

May 25, 2004

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

Dear Secretary Brilling:

The enclosed statements, issued by Rochester Gas and Electric Corporation ("RG&E" or the "Company"), are transmitted for filing in compliance with the requirements of the Public Service Commission (PSC) of the State of New York:

P.S.C. No. 16 - Gas

Gas Supply Charge (GSC)	Statement Number 14	Effective: May 28, 2004
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Large Transportation Service Rate Adjustment (LTSR)	Statement Number 5	Effective: June 1, 2004
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Small Transportation Service Rate Adjustment (STSR)	Statement Number 5	Effective: May 28, 2004
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In accordance with the Commission Order, issued and effective May 20, 2004 in Case 03-G-0766, Order Adopting Provisions of Joint Proposals with Conditions, RG&E is initiating the following changes to the GSC statements and workpapers:

1. The Company is renaming its Gas Cost Adjustment (GCA) to Gas Supply Charge (GSC) as required in the Joint Proposal.
2. The Company has implemented a Merchant Function Charge (MFC) applicable to SC No. 1 customers. The MFC is intended to collect \$4.81 million ( 8 months of the annualized \$7.21million) of indirect gas supply costs over remaining sales for the period of May 1, 2004-December 31, 2004. The MFC will be presented on the GSC statement.
3. The GSC includes a Factor of Adjustment (FA) to account for lost and unaccounted for gas and Company use. The FA will be set at 1.0135 and will be modified back to January 1, 2004. The FA factor is also used for balancing purposes to account for losses on the RG&E system.
4. Beginning with this GSC statement, the Average Cost of gas will included a Gas Cost Incentive Mechanism (GCIM) as defined in the Joint Proposal. Under separate cover, the Company will file workpapers delineating the cost and savings associated with the GCIM's.

These rates will continue in effect until there are changes in the cost of gas that require modifications.

Very truly yours,  
ROCHESTER GAS AND ELECTRIC CORPORATION

Mark O. Marini, Department Manager  
Rate and Regulatory Economics

Enclosures