	1,634	2,242	2,673	2,570	2,366	2,148	22,685
SC3P	Primary	11,249	12,343	12,930	13,046	12,735	11,900	11,788	13,564	14,041	13,405	12,248	12,511	151,760
SC 3S	Subtransmission	310	452	307	489	328	420	321	432	305	458	311	485	4,619
SC7-1	Secondary	111,641	124,869	137,610	129,021	132,089	115,359	116,713	122,350	127,914	121,201	115,056	117,632	1,471,457
SC7-2	Primary	130,030	136,454	147,157	139,580	142,717	132,093	139,451	141,896	137,953	131,809	130,841	132,780	1,642,761
SC7-3	Subtransmission	102,667	107,809	109,611	108,806	111,762	105,333	106,485	110,114	106,330	107,163	104,336	106,806	1,287,222
SC5	Outdoor Lighting Street Lighting Total Non-Residential	591,624	638,572	692,048	675,204	674,697	607,002	618,614	650,337	684,607	642,818	626,629	626,902	7,729,054
RDM USAGE-TOTAL		1,085,039	1,110,052	1,227,947	1,208,941	1,206,926	1,073,839	1,132,009	1,258,503	1,419,280	1,321,389	1,286,725	1,204,040	14,534,690

### RATE YEAR CUSTOMERS BY SERVICE CLASS

		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Avg
SC1	Residential	625,119	626,377	627,123	628,014	627,713	627,540	627,086	626,888	627,081	627,242	627,336	626,522	627,003
SC8	Residential Day/Night	130,128	130,276	130,321	130,393	130,218	130,072	129,864	129,714	129,642	129,562	129,479	130,530	130,016
SC12	Residential TOU	3,809	3,811	3,808	3,807	3,798	3,790	3,781	3,772	3,767	3,761	3,755	3,823	3,790
	Total Residential	759,056	760,463	761,252	762,213	761,728	761,401	760,731	760,374	760,489	760,565	760,570	760,875	760,810
SC2	General Service w/Demand	44,181	44,499	44,674	44,745	44,655	44,502	44,367	44,301	44,313	44,339	44,365	44,343	44,440
SC2S	General Service-Space Heating	243	243	243	240	239	237	234	233	231	230	230	246	237
SC 6	General Service Regular	66,545	67,015	67,252	67,319	67,145	66,874	66,629	66,502	66,456	66,451	66,465	66,848	66,792
SC9	General Service Day/Night	2,356	2,360	2,366	2,372	2,366	2,355	2,347	2,334	2,363	2,374	2,371	2,372	2,361
SC3P	Primary	294	296	298	299	298	298	297	297	297	297	298	295	297
SC 3S	Subtransmission	11	11	11	11	11	11	11	11	11	11	11	11	11
SC7-1	Secondary	2,961	2,971	2,971	2,964	2,950	2,931	2,911	2,897	2,886	2,877	2,870	2,982	2,931
SC7-2	Primary	374	375	375	375	375	375	374	374	372	372	373	374	374
SC7-3	Subtransmission	139	139	140	140	140	140	139	138	138	138	138	139	139
SC5	Outdoor Lighting Street Lighting Total Non-Residential	117,104	117,909	118,329	118,465	118,178	117,724	117,309	117,087	117,067	117,089	117,121	117,610	117,583
RDM AVERAGE CUSTOMERS		876,160	878,372	879,581	880,678	879,906	879,125	878,041	877,462	877,557	877,653	877,690	878,485	878,393

\* Schedule does not include the following non RDM service classes: SC 1 Seasonal, SC 8 Seasonal, SC 7-4, SC 11, SC 5, and Street Lighting

New York State Electric & Gas Corporation  
Electric Business  
Rate Year 2 RDM Targets  
Revenue (\$000) and Usage (MWh) By Service Class (SC)

RATE YEAR REVENUE BY SERVICE CLASS (\$000)

		May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	Total
SC1	Residential	\$ 23,652	\$ 24,011	\$ 26,179	\$ 26,237	\$ 26,033	\$ 23,436	\$ 24,690	\$ 26,496	\$ 29,361	\$ 27,985	\$ 27,368	\$ 25,444	\$ 310,892
SC8	Residential Day/Night	\$ 6,608	\$ 6,005	\$ 6,061	\$ 6,107	\$ 6,161	\$ 5,947	\$ 7,001	\$ 8,281	\$ 9,858	\$ 9,700	\$ 9,249	\$ 8,044	\$ 89,023
SC12	Residential TOU	\$ 676	\$ 519	\$ 702	\$ 605	\$ 732	\$ 526	\$ 642	\$ 584	\$ 939	\$ 705	\$ 911	\$ 648	\$ 8,189
	Total Residential	\$ 30,936	\$ 30,535	\$ 32,941	\$ 32,949	\$ 32,927	\$ 29,909	\$ 32,332	\$ 35,362	\$ 40,158	\$ 38,391	\$ 37,528	\$ 34,135	\$ 408,103
SC2	General Service w/Demand	\$ 8,680	\$ 9,685	\$ 9,910	\$ 9,882	\$ 9,669	\$ 9,109	\$ 9,135	\$ 8,577	\$ 9,085	\$ 8,518	\$ 8,628	\$ 8,725	\$ 109,603
SC2S	General Service-Space Heating	\$ 22	\$ 21	\$ 22	\$ 21	\$ 21	\$ 27	\$ 20	\$ 27	\$ 30	\$ 32	\$ 34	\$ 28	\$ 303
SC6	General Service Regular	\$ 2,035	\$ 2,020	\$ 2,093	\$ 2,159	\$ 2,123	\$ 1,977	\$ 2,076	\$ 2,175	\$ 2,449	\$ 2,402	\$ 2,306	\$ 2,271	\$ 26,085
SC9	General Service Day/Night	\$ 108	\$ 104	\$ 106	\$ 108	\$ 106	\$ 101	\$ 111	\$ 132	\$ 148	\$ 146	\$ 137	\$ 129	\$ 1,435
SC3P	Primary	\$ 265	\$ 290	\$ 285	\$ 293	\$ 294	\$ 279	\$ 257	\$ 279	\$ 279	\$ 261	\$ 260	\$ 267	\$ 3,310
SC3S	Subtransmission	\$ 8	\$ 10	\$ 8	\$ 11	\$ 9	\$ 10	\$ 8	\$ 9	\$ 8	\$ 9	\$ 8	\$ 10	\$ 108
SC7-1	Secondary	\$ 3,180	\$ 3,392	\$ 3,551	\$ 3,309	\$ 3,384	\$ 3,120	\$ 3,135	\$ 3,049	\$ 3,051	\$ 3,020	\$ 2,950	\$ 3,114	\$ 38,255
SC7-2	Primary	\$ 2,296	\$ 2,425	\$ 2,579	\$ 2,376	\$ 2,486	\$ 2,429	\$ 2,401	\$ 2,351	\$ 2,241	\$ 2,198	\$ 2,203	\$ 2,261	\$ 28,246
SC7-3	Subtransmission	\$ 677	\$ 701	\$ 706	\$ 684	\$ 704	\$ 673	\$ 686	\$ 686	\$ 649	\$ 665	\$ 664	\$ 662	\$ 8,157
SC5	Outdoor Lighting	\$ 209	\$ 219	\$ 218	\$ 224	\$ 230	\$ 218	\$ 238	\$ 266	\$ 250	\$ 224	\$ 220	\$ 224	\$ 2,741
	Street Lighting	\$ 930	\$ 881	\$ 870	\$ 900	\$ 879	\$ 996	\$ 1,013	\$ 1,052	\$ 989	\$ 957	\$ 992	\$ 908	\$ 11,367
	Total Non-Residential	\$ 18,410	\$ 19,748	\$ 20,346	\$ 19,967	\$ 19,903	\$ 18,939	\$ 19,081	\$ 18,605	\$ 19,179	\$ 18,433	\$ 18,401	\$ 18,598	\$ 229,610
	<b>RDM REVENUE-TOTAL</b>	\$ 49,346	\$ 50,283	\$ 53,288	\$ 52,916	\$ 52,829	\$ 48,848	\$ 51,413	\$ 53,967	\$ 59,337	\$ 56,824	\$ 55,929	\$ 52,733	\$ 637,713

RATE YEAR USAGE BY SERVICE CLASS (MWH)

		May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	Total
SC1	Residential	401,810	357,296	365,799	420,171	421,356	416,246	350,711	382,556	428,224	500,429	465,670	450,053	4,960,319
SC8	Residential Day/Night	162,196	122,021	104,950	106,468	107,767	109,339	103,363	133,152	169,292	213,734	209,331	196,652	1,738,266
SC12	Residential TOU	14,809	15,560	11,382	16,262	13,673	17,077	11,591	14,667	13,137	22,624	16,377	21,872	189,032
	Total Residential	578,815	494,877	482,131	542,901	542,796	542,662	465,665	530,376	610,653	736,786	691,378	668,577	6,887,617
SC2	General Service w/Demand	225,599	212,268	239,405	262,391	260,385	250,555	217,951	226,381	235,778	260,493	237,186	231,996	2,860,389
SC2S	General Service-Space Heating	742	466	461	456	495	422	512	324	787	922	1,021	889	7,497
SC6	General Service Regular	25,167	19,754	19,205	20,800	22,321	21,552	18,272	20,685	23,063	29,454	28,354	26,133	274,761
SC9	General Service Day/Night	2,118	1,572	1,480	1,506	1,567	1,528	1,384	1,670	2,237	2,628	2,570	2,340	22,601
SC3P	Primary	12,408	11,193	12,521	12,981	13,088	12,706	11,754	12,040	13,605	13,891	13,465	12,191	151,843
SC3S	Subtransmission	481	310	460	309	491	327	417	328	432	302	459	310	4,626
SC7-1	Secondary	116,533	111,199	126,794	138,199	129,420	131,684	114,031	119,183	122,448	126,164	121,571	114,277	1,471,503
SC7-2	Primary	132,278	130,157	138,561	148,262	140,338	142,493	131,400	142,381	142,471	136,869	132,827	130,738	1,648,774
SC7-3	Subtransmission	106,614	103,045	109,515	110,641	109,530	111,641	105,165	108,707	110,658	105,670	108,153	104,455	1,293,795
SC5	Outdoor Lighting	1,318	1,295	1,285	1,349	1,571	1,622	1,883	2,102	2,161	1,838	1,630	1,559	19,612
	Street Lighting	4,902	4,289	4,409	5,103	5,455	6,899	7,409	7,682	7,560	6,299	6,477	5,101	71,585
	Total Non-Residential	628,160	595,550	654,095	701,998	684,661	681,430	610,178	641,483	661,201	684,529	653,712	629,990	7,826,986
	<b>RDM USAGE-TOTAL</b>	1,206,975	1,090,427	1,136,227	1,244,898	1,227,457	1,224,092	1,075,843	1,171,858	1,271,854	1,421,315	1,345,090	1,298,567	14,714,604

RATE YEAR CUSTOMERS BY SERVICE CLASS

		May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	Avg
SC1	Residential	628,146	629,578	630,466	631,199	631,126	631,111	630,596	630,354	630,521	630,672	630,785	629,983	630,378
SC8	Residential Day/Night	130,758	130,941	131,015	131,054	130,925	130,812	130,590	130,431	130,353	130,270	130,190	131,250	130,716
SC12	Residential TOU	3,828	3,830	3,828	3,826	3,818	3,811	3,802	3,793	3,787	3,782	3,775	3,845	3,810
	Total Residential	762,731	764,350	765,310	766,079	765,869	765,734	764,988	764,578	764,661	764,724	764,750	765,078	764,904
SC2	General Service w/Demand	44,712	45,034	45,209	45,275	45,179	45,015	44,866	44,790	44,794	44,814	44,837	44,809	44,944
SC2S	General Service-Space Heating	246	246	246	243	242	239	237	236	235	232	232	248	240
SC6	General Service Regular	67,383	67,858	68,095	68,153	67,970	67,682	67,416	67,274	67,219	67,206	67,212	67,588	67,588
SC9	General Service Day/Night	2,387	2,391	2,397	2,403	2,396	2,385	2,376	2,363	2,391	2,402	2,400	2,400	2,391
SC3P	Primary	296	298	300	301	300	300	299	299	300	299	300	297	299
SC3S	Subtransmission	11	11	11	11	11	11	11	11	11	11	11	11	11
SC7-1	Secondary	2,992	3,002	3,003	2,995	2,980	2,960	2,939	2,925	2,914	2,904	2,896	3,009	2,960
SC7-2	Primary	375	376	376	376	376	376	375	375	373	373	373	375	375
SC7-3	Subtransmission	139	140	140	140	140	140	139	138	138	138	138	139	139
SC5	Outdoor Lighting	8,150	8,181	8,198	8,199	8,182	8,160	8,135	8,121	8,114	8,107	8,104	8,177	8,152
	Street Lighting	1,151	1,150	1,150	1,151	1,151	1,150	1,150	1,151	1,151	1,150	1,152	1,151	1,151
	Total Non-Residential	127,843	128,687	129,124	129,245	128,927	128,418	127,945	127,681	127,639	127,637	127,655	128,204	128,251
	<b>RDM AVERAGE CUSTOMERS</b>	890,575	893,036	894,433	895,324	894,796	894,152	892,933	892,259	892,300	892,361	892,406	893,283	893,155

\* Schedule does not include the following non RDM service classes: SC 1 Seasonal, SC 8 Seasonal, SC 7-4, and SC 11

New York State Electric & Gas Corporation  
Electric Business  
Rate Year 3 RDM Targets  
Revenue (\$000) and Usage (MWh) By Service Class (SC)

RATE YEAR REVENUE BY SERVICE CLASS (\$000)

		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
SC1	Residential	\$ 25,049	\$ 25,247	\$ 27,404	\$ 27,822	\$ 27,608	\$ 24,814	\$ 26,416	\$ 27,991	\$ 31,038	\$ 29,730	\$ 28,928	\$ 26,484	\$ 328,531
SC8	Residential Day/Night	\$ 7,003	\$ 6,298	\$ 6,315	\$ 6,446	\$ 6,506	\$ 6,285	\$ 7,503	\$ 8,765	\$ 10,442	\$ 10,345	\$ 9,805	\$ 8,376	\$ 94,086
SC12	Residential TOU	\$ 720	\$ 546	\$ 733	\$ 642	\$ 779	\$ 559	\$ 691	\$ 616	\$ 992	\$ 749	\$ 964	\$ 672	\$ 8,663
	Total Residential	\$ 32,771	\$ 32,091	\$ 34,452	\$ 34,909	\$ 34,892	\$ 31,657	\$ 34,610	\$ 37,372	\$ 42,472	\$ 40,824	\$ 39,697	\$ 35,531	\$ 431,280
SC2	General Service w/Demand	\$ 9,126	\$ 10,049	\$ 10,189	\$ 10,314	\$ 10,073	\$ 9,575	\$ 9,667	\$ 8,960	\$ 9,449	\$ 8,907	\$ 8,970	\$ 8,937	\$ 114,218
SC2S	General Service-Space Heating	\$ 23	\$ 22	\$ 22	\$ 22	\$ 22	\$ 29	\$ 21	\$ 28	\$ 31	\$ 34	\$ 35	\$ 28	\$ 316
SC6	General Service Regular	\$ 2,139	\$ 2,108	\$ 2,177	\$ 2,267	\$ 2,225	\$ 2,073	\$ 2,191	\$ 2,285	\$ 2,580	\$ 2,536	\$ 2,422	\$ 2,363	\$ 27,363
SC9	General Service Day/Night	\$ 113	\$ 109	\$ 109	\$ 113	\$ 111	\$ 106	\$ 118	\$ 139	\$ 155	\$ 153	\$ 143	\$ 133	\$ 1,502
SC3P	Primary	\$ 279	\$ 302	\$ 294	\$ 306	\$ 307	\$ 294	\$ 273	\$ 293	\$ 290	\$ 274	\$ 272	\$ 275	\$ 3,459
SC3S	Subtransmission	\$ 9	\$ 11	\$ 9	\$ 11	\$ 9	\$ 10	\$ 9	\$ 10	\$ 8	\$ 9	\$ 8	\$ 10	\$ 113
SC7-1	Secondary	\$ 3,347	\$ 3,525	\$ 3,662	\$ 3,460	\$ 3,531	\$ 3,284	\$ 3,316	\$ 3,190	\$ 3,179	\$ 3,161	\$ 3,072	\$ 3,201	\$ 39,928
SC7-2	Primary	\$ 2,422	\$ 2,526	\$ 2,668	\$ 2,490	\$ 2,601	\$ 2,563	\$ 2,540	\$ 2,465	\$ 2,342	\$ 2,305	\$ 2,301	\$ 2,334	\$ 29,559
SC7-3	Subtransmission	\$ 714	\$ 731	\$ 733	\$ 717	\$ 737	\$ 710	\$ 724	\$ 720	\$ 679	\$ 697	\$ 694	\$ 685	\$ 8,540
SC5	Outdoor Lighting	\$ 219	\$ 227	\$ 223	\$ 233	\$ 239	\$ 228	\$ 252	\$ 277	\$ 258	\$ 234	\$ 228	\$ 228	\$ 2,847
	Street Lighting	\$ 968	\$ 917	\$ 905	\$ 937	\$ 915	\$ 1,039	\$ 1,056	\$ 1,097	\$ 1,032	\$ 998	\$ 1,034	\$ 945	\$ 11,845
	Total Non-Residential	\$ 19,359	\$ 20,525	\$ 20,992	\$ 20,871	\$ 20,770	\$ 19,911	\$ 20,166	\$ 19,465	\$ 20,004	\$ 19,308	\$ 19,179	\$ 19,140	\$ 239,689
	<b>RDM REVENUE-TOTAL</b>	\$ 52,130	\$ 52,616	\$ 55,443	\$ 55,780	\$ 55,662	\$ 51,569	\$ 54,776	\$ 56,837	\$ 62,477	\$ 60,133	\$ 58,876	\$ 54,671	\$ 670,970

