PSC No: 19 - ElectricityLeaf No. 160.17Rochester Gas and Electric CorporationRevision: 2Initial Effective Date: January 1, 2005Superseding Revision: 1Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

GENERAL INFORMATION

11. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

3. Billing:

(a) ESCO/DC Reimbursement:

i. RG&E's reimbursement methodology incorporates only those costs ESCOs/DCs incur as a result of providing service to Customers pursuant to RG&E's General Retail Access. RG&E will reimburse ESCOs/DCs for certain NYISO Ancillary Services, as more particularly described below, and NYPA Transmission Access Charges ("NTAC").

ii. The ESCO/DC Reimbursement consists of :

<u>NYISO Ancillary Services and NYPA Transmission Adjustment Charge (NTAC)</u>: Reimbursement for the NYISO Ancillary Services and NTAC will be calculated by multiplying the ESCO's load in each hour by the NYISO ancillary services charges for Schedule 1 (fixed and variable), 2, 3, 5 and 6 and

NTAC applicable to that hour, and summed over all hours in the calendar month.

iii. Each ESCO/DC is required to pay their NYISO bill in accordance with the NYISO Tariff. An ESCO's/DC's failure to meet this monthly requirement may result in a delay or suspension of future reimbursement funds by RG&E to that ESCO/DC.

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