

PSC No: 18 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: October 2, 2009
Issued in compliance with order in Case 09-E-0228 issued and effective September 28, 2009

Leaf No. 26.2.1
Revision: 2
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

3. RG&E Fixed Price Option (FPO) (Cont'd)

Interim Reconciliation Adjustment

The NBC as set forth above will be adjusted as described in the Commission's Order in Case 09-E-0228 dated 5/18/09 and 9/28/09.

Each month the Company will examine the forecasted year-end difference between the NBC dollars the Company expects to collect and an updated forecast of NBC dollars. If the expected under- or over-collection exceeds \$10 million for all Service Classifications, an interim reconciliation adjustment will be applied to all customers. Such adjustment will be implemented in the following month.

Any remaining reconciliation that is required for 2009 will be reflected in the calculation of the 2010 NBC.

A Transition Charge – Fixed (TCF) Statement setting forth the annual Residential and Non-Residential Transition Charges will be filed with the Public Service Commission prior to January 1 of each year. Such statement can be found at the end of this Schedule (PSC 18 - Electricity).

Electricity Supply Charge

Effective through December 31, 2008:

Pursuant to RG&E's Electric Rate Joint Proposal, as defined at Rule 12 of Schedule PSC 19 - Electricity, the fixed commodity component of the FPO will be determined each October 1, to be effective January 1 of the upcoming Commodity Rate Period. For an existing customer starting service at a new location or for a new customer after April 1 of any Commodity Rate Period, the fixed commodity component of the FPO will be adjusted every April to reflect any increase in the cost of fixed price service that may have occurred since October 1 of the year preceding each Commodity Rate Period, but in no instance will the adjusted fixed commodity component be lower than the original fixed commodity component.

Effective beginning January 1, 2009:

Pursuant to RG&E's Electric Rate Joint Proposal and the Order modifying Fixed Price Offer Case 03-E-0765, the fixed commodity component of the FPO will be determined after the 20 trading days prior to the final trading day in October, to be effective January 1 of the upcoming Commodity Rate Period.

An FPO Statement setting forth the Fixed Commodity Component of the FPO will be filed with the Public Service Commission prior to January 1 of each year.