

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: January 1, 2005
Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

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SERVICE CLASSIFICATION NO. 14

STANDBY SERVICE (Cont'd)

ELECTRICITY SUPPLY PRICING OPTIONS:

Customers served under this Service Classification must select from two different electricity supply pricing options offered by the Company as described below. RG&E will offer one Retail Access rate choice and one Non-Retail Access rate choice.

The Retail Access choice (see 1 below) is the ESCO Price Option ("EPO"). The Non-Retail Access choice (see 2) is the RG&E Variable Price Option ("VPO").

1. ESCO Price Option (EPO)

This Retail Access choice includes a fixed component for RG&E delivery service, a fluctuating Transition Charge ("TC", or Non-Bypassable Charge ["NBC"] described below), and a Retail Access Credit of \$0.004 per kWh. Electricity supply is provided by an ESCO.

Delivery Rates, System Benefits Charge, and Retail Access Surcharge are specified in the Rates, System Benefits Charge, and Retail Access Surcharge sections, respectively, of this Service Classification.

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

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 and allocated uncollectible costs associated with electric supply.

The remaining components of the TC will be flowed through the TC as actually incurred on a monthly basis, subject to true-up in subsequent months:

- (a) Variable costs of RG&E-owned generation,
- (b) Transmission-related costs and revenues,
- (c) The value of the output of the RG&E-owned generation,
- (d) Ancillary services (excluding Schedule 4 - Energy Imbalance) and NTAC costs will vary and be reconciled on a monthly basis,
- (e) The net value of NYPA, Nine Mile 2 and Ginna purchased power contracts. The net value will be based on the actual output and contract costs, and the actual NYISO locational market prices. The value of the NYPA power will be streamed to residential customers as required.

A Transition Charge – Variable (TCV) Statement setting forth the monthly Residential and Non-Residential Transition Charges will be filed with the Public Service Commission on not less than one (1) day's notice prior to the effective date. Such statement can be found at the end of this Schedule (PSC 19 - Electricity).

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