

August 29, 2007

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

RE: Case 03-E-0765 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service

Case 02-E-0198 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service

Case 03-G-0766 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service

Dear Secretary Brillling:

The enclosed Statements, issued by Rochester Gas and Electric Corporation ("RG&E" or the "Company"), are transmitted for filing in compliance with the Public Service Commission's ("PSC" or "Commission") Order Adopting Provisions of Joint Proposals With Conditions, issued and effective May 20, 2004 in the above-referenced proceedings, and are to become effective September 1, 2007. 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).

TCF Statements

PSC No. 19 – Electricity, Schedule for Electric Service. TCF Statement No. 4
PSC No. 19 – Electricity, Schedule for Electric Service. TCF-A Statement No. 4

Purpose of Filing

The purpose of this filing is to revise the transition charges for residential customers to reflect a continuation of the NYPA Hydrocredit benefit in the calculation of the Fixed Price Option. This filing is made in accordance with the filing letter dated October 4, 2006 for RG&E's 2007 fixed prices that became effective on January 1, 2007.

Overview of Filing

The 2007 residential fixed transition charges that became effective January 1, 2007 reflected the expiration of the Company's hydropower contracts with the New York Power Authority ("NYPA") in August 2007. The NYPA and Company recently agreed to an extension of hydropower deliveries through June 30th, 2008. However, this extension provides for a somewhat lower level of capacity and energy than the original contracts and the contract is subject to cancellation upon 30 days notice by NYPA. Therefore, the Company reserves the right to make

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a further update to the fixed transition charges during 2007 if the contracts are changed prior to the end of the year.

In the October 4, 2006 letter, RG&E stated that if new hydroelectric power contracts were negotiated with NYPA, the 2007 residential fixed transition charges would be lowered to reflect the terms of the new NYPA hydroelectric power contracts.

The revised residential fixed transition charges reflect the benefit of the newly negotiated NYPA hydroelectric contracts through December 31, 2007. The value to customers of this hydroelectric power is \$0.01411 based on forward market prices for the balance of the year. For example, a residential customer using 600 kilowatt-hours monthly will receive a 11.3% reduction on their monthly bill.

The residential variable transition charges will continue to incorporate the benefit of the NYPA hydroelectric power contracts on a monthly basis.

Newspaper Notice

The Company requests that the requirement of § 66(12)(b) of Public Service Law and 16 NYCRR §720-8.1 as to newspaper publication be waived. All customers will be made aware of the change to the 2007 fixed transition charges through a bill message. Energy Service Companies will be notified directly of the change through electronic mail.

Company Contacts

RG&E is serving a copy of this filing to parties electronically. Please direct any questions pertaining to this filing to Susan Morien at (585) 771-4741 or Mark Marini at (585) 771-4692.

Very truly yours,

Mark O. Marini
Manager, Regulatory and Tariffs

Rates and Regulatory Economics
Enclosures

cc: All Active Parties (Via Electronic Mail)