

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: August 29, 2005

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Revision: 1
Superseding Revision: 0

Issued in compliance with order in Case 03-E-1761 issued and effective April 14, 2005

SERVICE CLASSIFICATION NO. 10 (Cont'd)

RATES:

The specific charges for service under this Service Classification will be stated in the Individual Electric Service Agreement executed for each Customer served hereunder.

DELIVERY RATE

The rate contained in an Individual Electric Service Agreement will, at a minimum, recover the Corporation's marginal costs plus a contribution toward system costs ("Marginal Cost Floor"). The Marginal Cost Floor is defined as:

$$MC_{trans} + MC_{dist} + MC_{ancillary} + NTAC + \text{contribution toward system costs}$$

Where:

MC_{trans} is the Corporation's FERC-approved Transmission Service Charge

MC_{dist} is the Corporation's marginal distribution costs

$MC_{ancillary}$ is the Corporation's system load weighted average of the NYISO ancillary services charges for Schedules 1 (fixed and variable), 2, 3, 5, and 6,

NTAC is the NYPA Transmission Access Charge

Unless an updated marginal cost study is attached to the Individual Electric Service Agreement, the marginal costs that are approved by the PSC for use in the development of the Corporation's Empire Zone Rates ("EZR") rates will be used for determining the Marginal Cost Floor.

COMMODITY RATE

Customer Options:

- The Corporation may provide electric commodity service at the rate for commodity available in the otherwise applicable Service Classification, as amended or superseded; or
- The Corporation will facilitate a Customer's access to market commodity options available from ESCOs by offering the Customer assistance with linking the Customer with an ESCO that will offer, at a minimum, fixed price commodity for a period of at least six months.

If the Customer's pricing objective, as demonstrated by the Customer, cannot be met by a combination of the above delivery and commodity offerings and other economic development offers, the Corporation will evaluate innovative solutions and pursue alternatives in an effort to achieve the Customer's pricing objective, provided that if the Corporation is the provider of the commodity, then the Corporation shall not be required to supply that commodity below cost, the commodity shall not be drawn from the Corporation's existing supply portfolio, and the provision of commodity service shall not result in an economic detriment to all other Customers over the term of the Individual Electric Service Agreement.

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