

May 12, 2005

VIA ELECTRONIC FILING

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

RE: Ordinary Tariff Filing of Rochester Gas and Electric Corporation (“RG&E” or the “Company”) to revise pole attachment rental rates for CATV and CLEC attachments

Dear Secretary Brilling:

RG&E is hereby filing the following tariff revisions establishing a new pole attachment rental rate to become effective August 1, 2005, in compliance with the requirements of the New York State Public Service Commission (“PSC” or “Commission”):

PSC No. 19 – Electricity, Schedule for Electric Service
Leaf No. 86.1, Revision 1, Superseding Revision 0
POLE Statement No. 1 – CATV and CLEC Pole Attachments Rate Statement

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).

Leaf No. 86.1 is revised to set forth the Pole Attachment Rental Rate in the new POLE Statement. Enclosed are workpapers supporting the calculation of the new Pole Attachment Rental Rate, in accordance with the Commission's Order Denying Petition for Reconsideration, issued and effective October 1, 2004 in Case No. 03-E-0059, which states in part that “future pole attachment rate filings should include all information referred to and relied on by a utility in justifying its rate.”

The proposed tariff revisions will produce an overall revenue increase of \$11,522, and therefore, under the Commission's Rules of Procedure a hearing, is not required.

The new Pole Attachment Rental Rate is calculated in accordance with the PSC method of applying the FCC formula, and is based on the Company's accounts at calendar year ending December 31, 2004. This rate is the same rate filed by RG&E in accordance with Ordering Clause 2 of the Order Denying Petition, issued and effective January 12, 2005, in Case 04-M-0980.

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Since the new pole attachment rental rate is limited in its application to the cable television companies and competitive local exchange carriers operating in the Company's service territory, RG&E hereby requests that the Commission waive the requirements of Section 66 (12) (b) of the Public Service Law requiring newspaper publication of the changes proposed by the amendments to the tariff.

Please direct any questions pertaining to this filing to Curt Roney at (585) 724-8252.

Very truly yours,

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

Encs.

Cable and Telecom Pole Attachment Rate Calculations (2004 Data)
5/11/2005

Rate per Pole Attachment

| Description | Amount | Source |
|-------------------------------------------|------------|--------------------|
| a) Attachment Space Occupancy | 1 | Default minimum |
| b) Usable Space on an average RG&E Pole | 13.50 | FCC default |
| c) Unusable Space on an average RG&E Pole | 24.00 | FCC default |
| d) Average Pole height | 37.50 | FCC Default |
| e) Net Pole Investment | 56,167,216 | From Calculation 1 |
| f) Total Number of Poles | 150,745 | see Calculation 8 |
| g) Cost per Pole | 373 | = e / f |
| h) Net Cost of Bare pole | 316.71 | = g * .85 |
| i) Carrying Charge Rate | 53.10% | From Calculation 3 |
| j) No. of Attaching entities | 5 | see Calculation 8 |
| k) Current Rate | 11.74 | |

Rate for Cable & TelCom

Rate = *Space Occupied / Usuable Space * Net Cost of Bare Pole * Carrying Charge Rate*

Rate = **12.46**

Cable and Telecom Pole Attachment Rate Calculations (2004 Data)

5/11/2005

| Net Pole Investment | | Calculation 1 |
|-------------------------------|------------|--------------------|
| Description | Amount | Source |
| a) Gross Pole Investment | 85,197,742 | FERC account 364 |
| b) Accumulated depreciation | 23,318,102 | From GL R36400 |
| c) Accumulated deferred taxes | 5,712,424 | From Calculation 2 |
| Net Pole Investment | 56,167,216 | = (a - b - c) |

