PSC No: 19 - Electricity Rochester Gas and Electric Corporation Initial Effective Date: January 1, 2005 Leaf No. 85.1 Revision: 0 Superseding Revision:

GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

L.4 EMPIRE ZONE RATES (Cont'd)

BILLING AND PROGRAM BENEFITS

The Company will calculate bills for service supplied under the Empire Zone Rate in accordance with the applicable Special Provision under Service Classification Nos. 3, 7, 8 or 9.

INCREASE IN RATES AND CHARGES

The rates and charges under this rider, including any adjustments, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied the municipality where the customer is taking service.

ELECTRIC SUPPLY PRICING OPTIONS

Empire Zone Rate customers may select one of the following electricity supply pricing options: (1)) ESCO Price Option (EPO), (2) RG&E Variable Price Option (VPO), or (3) RG&E Fixed Price Option (FPO).

ESCO Price Option (EPO)

This Retail Access choice includes a fixed component for RG&E delivery service, a fluctuating Transition Charge for Economic Development ("TC ED", as described below), and a Retail Access Credit of \$0.004 per kWh. Electricity supply is provided by an ESCO.

RG&E Variable Price Option (VPO)

This Non-Retail Access choice includes a fixed component for RG&E delivery service, a fluctuating Transition Charge for Economic Development (TC ED, as described below) and 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. Electricity supply is provided by RG&E.

RG&E Fixed Price Option (FPO)

This Non-Retail Access choice includes a fixed component for RG&E delivery service, a fixed Transition Charge for Economic Development (TC ED, as described below), and a fixed commodity charge for electricity supply provided by RG&E. The fixed commodity charge will be reset on January 1 of each Commodity Rate Period and may be adjusted on April 1 of each Commodity Rate Period, pursuant to RG&E's Electric Rate Joint Proposal; however, the adjusted rate will be applicable only to a customer starting service at a new location after April 1 of any Commodity Rate Period and receiving such service under RG&E's FPO.

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