

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: October 1, 2008
Issued in compliance with order in Case 03-E-0765 issued and effective August 28, 2008

Leaf No. 204.5
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 8

LARGE GENERAL SERVICE - TIME-OF-USE RATE (Cont'd)

SPECIAL PROVISIONS (Cont'd):

13. Hourly Pricing – Mandatory and Voluntary (Cont'd)

ELECTRICITY SUPPLY PRICING OPTIONS AVAILABLE TO CUSTOMERS:

Customers served under this provision must select from two different electricity supply pricing options offered by the Company as described below. RG&E will offer one Retail Access rate choice and one Non-Retail Access rate choice.

The Retail Access choice (see 1 below) is the ESCO Price Option ("EPO"). The Non-Retail Access choice (see 2 below) is the RG&E Hourly Day-Ahead Market Pricing Option ("Hourly Pricing").

RG&E will provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company ("ESCO"). Hourly Pricing customers are free to select ESCO commodity service at any time.

RG&E will provide delivery service and electricity supply service for the Non-Retail Access choice.

A customer who has not chosen an option and for whom RG&E has not received a retail access enrollment from an ESCO will default to Hourly Pricing.

1. ESCO Price Option (EPO)

Effective through December 31, 2008:

This Retail Access choice includes fixed charges for RG&E delivery service, a fluctuating Transition Charge ("TC", or Non-Bypassable Charge ["NBC"] described above and in further detail in General Information Section 12.B.2), and a Retail Access Credit of \$0.004 per kWh. Electricity supply is provided by an ESCO.

Effective beginning January 1, 2009:

This Retail Access choice includes fixed charges for RG&E delivery service, a fixed Transition Charge ("TC", or Non-Bypassable Charge ["NBC"] described below), a Retail Access Credit of \$0.004 per kWh, a Bill Issuance Charge and Meter Charges. Electricity supply is provided by an ESCO.

2. Hourly Day-Ahead Market Pricing Option ("Hourly Pricing")

Effective through December 31, 2008:

This Non-Retail Access choice includes fixed charges for RG&E delivery service, a fluctuating Transition Charge (TC, or NBC as described above and in further detail in General Information Section 12.B.2) a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, capacity, capacity reserves, and unaccounted for energy. Electricity supply is provided by RG&E.

Effective beginning January 1, 2009:

This Non-Retail Access choice includes fixed charges for RG&E delivery service, a fixed Transition Charge (TC, or NBC as described above and in further detail in General Information Section 12.B.2), a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, capacity, capacity reserves, and unaccounted for energy. Electricity supply is provided by RG&E.

Electricity Supply Charge: All kilowatthours, per kilowatthour

Customers served under this provision will be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Genesee Zone adjusted for losses. Capacity charges will also be based on interval meter data. The DAM LBMP prices will be the initial published DAM LBMP prices acquired by the Company. The customer's bill will not be recalculated if such prices are modified by the NYISO at a later date.

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