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PSC No: 19 - Electricity

Rochester Gas and Electric Corporation

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GENERAL INFORMATION

12. ELECTRICITY SUPPLY PRICING OPTION ENROLLMENTS (Cont'd)

B. Transition Charge (TC, or Non-Bypassable Charge [NBC]) (Cont'd):

- e. The net value of NYPA, Nine Mile 2 and Ginna purchased power contracts. The net value will be based on the actual output and contract costs, and the actual NYISO locational market prices. The value of the NYPA power will be streamed to residential customers served under SC Nos. 1 and 4.
- f. An interim reconciliation adjustment may be applied to the NBC on July 1, 2009 for the period ending May 31, 2009 and again on October 1, 2009 for the period ending August 31, 2009 for interim refunds or surcharges. Interim refunds or surcharges may be required for the purpose of preventing a large over- or under-collection balance accruing and affecting the calculation of the 2010 NBC.

The Company will implement an interim reconciliation adjustment if the difference between the projected costs and recoveries exceeds the actual costs and recoveries related to the NBC by \$5 million.

The fixed TC will be reduced by the amortization of the ASGA as illustrated in Appendix J of RG&E's Electric Rate Joint Proposal.

C. Customer Eligibility Criteria:

Except as specified in this Section 12.C., all customers are eligible to select an electricity supply pricing option during the Enrollment Period.

1. New Customers Applying for Service, or Existing Customers Applying for Service for a New Location:

a. October - December 2004:

Customers applying for service during the period of October 1, 2004 through December 31, 2004 will be subject to the otherwise applicable enrollment rules for the October 1 through December 31, 2004 Enrollment Period.

b. January 2005 - December 2009 and thereafter:

Customers applying for service January 2005 through December 2009 and thereafter, will have 30 days from the date service is initiated to elect an electricity supply pricing option as described above in Section 12.A. If a customer applying for service does not elect an Electricity Supply Pricing Option prior to the time that their first bill is issued, RG&E will bill the customer at the VPO until the customer or its ESCO has contacted RG&E with their rate selection, subject to the 30-day limitation. The selected electricity supply pricing option will be applicable to usage on and after the next meter reading date after RG&E is contacted with that option selection. The selected Electricity Supply Pricing Option will apply for the remainder of that Commodity Rate Period for which the option was selected.

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