PSC No: 19 - Electricity Rochester Gas and Electric Corporation Initial Effective Date: June 26, 2009 Leaf No. 174.1.1 Revision: 1 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 4

RESIDENTIAL SERVICE - TIME-OF-USE RATE (Cont'd)

1. ESCO Price Option (EPO) (Cont'd)

- (e) The net value of NYPA, Nine Mile 2 and Ginna purchased power contracts. The net value will be based on a forecast of the output and contract costs, and the market prices used in the development of the FPO. The value of the NYPA power will be streamed to residential customers as required.
- (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.

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 19 - Electricity).

2. ESCO Option with Supply Adjustment (EOSA)

This Retail Access choice consists of the charges described under Electricity Supply Pricing Option No. 3, RG&E Fixed Price Option (FPO), a Supply Adjustment in the form of a Market Based Backout Credit ("MBBC"), and a Retail Access Credit ("RAC"). The MBBC, as described in Rule 11.C.10 of this Schedule, fluctuates with the market price of electricity and consists of energy, unforced capacity, unforced capacity reserves, losses and unaccounted for energy. The RAC is a fixed credit of \$0.005 per kWh. Electricity supply is provided by an ESCO.

3. RG&E Fixed Price Option (FPO)

This Non-Retail Access choice includes fixed charges for RG&E delivery service, a fixed Transition Charge (TC, as described below), a fixed commodity charge for electricity supply and a Bill Issuance Charge. Electricity supply is provided by RG&E.

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