

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: January 1, 2005
Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

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SERVICE CLASSIFICATION NO. 11 (Cont'd)

GENERAL SERVICE - ECONOMIC DEVELOPMENT (Cont'd)

Option A

The customer will receive a discount of ten percent from the stated energy rates set forth under the Service Classification that would otherwise be applicable, for a period of five years from the date service commences.
or,

Option B

The specific pricing will be stated in an individually negotiated Service Agreement executed for each customer. The charges contained in any negotiated Service Agreement shall be set at a level no lower than the incremental costs the Company incurs plus \$.01 per kWh. The specific charges for service under this Service Classification will be shown in the Service Agreement as stated below.

For contracts negotiated on or after the issuance of an order approving the Joint Proposal on Electric and Natural Gas Economic Development Incentive Programs in Cases 02-E-0198 and 02-G-0199, the minimum contribution to common costs will be equal to fifteen percent of the customer's standard delivery rate, inclusive of the applicable standard non-bypassable charge (transition charge). The charges contained in any negotiated Service Agreement shall be set at a level no lower than the incremental costs the Company incurs plus this minimum contribution.

SYSTEM BENEFIT CHARGE

The rates and charges under this Service Classification are increased by the applicable system benefits charge, as mandated by Public Service Commission Order issued January 26 2001, shown in the System Benefits Charge Statement .

RETAIL ACCESS SURCHARGE (RAS):

Per RAS Statement, as described in Rule 4. All kilowatt hours, per kWh.

ELECTRIC SUPPLY RECONCILIATION MECHANISM (ESR, ALSO CALLED SUPPLY COST ADJUSTMENT):

Per ESR Statement, as described in Rule 4. All kilowatt hours, per kWh.

SERVICE AGREEMENT

Upon 30 days notice to the Company, and upon acceptance of the application by the Company, a customer may qualify for an Individual Service Agreement pursuant to this Service Classification.

The Service Agreement shall contain all terms and conditions necessary for the Company to provide service to the customer, including, but not limited to:

- A. The Term of Service. The negotiated term of the Service Agreement shall be at least 12 months. Contracts offering fixed prices are generally limited to a term of seven years, unless a longer term is approved by the New York State Public Service Commission. Contracts offering prices linked to a particular price or cost index may have longer terms, at the option of the Company and its Customer.
- B. The Character of Service terms.
- C. The Rates and Charges to be paid for service rendered.

(Continued on next leaf)

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