Received: 11/22/2004 Status: CANCELLED Effective Date: 01/01/2005

PSC No: 16 - Gas Statement Type: DISC Rochester Gas and Electric Corporation Statement No. 1

Rochester Gas and Electric Corporation Initial Effective Date: January 1, 2005

Purchase of ESCO Accounts Receivable (POR) Discount

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

Discount 1.99%

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