Received: 06/15/2006 Status: CANCELLED Effective Date: 10/02/2006

PSC No: 19 - Electricity

Rochester Gas and Electric Corporation

Initial Effective Date: October 2, 2006

Leaf No. 81

Revision: 4

Superseding Revision: 3

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

K. SURCHARGES (Cont'd)

System Benefits Charge (SBC):

Each customer bill for service under the applicable Service Classifications will be increased by multiplying all kilowatthours delivered by the applicable System Benefits Charge rate shown in the System Benefits Charge Statement as mandated by Public Service Commission Order issued January 26, 2001.

Renewable Portfolio Standard Charge (RPS):

Each customer bill for service under the applicable Service Classifications will be increased by multiplying all kilowatthours delivered by the RPS, as mandated by Public Service Commission order issued and effective September 24, 2004, in Case 03-E-0188 – <u>Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard</u>. The RPS charge is contained in the Renewable Portfolio Standard Charge Statement to this Tariff, and is subject to annual reconciliation and will be amended each October 1st, through the term of the program.

L.1 INCREMENTAL LOAD RATE (ILR) PROGRAMS

A. INCREMENTAL LOAD RATE

PURPOSE:

This service is designed to encourage businesses customers to locate or expand their facilities in the Company's service territory.

ELIGIBILITY CRITERIA:

- 1) The ILR Program is available to Prospective or Existing non-residential and non-public authority customers with SIC codes 01-14 (Agriculture, Forestry, Fishing, and Mining), 20-39 (Manufacturing), 50 (Wholesale trade durable goods), 51 (Wholesale trade non-durable goods), 60-67 (Finance, Insurance, and Real Estate) or 73 (Business Services) that add load by constructing a new facility, expending an existing facility, or redeveloping an existing facility that has been vacant for at least six months.
- 2) A Prospective Customer is defined as an applicant
 - i. Whose activities are largely or entirely different in nature from those of the previous customer; or
 - ii. Whose activities are the same as those of a previous customer but who is a different owner of the business, or
 - iii. That will conduct business at a premise where business has not been conducted for at least six months prior to the application for ILR benefits; or
 - iv. That has obtained a business in a bankruptcy liquidation sale from the previous customer
 - v. Who qualifies for service under and in accordance with the provisions of Service Classification Nos. 3, 7, 8 and 9.
- 3) Prospective Customer Any applicant that, (i) satisfies the definition of a Prospective Customer above; and (ii) satisfies the usage thresholds for additional qualifying equipment set forth below, will be deemed an eligible Prospective Customer and receive the ILR incentive, as appropriate, on the entire billed usage in the qualified blocks.
 - Existing Customer Any current customer that (i) satisfies the usage thresholds for additional qualifying equipment set forth below and (ii) does not satisfy the definition of a Prospective Customer above, will be deemed an eligible Existing Customer, entitled to receive an ILR incentive on increased usage in the qualified blocks above a historic monthly base load of usage established before the addition of qualifying equipment
- 4) The eligible Prospective Customer or Existing Customer must add new or additional load of at least 25 kilowatts by constructing a new facility, expanding an existing facility, or redeveloping an existing facility that has been vacant for at least six months.

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