

PSC No: 19 - Electricity  
Rochester Gas and Electric Corporation  
Initial Effective Date: February 6, 2004  
In compliance with order in Case 02-E-0551, Establishing Electric Standby Rates, Issued and Effective July 29, 2003

Leaf No. 240  
Revision: 1  
Superseding Revision: 0

**SERVICE CLASSIFICATION NO. 14****STANDBY SERVICE (Cont'd)****OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO:****1. Existing Customers**

An Existing Customer is defined as a customer operating OSG (including renewable, Combined Heat and Power ("CHP"), and wholesale generators (defined as companies whose primary business is the production of electricity for sale into the wholesale electricity market)) as of January 31, 2003, or who, as of that date:

- a) had commenced construction of an OSG facility;
- b) had been named by the New York State Energy Research and Development Authority ("NYSERDA") as an OSG project grant recipient as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
- c) had been named by NYSERDA as an OSG feasibility study grant recipient, as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
- or
- d) had received a binding, written financial commitment from a lending institution for the construction and installation of an OSG.

To remain qualified as an Existing Customer, a customer under (c) or (d), above, must commence operation of its OSG within two (2) years after the authorization of the NYSERDA feasibility study or the receipt of the binding financial commitment, as applicable.

Such customer will be billed in accordance with a phase-in of these Standby Service rates, which phase-in will be applied to the customer's OASC. In the first four years in which standby rates are effective (February 2004 through January 2008), Existing Customers will continue to be billed at the OASC rates. During the four final years of the phase-in, an Existing Customer will take service under this Service Classification but be billed based on the OASC rates, plus a percentage of the difference, if greater than zero, between the Standby Service rates and the OASC rates, where the percentage will be determined from the table set forth below:

Existing Customers			
Year	Beginning	Ending	Billed at:
1	February 1, 2004	January 31, 2005	OASC rates
2	February 1, 2005	January 31, 2006	OASC rates
3	February 1, 2006	January 31, 2007	OASC rates
4	February 1, 2007	January 31, 2008	OASC rates
5	February 1, 2008	January 31, 2009	OASC rates plus 25% of bill differential
6	February 1, 2009	January 31, 2010	OASC rates plus 50% of bill differential
7	February 1, 2010	January 31, 2011	OASC rates plus 75% of bill differential
8	February 1, 2011	Ongoing	Standby Service rates

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