RATE YEAR USAGE BY SERVICE CLASS (MWH)

		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
SC1	Residential	364,333	368,463	418,793	428,380	423,340	357,659	395,515	432,613	504,156	473,371	454,487	397,321	5,018,432
SC8	Residential Day/Night	124,423	105,714	106,118	109,563	111,200	105,409	137,659	171,026	215,324	212,790	198,587	160,384	1,758,198
SC12	Residential TOU	15,865	11,465	16,208	13,900	17,366	11,820	15,161	13,271	22,791	16,646	22,086	14,642	191,221
	Total Residential	504,621	485,642	541,119	551,843	551,906	474,888	548,335	616,910	742,271	702,808	675,160	572,347	6,967,851
SC2	General Service w/Demand	213,016	236,753	256,929	259,275	248,938	218,667	228,894	235,007	258,390	236,685	229,936	219,839	2,842,329
SC2S	General Service-Space Heating	468	455	446	492	419	513	328	784	914	1,019	881	722	7,441
SC 6	General Service Regular	19,800	18,970	20,344	22,213	21,402	18,312	20,899	22,948	29,171	28,246	25,854	24,460	272,619
SC9	General Service Day/Night	1,576	1,462	1,472	1,559	1,518	1,388	1,688	2,226	2,602	2,560	2,314	2,057	22,421
SC3P	Primary	11,262	12,431	12,777	13,079	12,674	11,827	12,204	13,616	13,835	13,480	12,139	12,160	151,486
SC 3S	Subtransmission	312	455	305	490	327	420	331	431	300	458	309	470	4,609
SC7-1	Secondary	111,768	125,605	135,668	129,098	131,078	114,633	120,458	122,211	125,317	121,394	113,459	113,920	1,464,609
SC7-2	Primary	131,253	137,835	146,436	140,517	142,462	132,562	143,999	142,761	136,672	133,090	130,457	130,486	1,648,366
SC7-3	Subtransmission	104,033	109,054	109,517	109,822	111,784	106,264	109,874	111,000	105,681	108,414	104,341	105,284	1,295,067
SC5	Outdoor Lighting	1,326	1,284	1,261	1,347	1,567	1,632	1,909	2,097	2,147	1,838	1,619	1,521	19,549
	Street Lighting	4,877	4,264	4,383	5,078	5,430	6,874	7,384	7,657	7,536	6,274	6,453	5,077	71,285
	Total Non-Residential	599,691	648,567	689,538	682,971	677,599	613,090	647,968	660,739	682,565	653,458	627,762	615,831	7,799,781
	<b>RDM USAGE-TOTAL</b>	1,104,312	1,134,209	1,230,658	1,234,814	1,229,505	1,087,978	1,196,304	1,277,649	1,424,837	1,356,266	1,302,922	1,188,178	14,767,632

RATE YEAR CUSTOMERS BY SERVICE CLASS

		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Avg
SC1	Residential	631,594	633,117	634,077	634,738	634,773	634,834	634,287	634,023	634,178	634,324	634,445	633,647	634,003
SC8	Residential Day/Night	131,476	131,677	131,765	131,788	131,682	131,583	131,355	131,190	131,108	131,024	130,946	132,013	131,467
SC12	Residential TOU	3,849	3,852	3,850	3,848	3,840	3,834	3,824	3,815	3,809	3,803	3,797	3,867	3,832
	Total Residential	766,919	768,645	769,693	770,374	770,295	770,252	769,466	769,028	769,095	769,151	769,188	769,527	769,303
SC2	General Service w/Demand	45,176	45,498	45,672	45,734	45,635	45,466	45,312	45,232	45,234	45,252	45,273	45,242	45,394
SC2S	General Service-Space Heating	249	248	249	245	244	242	239	238	237	235	234	251	243
SC 6	General Service Regular	68,120	68,596	68,831	68,884	68,696	68,400	68,126	67,978	67,918	67,902	67,905	68,282	68,303
SC9	General Service Day/Night	2,414	2,418	2,424	2,430	2,423	2,412	2,402	2,389	2,417	2,428	2,426	2,426	2,417
SC3P	Primary	297	300	301	302	301	301	301	300	301	300	301	298	300
SC 3S	Subtransmission	11	11	11	11	11	11	11	11	11	11	11	11	11
SC7-1	Secondary	3,019	3,028	3,029	3,021	3,005	2,985	2,964	2,949	2,938	2,928	2,920	3,033	2,985
SC7-2	Primary	376	376	377	376	376	377	375	375	374	373	374	375	375
SC7-3	Subtransmission	139	139	139	140	140	140	139	138	138	138	138	138	139
SC5	Outdoor Lighting	8,213	8,245	8,262	8,262	8,245	8,223	8,198	8,182	8,175	8,168	8,165	8,239	8,215
	Street Lighting	1,152	1,151	1,151	1,152	1,152	1,152	1,152	1,152	1,152	1,151	1,151	1,152	1,152
	Total Non-Residential	129,167	130,012	130,446	130,557	130,230	129,709	129,219	128,944	128,895	128,887	128,899	129,448	129,534
	<b>RDM AVERAGE CUSTOMERS</b>	896,085	898,657	900,139	900,930	900,526	899,960	898,686	897,973	897,990	898,038	898,088	898,975	898,837

\* Schedule does not include the following non RDM service classes: SC 1 Seasonal, SC 8 Seasonal, SC 7-4, and SC 11

**Rochester Gas and Electric Corporation**  
**Electric Business**  
**RDM Targets - Rate Year 1**  
**Revenue, Usage and Customers by Service Class**

**RATE YEAR REVENUE BY SC (\$000)**

		<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>Total</u>
SC1	Residential	\$ 13,985	\$ 14,547	\$ 15,789	\$ 15,803	\$ 15,245	\$ 14,766	\$ 14,932	\$ 16,094	\$ 17,147	\$ 16,518	\$ 15,719	\$ 14,859	\$ 185,404
SC4-I	Residential TOU - Schedule I	\$ 174	\$ 163	\$ 176	\$ 171	\$ 170	\$ 166	\$ 189	\$ 232	\$ 265	\$ 256	\$ 242	\$ 214	\$ 2,419
SC4-II	Residential TOU - Schedule II	\$ 169	\$ 169	\$ 187	\$ 180	\$ 178	\$ 173	\$ 193	\$ 231	\$ 257	\$ 246	\$ 232	\$ 206	\$ 2,421
	Total Residential	\$ 14,327	\$ 14,879	\$ 16,152	\$ 16,155	\$ 15,593	\$ 15,105	\$ 15,314	\$ 16,557	\$ 17,669	\$ 17,021	\$ 16,194	\$ 15,279	\$ 190,244
SC2	General Service - Small Use	\$ 1,092	\$ 1,079	\$ 1,126	\$ 1,133	\$ 1,116	\$ 1,081	\$ 1,105	\$ 1,155	\$ 1,242	\$ 1,239	\$ 1,198	\$ 1,156	\$ 13,723
SC3	General Service - 100 kW Min.	\$ 2,237	\$ 2,515	\$ 2,633	\$ 2,560	\$ 2,542	\$ 2,483	\$ 2,358	\$ 2,283	\$ 2,393	\$ 2,333	\$ 2,391	\$ 2,338	\$ 29,065
SC7	General Service - 12 kW Min.	\$ 4,127	\$ 4,393	\$ 4,660	\$ 4,520	\$ 4,379	\$ 4,302	\$ 3,997	\$ 4,014	\$ 4,123	\$ 4,049	\$ 3,945	\$ 3,948	\$ 50,457
SC9	General Service - TOU	\$ 266	\$ 281	\$ 290	\$ 290	\$ 270	\$ 277	\$ 255	\$ 256	\$ 283	\$ 279	\$ 273	\$ 265	\$ 3,286
	Total SC7 & SC9	\$ 4,393	\$ 4,674	\$ 4,950	\$ 4,810	\$ 4,649	\$ 4,579	\$ 4,251	\$ 4,270	\$ 4,407	\$ 4,328	\$ 4,218	\$ 4,214	\$ 53,744
SC8	Secondary	\$ 2,407	\$ 2,567	\$ 2,612	\$ 2,524	\$ 2,514	\$ 2,390	\$ 2,242	\$ 2,172	\$ 2,241	\$ 2,215	\$ 2,218	\$ 2,228	\$ 28,329
SC8	Primary	\$ 1,719	\$ 1,830	\$ 1,912	\$ 1,883	\$ 1,851	\$ 1,804	\$ 1,673	\$ 1,548	\$ 1,564	\$ 1,543	\$ 1,562	\$ 1,599	\$ 20,487
SC8	Substation	\$ 225	\$ 234	\$ 255	\$ 244	\$ 254	\$ 255	\$ 241	\$ 220	\$ 216	\$ 196	\$ 201	\$ 208	\$ 2,750
SC8	Subtransmission - Commercial	\$ 787	\$ 811	\$ 869	\$ 911	\$ 873	\$ 807	\$ 709	\$ 707	\$ 728	\$ 689	\$ 700	\$ 703	\$ 9,292
SC8	Subtransmission - Industrial	\$ 1,144	\$ 1,274	\$ 1,321	\$ 1,219	\$ 1,287	\$ 1,203	\$ 1,134	\$ 1,116	\$ 1,092	\$ 1,115	\$ 1,073	\$ 1,080	\$ 14,058
<b>RDM REVENUE-TOTAL</b>		\$ 28,331	\$ 29,862	\$ 31,830	\$ 31,439	\$ 30,678	\$ 29,707	\$ 29,027	\$ 30,028	\$ 31,552	\$ 30,679	\$ 29,754	\$ 28,806	\$ 361,692

**RATE YEAR USAGE BY SC (MWH)**

		<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>Total</u>
SC1	Residential	183,055	197,863	230,566	230,844	216,016	203,344	207,702	238,158	265,920	249,292	228,177	205,404	2,656,341
SC4-I	Residential TOU - Schedule I	2,638	2,374	2,705	2,586	2,569	2,469	3,036	4,101	4,904	4,704	4,354	3,626	40,065
SC4-II	Residential TOU - Schedule II	2,639	2,636	3,007	2,872	2,821	2,738	3,115	3,882	4,385	4,170	3,901	3,372	39,538
	Total Residential	188,332	202,873	236,277	236,302	221,407	208,551	213,853	246,141	275,209	258,166	236,432	212,401	2,735,945
SC2	General Service - Small Use	16,537	16,071	17,691	17,946	17,356	16,163	16,996	18,706	21,644	21,554	20,172	18,650	219,488
SC3	General Service - 100 kW Min.	41,930	49,579	54,864	53,228	51,604	47,344	48,232	50,440	53,308	51,548	50,827	49,379	602,282
SC7	General Service - 12 kW Min.	59,523	64,844	72,663	70,289	66,752	61,292	59,791	64,049	66,957	64,258	60,583	59,062	770,063
SC9	General Service - TOU	4,239	4,609	4,896	4,904	4,541	4,392	4,207	4,417	4,861	4,727	4,488	4,301	54,581
	Total SC7 & SC9	63,762	69,453	77,559	75,192	71,293	65,684	63,998	68,465	71,818	68,985	65,071	63,363	824,644
SC8	Secondary	59,391	63,291	67,768	66,821	64,736	59,932	59,022	60,594	63,593	61,935	59,456	58,266	744,804
SC8	Primary	51,726	54,303	58,684	59,191	56,517	53,320	53,831	51,786	51,414	51,194	50,149	50,598	642,712
SC8	Substation	7,342	7,775	8,587	8,663	8,623	8,662	8,529	8,104	8,053	7,541	7,380	7,317	96,576
SC8	Subtransmission - Commercial	34,271	35,259	38,787	42,735	38,346	34,900	33,066	34,935	36,557	34,007	34,409	32,196	429,468
SC8	Subtransmission - Industrial	57,038	63,522	66,610	63,512	64,015	61,761	57,586	56,080	54,414	56,917	55,826	54,651	711,932
<b>RDM USAGE-TOTAL</b>		520,328	562,126	626,828	623,592	593,896	556,316	555,113	595,253	636,008	611,847	579,721	546,821	7,007,850

**RATE YEAR CUSTOMERS BY SC**

		<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>Average</u>
SC1	Residential	329,562	329,632	329,702	329,881	330,057	330,121	330,186	330,507	330,572	330,636	330,699	330,842	330,200
SC4-I	Residential TOU - Schedule I	2,636	2,631	2,626	2,621	2,617	2,612	2,607	2,604	2,599	2,594	2,589	2,651	2,616
SC4-II	Residential TOU - Schedule II	1,211	1,208	1,207	1,204	1,203	1,201	1,199	1,198	1,196	1,194	1,192	1,218	1,203
	Total Residential	333,409	333,471	333,535	333,706	333,877	333,934	333,992	334,309	334,367	334,424	334,480	334,711	334,018
SC2	General Service - Small Use	28,317	28,338	28,332	28,325	28,320	28,315	28,310	28,306	28,302	28,298	28,295	28,426	28,324
SC3	General Service - 100 kW Min.	1,195	1,198	1,202	1,205	1,206	1,209	1,212	1,215	1,218	1,221	1,224	1,196	1,208
SC7	General Service - 12 kW Min.	8,724	8,735	8,739	8,744	8,748	8,753	8,759	8,764	8,767	8,773	8,779	8,752	8,753
SC9	General Service - TOU	362	362	361	357	356	355	354	352	351	350	349	364	356
	Total SC7 & SC9	9,086	9,097	9,100	9,101	9,104	9,108	9,113	9,116	9,118	9,123	9,128	9,116	9,109
SC8	Secondary	377	377	377	376	376	376	376	376	376	375	375	379	376
SC8	Primary	161	161	161	161	161	161	162	162	161	161	160	161	161
SC8	Substation	30	30	30	30	30	30	29	29	29	29	29	30	30
SC8	Subtransmission - Commercial	52	52	51	50	50	50	50	50	50	49	49	52	50
SC8	Subtransmission - Industrial	52	52	52	52	52	52	52	53	53	53	53	52	52
<b>RDM CUSTOMERS - AVERAGE</b>		372,679	372,776	372,840	373,006	373,176	373,235	373,296	373,616	373,674	373,733	373,793	374,123	373,329

Schedule does not include the following Non-RDM Service Classes: SC6, SC8-Transmission, SC14, Street Lighting.

