

PSC No: 16 - Gas

Leaf No. 83.1

Rochester Gas and Electric Corporation

Revision: 1

Initial Effective Date: January 1, 2005

Superseding Revision: 0

Issued in compliance with order in Cases 02-E-0198 and 02-G-0199 dated June 2, 2004

GENERAL INFORMATION**4. METERING AND BILLING (Cont'd)****K.3 EMPIRE ZONE RATE (Cont'd)****ELIGIBILITY CRITERIA: (Cont'd)**

- 2) Prospective Customer - Any applicant that, (i) satisfies the definition of a Prospective Customer above; (ii) is certified by the approved Local Economic Zone Administrator; and (iii) satisfies the usage thresholds for additional qualifying equipment set forth below, will be deemed an eligible Prospective Customer and receive the EZR discount on the entire billed usage in the qualified blocks.

Existing Customer - Any current customer that (i) is certified by the approved Local Economic Zone Administrator and (ii) satisfies the usage thresholds for additional qualifying equipment set forth below, and (iii) does not satisfy the definition of a Prospective Customer above will be deemed an eligible Existing Customer, entitled to receive an EZR discount on increased usage in the qualified blocks above a historic monthly base load of usage established before the addition of qualifying equipment.

USAGE THRESHOLD

The eligible Prospective Customer or Existing Customer must add new or additional equipment for process use rated at 1.0 therms per hour or more, or additional equipment for space conditioning use rated at 2.5 therms per hour or more.

TERM

A qualified customer will be eligible to receive the Empire Zone Rate for no more than ten years from the initial date of New York State eligibility, as stated on their zone certificate, or until a customer's initial certification becomes invalid, whichever comes first. The Company reserves the right to establish a means of periodically verifying the validity of a customer's certificate.

BILLING

The Company will calculate bills for service supplied under the EZR discount in accordance with the applicable Special Provision under Service Classification No. 1 – General Service, Service Classification No. 3 - Large Transportation Service, or Service Classification No. 5 - Small Transportation Service.

GAS SUPPLY CHARGE (GSC)

The rates set forth for Service Classification No. 1 customers under this rider shall be subject to a GSC per therm of gas supplied. The GSC shall be as determined in accordance with Rule 4.H.

MERCHANT FUNCTION CHARGE (MFC)

The customer shall be subject to an MFC, as explained in Rule 4.H. The MFC is provided in the GSC statement, as filed with the Public Service Commission each month.

INCREASE IN RATES AND CHARGES

The rates and charges under this rider, including GSC, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied in the municipality where the customer is taking service.

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