| Accumulated deferred taxes (Poles) | | Calculation 2 |
|-------------------------------------------------------|---------------|-------------------------------------|
| Description | Amount | Source |
| a) Gross Pole Investment | 85,197,742 | FERC account 364 |
| b) Total Gross Plant (Electric) | 1,230,303,719 | FERC Page 200, Total 3 thru 7, Ln 8 |
| c) % Gross Pole Investment vs Gross Plant | 6.9249% | = a / b |
| d) Total Accumulated Deferred Income Taxes (Electric) | | |
| (d1) ADIT (db acct) | 174,879,176 | FERC Account 190, page 234, Ln8 |
| (d2) ADIT Accel-Amortization liabilities | - | FERC Account 281 page 273, Ln 8 |
| (d3) ADIT Other Property liabilities | 121,100,015 | FERC Account 282 page 275, Ln 2 |
| (d4) ADIT Other liabilities | 136,269,806 | FERC Account 283 page 277, Ln 9 |
| e) Total deferred Taxes | 82,490,645 | = d1 + d2 + d3 + d4 |
| Accumulated deferred taxes (Pole) | 5,712,424 | = d * c |

| Carrying Charge Rate | | Calculation 3 |
|-----------------------------|--------|---------------------|
| Description | Amount | Source |
| a) Administrative Rate | 10.46% | From Calculation 4 |
| b) Maintenance Rate | 7.67% | From Calculation 5 |
| c) Depreciation Rate | 3.70% | From Calculation 6 |
| d) Taxes Rate | 20.01% | From Calculation 7 |
| e) Return Rate | 11.25% | |
| Carrying Charge Rate | 53.10% | = a + b + c + d + e |

Cable and Telecom Pole Attachment Rate Calculations (2004 Data)

5/11/2005

| Administrative Carrying Charge | | | Calculation 4 |
|---------------------------------------------|--------------------------|-------------------------------------|---------------|
| <i>b,c&d including production plant</i> | | | |
| Description | Amount | Source | |
| a) Total General & Administrative Expenses | 74,187,566 | FERC Form 1 Page 323 | |
| b) Gross Plant Investment (Electric) | 1,230,303,719 | FERC Page 200, Total 3 thru 7, Ln 8 | |
| c) Accumulated Depreciation (Electric) | 438,809,526 | FERC Form 1 Page 200 | |
| d) Accumulated Deferred Taxes (Electric) | 82,490,645 | FERC Account 282 page 275, Ln 2 | |
| Administrative Carrying Charge | 10.46% = a / (b - c - d) | | |

| Maintenance Carrying Charge | | | Calculation 5 |
|-----------------------------------------------------------------------|---------------------------|-----------------------------------|---------------|
| Description | Amount | Source | |
| a) Maintenance Account | 9,166,468 | Account 593 Page 322 | |
| b) Pole Investments Acct 364, 365, 369 | | | |
| - Investments in account 364 | 85,197,742 | FERC account 364, Pg 207, Ln59 | |
| - Investments in account 365 | 81,287,031 | FERC account 365, Pg 207, Ln 60 | |
| - Investments in account 369 | 35,152,524 | FERC account 369, Pg 207, Ln 64 | |
| | <hr/> 201,637,297 | | |
| c) Depreciation of Pole Investments in acct 364, 365, 369 | | | |
| - Depr. Pole Investments in acct 364 | 23,318,102 | From GL R36400, Entered in Calc 1 | |
| - Depr. Pole Investments in acct 365 | 27,313,910 | From GL R36500 | |
| - Depr. Pole Investments in acct 369 | 17,962,763 | From GL R36900 | |
| | <hr/> 68,594,775 | | |
| d) Gross Plant (Electric) | 1,230,303,719 | | |
| e) Total Acc.Def. Inc. Taxes (Electric) | 82,490,645 | from Calculation 2 | |
| f) Accumulated Deferred Income Taxes related to account 364, 365, 369 | 13,519,581 | = (b / d) * e | |
| Maintenance Carrying Charge | 7.67% = (a / (b - c - f) | | |

| Depreciation Carrying Charge | | | Calculation 6 |
|-------------------------------------|---------------------|--------------------|---------------|
| Description | Amount | Source | |
| a) Gross Pole Investment | 85,197,742 | FERC Account 364 | |
| b) Net Pole Investment | 56,167,216 | From Calculation 1 | |
| c) Depreciation Rate for Pole | 2.44% | | |
| Depreciation Carrying Charge | 3.70% = (a / b) * c | | |