**Rochester Gas and Electric Corporation**  
**Electric Business**  
**RDM Targets - Rate Year 2**  
**Revenue, Usage and Customers by Service Class**

**RATE YEAR REVENUE BY SC (\$000)**

		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Total</u>
SC1	Residential	\$ 14,808	\$ 15,431	\$ 16,820	\$ 16,866	\$ 16,230	\$ 15,725	\$ 15,928	\$ 17,219	\$ 18,390	\$ 17,666	\$ 16,768	\$ 15,803	\$ 197,655
SC4-I	Residential TOU - Schedule I	\$ 184	\$ 172	\$ 187	\$ 182	\$ 181	\$ 177	\$ 202	\$ 249	\$ 285	\$ 275	\$ 260	\$ 229	\$ 2,582
SC4-II	Residential TOU - Schedule II	\$ 179	\$ 179	\$ 199	\$ 192	\$ 189	\$ 185	\$ 206	\$ 248	\$ 276	\$ 263	\$ 248	\$ 220	\$ 2,587
	Total Residential	\$ 15,172	\$ 15,782	\$ 17,207	\$ 17,241	\$ 16,601	\$ 16,087	\$ 16,336	\$ 17,717	\$ 18,951	\$ 18,205	\$ 17,276	\$ 16,252	\$ 202,824
SC2	General Service - Small Use	\$ 1,157	\$ 1,143	\$ 1,196	\$ 1,206	\$ 1,184	\$ 1,144	\$ 1,172	\$ 1,228	\$ 1,325	\$ 1,321	\$ 1,275	\$ 1,227	\$ 14,579
SC3	General Service - 100 kW Min.	\$ 2,377	\$ 2,673	\$ 2,798	\$ 2,723	\$ 2,700	\$ 2,635	\$ 2,504	\$ 2,423	\$ 2,539	\$ 2,473	\$ 2,533	\$ 2,475	\$ 30,853
SC7	General Service - 12 kW Min.	\$ 4,390	\$ 4,674	\$ 4,957	\$ 4,814	\$ 4,655	\$ 4,571	\$ 4,247	\$ 4,261	\$ 4,375	\$ 4,292	\$ 4,182	\$ 4,182	\$ 53,600
SC9	General Service - TOU	\$ 283	\$ 298	\$ 308	\$ 309	\$ 287	\$ 295	\$ 270	\$ 272	\$ 300	\$ 296	\$ 289	\$ 281	\$ 3,489
	Total SC7 & SC9	\$ 4,673	\$ 4,972	\$ 5,266	\$ 5,123	\$ 4,942	\$ 4,866	\$ 4,517	\$ 4,533	\$ 4,675	\$ 4,588	\$ 4,471	\$ 4,463	\$ 57,089
SC8	Secondary	\$ 2,557	\$ 2,726	\$ 2,774	\$ 2,683	\$ 2,669	\$ 2,535	\$ 2,378	\$ 2,304	\$ 2,376	\$ 2,347	\$ 2,349	\$ 2,357	\$ 30,056
SC8	Primary	\$ 1,825	\$ 1,943	\$ 2,031	\$ 2,001	\$ 1,965	\$ 1,913	\$ 1,773	\$ 1,640	\$ 1,657	\$ 1,634	\$ 1,654	\$ 1,692	\$ 21,729
SC8	Substation	\$ 239	\$ 247	\$ 270	\$ 259	\$ 269	\$ 270	\$ 257	\$ 235	\$ 230	\$ 209	\$ 213	\$ 220	\$ 2,918
SC8	Subtransmission - Commercial	\$ 836	\$ 862	\$ 925	\$ 970	\$ 929	\$ 856	\$ 752	\$ 750	\$ 772	\$ 732	\$ 743	\$ 746	\$ 9,872
SC8	Subtransmission - Industrial	\$ 1,211	\$ 1,350	\$ 1,401	\$ 1,292	\$ 1,364	\$ 1,275	\$ 1,201	\$ 1,179	\$ 1,154	\$ 1,178	\$ 1,133	\$ 1,142	\$ 14,882
SC6	Area Lighting	\$ 98	\$ 101	\$ 104	\$ 107	\$ 104	\$ 103	\$ 105	\$ 102	\$ 107	\$ 97	\$ 104	\$ 100	\$ 1,231
SC1,2,3	Street Lighting	\$ 502	\$ 501	\$ 501	\$ 502	\$ 504	\$ 507	\$ 508	\$ 509	\$ 509	\$ 505	\$ 504	\$ 501	\$ 6,053
	<b>RDM REVENUE-TOTAL</b>	\$ 30,646	\$ 32,300	\$ 34,474	\$ 34,108	\$ 33,229	\$ 32,190	\$ 31,504	\$ 32,620	\$ 34,296	\$ 33,289	\$ 32,256	\$ 31,175	\$ 392,086

**RATE YEAR USAGE BY SC (MWH)**

		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Total</u>
SC1	Residential	184,780	199,633	232,847	233,860	218,559	206,449	211,261	241,991	269,979	252,625	231,120	207,965	2,691,070
SC4-I	Residential TOU - Schedule I	2,662	2,395	2,732	2,619	2,600	2,506	3,088	4,167	4,979	4,767	4,410	3,671	40,597
SC4-II	Residential TOU - Schedule II	2,664	2,660	3,036	2,910	2,855	2,780	3,169	3,945	4,452	4,225	3,952	3,414	40,060
	Total Residential	190,106	204,688	238,615	239,389	224,014	211,735	217,518	250,103	279,409	261,617	239,482	215,049	2,771,727
SC2	General Service - Small Use	16,653	16,190	17,829	18,112	17,473	16,254	17,102	18,813	21,752	21,637	20,241	18,691	220,749
SC3	General Service - 100 kW Min.	42,190	49,905	55,242	53,649	51,907	47,574	48,486	50,684	53,537	51,716	50,975	49,472	605,339
SC7	General Service - 12 kW Min.	59,935	65,317	73,219	70,919	67,192	61,628	60,152	64,404	67,281	64,495	60,783	59,189	774,513
SC9	General Service - TOU	4,265	4,640	4,930	4,943	4,568	4,414	4,229	4,438	4,881	4,743	4,501	4,309	54,861
	Total SC7 & SC9	64,201	69,956	78,149	75,862	71,760	66,042	64,381	68,842	72,162	69,237	65,284	63,498	829,374
SC8	Secondary	59,736	63,670	68,189	67,288	65,077	60,194	59,295	60,852	63,835	62,113	59,602	58,355	748,207
SC8	Primary	52,013	54,609	59,025	59,577	56,796	53,539	54,066	51,987	51,591	51,327	50,258	50,664	645,454
SC8	Substation	7,375	7,811	8,627	8,705	8,655	8,689	8,555	8,126	8,072	7,555	7,390	7,322	96,881
SC8	Subtransmission - Commercial	34,499	35,503	39,068	43,095	38,584	35,082	33,258	35,123	36,728	34,128	34,519	32,263	431,852
SC8	Subtransmission - Industrial	57,224	63,716	66,801	63,681	64,162	61,881	57,676	56,147	54,458	56,941	55,825	54,623	713,134
SC6	Area Lighting	524	487	502	542	616	685	774	859	877	749	701	611	7,927
SC1,2,3	Street Lighting	3,031	2,782	2,936	3,238	3,523	3,997	4,219	4,490	4,399	3,899	3,749	3,280	43,543
	<b>RDM USAGE-TOTAL</b>	527,554	569,318	634,984	633,139	602,568	565,672	565,329	606,028	646,821	620,920	588,025	553,828	7,114,187

**RATE YEAR CUSTOMERS BY SC**

		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Average</u>
SC1	Residential	331,298	331,358	331,417	331,588	331,754	331,808	331,862	332,174	332,228	332,282	332,336	332,469	331,881
SC4-I	Residential TOU - Schedule I	2,649	2,645	2,640	2,635	2,630	2,625	2,621	2,617	2,611	2,606	2,601	2,665	2,629
SC4-II	Residential TOU - Schedule II	1,217	1,215	1,213	1,211	1,209	1,207	1,206	1,204	1,202	1,199	1,198	1,223	1,209
	Total Residential	335,164	335,218	335,270	335,434	335,593	335,640	335,689	335,995	336,041	336,087	336,135	336,357	335,719
SC2	General Service - Small Use	28,492	28,514	28,507	28,501	28,494	28,489	28,484	28,479	28,474	28,470	28,464	28,594	28,497
SC3	General Service - 100 kW Min.	1,202	1,205	1,207	1,211	1,213	1,217	1,219	1,222	1,225	1,228	1,231	1,204	1,215
SC7	General Service - 12 kW Min.	8,777	8,789	8,794	8,799	8,804	8,807	8,812	8,817	8,822	8,826	8,831	8,802	8,807
SC9	General Service - TOU	364	363	362	361	359	357	356	355	353	352	351	367	358
	Total SC7 & SC9	9,141	9,152	9,156	9,160	9,163	9,164	9,168	9,172	9,175	9,178	9,182	9,169	9,165
SC8	Secondary	379	379	379	379	379	378	378	378	378	378	378	380	379
SC8	Primary	162	162	162	162	162	162	162	162	162	162	162	162	162
SC8	Substation	30	30	30	30	30	30	30	30	30	30	29	30	30
SC8	Subtransmission - Commercial	52	52	52	51	51	50	50	50	50	50	50	53	51
SC8	Subtransmission - Industrial	52	52	53	53	53	53	53	53	53	53	53	53	53
SC6	Area Lighting	2,403	2,403	2,405	2,405	2,406	2,407	2,407	2,408	2,409	2,409	2,411	2,412	2,407
SC1,2,3	Street Lighting	460	460	460	460	460	460	460	460	460	460	460	460	460
	<b>RDM CUSTOMERS - AVERAGE</b>	377,537	377,627	377,681	377,846	378,004	378,050	378,100	378,409	378,457	378,505	378,555	378,874	378,137

Schedule does not include the following Non-RDM Service Classes: SC8-Transmission, SC14.

**Rochester Gas and Electric Corporation**  
**Electric Business**  
**RDM Targets - Rate Year 3**  
**Revenue, Usage and Customers by Service Class**

**RATE YEAR REVENUE BY SC (\$000)**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Total</u>
SC1	Residential	\$ 15,800	\$ 16,495	\$ 18,057	\$ 18,116	\$ 17,393	\$ 16,830	\$ 17,060	\$ 18,504	\$ 19,813	\$ 18,987	\$ 17,972	\$ 16,887	\$ 211,913
SC4-I	Residential TOU - Schedule I	\$ 197	\$ 183	\$ 200	\$ 194	\$ 193	\$ 188	\$ 217	\$ 269	\$ 308	\$ 297	\$ 280	\$ 245	\$ 2,771
SC4-II	Residential TOU - Schedule II	\$ 192	\$ 192	\$ 214	\$ 207	\$ 203	\$ 199	\$ 222	\$ 267	\$ 297	\$ 283	\$ 267	\$ 236	\$ 2,779
	<b>Total Residential</b>	<b>\$ 16,189</b>	<b>\$ 16,870</b>	<b>\$ 18,470</b>	<b>\$ 18,517</b>	<b>\$ 17,789</b>	<b>\$ 17,218</b>	<b>\$ 17,498</b>	<b>\$ 19,040</b>	<b>\$ 20,417</b>	<b>\$ 19,567</b>	<b>\$ 18,518</b>	<b>\$ 17,368</b>	<b>\$ 217,463</b>
SC2	General Service - Small Use	\$ 1,232	\$ 1,215	\$ 1,276	\$ 1,286	\$ 1,262	\$ 1,216	\$ 1,248	\$ 1,311	\$ 1,420	\$ 1,415	\$ 1,363	\$ 1,308	\$ 15,552
SC3	General Service - 100 kW Min.	\$ 2,533	\$ 2,848	\$ 2,981	\$ 2,901	\$ 2,875	\$ 2,805	\$ 2,665	\$ 2,579	\$ 2,701	\$ 2,631	\$ 2,694	\$ 2,632	\$ 32,844
SC7	General Service - 12 kW Min.	\$ 4,682	\$ 4,983	\$ 5,282	\$ 5,130	\$ 4,959	\$ 4,871	\$ 4,524	\$ 4,536	\$ 4,654	\$ 4,566	\$ 4,450	\$ 4,452	\$ 57,089
SC9	General Service - TOU	\$ 302	\$ 318	\$ 328	\$ 329	\$ 305	\$ 314	\$ 288	\$ 289	\$ 319	\$ 315	\$ 308	\$ 299	\$ 3,714
	<b>Total SC7 &amp; SC9</b>	<b>\$ 4,984</b>	<b>\$ 5,301</b>	<b>\$ 5,611</b>	<b>\$ 5,459</b>	<b>\$ 5,264</b>	<b>\$ 5,185</b>	<b>\$ 4,811</b>	<b>\$ 4,825</b>	<b>\$ 4,974</b>	<b>\$ 4,881</b>	<b>\$ 4,757</b>	<b>\$ 4,751</b>	<b>\$ 60,803</b>
SC8	Secondary	\$ 2,722	\$ 2,902	\$ 2,953	\$ 2,856	\$ 2,840	\$ 2,698	\$ 2,530	\$ 2,450	\$ 2,527	\$ 2,496	\$ 2,498	\$ 2,506	\$ 31,978
SC8	Primary	\$ 1,944	\$ 2,069	\$ 2,161	\$ 2,130	\$ 2,091	\$ 2,035	\$ 1,887	\$ 1,743	\$ 1,762	\$ 1,737	\$ 1,758	\$ 1,798	\$ 23,114
SC8	Substation	\$ 254	\$ 263	\$ 288	\$ 275	\$ 286	\$ 287	\$ 273	\$ 249	\$ 245	\$ 222	\$ 228	\$ 234	\$ 3,103
SC8	Subtransmission - Commercial	\$ 892	\$ 918	\$ 985	\$ 1,033	\$ 989	\$ 913	\$ 800	\$ 798	\$ 821	\$ 779	\$ 790	\$ 793	\$ 10,510
SC8	Subtransmission - Industrial	\$ 1,289	\$ 1,436	\$ 1,488	\$ 1,371	\$ 1,447	\$ 1,352	\$ 1,275	\$ 1,251	\$ 1,225	\$ 1,250	\$ 1,202	\$ 1,211	\$ 15,797
SC6	Area Lighting	\$ 106	\$ 108	\$ 110	\$ 116	\$ 112	\$ 112	\$ 115	\$ 110	\$ 116	\$ 104	\$ 112	\$ 106	\$ 1,326
SC1,2,3	Street Lighting	\$ 532	\$ 531	\$ 531	\$ 532	\$ 534	\$ 537	\$ 539	\$ 540	\$ 539	\$ 535	\$ 534	\$ 612	\$ 6,494
	<b>RDM REVENUE-TOTAL</b>	<b>\$ 32,676</b>	<b>\$ 34,461</b>	<b>\$ 36,854</b>	<b>\$ 36,477</b>	<b>\$ 35,488</b>	<b>\$ 34,357</b>	<b>\$ 33,640</b>	<b>\$ 34,897</b>	<b>\$ 36,746</b>	<b>\$ 35,615</b>	<b>\$ 34,453</b>	<b>\$ 33,320</b>	<b>\$ 418,985</b>

