Received: 09/16/2008 Status: CANCELLED Effective Date: 10/01/2008

PSC No: 18 - Electricity

Rochester Gas and Electric Corporation

Initial Effective Date: October 1, 2008

Leaf No. 37.3

Revision: 2

Superseding Revision: 1

Issued in compliance with order in Case 03-E-0765 issued and effective August 28, 2008

SERVICE CLASSIFICATION NO. 2

STREET LIGHTING SERVICE - CUSTOMER-OWNED EQUIPMENT (Cont'd)

4. RG&E Variable Price Option (VPO)

Effective through December 31, 2008:

This Non-Retail Access choice includes fixed charges for RG&E delivery service, a fluctuating Transition Charge (TC, as described below), a commodity charge for electricity supply that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses and unaccounted for energy, and a Bill Issuance Charge. Electricity supply is provided by RG&E.

Effective beginning January 1, 2009:

This Non-Retail Access choice includes fixed charges for RG&E delivery service, a fixed Transition Charge (TC, as described below) a commodity charge for electricity supply that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses and unaccounted for energy, and a Bill Issuance Charge. Electricity supply is provided by RG&E.

RATE: (Per Month)

Delivery Charges:

Energy Delivery Charge, per kWh: 24-hour Burning service \$0.01257 Dusk-to-Dawn service 0.03520 Dusk-to-l:00 a.m. service 0.10139

System Benefits Charge:

All kilowatthours, per kWh

Per SBC Statement

Renewable Portfolio Standard Surcharge

All kilowatthours, per kWh Per RPS Statement, as described in Rule 4

Retail Access Surcharge:

All kWh, per kWh: Per RAS Statement, as described in Rule 4

Bill Issuance Charge \$0.62

Transition Charge ("TC", or Non-Bypassable Charge ["NBC"]):

All customers served under this Service Classification, taking service under the VPO, will be required to pay a Transition Charge, as described under Electricity Supply Pricing Option No. 1, EPO.

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