

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: October 2, 2006

Leaf No. 162
Revision: 4
Superseding Revision: 3

SERVICE CLASSIFICATION NO. 1 (Cont'd)

RESIDENTIAL SERVICE

Delivery Charges (continued):

Renewable Portfolio Standard Charge:

All kilowatthours, per kWh

Per RPS Statement, as described in Rule 4

Retail Access Surcharge:

All kilowatthours, per kWh

Per RAS Statement, as described in Rule 4

Bill Issuance Charge

\$0.62

Transition Charge ("TC", or Non-Bypassable Charge ["NBC"]):

All customers served under this Service Classification, taking service under the VPO, will be required to pay a Transition Charge, as described under Electricity Supply Pricing Option No. 1, EPO.

Electricity Supply Charge:

The charge for electricity supply service under the VPO will fluctuate with the market price of electricity and will include the following components: energy, capacity, capacity reserves, line losses and unaccounted for energy. Customers will be charged for energy based on their class deemed load shape using day-ahead prices. They will be charged for capacity based on their class deemed contribution to peak using the monthly NYISO capacity auction price, including an appropriate adder for capacity reserve responsibility. Customers will be charged for losses, company use and unaccounted for energy by multiplying the energy and capacity costs by a loss factor for their voltage level.

In the event that RG&E determines that it will incur an estimated gain or loss because purchases for these customers were made in the real-time market at prices differing from those in the day-ahead market, RG&E will credit or recover the full amount of the estimated gain or loss through the TC from VPO customers.

MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the monthly Customer Charge as listed for each Electricity Supply Pricing Option.

INCREASE IN RATES AND CHARGES:

All rates and charges under this Service Classification are increased by the applicable effective percentage shown in Rule 4.J. for service supplied within the municipality where the customer is taking service.

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