**RATE YEAR USAGE BY SC (MWH)**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Total</u>
SC1	Residential	186,928	201,878	235,488	236,698	221,083	208,971	213,912	244,896	273,062	255,281	233,429	210,031	2,721,657
SC4-I	Residential TOU - Schedule I	2,693	2,422	2,763	2,651	2,630	2,537	3,127	4,217	5,036	4,817	4,454	3,708	41,054
SC4-II	Residential TOU - Schedule II	2,695	2,690	3,071	2,945	2,888	2,814	3,208	3,992	4,502	4,270	3,991	3,448	40,513
	<b>Total Residential</b>	<b>192,316</b>	<b>206,989</b>	<b>241,321</b>	<b>242,294</b>	<b>226,600</b>	<b>214,322</b>	<b>220,247</b>	<b>253,105</b>	<b>282,600</b>	<b>264,368</b>	<b>241,875</b>	<b>217,186</b>	<b>2,803,225</b>
SC2	General Service - Small Use	16,687	16,221	17,861	18,147	17,496	16,268	17,116	18,825	21,760	21,636	20,236	18,693	220,948
SC3	General Service - 100 kW Min.	42,257	49,980	55,318	53,725	51,953	47,596	48,508	50,701	53,544	51,705	50,954	49,461	605,701
SC7	General Service - 12 kW Min.	60,052	65,436	73,345	71,049	67,273	61,675	60,197	64,440	67,301	64,488	60,763	59,189	775,209
SC9	General Service - TOU	4,273	4,647	4,938	4,951	4,573	4,417	4,232	4,440	4,883	4,742	4,500	4,309	54,904
	<b>Total SC7 &amp; SC9</b>	<b>64,325</b>	<b>70,084</b>	<b>78,283</b>	<b>76,000</b>	<b>71,846</b>	<b>66,092</b>	<b>64,428</b>	<b>68,880</b>	<b>72,183</b>	<b>69,230</b>	<b>65,263</b>	<b>63,498</b>	<b>830,113</b>
SC8	Secondary	59,813	63,740	68,253	67,349	65,106	60,198	59,298	60,849	63,823	62,080	59,559	58,319	748,388
SC8	Primary	52,067	54,654	59,064	59,614	56,805	53,529	54,055	51,969	51,565	51,286	50,210	50,619	645,437
SC8	Substation	7,378	7,812	8,627	8,702	8,649	8,681	8,547	8,118	8,064	7,545	7,380	7,311	96,815
SC8	Subtransmission - Commercial	34,565	35,566	39,132	43,171	38,629	35,109	33,282	35,143	36,740	34,126	34,510	32,264	432,238
SC8	Subtransmission - Industrial	57,169	63,632	66,690	63,553	64,023	61,737	57,534	56,002	54,311	56,781	55,664	54,451	711,548
SC6	Area Lighting	537	491	501	549	624	703	796	875	888	759	707	606	8,035
SC1,2,3	Street Lighting	3,021	2,772	2,926	3,227	3,511	3,984	4,205	4,476	4,384	3,886	3,736	3,736	43,865
	<b>RDM USAGE-TOTAL</b>	<b>530,136</b>	<b>571,941</b>	<b>637,977</b>	<b>636,331</b>	<b>605,242</b>	<b>568,219</b>	<b>568,019</b>	<b>608,944</b>	<b>649,863</b>	<b>623,403</b>	<b>590,094</b>	<b>556,144</b>	<b>7,146,313</b>

**RATE YEAR CUSTOMERS BY SC**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Average</u>
SC1	Residential	332,918	332,944	332,972	333,110	333,220	333,217	333,216	333,474	333,472	333,471	333,468	333,545	333,252
SC4-I	Residential TOU - Schedule I	2,663	2,657	2,652	2,647	2,642	2,636	2,630	2,627	2,622	2,616	2,611	2,673	2,640
SC4-II	Residential TOU - Schedule II	1,223	1,221	1,218	1,217	1,214	1,213	1,210	1,209	1,207	1,204	1,203	1,228	1,214
	<b>Total Residential</b>	<b>336,804</b>	<b>336,822</b>	<b>336,842</b>	<b>336,974</b>	<b>337,076</b>	<b>337,066</b>	<b>337,056</b>	<b>337,310</b>	<b>337,301</b>	<b>337,291</b>	<b>337,282</b>	<b>337,446</b>	<b>337,106</b>
SC2	General Service - Small Use	28,658	28,678	28,671	28,662	28,654	28,647	28,638	28,632	28,625	28,617	28,610	28,739	28,653
SC3	General Service - 100 kW Min.	1,208	1,211	1,214	1,217	1,220	1,222	1,224	1,229	1,230	1,234	1,235	1,208	1,221
SC7	General Service - 12 kW Min.	8,827	8,840	8,843	8,847	8,852	8,856	8,860	8,865	8,868	8,872	8,875	8,847	8,854
SC9	General Service - TOU	366	364	363	362	361	359	357	356	355	353	352	368	360
	<b>Total SC7 &amp; SC9</b>	<b>9,193</b>	<b>9,204</b>	<b>9,206</b>	<b>9,209</b>	<b>9,213</b>	<b>9,215</b>	<b>9,217</b>	<b>9,221</b>	<b>9,223</b>	<b>9,225</b>	<b>9,227</b>	<b>9,215</b>	<b>9,214</b>
SC8	Secondary	380	380	380	380	380	380	379	379	379	379	379	382	380
SC8	Primary	163	163	163	163	163	163	163	162	162	162	162	163	163
SC8	Substation	30	30	30	30	30	30	30	30	30	30	30	30	30
SC8	Subtransmission - Commercial	53	52	52	51	51	51	50	50	50	50	50	53	51
SC8	Subtransmission - Industrial	53	53	53	53	53	53	53	53	53	53	53	53	53
SC6	Area Lighting	2,413	2,413	2,413	2,413	2,413	2,413	2,413	2,413	2,413	2,412	2,412	2,412	2,413
SC1,2,3	Street Lighting	460	460	460	460	460	460	460	460	460	460	460	460	460
	<b>RDM CUSTOMERS - AVERAGE</b>	<b>379,415</b>	<b>379,466</b>	<b>379,484</b>	<b>379,612</b>	<b>379,713</b>	<b>379,700</b>	<b>379,683</b>	<b>379,939</b>	<b>379,926</b>	<b>379,913</b>	<b>379,900</b>	<b>380,161</b>	<b>379,743</b>

Schedule does not include the following Non-RDM Service Classes: SC8-Transmission, SC14.

# Cases 15-E-0283 et al. Joint Proposal

## New York State Electric & Gas Corporation Gas Business RDM Targets - Rate Year 1 Revenue (\$000) and Usage (Therms) By Service Class

# Appendix Y Page 10 of 17

### RATE YEAR REVENUE BY SERVICE CLASS (\$000)

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 1S	Residential Sales	\$ 7,226	\$ 5,481	\$ 4,216	\$ 4,222	\$ 5,052	\$ 6,590	\$ 8,836	\$ 9,950	\$ 10,775	\$ 10,457	\$ 9,842	\$ 8,225	90,874
SC 13T	Residential Aggregation Transp	\$ 2,093	\$ 1,530	\$ 1,173	\$ 1,185	\$ 1,428	\$ 1,804	\$ 2,514	\$ 2,908	\$ 2,996	\$ 2,950	\$ 2,845	\$ 2,343	25,769
	Total Residential	\$ 9,319	\$ 7,012	\$ 5,389	\$ 5,407	\$ 6,480	\$ 8,394	\$ 11,350	\$ 12,858	\$ 13,771	\$ 13,407	\$ 12,687	\$ 10,568	116,642
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 2S	General Sales Service	\$ 1,425	\$ 981	\$ 759	\$ 740	\$ 853	\$ 1,123	\$ 1,730	\$ 2,904	\$ 2,989	\$ 3,089	\$ 2,711	\$ 2,132	21,435
SC 14T	Non-Residential Agg Transp	\$ 1,432	\$ 934	\$ 684	\$ 639	\$ 801	\$ 1,143	\$ 1,776	\$ 2,485	\$ 2,827	\$ 2,914	\$ 2,584	\$ 2,093	20,313
SC 1T	Firm Transportation	\$ 576	\$ 508	\$ 453	\$ 465	\$ 517	\$ 544	\$ 617	\$ 669	\$ 697	\$ 688	\$ 660	\$ 619	7,013
SC 5T	Small Firm Transportation	\$ 336	\$ 256	\$ 231	\$ 241	\$ 272	\$ 431	\$ 581	\$ 726	\$ 812	\$ 769	\$ 668	\$ 495	5,819
	Total Non-Residential	\$ 3,770	\$ 2,679	\$ 2,128	\$ 2,084	\$ 2,443	\$ 3,240	\$ 4,704	\$ 6,783	\$ 7,326	\$ 7,461	\$ 6,622	\$ 5,339	54,580
<b>RDM REVENUE - TOTAL</b>		\$ 13,090	\$ 9,691	\$ 7,517	\$ 7,491	\$ 8,923	\$ 11,635	\$ 16,054	\$ 19,642	\$ 21,097	\$ 20,868	\$ 19,309	\$ 15,907	171,223

### RATE YEAR USAGE BY SERVICE CLASS (Therms)

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 1S	Residential Sales	10,174,563	5,428,576	2,615,061	2,527,600	4,341,233	9,822,210	16,562,421	24,732,144	29,905,791	29,277,959	25,303,087	17,872,501	178,563,146
SC 13T	Residential Aggregation Transp	3,052,829	1,545,025	749,921	746,259	1,279,017	2,688,860	4,803,849	7,424,660	8,286,427	8,355,515	7,483,277	5,206,187	51,621,827
	Total Residential	13,227,392	6,973,601	3,364,982	3,273,858	5,620,250	12,511,070	21,366,270	32,156,804	38,192,218	37,633,474	32,786,364	23,078,688	230,184,972
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 2S	General Sales Service	3,340,153	1,897,488	1,111,703	1,105,552	1,399,931	2,358,932	4,558,970	7,407,046	9,404,752	9,679,847	8,264,691	5,940,381	56,469,446
SC 14T	Non-Residential Agg Transp	3,932,954	2,313,900	1,423,951	1,345,252	1,800,428	3,039,824	5,361,891	8,059,680	9,440,312	9,675,639	8,446,080	6,424,628	61,264,536
SC 1T	Firm Transportation	5,620,049	5,137,311	4,437,746	4,621,648	5,221,333	5,624,224	6,705,711	7,607,467	8,033,908	7,833,272	7,436,488	6,573,075	74,852,232
SC 5T	Small Firm Transportation	1,600,273	1,045,388	869,503	929,702	1,168,247	2,130,236	3,048,038	3,990,882	4,582,342	4,279,729	3,608,430	2,496,168	29,748,938
	Total Non-Residential	14,493,429	10,394,087	7,842,903	8,002,154	9,589,939	13,153,216	19,674,610	27,065,075	31,461,314	31,468,487	27,755,689	21,434,252	222,335,152
<b>RDM USAGE - TOTAL</b>		27,720,821	17,367,688	11,207,885	11,276,012	15,210,189	25,664,286	41,040,880	59,221,879	69,653,532	69,101,961	60,542,053	44,512,940	452,520,125

### RATE YEAR CUSTOMERS BY SERVICE CLASS

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Average
SC 1S	Residential Sales	183,426	182,724	182,497	183,000	183,111	183,872	184,487	184,975	183,992	185,038	185,012	184,706	183,903
SC 13T	Residential Aggregation Transp	50,253	50,040	49,972	50,089	50,083	50,254	50,385	50,499	51,484	50,553	50,527	50,431	50,381
	Total Residential	233,679	232,764	232,469	233,089	233,194	234,126	234,872	235,474	235,476	235,591	235,539	235,137	234,284
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Average
SC 2S	General Sales Service	18,761	18,613	18,559	18,527	18,631	18,792	18,960	19,083	19,025	19,108	19,193	19,126	18,865
SC 14T	Non-Residential Agg Transp	11,663	11,600	11,553	11,490	11,391	11,338	11,354	11,381	11,749	11,743	11,711	11,693	11,556
SC 1T	Firm Transportation	90	90	90	90	90	91	92	92	92	92	92	92	91
SC 5T	Small Firm Transportation	374	374	374	374	374	374	374	374	374	374	374	374	374
	Total Non-Residential	30,888	30,677	30,576	30,481	30,486	30,595	30,780	30,930	31,240	31,317	31,370	31,285	30,885
<b>RDM CUSTOMERS</b>		264,567	263,441	263,045	263,570	263,680	264,721	265,652	266,404	266,716	266,908	266,909	266,422	265,170

### RATE YEAR REVENUE PER CUSTOMER BY SERVICE CLASS

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total Annual RPC Target*
SC 1S	Residential Sales	\$ 39.40	\$ 30.00	\$ 23.10	\$ 23.07	\$ 27.59	\$ 35.84	\$ 47.89	\$ 53.79	\$ 58.56	\$ 56.51	\$ 53.20	\$ 44.53	494.14
SC 13T	Residential Aggregation Transp	\$ 41.65	\$ 30.58	\$ 23.47	\$ 23.65	\$ 28.51	\$ 35.91	\$ 49.90	\$ 57.58	\$ 58.19	\$ 58.35	\$ 56.31	\$ 46.46	511.48
	Total Residential	\$ 39.88	\$ 30.12	\$ 23.18	\$ 23.20	\$ 27.79	\$ 35.85	\$ 48.32	\$ 54.61	\$ 58.48	\$ 56.91	\$ 53.87	\$ 44.94	497.87
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total Annual RPC Target*
SC 2S	General Sales Service	\$ 75.97	\$ 52.71	\$ 40.91	\$ 39.92	\$ 45.79	\$ 59.75	\$ 91.22	\$ 152.17	\$ 157.12	\$ 161.67	\$ 141.23	\$ 111.45	1,136.26
SC 14T	Non-Residential Agg Transp	\$ 122.80	\$ 80.56	\$ 59.23	\$ 55.62	\$ 70.29	\$ 100.80	\$ 156.41	\$ 218.35	\$ 240.62	\$ 248.17	\$ 220.61	\$ 179.01	1,757.82
SC 1T	Firm Transportation	\$ 6,404.46	\$ 5,642.72	\$ 5,032.86	\$ 5,163.16	\$ 5,740.11	\$ 5,976.52	\$ 6,710.32	\$ 7,270.35	\$ 7,580.68	\$ 7,482.29	\$ 7,173.07	\$ 6,729.14	76,999.60
SC 5T	Small Firm Transportation	\$ 899.68	\$ 684.55	\$ 618.59	\$ 643.05	\$ 728.47	\$ 1,151.86	\$ 1,554.25	\$ 1,939.90	\$ 2,172.02	\$ 2,056.59	\$ 1,785.96	\$ 1,324.01	15,558.93
	Total Non-Residential	\$ 122.07	\$ 87.34	\$ 69.59	\$ 68.37	\$ 80.13	\$ 105.91	\$ 152.83	\$ 219.32	\$ 234.51	\$ 238.24	\$ 211.10	\$ 170.66	1,767.19
<b>RDM REVENUE PER CUSTOMER</b>														

\* Total Annual RPC Target = sum of cumulative monthly revenues divided by average monthly customers for the Rate year.

