

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: May 14, 2004
Issued under the authority of the PSC in Case No. 02-E-0551, issued and effective May 7, 2004

Leaf No. 241
Revision: 3
Superseding Revision: 2

SERVICE CLASSIFICATION NO. 14

STANDBY SERVICE (Cont'd) OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO: (Cont'd)

3. Phase-In and/or Designated Technology Exemption of Standby Rates

- a) Existing Customers shall take service under this Service Classification and be subject to a phase-in of these standby service rates, as discussed below, unless they make a one-time election to take service at the full standby service rates, providing thirty (30) days written notice, no later than March 1, 2004. The availability of full standby service rates is subject to the availability of interval metering, if applicable.
- b) Customers whose facilities are placed in service between July 29, 2003 and May 31, 2006, and meet the definitions of both Existing Customers and Designated Technology Customers, will be considered to be Designated Technology Customers for purposes of this section.
- c) Designated Technology Customers whose facilities are placed in service between July 29, 2003 and May 31, 2006, have the option to make a one-time election to be permanently exempt from standby service rates rather than electing the phase-in or full standby service rates upon providing thirty (30) days written notice before commencing operation of the OSG facility; provided, however, that if operation commenced between July 29, 2003 and January 31, 2004, the Customer must make its one-time election by March 1, 2004.
- d) Designated Technology Customers whose facilities are placed in service between June 1, 2006 and January 31, 2011, shall take service under this Service Classification and be subject to the phase-in described below, unless they make a one-time election in writing no less than thirty (30) days before commencing operation of the OSG facility to be billed at full standby service rates.
- e) Existing OSG projects that upgrade by installing designated technology components, or hybrid projects comprised in part of designated technology components, are eligible for the designated technology exemption only for the upgrade components and only if those components are separately metered.

4. Standby Rate Phase-In

During the phase-in, the first four years in which standby rates are effective (February 2004 through January 2008) will continue to be billed at the OASC rates. The final four years of the phase-in will be billed based on the OASC rates, plus a percentage of the difference, if greater than zero, between the standby service rates and the OASC rates, where the percentage will be determined from the table set forth below:

Existing and Designated Technology Customers			
Year	Beginning	Ending	Billed at:
1	February 1, 2004	January 31, 2005	OASC rates
2	February 1, 2005	January 31, 2006	OASC rates
3	February 1, 2006	January 31, 2007	OASC rates
4	February 1, 2007	January 31, 2008	OASC rates
5	February 1, 2008	January 31, 2009	OASC rates plus 25% of bill differential
6	February 1, 2009	January 31, 2010	OASC rates plus 50% of bill differential
7	February 1, 2010	January 31, 2011	OASC rates plus 75% of bill differential
8	February 1, 2011	Ongoing	Standby service rates

CHARACTER OF SERVICE:

Continuous, Alternating Current - 60 cycle; voltage and phase at the Company's option, as available and appropriate for the Customer's requirement.

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