Cable and Telecom Pole Attachment Rate Calculations (2004 Data)

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| Taxes Carrying Charge | | Calculation 7 |
|--------------------------------------------------|---------------------|-------------------------------------|
| Description | Amount | Source |
| a) Account 408.1 Taxes other than Income Tax | | FERC Account 408.1 From GL |
| - 40811 | 52,428,527 | |
| - 40813 | 22,483,007 | |
| - 408PA | - | |
| | <u>74,911,534</u> | |
| b) Account 409.1 Federal & Other Income tax | | FERC Account 409.1 From GL |
| - 40911 | 64,719,195 | |
| - 40912 | (7,952,878) | |
| - 40913 | 2,761,040 | |
| - 40914 | 772,552 | |
| | <u>60,299,909</u> | |
| c) Account 410.1 Prov. Deferred Income Tax - db. | | FERC Account 410.1 From GL |
| - 41011 | 86,419,236 | |
| - 41012 | 14,020,694 | |
| - 41013 | 3,475,088 | |
| - 41014 | (231,389) | |
| | <u>103,683,629</u> | |
| d) Account 411.4 Investment Tax Credit | - | FERC Account 411.4 From GL |
| e) Account 411.1 Prov. Deferred Income Tax - Cr. | | FERC Account 411.1 From GL |
| - 41111 | (16,837,469) | |
| - 41112 | 3,276,800 | |
| - 41113 | 508,151 | |
| - 41114 | 331,785 | |
| | <u>(12,720,733)</u> | |
| f) Subtotal (a + b + c + d + e) | 226,174,339 | |
| g) Gross Plant Investment (Total Plant) | 1,974,113,062 | FERC Page 200, Total 3 thru 7, Ln 8 |
| h) Accumulated Depreciation (Plant) | 706,969,952 | FERC Account 108, 111, 115 |
| i) Total deferred Taxes (Total Plant) | | |
| (i1) ADIT (Acc Def Inc Tax) | 212,037,537 | FERC Account 190, page 234, Ln18 |
| (i2) ADIT Accel-Amortization liabilities | - | FERC Account 281 page 273, Ln 17 |
| (i3) ADIT Other Property liabilities | 201,288,800 | FERC Account 282 page 275, Ln 9 |
| (i4) ADIT Other liabilities | 147,692,390 | FERC Account 283 page 277, Ln 9 |
| | <u>136,943,653</u> | - i1 + i2 + i3 + i4 |
| j) Net Utility Plant in Service | 1,130,199,457 | g - h - i |
| Taxes Carrying Charge | 20.01% f / j | |

Cable and Telecom Pole Attachment Rate Calculations (2004 Data)

5/11/2005

| Determination of Usable Space | | Calculation 8 |
|----------------------------------------|------------|-----------------|
| Description | | |
| a) Total Poles | 227,886 | |
| b) Sole Owned Poles | 73,603 | |
| c) Joint Owned poles | 154,283 | |
| d) Percent Sole Owned (B / A) | 32.30% | |
| e) Percent Joint Owned (C / A) | 67.70% | |
| f) No. of RG&E Equivalent Poles | 150,744.50 | |
| f) Setting Depth - ft | 6.00 | |
| g) Minimum Attachment Height (ft) | 18.00 | |
| h) Average height of RG&E Pole | 37.17 | |
| i) Unusable Pole Top (5") .42 ft | 0.00 | |
| j) Usable space RG&E Equivalent Pole | 13.17 | = h - f - g - i |
| k) Unusable space RG&E Equivalent Pole | 24.00 | = h - j |
| l) Average number of attachees (Urban) | 5 | |