Cases 15-E-0283 et al.  
Joint Proposal

New York State Electric & Gas Corporation  
Gas Business  
RDM Targets - Rate Year 2  
Revenue (\$000) and Usage (Therms) By Service Class

Appendix Y  
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RATE YEAR REVENUE BY SERVICE CLASS (\$000)

Residential:		May-17		Jun-17		Jul-17		Aug-17		Sep-17		Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		Total
SC 1S Residential Sales	\$	7,804	\$	5,832	\$	4,402	\$	4,406	\$	5,346	\$	7,086	\$	9,624	\$	10,887	\$	11,823	\$	11,461	\$	10,767	\$	8,941	\$	98,380
SC 13T Residential Aggregation Transp	\$	2,263	\$	1,626	\$	1,223	\$	1,236	\$	1,511	\$	1,937	\$	2,739	\$	3,185	\$	3,283	\$	3,233	\$	3,115	\$	2,541	\$	27,890
Total Residential	\$	10,066	\$	7,458	\$	5,624	\$	5,642	\$	6,857	\$	9,023	\$	12,364	\$	14,073	\$	15,105	\$	14,694	\$	13,881	\$	11,481	\$	126,269
Non-Residential:																										
SC 2S General Sales Service	\$	1,530	\$	1,040	\$	796	\$	774	\$	899	\$	1,196	\$	1,865	\$	3,160	\$	3,254	\$	3,325	\$	2,946	\$	2,311	\$	23,096
SC 14T Non-Residential Agg Transp	\$	1,552	\$	1,003	\$	727	\$	678	\$	856	\$	1,234	\$	1,932	\$	2,714	\$	3,090	\$	3,147	\$	2,822	\$	2,274	\$	22,029
SC 1T Firm Transportation	\$	637	\$	554	\$	494	\$	506	\$	563	\$	591	\$	668	\$	719	\$	750	\$	742	\$	711	\$	669	\$	7,602
SC 5T Small Firm Transportation	\$	365	\$	277	\$	250	\$	260	\$	295	\$	467	\$	630	\$	783	\$	876	\$	831	\$	722	\$	536	\$	6,292
Total Non-Residential	\$	4,084	\$	2,874	\$	2,267	\$	2,218	\$	2,614	\$	3,488	\$	5,094	\$	7,376	\$	7,970	\$	8,045	\$	7,200	\$	5,789	\$	59,020
RDM REVENUE - TOTAL	\$	14,151	\$	10,332	\$	7,891	\$	7,860	\$	9,471	\$	12,512	\$	17,457	\$	21,449	\$	23,075	\$	22,738	\$	21,082	\$	17,271	\$	185,289

RATE YEAR USAGE BY SERVICE CLASS (Therms)

Residential:		May-17		Jun-17		Jul-17		Aug-17		Sep-17		Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		Total
SC 1S Residential Sales		10,225,612		5,456,505		2,629,269		2,540,666		4,364,243		9,876,462		16,649,125		24,867,304		30,068,565		29,437,984		25,445,496		17,987,627		179,548,860
SC 13T Residential Aggregation Transp		3,068,131		1,552,961		753,991		750,110		1,285,789		2,703,709		4,828,993		7,465,230		8,331,529		8,401,180		7,525,392		5,217,646		51,884,662
Total Residential		13,293,743		7,009,467		3,383,260		3,290,777		5,650,033		12,580,171		21,478,118		32,332,534		38,400,093		37,839,165		32,970,888		23,205,273		231,433,522
Non-Residential:																										
SC 2S General Sales Service		3,359,963		1,908,762		1,118,276		1,112,149		1,408,073		2,372,373		4,584,341		7,447,970		9,456,189		9,732,665		8,309,423		5,984,485		56,794,669
SC 14T Non-Residential Agg Transp		3,956,113		2,327,481		1,432,148		1,352,988		1,810,700		3,057,217		5,392,385		8,105,407		9,493,713		9,730,206		8,493,337		6,438,914		61,590,610
SC 1T Firm Transportation		5,665,563		5,178,790		4,473,224		4,658,233		5,261,950		5,660,389		6,741,417		7,647,758		8,075,932		7,873,544		7,473,997		6,573,075		75,283,873
SC 5T Small Firm Transportation		1,611,735		1,052,763		875,685		936,267		1,176,329		2,143,651		3,066,005		4,014,520		4,609,303		4,304,684		3,629,245		2,496,168		29,916,356
Total Non-Residential		14,593,374		10,467,797		7,899,333		8,059,637		9,657,053		13,233,630		19,784,149		27,215,655		31,635,138		31,641,099		27,906,003		21,492,642		223,585,508
RDM USAGE - TOTAL		27,887,117		17,477,263		11,282,593		11,350,413		15,307,086		25,813,801		41,262,267		59,548,189		70,035,231		69,480,263		60,876,891		44,697,915		455,019,030

RATE YEAR CUSTOMERS BY SERVICE CLASS

Residential:		May-17		Jun-17		Jul-17		Aug-17		Sep-17		Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		Average
SC 1S Residential Sales		184,497		183,815		183,643		184,101		184,237		185,046		185,614		186,149		185,161		186,216		186,220		185,896		185,050
SC 13T Residential Aggregation Transp		50,349		50,142		50,088		50,191		50,191		50,371		50,484		50,611		51,596		50,662		50,644		50,542		50,489
Total Residential		234,846		233,957		233,731		234,292		234,428		235,417		236,098		236,760		236,757		236,878		236,864		236,438		235,539
Non-Residential:																										
SC 2S General Sales Service		18,910		18,761		18,707		18,673		18,776		18,938		19,105		19,227		19,168		19,250		19,335		19,268		19,010
SC 14T Non-Residential Agg Transp		11,692		11,629		11,580		11,517		11,419		11,365		11,381		11,409		11,775		11,771		11,739		11,719		11,583
SC 1T Firm Transportation		92		92		92		92		92		92		92		92		92		92		92		92		92
SC 5T Small Firm Transportation		374		374		374		374		374		374		374		374		374		374		374		374		374
Total Non-Residential		31,068		30,856		30,753		30,656		30,661		30,769		30,952		31,102		31,409		31,487		31,540		31,453		31,059
RDM CUSTOMERS		265,914		264,813		264,484		264,948		265,089		266,186		267,050		267,862		268,166		268,365		268,404		267,891		266,598

RATE YEAR REVENUE PER CUSTOMER BY SERVICE CLASS

Residential:		May-17		Jun-17		Jul-17		Aug-17		Sep-17		Oct-17		Nov-17		Dec-17		Jan-18		Feb-18		Mar-18		Apr-18		Total Annual RPC Target*
SC 1S Residential Sales	\$	42.30	\$	31.73	\$	23.97	\$	23.94	\$	29.02	\$	38.30	\$	51.85	\$	58.49	\$	63.85	\$	61.55	\$	57.82	\$	48.10	\$	531.64
SC 13T Residential Aggregation Transp	\$	44.94	\$	32.44	\$	24.41	\$	24.62	\$	30.10	\$	38.46	\$	54.26	\$	62.93	\$	63.62	\$	63.81	\$	61.50	\$	50.27	\$	552.39
Total Residential	\$	42.86	\$	31.88	\$	24.06	\$	24.08	\$	29.25	\$	38.33	\$	52.37	\$	59.44	\$	63.80	\$	62.03	\$	58.60	\$	48.56	\$	536.09
Non-Residential:																										
SC 2S General Sales Service	\$	80.92	\$	55.46	\$	42.55	\$	41.46	\$	47.89	\$	63.16	\$	97.61	\$	164.33	\$	169.74	\$	172.71	\$	152.35	\$	119.95	\$	1,214.94
SC 14T Non-Residential Agg Transp	\$	132.76	\$	86.28	\$	62.81	\$	58.84	\$	74.97	\$	108.55	\$	169.74	\$	237.88	\$	262.43	\$	267.39	\$	240.36	\$	194.04	\$	1,901.84
SC 1T Firm Transportation	\$	6,923.29	\$	6,017.77	\$	5,368.69	\$	5,499.84	\$	6,122.86	\$	6,421.64	\$	7,259.17	\$	7,819.24	\$	8,149.10	\$	8,060.74	\$	7,724.71	\$	7,266.52	\$	82,633.56
SC 5T Small Firm Transportation	\$	975.17	\$	740.28	\$	668.44	\$	695.11	\$	789.00	\$	1,249.90	\$	1,683.18	\$	2,094.84	\$	2,343.05	\$	2,221.81	\$	1,931.69	\$	1,432.01	\$	16,824.49
Total Non-Residential	\$	131.46	\$	93.15	\$	73.72	\$	72.35	\$	85.24	\$	113.36	\$	164.58	\$	237.16	\$	253.74	\$	255.49	\$	228.30	\$	184.06	\$	1,900.25
RDM REVENUE PER CUSTOMER																										

\* Total Annual RPC Target = sum of cumulative monthly revenues divided by average monthly customers for the Rate year.



# Cases 15-E-0283 et al. Joint Proposal

## New York State Electric & Gas Corporation Gas Business RDM Targets - Rate Year 3 Revenue (\$000) and Usage (Therms) By Service Class

# Appendix Y Page 12 of 17

### RATE YEAR REVENUE BY SERVICE CLASS (\$000)

Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
SC 1S	Residential Sales	\$ 8,426	\$ 6,210	\$ 4,602	\$ 4,606	\$ 5,663	\$ 7,620	\$ 10,471	\$ 11,892	\$ 12,945	\$ 12,529	\$ 11,755	\$ 9,700	106,420
SC 13T	Residential Aggregation Transp	\$ 2,438	\$ 1,726	\$ 1,274	\$ 1,288	\$ 1,597	\$ 2,074	\$ 2,971	\$ 3,471	\$ 3,578	\$ 3,471	\$ 3,391	\$ 2,749	30,029
	Total Residential	\$ 10,864	\$ 7,936	\$ 5,877	\$ 5,894	\$ 7,260	\$ 9,694	\$ 13,442	\$ 15,363	\$ 16,523	\$ 16,000	\$ 15,147	\$ 12,449	136,448
Non-Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
SC 2S	General Sales Service	\$ 1,643	\$ 1,104	\$ 835	\$ 811	\$ 949	\$ 1,275	\$ 2,010	\$ 3,435	\$ 3,538	\$ 3,659	\$ 3,199	\$ 2,501	24,958
SC 14T	Non-Residential Agg Transp	\$ 1,674	\$ 1,073	\$ 771	\$ 717	\$ 912	\$ 1,326	\$ 2,090	\$ 2,947	\$ 3,359	\$ 3,463	\$ 3,064	\$ 2,465	23,862
SC 1T	Firm Transportation	\$ 693	\$ 595	\$ 531	\$ 543	\$ 606	\$ 635	\$ 718	\$ 769	\$ 801	\$ 803	\$ 786	\$ 720	8,201
SC 5T	Small Firm Transportation	\$ 393	\$ 298	\$ 269	\$ 279	\$ 318	\$ 504	\$ 677	\$ 840	\$ 939	\$ 900	\$ 776	\$ 578	6,770
	Total Non-Residential	\$ 4,402	\$ 3,070	\$ 2,406	\$ 2,351	\$ 2,784	\$ 3,740	\$ 5,495	\$ 7,991	\$ 8,637	\$ 8,825	\$ 7,825	\$ 6,263	63,791
<b>RDM REVENUE - TOTAL</b>		\$ 15,267	\$ 11,006	\$ 8,282	\$ 8,245	\$ 10,044	\$ 13,434	\$ 18,938	\$ 23,354	\$ 25,160	\$ 24,825	\$ 22,972	\$ 18,712	200,239

### RATE YEAR USAGE BY SERVICE CLASS (Therms)

Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
SC 1S	Residential Sales	10,294,932	5,493,931	2,647,920	2,558,021	4,394,339	9,945,862	16,760,892	25,037,601	30,272,376	29,635,093	25,617,349	18,106,235	180,764,552
SC 13T	Residential Aggregation Transp	3,075,928	1,556,958	756,084	752,008	1,289,067	2,710,798	4,840,270	7,483,357	8,351,067	8,420,583	7,543,077	5,229,208	52,008,405
	Total Residential	13,370,860	7,050,889	3,404,004	3,310,029	5,683,407	12,656,660	21,601,162	32,520,958	38,623,443	38,055,676	33,160,426	23,335,443	232,772,957
Non-Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
SC 2S	General Sales Service	3,384,838	1,923,210	1,126,704	1,120,547	1,418,723	2,389,786	4,617,695	7,501,814	9,524,269	9,802,942	8,369,159	6,027,036	57,206,723
SC 14T	Non-Residential Agg Transp	3,964,572	2,332,685	1,435,487	1,356,042	1,814,665	3,064,211	5,404,704	8,125,299	9,517,901	9,752,525	8,512,872	6,454,298	61,735,262
SC 1T	Firm Transportation	5,665,563	5,178,790	4,473,224	4,658,233	5,261,950	5,660,389	6,741,417	7,647,758	8,075,932	7,873,544	7,473,997	6,573,075	75,283,873
SC 5T	Small Firm Transportation	1,611,735	1,052,763	875,685	936,267	1,176,329	2,143,651	3,066,005	4,014,520	4,609,303	4,304,684	3,629,245	2,496,168	29,916,357
	Total Non-Residential	14,626,708	10,487,448	7,911,101	8,071,089	9,671,667	13,258,037	19,829,821	27,289,392	31,727,405	31,733,695	27,985,274	21,550,577	224,142,214
<b>RDM USAGE - TOTAL</b>		27,997,568	17,538,337	11,315,104	11,381,118	15,355,073	25,914,697	41,430,984	59,810,350	70,350,848	69,789,371	61,145,700	44,886,020	456,915,171

### RATE YEAR CUSTOMERS BY SERVICE CLASS

Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Average
SC 1S	Residential Sales	185,748	185,076	184,946	185,359	185,508	186,347	186,861	187,425	186,416	187,463	187,478	187,122	186,312
SC 13T	Residential Aggregation Transp	50,477	50,271	50,227	50,318	50,319	50,503	50,602	50,734	51,717	50,779	50,763	50,654	50,614
	Total Residential	236,225	235,347	235,173	235,677	235,827	236,850	237,463	238,159	238,133	238,242	238,241	237,776	236,926
Non-Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Average
SC 2S	General Sales Service	19,050	18,903	18,848	18,814	18,918	19,077	19,244	19,366	19,306	19,389	19,474	19,405	19,150
SC 14T	Non-Residential Agg Transp	11,717	11,655	11,607	11,543	11,444	11,391	11,407	11,437	11,805	11,798	11,766	11,747	11,610
SC 1T	Firm Transportation	92	92	92	92	92	92	92	92	92	92	92	92	92
SC 5T	Small Firm Transportation	374	374	374	374	374	374	374	374	374	374	374	374	374
	Total Non-Residential	31,233	31,024	30,921	30,823	30,828	30,934	31,117	31,269	31,577	31,653	31,706	31,618	31,225
<b>RDM CUSTOMERS</b>		267,458	266,371	266,094	266,500	266,655	267,784	268,580	269,428	269,710	269,895	269,947	269,394	268,151

### RATE YEAR REVENUE PER CUSTOMER BY SERVICE CLASS

Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total Annual RPC Target*
SC 1S	Residential Sales	\$ 45.36	\$ 33.55	\$ 24.89	\$ 24.85	\$ 30.53	\$ 40.89	\$ 56.04	\$ 63.45	\$ 69.44	\$ 66.83	\$ 62.70	\$ 51.84	\$ 571.19
SC 13T	Residential Aggregation Transp	\$ 48.31	\$ 34.34	\$ 25.37	\$ 25.60	\$ 31.73	\$ 41.07	\$ 58.72	\$ 68.41	\$ 69.18	\$ 68.35	\$ 66.81	\$ 54.26	\$ 593.30
	Total Residential	\$ 45.99	\$ 33.72	\$ 24.99	\$ 25.01	\$ 30.79	\$ 40.93	\$ 56.61	\$ 64.51	\$ 69.39	\$ 67.16	\$ 63.58	\$ 52.36	\$ 575.91
Non-Residential:		May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total Annual RPC Target*
SC 2S	General Sales Service	\$ 86.23	\$ 58.41	\$ 44.30	\$ 43.12	\$ 50.14	\$ 66.82	\$ 104.46	\$ 177.35	\$ 183.26	\$ 188.71	\$ 164.27	\$ 128.86	\$ 1,303.30
SC 14T	Non-Residential Agg Transp	\$ 142.86	\$ 92.08	\$ 66.43	\$ 62.10	\$ 79.72	\$ 116.41	\$ 183.26	\$ 257.70	\$ 284.53	\$ 293.55	\$ 260.42	\$ 209.81	\$ 2,055.35
SC 1T	Firm Transportation	\$ 7,536.02	\$ 6,469.78	\$ 5,771.34	\$ 5,905.57	\$ 6,585.61	\$ 6,907.05	\$ 7,801.77	\$ 8,358.94	\$ 8,707.87	\$ 8,732.72	\$ 8,542.99	\$ 7,826.61	\$ 89,146.27
SC 5T	Small Firm Transportation	\$ 1,049.74	\$ 795.81	\$ 718.29	\$ 747.12	\$ 849.30	\$ 1,346.95	\$ 1,810.45	\$ 2,246.89	\$ 2,510.59	\$ 2,406.00	\$ 2,075.32	\$ 1,545.08	\$ 18,101.55
	Total Non-Residential	\$ 140.96	\$ 98.96	\$ 77.80	\$ 76.27	\$ 90.32	\$ 120.90	\$ 176.61	\$ 255.57	\$ 273.52	\$ 278.82	\$ 246.80	\$ 198.09	\$ 2,042.93
<b>RDM REVENUE PER CUSTOMER</b>														

\* Total Annual RPC Target = sum of cumulative monthly revenues divided by average monthly customers for the Rate year.

