

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: February 1, 2004
In compliance with order in Case 02-E-0551, Establishing Electric Standby Rates, Issued and Effective July 29, 2003

Leaf No. 249
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 14**STANDBY SERVICE (Cont'd)****SPECIAL PROVISIONS:****(a) Demand Metered Customer With Less Than 50 kW of Contract Demand:**

A customer with a Contract Demand of less than fifty (50) kW without interval metering will be billed at the OASC rate. A customer with a Contract Demand of less than fifty (50) kW can choose to be served at the standby rate, provided that the customer pays all one-time and ongoing costs associated with the purchase and installation of an interval meter, and telecommunication equipment as discussed in the "Metering and Communications Requirements" section of this Service Classification.

(b) Small Customer Exclusion:

Small customers, defined as those customers qualifying for service under Service Classification No. 1 – Residential, Service Classification No. 2 - Small General Service, or Service Classification No. 4 – Residential Service – Time-of-Use Rate, will be billed at the OASC rate instead of the Standby Service rate. This exemption will be discontinued on January 1, 2007, or upon the date that one hundred fifty (150) standby customers are billed under this provision, provided, however, that the discontinuance of this exemption shall not affect any customer that received the exemption prior to the date of discontinuance, which customers will continue to receive the exemption until the conclusion of the phase-in described in the "Optional Standby Service Rate Phase-ins is Applicable to" section of this Service Classification.

(c) Power Factor Adjustment:

If the Company determines that the Customer's equipment is so operated that the maximum kilovolt-amperes of lagging reactive demand exceed forty-eight percent (48%) of the maximum kilowatt demand during the billing month, the Customer shall remedy that condition in a manner deemed adequate by the Company, by either:

1. Installing and maintaining at its own expense the power factor corrective equipment deemed necessary by the Company to remedy the condition, or
2. Making a cash contribution of the actual reasonable cost of any power factor corrective equipment installed by the Company on its side of the point of delivery to effect such correction.

(d) Individually Negotiated Contracts:**1. Individual Agreements for Customers Considering Isolation**

RG&E is authorized to offer individually negotiated agreements for Standby Service to customers that may install back-up generation and disconnect their premises from the RG&E system in lieu of taking tariff Standby Service. The customer must document that it can physically, environmentally, and economically isolate from RG&E's grid by installing and operating back-up generation at a lower cost than paying for Standby Service, and that such option is the alternative the customer will select if RG&E does not offer a negotiated rate alternative. At a minimum, the negotiated rate agreement must provide for recovery of RG&E's marginal costs plus a reasonable contribution to RG&E's recovery of its fixed costs. RG&E shall respond to a customer application for a negotiated rate agreement within ninety (90) days of its receipt with a negotiated rate agreement offer or a written explanation for its rejection of the application. Either party may seek from Staff a non-binding resolution of a dispute over the negotiation of such an individual rate agreement. In the event of a conflict between any provision of an agreement negotiated pursuant to this authority and any inconsistent provision of RG&E's Joint Proposal filed April 15, 2003 in Case 02-E-0551 or the standby rate provisions of RG&E's tariff on the same subject, the provision of the negotiated agreement shall take precedence and control.

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