

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: August 1, 2011
Issued in compliance with Order in Case 09-E-0717 issued and effective May 20, 2011

Leaf No. 246.3
Revision: 4
Superseding Revision: 2

SERVICE CLASSIFICATION NO. 14

STANDBY SERVICE (Cont'd)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS (Cont'd)

3. Hourly Pricing

Mandatory

Hourly Pricing will be phased in and mandatory as follows:

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| January 1, 2007 – | Effective with the first full billing period on or after January 1, 2007 customers with a measured demand of not less than 1,000 kilowatts during any two of the previous 12 months. |
| September 22, 2011 – | Effective with the first full billing period on or after September 22, 2011 customers with a measured demand of not less than 500 kilowatts during any two of the previous 12 months. |
| September 22, 2012 – | Effective with the first full billing period on or after September 22, 2012 all customers whose otherwise applicable service classification is Service Classification No. 8 – Large General Service – Time of Use Rate unless eligible for an exemption. |

Once a customer qualifies for mandatory Hourly Pricing they will remain subject to this provision until the Company determines their contract demand has been 200 KW or less for 12 consecutive months, at which time the customer will be billed under another appropriate service classification.

Voluntary:

Through the customer's billing period ending on or after September 22, 2012, Hourly Pricing is voluntary for any customer who would otherwise qualify for service under Service Classification No. 8 – Large General Service – Time of Use Rate and does not meet the phase in criteria listed above. Once a customer elects Hourly Pricing they will remain on Hourly Pricing.

This Non-Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge ("TC" or Non-Bypassable Charge ["NBC"]) as described in Section 12.B.), a Bill Issuance Charge, and a commodity charge that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, Supply Adjustment Charge, ancillary services and a NYPA Transmission Access Charge (NTAC). Electricity supply is provided by RG&E.

Delivery Rates, are specified in the Delivery Charges section of this Service Classification.

Electricity Supply Charge

Electricity Supply Charge: All kilowatthours, per kilowatthour

Customers served under this provision will be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Genesee Zone adjusted for losses, ancillary services, NTAC, and a Supply Adjustment Charge. Capacity charges will also be based on interval meter data. The DAM LBMP prices will be the initial published DAM LBMP prices acquired by the Company. The customer's bill will not be recalculated if such prices are modified by the NYISO at a later date.

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