Rochester Gas and Electric Corporation  
Gas Business  
RDM Targets - Rate Year1  
Revenue (\$000) and Usage (Therms) By Service Class

RATE YEAR REVENUE BY SERVICE CLASS (\$000)

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 1	Residential Sales	\$ 6,902	\$ 5,283	\$ 4,347	\$ 4,261	\$ 4,649	\$ 5,659	\$ 7,693	\$ 10,225	\$ 12,066	\$ 12,376	\$ 11,342	\$ 9,389	\$ 94,191
SC 5	Residential Aggregation Transp	\$ 2,114	\$ 1,613	\$ 1,326	\$ 1,297	\$ 1,413	\$ 1,715	\$ 2,307	\$ 3,046	\$ 3,691	\$ 3,782	\$ 3,465	\$ 2,870	\$ 28,639
Total Residential		\$ 9,015	\$ 6,895	\$ 5,673	\$ 5,558	\$ 6,062	\$ 7,374	\$ 10,000	\$ 13,271	\$ 15,757	\$ 16,158	\$ 14,808	\$ 12,259	\$ 122,830
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 1	General Sales Service	\$ 775	\$ 509	\$ 380	\$ 383	\$ 419	\$ 556	\$ 852	\$ 1,177	\$ 1,447	\$ 1,525	\$ 1,378	\$ 1,118	\$ 10,518
SC 5	Non-Residential Agg Transp	\$ 1,070	\$ 671	\$ 465	\$ 456	\$ 533	\$ 771	\$ 1,133	\$ 1,630	\$ 1,814	\$ 1,929	\$ 1,762	\$ 1,479	\$ 13,711
SC 3	Large Firm Transportation	\$ 775	\$ 721	\$ 680	\$ 679	\$ 723	\$ 833	\$ 921	\$ 972	\$ 1,057	\$ 1,048	\$ 994	\$ 888	\$ 10,291
Total Non-Residential		\$ 2,620	\$ 1,901	\$ 1,525	\$ 1,518	\$ 1,675	\$ 2,159	\$ 2,905	\$ 3,779	\$ 4,318	\$ 4,502	\$ 4,133	\$ 3,484	\$ 34,520
<b>RDM REVENUE - TOTAL</b>		\$ 11,636	\$ 8,796	\$ 7,199	\$ 7,076	\$ 7,736	\$ 9,533	\$ 12,905	\$ 17,051	\$ 20,075	\$ 20,660	\$ 18,941	\$ 15,743	\$ 157,350

RATE YEAR USAGE BY SERVICE CLASS (Therms)

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 1	Residential Sales	13,440,014	7,144,700	3,521,843	3,136,054	4,730,923	8,788,323	16,384,911	26,391,697	33,717,784	34,997,210	30,810,009	23,005,046	206,068,516
SC 5	Residential Aggregation Transp	4,132,652	2,179,873	1,071,075	946,798	1,422,831	2,630,683	4,884,057	7,869,179	10,446,663	10,838,654	9,539,286	7,108,725	63,070,475
Total Residential		17,572,666	9,324,573	4,592,918	4,082,853	6,153,754	11,419,006	21,268,968	34,260,876	44,164,447	45,835,863	40,349,296	30,113,771	269,138,991
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total
SC 1	General Sales Service	2,680,244	1,401,718	784,881	752,589	920,964	1,580,194	3,098,112	4,856,486	6,102,499	6,622,066	5,854,829	4,434,784	39,089,365
SC 5	Non-Residential Agg Transp	4,668,828	2,496,602	1,460,540	1,450,311	1,778,797	3,032,461	5,369,262	8,727,959	9,655,171	10,381,157	9,317,783	7,407,767	65,746,638
SC 3	Large Firm Transportation	10,021,146	8,872,342	7,977,193	7,731,945	8,392,339	10,582,715	12,630,951	14,378,646	16,365,845	16,041,805	14,828,488	12,519,994	140,343,409
Total Non-Residential		17,370,217	12,770,662	10,222,614	9,934,844	11,092,100	15,195,370	21,098,326	27,963,091	32,123,514	33,045,028	30,001,100	24,362,545	245,179,412
<b>RDM USAGE - TOTAL</b>		34,942,883	22,095,235	14,815,532	14,017,697	17,245,853	26,614,376	42,367,294	62,223,967	76,287,960	78,880,892	70,350,396	54,476,316	514,318,402

RATE YEAR CUSTOMERS BY SERVICE CLASS

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Average
SC 1	Residential Sales	219,355	219,063	218,867	218,835	218,938	219,369	219,814	220,225	220,381	220,511	220,499	220,616	219,706
SC 5	Residential Aggregation Transp	66,774	66,685	66,626	66,616	66,647	66,778	66,914	67,039	67,086	67,126	67,122	67,158	66,881
Total Residential		286,130	285,748	285,493	285,451	285,585	286,147	286,727	287,264	287,467	287,637	287,622	287,774	286,587
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Average
SC 1	General Sales Service	13,564	13,455	13,374	13,345	13,348	13,500	13,655	13,731	13,821	13,859	13,854	13,794	13,608
SC 5	Non-Residential Agg Transp	9,599	9,590	9,596	9,585	9,597	9,612	9,639	9,654	9,661	9,665	9,665	9,690	9,629
SC 3	Large Firm Transportation	311	311	311	311	311	311	311	311	311	311	311	305	310
Total Non-Residential		23,474	23,356	23,281	23,242	23,256	23,423	23,605	23,695	23,785	23,831	23,829	23,788	23,547
<b>RDM CUSTOMERS</b>		309,604	309,104	308,773	308,692	308,841	309,570	310,333	310,960	311,252	311,467	311,451	311,562	310,134

RATE YEAR REVENUE PER CUSTOMER BY SERVICE CLASS

Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total Annual RPC Target*
SC 1	Residential Sales	\$ 31.46	\$ 24.11	\$ 19.86	\$ 19.47	\$ 21.23	\$ 25.80	\$ 35.00	\$ 46.43	\$ 54.75	\$ 56.12	\$ 51.44	\$ 42.56	\$ 428.72
SC 5	Residential Aggregation Transp	\$ 31.66	\$ 24.18	\$ 19.91	\$ 19.48	\$ 21.20	\$ 25.68	\$ 34.48	\$ 45.44	\$ 55.02	\$ 56.34	\$ 51.63	\$ 42.73	\$ 428.21
Total Residential		\$ 31.51	\$ 24.13	\$ 19.87	\$ 19.47	\$ 21.23	\$ 25.77	\$ 34.88	\$ 46.20	\$ 54.81	\$ 56.17	\$ 51.48	\$ 42.60	\$ 428.60
Non-Residential:		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	Total Annual RPC Target*
SC 1	General Sales Service	\$ 57.13	\$ 37.81	\$ 28.45	\$ 28.67	\$ 31.40	\$ 41.15	\$ 62.37	\$ 85.75	\$ 104.70	\$ 110.06	\$ 99.43	\$ 81.03	\$ 772.91
SC 5	Non-Residential Agg Transp	\$ 111.50	\$ 69.95	\$ 48.43	\$ 47.59	\$ 55.51	\$ 80.16	\$ 117.50	\$ 168.82	\$ 187.92	\$ 199.62	\$ 182.33	\$ 152.63	\$ 1,424.03
SC 3	Large Firm Transportation	\$ 2,494.28	\$ 2,320.25	\$ 2,188.97	\$ 2,185.63	\$ 2,325.52	\$ 2,681.39	\$ 2,963.67	\$ 3,128.28	\$ 3,401.16	\$ 3,372.67	\$ 3,198.12	\$ 2,910.18	\$ 33,167.41
Total Non-Residential		\$ 111.62	\$ 81.38	\$ 65.52	\$ 65.31	\$ 72.00	\$ 92.19	\$ 123.07	\$ 159.50	\$ 181.54	\$ 188.91	\$ 173.46	\$ 146.47	\$ 1,466.01
<b>RDM REVENUE PER CUSTOMER</b>														

\* Total Annual RPC Target = sum of cumulative monthly revenues divided by average monthly customers for the Rate year.

**Rochester Gas and Electric Corporation**  
**Gas Business**  
**RDM Targets - Rate Year 2**  
**Revenue (\$000) and Usage (Therms) By Service Class**

**RATE YEAR REVENUE BY SERVICE CLASS (\$000)**

<b>Residential:</b>		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Total</u>
SC 1	Residential Sales	\$ 7,189	\$ 5,438	\$ 4,427	\$ 4,333	\$ 4,753	\$ 5,845	\$ 8,044	\$ 10,783	\$ 12,774	\$ 13,108	\$ 11,991	\$ 9,877	\$ 98,561
SC 5	Residential Aggregation Transp	\$ 2,202	\$ 1,660	\$ 1,351	\$ 1,319	\$ 1,445	\$ 1,770	\$ 2,411	\$ 3,209	\$ 3,906	\$ 4,004	\$ 3,662	\$ 3,019	\$ 29,959
	Total Residential	\$ 9,391	\$ 7,099	\$ 5,777	\$ 5,653	\$ 6,197	\$ 7,616	\$ 10,455	\$ 13,992	\$ 16,680	\$ 17,112	\$ 15,653	\$ 12,896	\$ 128,520
<b>Non-Residential:</b>														
SC 1	General Sales Service	\$ 816	\$ 531	\$ 393	\$ 395	\$ 436	\$ 581	\$ 895	\$ 1,240	\$ 1,534	\$ 1,615	\$ 1,458	\$ 1,177	\$ 11,070
SC 5	Non-Residential Agg Transp	\$ 1,133	\$ 709	\$ 487	\$ 478	\$ 560	\$ 814	\$ 1,192	\$ 1,709	\$ 1,911	\$ 2,032	\$ 1,857	\$ 1,553	\$ 14,434
SC 3	Large Firm Transportation	\$ 801	\$ 744	\$ 698	\$ 697	\$ 742	\$ 859	\$ 951	\$ 1,004	\$ 1,100	\$ 1,091	\$ 1,033	\$ 926	\$ 10,646
	Total Non-Residential	\$ 2,750	\$ 1,983	\$ 1,578	\$ 1,570	\$ 1,738	\$ 2,254	\$ 3,038	\$ 3,954	\$ 4,545	\$ 4,738	\$ 4,348	\$ 3,655	\$ 36,150
<b>RDM REVENUE - TOTAL</b>		\$ 12,141	\$ 9,082	\$ 7,355	\$ 7,223	\$ 7,935	\$ 9,870	\$ 13,493	\$ 17,946	\$ 21,224	\$ 21,850	\$ 20,001	\$ 16,551	\$ 164,670

**RATE YEAR USAGE BY SERVICE CLASS (Therms)**

<b>Residential:</b>		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Total</u>
SC 1	Residential Sales	13,499,797	7,176,477	3,537,489	3,149,986	4,751,935	8,827,339	16,457,628	26,508,789	33,867,282	35,152,308	30,946,492	23,106,869	206,982,390
SC 5	Residential Aggregation Transp	4,151,023	2,189,552	1,075,841	951,005	1,429,147	2,642,359	4,905,723	7,904,067	10,493,005	10,886,732	9,581,594	7,140,289	63,350,340
	Total Residential	17,650,820	9,366,029	4,613,330	4,100,991	6,181,082	11,469,698	21,363,352	34,412,857	44,360,287	46,039,040	40,528,086	30,247,158	270,332,730
<b>Non-Residential:</b>														
SC 1	General Sales Service	2,694,841	1,410,354	786,814	755,526	924,640	1,586,135	3,107,635	4,869,970	6,138,765	6,661,445	5,891,580	4,434,784	39,262,490
SC 5	Non-Residential Agg Transp	4,693,675	2,508,541	1,462,320	1,452,211	1,781,670	3,041,771	5,389,968	8,758,827	9,717,573	10,453,467	9,382,380	7,407,767	66,050,169
SC 3	Large Firm Transportation	10,033,012	8,886,648	7,906,915	7,661,407	8,321,239	10,519,554	12,562,211	14,311,509	16,472,316	16,154,233	14,922,191	12,519,994	140,271,228
	Total Non-Residential	17,421,527	12,805,543	10,156,049	9,869,144	11,027,548	15,147,461	21,059,814	27,940,305	32,328,654	33,269,145	30,196,150	24,362,545	245,583,887
<b>RDM USAGE - TOTAL</b>		35,072,347	22,171,572	14,769,379	13,970,135	17,208,630	26,617,159	42,423,165	62,353,162	76,688,941	79,308,185	70,724,236	54,609,703	515,916,616

**RATE YEAR CUSTOMERS BY SERVICE CLASS**

<b>Residential:</b>		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Average</u>
SC 1	Residential Sales	220,329	220,035	219,839	219,807	219,910	220,343	220,790	221,203	221,359	221,490	221,478	221,591	220,681
SC 5	Residential Aggregation Transp	67,071	66,981	66,921	66,912	66,943	67,075	67,211	67,337	67,384	67,424	67,420	67,455	67,178
	Total Residential	287,400	287,017	286,760	286,718	286,853	287,418	288,001	288,540	288,743	288,914	288,899	289,046	287,859
<b>Non-Residential:</b>														
SC 1	General Sales Service	13,688	13,530	13,442	13,369	13,434	13,598	13,695	13,786	13,962	13,984	13,963	13,891	13,695
SC 5	Non-Residential Agg Transp	9,677	9,664	9,656	9,654	9,659	9,678	9,697	9,715	9,722	9,728	9,728	9,765	9,695
SC 3	Large Firm Transportation	305	305	305	305	305	305	305	305	305	305	305	305	305
	Total Non-Residential	23,671	23,500	23,403	23,328	23,398	23,581	23,698	23,806	23,989	24,017	23,996	23,960	23,696
<b>RDM CUSTOMERS</b>		311,071	310,516	310,163	310,046	310,250	310,999	311,698	312,346	312,733	312,931	312,895	313,007	311,555

**RATE YEAR REVENUE PER CUSTOMER BY SERVICE CLASS**

<b>Residential:</b>		<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>Total Annual RPC Target*</u>
SC 1	Residential Sales	\$ 32.63	\$ 24.72	\$ 20.14	\$ 19.71	\$ 21.61	\$ 26.53	\$ 36.43	\$ 48.74	\$ 57.71	\$ 59.18	\$ 54.14	\$ 44.58	\$ 446.62
SC 5	Residential Aggregation Transp	\$ 32.84	\$ 24.79	\$ 20.18	\$ 19.72	\$ 21.58	\$ 26.40	\$ 35.86	\$ 47.66	\$ 57.97	\$ 59.39	\$ 54.32	\$ 44.75	\$ 445.97
	Total Residential	\$ 32.68	\$ 24.73	\$ 20.15	\$ 19.72	\$ 21.60	\$ 26.50	\$ 36.30	\$ 48.49	\$ 57.77	\$ 59.23	\$ 54.18	\$ 44.62	\$ 446.47
<b>Non-Residential:</b>														
SC 1	General Sales Service	\$ 59.63	\$ 39.22	\$ 29.22	\$ 29.56	\$ 32.42	\$ 42.74	\$ 65.34	\$ 89.98	\$ 109.86	\$ 115.51	\$ 104.41	\$ 84.70	\$ 808.32
SC 5	Non-Residential Agg Transp	\$ 117.10	\$ 73.32	\$ 50.47	\$ 49.50	\$ 58.01	\$ 84.06	\$ 122.93	\$ 175.94	\$ 196.53	\$ 208.85	\$ 190.88	\$ 159.03	\$ 1,488.79
SC 3	Large Firm Transportation	\$ 2,624.94	\$ 2,439.62	\$ 2,287.58	\$ 2,284.88	\$ 2,434.35	\$ 2,816.87	\$ 3,117.48	\$ 3,293.05	\$ 3,606.14	\$ 3,576.24	\$ 3,387.83	\$ 3,034.62	\$ 34,903.59
	Total Non-Residential	\$ 116.18	\$ 84.40	\$ 67.42	\$ 67.30	\$ 74.29	\$ 95.58	\$ 128.18	\$ 166.10	\$ 189.44	\$ 197.26	\$ 181.19	\$ 152.54	\$ 1,525.61
<b>RDM REVENUE PER CUSTOMER</b>														

\* Total Annual RPC Target = sum of cumulative monthly revenues divided by average monthly customers for the Rate year.

