

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: October 1, 2008

Leaf No. 234.1.1
Revision: 0
Superseding Revision:

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

SERVICE CLASSIFICATION NO. 12

POWER FOR JOBS (Cont'd)

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

Effective beginning January 1, 2009:

The Transition Charge (TC) is a per kilowatt-hour charge that will recover specific generation and purchased power-related costs net of credits for the value of generation and purchased power controlled by the Company.

Fixed components of the TC include the fixed costs of RG&E owned-generation and generation related regulatory assets.

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).

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 a fixed component for RG&E delivery service, a fixed Transition Charge (TC, as described below), and a fixed commodity charge for electricity supply. Electricity supply is provided by RG&E.

Delivery Charges, Monthly Customer Charge, Monthly Minimum Charge, Retail Access Surcharge, and System Benefits Charge are specified in their respective sections of this Service Classification.

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