Received: 8/31/2006

August 31, 2006

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brilling, Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 03-E-0188 – Order Regarding Retail Renewable Portfolio Standard
Annual Compliance Filing

Dear Secretary Brilling:

Rochester Gas & Electric Corporation ("RG&E") hereby submits for filing the enclosed tariff statement, effective October 1, 2006, in compliance with the New York Public Service Commission’s ("Commission’s") Order Regarding Retail Renewable Portfolio Standard (“RPS”), in Case 03-E-0188, issued and effective September 24, 2004 (the “Order”). This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

The Order established the 2007 RPS annual collection level for RG&E at $2,922,221. The level of funding is to be collected in rates over a twelve month period commencing three months prior to the applicable calendar year. Ordering Clause 4 also provides that “[a]ny over- or under-collections shall be trued up on an annual basis.”

RG&E began the reconciliation by verifying the amount of revenues the Company collected from October 1, 2005 through July 31, 2006. Subsequently, the Company estimated the amount of revenues the Company will collect from customers for the months of August and September 2006, the remaining months of the twelve month collection period. The Company has projected that it will under-collect $260,217 for the period October 1, 2005 through September 30, 2006.

To calculate the 2007 RPS rate, the projected $260,217 under-collection was added to the 2007 annual RPS target collection amount of $2,922,221, resulting in a 2007 collection requirement of $3,182,438. That amount was then divided by the kWh sales forecast for 2007, resulting in a RPS surcharge of $0.000445 per kWh to become effective October 1, 2006. This surcharge amount is reflected in the attached proposed tariff statement.

An analysis of actual surcharge amounts over- or under-collected in 2006 will be completed and the results of that calculation will be included in the surcharge calculation for 2008.

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Per Ordering Clause 7 of the Order, the requirements of Section 66(12) (b) of the Public Service Law as to newspaper publication of the changes proposed by this filing is waived.

Please direct any questions pertaining to this filing to Dean Schroeder at (585) 771-4700 or to me at (585) 771-4692.

Very truly yours,

Mark O. Marini
Manager, Regulatory and Tariffs
Rate and Regulatory Economics

Enclosures