**Rochester Gas and Electric Corporation**  
**Gas Business**  
**RDM Targets - Rate Year 3**  
**Revenue (\$000) and Usage (Therms) By Service Class**

**RATE YEAR REVENUE BY SERVICE CLASS (\$000)**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Total</u>
<b>Residential:</b>														
SC 1	Residential Sales	\$ 7,534	\$ 5,624	\$ 4,520	\$ 4,418	\$ 4,876	\$ 6,068	\$ 8,468	\$ 11,456	\$ 13,630	\$ 13,994	\$ 12,775	\$ 10,448	\$ 103,811
SC 5	Residential Aggregation Transp	\$ 2,309	\$ 1,717	\$ 1,379	\$ 1,345	\$ 1,482	\$ 1,837	\$ 2,535	\$ 3,406	\$ 4,167	\$ 4,274	\$ 3,901	\$ 3,209	\$ 31,561
Total Residential		\$ 9,843	\$ 7,341	\$ 5,899	\$ 5,763	\$ 6,357	\$ 7,905	\$ 11,004	\$ 14,862	\$ 17,797	\$ 18,267	\$ 16,676	\$ 13,657	\$ 135,373
<b>Non-Residential:</b>														
SC 1	General Sales Service	\$ 862	\$ 556	\$ 407	\$ 411	\$ 455	\$ 611	\$ 946	\$ 1,315	\$ 1,631	\$ 1,716	\$ 1,547	\$ 1,260	\$ 11,717
SC 5	Non-Residential Agg Transp	\$ 1,204	\$ 751	\$ 514	\$ 503	\$ 593	\$ 863	\$ 1,261	\$ 1,801	\$ 2,017	\$ 2,144	\$ 1,960	\$ 1,662	\$ 15,274
SC 3	Large Firm Transportation	\$ 840	\$ 781	\$ 732	\$ 731	\$ 779	\$ 902	\$ 999	\$ 1,055	\$ 1,155	\$ 1,145	\$ 1,085	\$ 972	\$ 11,177
Total Non-Residential		\$ 2,907	\$ 2,088	\$ 1,654	\$ 1,646	\$ 1,827	\$ 2,376	\$ 3,205	\$ 4,170	\$ 4,803	\$ 5,005	\$ 4,593	\$ 3,894	\$ 38,168
<b>RDM REVENUE - TOTAL</b>		\$ 12,750	\$ 9,430	\$ 7,553	\$ 7,409	\$ 8,184	\$ 10,282	\$ 14,209	\$ 19,033	\$ 22,599	\$ 23,273	\$ 21,268	\$ 17,551	\$ 173,541

**RATE YEAR USAGE BY SERVICE CLASS (Therms)**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Total</u>
<b>Residential:</b>														
SC 1	Residential Sales	13,559,518	7,208,220	3,553,134	3,163,918	4,772,947	8,866,354	16,530,345	26,625,881	34,016,779	35,307,566	31,082,974	23,208,797	207,896,434
SC 5	Residential Aggregation Transp	4,169,456	2,199,264	1,080,607	955,211	1,435,463	2,654,036	4,927,390	7,938,956	10,539,348	10,934,651	9,623,902	7,171,748	63,630,035
Total Residential		17,728,974	9,407,484	4,633,742	4,119,129	6,208,410	11,520,390	21,457,735	34,564,837	44,556,127	46,242,217	40,706,877	30,380,545	271,526,468
<b>Non-Residential:</b>														
SC 1	General Sales Service	2,694,841	1,410,354	786,814	755,526	924,640	1,586,135	3,107,635	4,869,970	6,138,765	6,661,445	5,891,580	4,500,545	39,328,251
SC 5	Non-Residential Agg Transp	4,693,675	2,508,541	1,462,320	1,452,211	1,781,670	3,041,771	5,389,968	8,758,827	9,717,573	10,453,467	9,382,380	7,511,700	66,154,102
SC 3	Large Firm Transportation	10,033,012	8,886,648	7,906,915	7,661,407	8,321,239	10,519,554	12,562,211	14,311,509	16,472,316	16,154,233	14,922,191	12,519,994	140,271,228
Total Non-Residential		17,421,527	12,805,543	10,156,049	9,869,144	11,027,548	15,147,461	21,059,814	27,940,305	32,328,654	33,269,145	30,196,150	24,532,239	245,753,581
<b>RDM USAGE - TOTAL</b>		35,150,501	22,213,028	14,789,791	13,988,274	17,235,959	26,667,850	42,517,549	62,505,143	76,884,781	79,511,362	70,903,027	54,912,784	517,280,049

**RATE YEAR CUSTOMERS BY SERVICE CLASS**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Average</u>
<b>Residential:</b>														
SC 1	Residential Sales	221,303	221,008	220,810	220,778	220,882	221,317	221,766	222,181	222,338	222,469	222,457	221,323	221,553
SC 5	Residential Aggregation Transp	67,367	67,277	67,217	67,208	67,239	67,372	67,508	67,635	67,682	67,722	67,719	68,391	67,528
Total Residential		288,670	288,285	288,028	287,986	288,121	288,689	289,274	289,815	290,020	290,191	290,176	289,714	289,081
<b>Non-Residential:</b>														
SC 1	General Sales Service	13,784	13,625	13,536	13,462	13,528	13,693	13,791	13,882	14,060	14,082	14,061	13,830	13,778
SC 5	Non-Residential Agg Transp	9,752	9,739	9,730	9,729	9,733	9,752	9,772	9,791	9,797	9,803	9,803	9,781	9,765
SC 3	Large Firm Transportation	305	305	305	305	305	305	305	305	305	305	305	305	305
Total Non-Residential		23,841	23,669	23,571	23,496	23,566	23,751	23,868	23,977	24,162	24,190	24,169	23,916	23,848
<b>RDM CUSTOMERS</b>		312,511	311,954	311,599	311,481	311,687	312,439	313,142	313,793	314,182	314,381	314,344	313,630	312,929

**RATE YEAR REVENUE PER CUSTOMER BY SERVICE CLASS**

		<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>Total Annual RPC Target*</u>
<b>Residential:</b>														
SC 1	Residential Sales	\$ 34.05	\$ 25.45	\$ 20.47	\$ 20.01	\$ 22.07	\$ 27.42	\$ 38.19	\$ 51.56	\$ 61.30	\$ 62.90	\$ 57.43	\$ 47.21	\$ 468.56
SC 5	Residential Aggregation Transp	\$ 34.27	\$ 25.53	\$ 20.52	\$ 20.02	\$ 22.04	\$ 27.27	\$ 37.56	\$ 50.36	\$ 61.56	\$ 63.10	\$ 57.60	\$ 46.92	\$ 467.38
Total Residential		\$ 34.10	\$ 25.47	\$ 20.48	\$ 20.01	\$ 22.07	\$ 27.38	\$ 38.04	\$ 51.28	\$ 61.36	\$ 62.95	\$ 57.47	\$ 47.14	\$ 468.29
<b>Non-Residential:</b>														
SC 1	General Sales Service	\$ 62.57	\$ 40.79	\$ 30.10	\$ 30.53	\$ 33.60	\$ 44.59	\$ 68.60	\$ 94.70	\$ 116.00	\$ 121.85	\$ 110.06	\$ 91.14	\$ 850.43
SC 5	Non-Residential Agg Transp	\$ 123.47	\$ 77.16	\$ 52.84	\$ 51.75	\$ 60.91	\$ 88.54	\$ 129.00	\$ 183.94	\$ 205.86	\$ 218.71	\$ 199.96	\$ 169.92	\$ 1,564.12
SC 3	Large Firm Transportation	\$ 2,755.05	\$ 2,560.31	\$ 2,400.15	\$ 2,397.82	\$ 2,555.56	\$ 2,958.43	\$ 3,273.90	\$ 3,458.03	\$ 3,786.96	\$ 3,755.63	\$ 3,557.52	\$ 3,186.15	\$ 36,645.51
Total Non-Residential		\$ 121.92	\$ 88.22	\$ 70.16	\$ 70.04	\$ 77.52	\$ 100.06	\$ 134.28	\$ 173.92	\$ 198.77	\$ 206.92	\$ 190.03	\$ 162.83	\$ 1,600.46
<b>RDM REVENUE PER CUSTOMER</b>														

\* Total Annual RPC Target = sum of cumulative monthly revenues divided by average monthly customers for the Rate year.

**New York State Electric & Gas Corporation**  
**Gas Business**  
**Gas Enhancement Performance Incentive:**

Test Year Average Customers	262,661	RY 1 Target	265,170	RY 2 Target	266,598
RY1 Target Customers	<u>265,170</u>	RY 2 Target	<u>266,598</u>	RY 3 Target	<u>268,151</u>
Customer Growth	2,509	Customer Growth	1,428	Customer Growth	1,554
Annualized Customer Growth	1,075	Annualized Customer Growth			
10% Additional Growth	108	10% Additional Growth	143	10% Additional Growth	155

**Incentive Targets - Annualized Growth from Test Year**

1 Basis Point Customer Addition	1,183
2 Basis Point Customer Addition	1,290
3 Basis Point Customer Addition	1,398
4 Basis Point Customer Addition	1,505
5 Basis Point Customer Addition	1,613

**Incentive Targets -RY 2 Growth from RY 1**

1 Basis Point Customer Addition	1,571
2 Basis Point Customer Addition	1,714
3 Basis Point Customer Addition	1,857
4 Basis Point Customer Addition	1,999
5 Basis Point Customer Addition	2,142

**Incentive Targets -RY 3 Growth from RY 2**

1 Basis Point Customer Addition	1,709
2 Basis Point Customer Addition	1,864
3 Basis Point Customer Addition	2,020
4 Basis Point Customer Addition	2,175
5 Basis Point Customer Addition	2,330

**Rochester Gas & Electric Corporation  
Gas Business  
Gas Enhancement Performance Incentive:**

Test Year Average Customers	307,216	RY 1 Target	310,134	RY 2 Target	311,555
RY1 Target Customers	<u>310,134</u>	RY 2 Target	<u>311,555</u>	RY 3 Target	<u>312,929</u>
Customer Growth	2,918	Customer Growth	1,420	Customer Growth	1,374
Annualized Customer Growth	1,251				
10% Additional Growth	125	10% Additional Growth	142	10% Additional Growth	137
<b>Incentive Targets - Annualized Growth from Test Year</b>		<b>Incentive Targets -RY 2 Growth from RY 1</b>		<b>Incentive Targets -RY 3 Growth from RY 2</b>	
1 Basis Point Customer Addition	1,376	1 Basis Point Customer Addition	1,562	1 Basis Point Customer Addition	1,512
2 Basis Point Customer Addition	1,501	2 Basis Point Customer Addition	1,705	2 Basis Point Customer Addition	1,649
3 Basis Point Customer Addition	1,626	3 Basis Point Customer Addition	1,847	3 Basis Point Customer Addition	1,786
4 Basis Point Customer Addition	1,751	4 Basis Point Customer Addition	1,989	4 Basis Point Customer Addition	1,924
5 Basis Point Customer Addition	1,876	5 Basis Point Customer Addition	2,131	5 Basis Point Customer Addition	2,061

**Common Allocation Factors**

**New York State Electric & Gas Corporation**

	<u>Electric</u>	<u>Gas</u>	<u>Applies To</u>
<u>Operations &amp; Maintenance Expenses (A&amp;G)</u>			
Common O&M - A&G	80.39%	19.61%	See Footnote 1
Pension / OPEB	79.61%	20.39%	Pension and OPEB expense; Pension Asset and OPEB Reserve in rate base
Customer Service & Energy Efficiency	77.10%	22.90%	Customer Service, Energy Efficiency, and Low Income accounts and expenses not directly assigned to Electric or Gas
<u>Rate Base</u>			
Plant - Common	80.26%	19.74%	To allocate common plant and depreciation expense
Plant - Common Materials & Supplies / Other	76.07%	23.93%	See Footnote 2

Footnote 1: Examples of Common O&M - A&G include the following:

Other Employee Benefits	Postage
Employee Related	Telephone
Collections	Advertising
Insurance	Rents & Leases
IUMC Costs	Stores
Outside Service Costs	Environmental Remediation
Legal / Regulatory Expense	Security
Transportation	CS Enhancements
Materials & Supplies	Other O&M

Footnote 2: Balance sheet items for rate base: M&S Inventory, Injury & Damage Reserve, Workers Comp Reserve, Prepaid Insurance, Gain/Loss on Reacquired Debt

**Common Allocation Factors**

**Rochester Gas and Electric Corporation**

	<u>Electric</u>	<u>Gas</u>	<u>Applies To</u>
<u>Operations &amp; Maintenance Expenses (A&amp;G)</u>			
Common O&M - A&G	67.55%	32.45%	See Footnote 1
Pension / OPEB	61.40%	38.60%	Pension and OPEB expense; Pension Asset and OPEB Reserve in rate base
Customer Service & Energy Efficiency	54.80%	45.20%	Customer Service, Energy Efficiency, and Low Income accounts and expenses not directly assigned to Electric or Gas
<u>Rate Base</u>			
Plant - Common	71.39%	28.61%	To allocate common plant and depreciation expense
Plant - Common Materials & Supplies / Other	74.15%	25.85%	See Footnote 2

Footnote 1: Examples of Common O&M - A&G include the following:

Other Employee Benefits	Postage
Employee Related	Telephone
Collections	Advertising
Insurance	Rents & Leases
IUMC Costs	Stores
Outside Service Costs	Environmental Remediation
Legal / Regulatory Expense	Security
Transportation	CS Enhancements
Materials & Supplies	Other O&M

Footnote 2: Balance sheet items for rate base: M&S Inventory, Injury & Damage Reserve, Workers Comp Reserve, Prepaid Insurance, Gain/Loss on Reacquired Debt



### **Code of Conduct**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

The Companies will include the language below (for prospective application only) in the Standards of Conduct section of their Code of Conduct. The revised Code of Conduct will be filed with the Secretary to the Commission, as a compliance filing, after approval of the Proposal.

- 1) In the event an affiliate business, or the assets of that business, is sold or otherwise is no longer an affiliate, such non-affiliated company will be allowed to use the same name, trade names, trademarks, service names, service marks or a derivative of a name of DISCO in New York State for a period not exceeding six months, provided that such use is restricted to (i) use of the DISCO logo during the pendency of the transition to new ownership (e.g., vehicle and facility signage) and (ii) educating customers about the sales transaction and the impacts on customers. During that six-month period, DPS Staff will be given the opportunity to preview any communication using DISCO's name or logo that is to be sent from a non-affiliate to DISCO's utility customers in New York. DISCO shall supply a copy of any such communication to DPS Staff in advance of its actual use. DPS Staff and the DISCO will work collaboratively to resolve any disagreement as to the content of the communication and to submit any disputes to the Commission's Alternative Dispute Resolution Process.
- 2) DISCO may license the DISCO's name, trade names, trademarks, service names, service marks, logos or a derivative of a name of DISCO for use in radio, internet or online, movie and/or television productions.
- 3) DISCO may allow industry organizations of which DISCO or its affiliates are members to use the DISCO's name, trade names, trademarks, service names, service marks, logos or a derivative of a name of DISCO.
- 4) DISCO may license the use of the DISCO name, trade names, trademarks, service names, service marks, logos or a derivative of a name of DISCO to a non-affiliate to assist with the marketing of Commission-approved energy efficiency and / or REV-related programs.

## **Compliance and Reporting Requirements in the Proposal**

New York State Electric & Gas Corporation – Electric  
New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Electric  
Rochester Gas and Electric Corporation – Gas

The Companies' compliance and reporting requirements (broken down by month) are set forth below.

### **January**

#### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

#### *Same-Day Reconnection Report*

The Companies will file a report on same-day reconnections for each calendar quarter ("Reconnection Reporting Period"). Each report will be filed with the Secretary to the Commission with copies by electronic mail to interested parties within 30 days after the end of each Reconnection Reporting Period.

#### *Credit Card Transaction Report*

The Companies will report to the Secretary, on a quarterly basis, the monthly totals of credit card transactions.

#### *Low Income Programs*

The Companies will provide quarterly reporting to the Secretary to the Commission on the following Low Income Program components:

- 1) The number of customers enrolled in the Bill Reduction program;
- 2) The number of customers enrolled in the Arrears Forgiveness program;
- 3) The total amount held in arrears for the program;
- 4) The average amount in arrears;
- 5) The aggregate amounts of low-income bill discounts;
- 6) The aggregate amount of arrears forgiven;
- 7) The number of customers who have defaulted off the program; and
- 8) The number of reconnections of low income customers for which the fee was waived and the aggregate amount of reconnection fees waived to date.

### *Service Quality*

Each Company will submit the results of its individual service quality performance quarterly to the Secretary, within 30 days of the close of each quarter. A final report will be submitted for each calendar year within 30 days of the end of the year. The final report will also state whether a revenue adjustment is applicable, and if so, the amount of the revenue adjustment.

### *Reforming the Energy Vision – Energy Smart Community (“ESC”) Project*

A quarterly report will be provided to Staff and interested parties throughout the ESC Project. The report will provide an update on implementation progress and will identify any deviations from the project plan and budget. Key components of the report will include: an executive summary; the status of ESC Project-related AMI; progress since the previous quarter; and milestone status.

