

PSC No: 19 - Electricity  
Rochester Gas and Electric Corporation  
Initial Effective Date: October 1, 2008  
Issued in compliance with order in Case 03-E-0765 issued and effective August 28, 2008

Leaf No. 174.2.1  
Revision: 0  
Superseding Revision:

#### **SERVICE CLASSIFICATION NO. 4**

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

#### **3. RG&E Fixed Price Option (FPO) (Cont'd)**

The remaining components of the TC will be forecast, subject to annual true-up and established after the 20 trading days prior to the final trading day in October to be effective January 1, 2009, and fixed for the Commodity Rate Period. Thereafter, the remaining components of the TC will be reforecast and established after the 20 trading days prior to the final trading day in October of each subsequent Commodity Rate Period, to be effective January 1 of the next Commodity Rate Period, and fixed for that next Commodity Rate Period:

- (a) Variable costs of RG&E-owned generation,
- (b) Transmission-related costs and revenues, and allocated uncollectible costs associated with electric supply,
- (c) The value of the output of the RG&E-owned generation,
- (d) Ancillary services (excluding Schedule 4 - Energy Imbalance) and New York Power Authority ("NYPA") Transmission Adjustment Charge ("NTAC") costs,
- (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.

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).

#### Electricity Supply Charge

Effective through December 31, 2008:

Pursuant to RG&E's Electric Rate Joint Proposal, as defined at Rule 12, the fixed commodity component of the FPO will be determined each October 1, to be effective January 1 of the upcoming Commodity Rate Period, as defined at Rule 12. For an existing customer starting service at a new location or for a new customer after April 1 of any Commodity Rate Period, the fixed commodity component of the FPO will be adjusted every April to reflect any increase in the cost of fixed price service that may have occurred since October 1 of the year preceding each Commodity Rate Period, but in no instance will the adjusted fixed commodity component be lower than the original fixed commodity component.

Effective beginning January 1, 2009:

Pursuant to RG&E's Electric Rate Joint Proposal and the Order Modifying Fixed Price Offer Case 03-E-0765, as defined at Rule 12, the fixed commodity component of the FPO will be determined after the 20 trading days prior to the final trading day in October to be effective January 1 of the upcoming Commodity Rate Period.

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