PSC No: 16 - Gas Rochester Gas and Electric Corporation Initial Effective Date: January 1, 2006 Statement Type: DISC Statement No. 2

Purchase of ESCO Accounts Receivable (POR) Discount

Gas accounts receivable will be purchased at a discount off face value of the ESCO receivable.

Discount 1.86%

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