### *Gas Expansion Program and Pilot Program Reporting*

The Companies will provide Staff with quarterly status reports during the first two years on the Companies’ Gas Expansion Programs and Pilot Programs and then semi-annually for the following three years. Thereafter, the Companies will provide annual status reports, between 60 and 90 days following the end of the calendar year, which coincides with the filing of the Companies’ annual reports until completion of these programs and / or as modified by the Commission in future rate orders. The status report will include updates on the Neighborhood Expansion Pilot Program, the Community Expansion Pilot Program and the Community Development Fund Pilot Program.

## **February**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

## **March**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### *Capital Expenditure Reporting - Annual Report*

The Companies will provide to Staff and interested parties, on an annual basis, a report on total electric, gas and common expenditures, a detailed status report for each electric capital project over \$1 million and each gas capital project over \$500,000, and for each such project that

experiences a plus or minus 10% cost variation an explanation of the variation. The report will include an explanation for removing or adding capital projects from or to those listed in Appendix P. The Companies will also provide to Staff project justification consistent with the Companies' Capital Investment Prioritization Strategies for newly identified projects. Upon request, the Companies will meet with Staff to review the annual capital expenditure reports, which will be provided to Staff by March 15 of each year.

#### *Electric Distribution Vegetation Management*

By March 15th of each year, the Companies will report to the Secretary to the Commission the prior year distribution vegetation management expenditures and distribution mileage by voltage class. By March 15th of each year (beginning in 2017), the Companies will report to the Secretary to the Commission on the Companies' unit cost based on mileage for regular clearing and the unit cost for non-mileage hot spot / immediate reliability work trimming. The hot spot / immediate reliability unit cost consists of a time and equipment rate. Both unit costs will be determined through a competitive process. The report will segregate any divisions which have met their five-year cycle trim as of the end of calendar 2015.

By March 15th of each year, the Companies will report to the Secretary to the Commission the distribution mileage trimming anticipated for that year by voltage class as calculated utilizing the unit cost and the overall level of allowed vegetation management funding for the current year. The planned level of distribution hot spot expenditures will also be identified. Upon receipt of the Companies' March 15th report, Staff will provide its comments and any recommendations to assist the Companies in balancing reliability benefits against total achievable distribution mileage trimming.

#### *Electric Reliability*

By March 15th of each year, each Company shall file with the Secretary to the Commission a report on electric reliability for the prior calendar year period.

#### *Gas Safety*

By March 15th of each year, each Company shall file with the Secretary to the Commission a report on gas safety performance for the prior calendar year period

#### *Rate Adjustment Mechanism ("RAM") Items*

NYSEG and RG&E shall each measure the deferred regulatory asset and liability balances for the items specified as RAM Eligible Deferrals and Costs as of December 31 for each year. The RAM for each Business shall be identified in a compliance filing submitted to the Secretary to the Commission on March 31 of each year and shall be implemented in rates on July 1 of each year (beginning on July 1, 2017) for collection over the 12 months from July 1 to June 30. Annually, NYSEG and RG&E will submit RAM tariff statements effective on July 1.

### *Outreach and Education*

The Companies will continue to annually file their respective outreach and education plans with the Secretary to the Commission each year and will also continue to provide a copy of each such plan to the Director of the Office of Consumer Services.

### *Code of Conduct*

The Companies will update their Code of Conduct, for prospective application only, with the language set forth in Appendix AA through a compliance filing with the Commission within 90 days after the Commission's issuance of a final order in these proceedings.

## **April**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### *Same-Day Reconnection Report*

The Companies will file a report on same-day reconnections for each calendar quarter. Each report will be filed with the Secretary to the Commission with copies by electronic mail to interested parties within 30 days after the end of each Reconnection Reporting Period.

### *Credit Card Transaction Report*

The Companies will report to the Secretary, on a quarterly basis, the monthly totals of credit card transactions.

### *Low Income Programs*

The Companies will provide quarterly reporting to the Secretary to the Commission on the following Low Income Program components:

- 1) The number of customers enrolled in the Bill Reduction program;
- 2) The number of customers enrolled in the Arrears Forgiveness program;
- 3) The total amount held in arrears for the program;
- 4) The average amount in arrears;
- 5) The aggregate amounts of low-income bill discounts;
- 6) The aggregate amount of arrears forgiven;
- 7) The number of customers who have defaulted off the program; and
- 8) The number of reconnections of low income customers for which the fee was waived and the aggregate amount of reconnection fees waived to date.

### *Service Quality*

Each Company will submit the results of its individual service quality performance quarterly to the Secretary, within 30 days of the close of each quarter.

### *Reforming the Energy Vision –ESC Project*

A quarterly report will be provided to Staff and interested parties throughout the ESC Project. The report will provide an update on implementation progress and will identify any deviations from the project plan and budget. Key components of the report will include: an executive summary; the status of ESC Project-related AMI; progress since the previous quarter; and milestone status.

### *Gas Expansion Program and Pilot Program Reporting*

The Companies will provide Staff with quarterly status reports during the first two years on the Companies' Gas Expansion Programs and Pilot Programs and then semi-annually for the following three years. Thereafter, the Companies will provide annual status reports, between 60 and 90 days following the end of the calendar year, which coincides with the filing of the Companies' annual reports until completion of these programs and / or as modified by the Commission in future rate orders. The status report will include updates on the Neighborhood Expansion Pilot Program, the Community Expansion Pilot Program and the Community Development Fund Pilot Program.

## **May**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

## **June**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### *Gas Customer Growth*

NYSEG and RG&E will provide a report to the Secretary to the Commission identifying their annual customer growth by service class within 45 days of the completion of a Rate Year.

## **July**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### *Revenue Decoupling Mechanism Reporting*

Each Company will file the class-specific RDM surcharge / credit rates with the Commission on not less than 30 days' notice, to be effective August 1st of each year (i.e., by July 2nd of each year).

### *Same-Day Reconnection Report*

The Companies will file a report on same-day reconnections for each calendar quarter. Each report will be filed with the Secretary to the Commission with copies by electronic mail to interested parties within 30 days after the end of each Reconnection Reporting Period.

### *Credit Card Transaction Report*

The Companies will report to the Secretary, on a quarterly basis, the monthly totals of credit card transactions.

### *Low Income Programs*

The Companies will provide quarterly reporting to the Secretary to the Commission on the following Low Income Program components:

- 1) The number of customers enrolled in the Bill Reduction program;
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- 3) The total amount held in arrears for the program;
- 4) The average amount in arrears;
- 5) The aggregate amounts of low-income bill discounts;
- 6) The aggregate amount of arrears forgiven;
- 7) The number of customers who have defaulted off the program; and
- 8) The number of reconnections of low income customers for which the fee was waived and the aggregate amount of reconnection fees waived to date.

### *Service Quality*

Each Company will submit the results of its individual service quality performance quarterly to the Secretary, within 30 days of the close of each quarter.

*Reforming the Energy Vision – ESC Project*

A quarterly report will be provided to Staff and interested parties throughout the ESC Project. The report will provide an update on implementation progress and will identify any deviations from the project plan and budget. Key components of the report will include: an executive summary; the status of ESC Project-related AMI; progress since the previous quarter; and milestone status.

*Gas Expansion Program and Pilot Program Reporting*

The Companies will provide Staff with quarterly status reports during the first two years on the Companies' Gas Expansion Programs and Pilot Programs and then semi-annually for the following three years. Thereafter, the Companies will provide annual status reports, between 60 and 90 days following the end of the calendar year, which coincides with the filing of the Companies' annual reports until completion of these programs and / or as modified by the Commission in future rate orders. The status report will include updates on the Neighborhood Expansion Pilot Program, the Community Expansion Pilot Program and the Community Development Fund Pilot Program.

*Earnings Calculation*

The Companies shall compute and submit to the Secretary to the Commission the ROE for each Business for the preceding calendar year within 90 days following the end of each such Rate Year.

**August**

*Annual Compliance Filing*

The Companies will file annually with the Secretary to the Commission by August 1 of each year their Annual Compliance Filing, which shall include: their ROE report; Incremental Maintenance Report; Gas Research and Development Report; and Low Income Bill Reconciliation Report.

*Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

**September**

*Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.



## **October**

### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### *Same-Day Reconnection Report*

The Companies will file a report on same-day reconnections for each calendar quarter. Each report will be filed with the Secretary to the Commission with copies by electronic mail to interested parties within 30 days after the end of each Reconnection Reporting Period.

### *Credit Card Transaction Report*

The Companies will report to the Secretary, on a quarterly basis, the monthly totals of credit card transactions.

### *Low Income Programs*

The Companies will provide quarterly reporting to the Secretary to the Commission on the following Low Income Program components:

- 1) The number of customers enrolled in the Bill Reduction program;
- 2) The number of customers enrolled in the Arrears Forgiveness program;
- 3) The total amount held in arrears for the program;
- 4) The average amount in arrears;
- 5) The aggregate amounts of low-income bill discounts;
- 6) The aggregate amount of arrears forgiven;
- 7) The number of customers who have defaulted off the program; and
- 8) The number of reconnections of low income customers for which the fee was waived and the aggregate amount of reconnection fees waived to date.

### *Service Quality*

Each Company will submit the results of its individual service quality performance quarterly to the Secretary, within 30 days of the close of each quarter.

### *Reforming the Energy Vision – Energy Smart Community (“ESC”) Project*

A quarterly report will be provided to Staff and interested parties throughout the ESC Project. The report will provide an update on implementation progress and will identify any deviations from the project plan and budget. Key components of the report will include: an executive summary; the status of ESC Project-related AMI; progress since the previous quarter; and milestone status.

### *Gas Expansion Program and Pilot Program Reporting*

The Companies will provide Staff with quarterly status reports during the first two years on the Companies' Gas Expansion Programs and Pilot Programs and then semi-annually for the following three years. Thereafter, the Companies will provide annual status reports, between 60 and 90 days following the end of the calendar year, which coincides with the filing of the Companies' annual reports until completion of these programs and / or as modified by the Commission in future rate orders. The status report will include updates on the Neighborhood Expansion Pilot Program, the Community Expansion Pilot Program and the Community Development Fund Pilot Program.

### **November**

#### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### **December**

#### *Capital Expenditure Reporting – Monthly Variance Reports*

The Companies will file with the Secretary to the Commission, on a monthly basis, variance reports between forecast and actual electric, gas and common capital expenditures.

### **Other**

#### *Gas Delivery Rate Realignment Collaborative*

The Companies will file progress reports with Staff every 90 days after the start of the Gas Delivery Rate Realignment Collaborative through its conclusion. The Companies will also file a final report with Staff 90 days after the conclusion of the collaborative.

#### *Standby Rates Performance-Based Credit*

The Companies will file an annual report with the Secretary to the Commission detailing the number of customers that received the Standby Rates Performance-Based Credit, the number of customers that applied but did not qualify for a credit, the reason(s) for not qualifying (without attribution to individual customers), and the total cost of the credits. The Companies will confer with Staff to determine what, if any, additional information should be included in the annual report.

## **Natural Gas Marketing / Expansion Programs**

New York State Electric & Gas Corporation – Gas  
Rochester Gas and Electric Corporation – Gas

### **Natural Gas Marketing Activities**

NYSEG and RG&E will develop a targeted natural gas marketing program to expand: (1) growth on their existing natural gas systems, including acquiring new customers that do not currently utilize natural gas in their homes or businesses and current customers that do not utilize natural gas for space heating; (2) natural gas main extensions; and (3) new natural gas franchises.

The Companies will develop a branded marketing campaign with a common theme along with specific campaigns for the target areas listed above. Marketing initiatives will include: (1) direct mail campaigns to potential sandwich, non-heat and new main extension / franchise customers; (2) town hall meetings and trade shows; (3) one-on-one contact with potential customers; (4) website enhancements in conjunction with the branded marketing campaign to better educate existing and potential customers on the benefits and cost savings associated with using natural gas, gas safety, how to obtain service, available rebates, financial assistance that might be available from other sources such as NYSERDA, and other pertinent information. Information on available rebates and financing options will be included in customer communication.

The costs of this natural gas marketing program, \$165,093 for NYSEG and \$51,623 for RG&E, are included in base rates.

### **Gas Expansion Pilot Programs**

#### *Neighborhood Expansion Pilot Program (NYSEG)*

NYSEG will continue to implement its Neighborhood Expansion Pilot Program, under which NYSEG will test a density based expansion approach where, if specific criteria are met, there would be no surcharge to customers for gas main extension. Qualifying projects will have an average extension length per potential customer equal to 100 feet or less (e.g., for a 500 foot main extension, there would be at least five potential customers; for a 1,000 foot main extension, there would be at least ten potential customers). If NYSEG receives commitments from at least 60% of the customers that are required under current tariff provisions for a project to not have a surcharge, NYSEG will construct the project with no surcharge.<sup>1</sup>

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<sup>1</sup> For example, current tariff provisions provide a gas main extension allowance of 100 feet per customer. Therefore, a 1,000 foot gas main extension, under current tariff provisions, would require commitments from ten customers for there to be no surcharge. This pilot program would require commitments from only six customers for there to be no surcharge.

*Community Expansion Pilot Program (NYSEG)*

NYSEG will continue to implement its Community Expansion Pilot Program under which NYSEG will test a community expansion approach that will provide a fixed surcharge quote for a project. During the development period for prospective projects, NYSEG will develop a fixed surcharge quote based on a forecast of customers that it anticipates would connect over the ten-year surcharge period for the project. Therefore, potential customers will know the surcharge amount before committing to take natural gas service and will have the option to pay upfront or monthly.

*Community Development Fund Pilot Program (NYSEG and RG&E)*

NYSEG and RG&E will implement a Community Development Fund Pilot Program which will establish a community development fund (“Fund”) dedicated to the expansion of natural gas to communities where either no approved gas franchise exists or where there is an existing approved franchise, but no gas infrastructure (gas main extension). The Fund would match funding provided by local, regional, and / or state agencies to offset the capital costs to construct natural gas infrastructure in a community. This program has the potential to increase the construction of natural gas infrastructure by lowering surcharges to customers and increasing the likelihood that a project will be economically viable by the end of the development period.

This will be a two-year pilot program with a fund of \$300,000 for NYSEG and RG&E, both with a maximum matching fund contribution of \$100,000 per project. Any unspent funds in a given year will be carried forward to the next year throughout the duration of the program. Any funds not spent when the pilot program ends would be returned to customers through a reconciliation mechanism.

*Pilot Program Reporting*

The Companies will provide Staff with quarterly status reports during the first two years on the Companies’ Gas Expansion Pilot Programs and then semi-annually for the following three years. Thereafter, the Companies will provide annual status reports, between 60 and 90 days following the end of the calendar year, which coincide with the filing of the Companies’ annual reports until completion of these programs and / or as modified by the Commission in future rate orders.

**Conversion Rebate Program**

*NYSEG*

NYSEG currently offers a natural gas conversion rebate program to assist homeowners located in Clinton County, New York (NYSEG’s Plattsburgh Division) with the cost of converting from another heating fuel to natural gas. NYSEG will offer a similar rebate program in the remainder of its service territory with rebate levels consistent with the rebate program being offered in Clinton County. Specifically, the rebate levels would be \$800 per installation for converting heating equipment to high-efficiency natural gas equipment from any other fuel

type and an additional \$500 (\$1,300 total) for Home Energy Assistance Program eligible customers. High-efficiency equipment is equipment that would qualify under the Companies' energy efficiency rebate programs. In addition, customers would remain eligible for currently applicable EEPS rebates. The budget to expand NYSEG's Conversion Rebate Program to the remainder of its service territory is \$380,000 per year which is included in base rates.

*RG&E*

RG&E will implement a Conversion Rebate Program throughout its service territory consistent with the NYSEG's rebate program discussed above. The budget for RG&E's Conversion Rebate Program is \$240,000 per year, which is included in base rates.

**Compressed Natural Gas ("CNG") Study**

The Companies will develop a study that evaluates the potential for CNG as a transportation fuel within their respective service territories which shall be completed no later than 18 months from the Commission's issuance of a final order in these proceedings. The budget for a CNG study that encompasses both the NYSEG and RG&E service territories is \$50,000 for NYSEG and \$50,000 for RG&E, which are included in base rates.