

June 15, 2006

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brillling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Rochester Gas and Electric Corporation –
Tariff Filing for Proposed Billing System Revisions

Dear Secretary Brillling:

The enclosed tariff leaves, issued by Rochester Gas and Electric Corporation (“RG&E” or “the Company”) are transmitted for filing in compliance with the requirements of the New York State Public Service Commission (“PSC” or “Commission”) and Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H). The leaves are proposed to become effective on October 2, 2006. A listing of the proposed revised tariff leaves is enclosed as Attachment A.

Purpose of the Filing

The purpose of this filing is twofold. First, tariff leaves are filed to modify RG&E’s electric and gas tariff language to conform to the billing specifications of RG&E’s new billing system: Customer Care and Service System (“CCS”). Second, tariff leaves are filed to further unbundle rates for full-service customer bills, in compliance with Ordering Clause No. 1 of the PSC’s Order Directing Submission of Unbundled Bill Formats (“Bill Format Order”), issued February 18, 2005, in Case 00-M-0504. To assist in identifying tariff leaf revisions by category of change, the enclosed Attachment B contains a listing of tariff leaves, sorted by subject.

CCS is scheduled to become operational on October 2, 2006, replacing RG&E’s current Customer Information System (“CIS Plus”). Bills issued after October 2nd will reflect the revised methodologies contained within these revised tariff leaves

The CCS has been designed to be revenue neutral (i.e. produce no significant change in total revenue). Minor changes in revenue may occur as a result of changes in estimating, rounding, proration and truncation within the new CCS as compared with RG&E’s current CIS Plus.

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Details of the Proposed Tariff Leaf Revisions

Unbundling of Charges in Accordance with Bill Format Order

The Bill Format Order requires utilities to develop and submit unbundled bill formats for full-service sales customers during a pending rate proceeding, with an application for a major rate increase or request for a rate case extension, or major revision to billing systems involving bill content and format, whichever occurs at the earliest date. The Company's current bills are substantially unbundled. The further unbundling that's proposed with this filing provides for bill issuance and electric metering charges to be separately stated on full service customer bills. RG&E has not unbundled its charges in the Unbundling Track of Case 00-M-0504 – Proceeding on Motion of the Commission Regarding Provider of Last Resort Responsibilities, the Role of Utilities in Competitive Energy Markets and Fostering Development of Retail Competitive Opportunities – Unbundling Track. Therefore, in accordance with the Bill Format Order, the Company is using back-out credits as proxies for unbundled charges in lieu of calculated cost-based charges for competitive services.

The bill issuance charge has been separately stated on electric and gas tariff leaves within each of the electric, street lighting and gas service classifications. To maintain revenue neutrality for customers and the Company, the customer charges within each service classification have been reduced by a corresponding amount.

The meter ownership, meter service and meter data service charge components of delivery rates have been separately stated in electricity tariffs for non-residential Service Classification Nos. 3, 7, 8, 9 and 14. To maintain revenue neutrality for customers and the Company, the customer charges within the above-stated service classifications have been reduced by a corresponding amount.

RG&E has not filed an unbundled Merchant Function Charge ("MFC") for electricity customers at this time due to rate design, cost of service and customer bill impact concerns. First, the use of the current Retail Access Credit ("RAC") as a proxy for the MFC is not feasible, given the incompatibility of billing units over which the RAC is currently applied and the billing units over which the MFC would be charged. Second, the implementation of an electric MFC will require the redesign of delivery rates. The MFC would be a per kWh charge. In order to maintain revenue neutrality, the increased revenues collected through the MFC would have to be offset by a reduction in another per kWh component within each individual service classification. Many of the service classifications do not have a per kWh charge as part of their current delivery rates, only customer and demand charges. Reducing customer and demand charges, while instituting a usage-based charge, will result in customer bill impacts which could negatively impact customers. Finally, the implementation of an MFC would disrupt the dynamic between the RAC, which is provided to customers moving to Energy Service Companies

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(ESCOs), and the collection of retail access dollars through a Retail Access Surcharge on all customer load, which was carefully crafted in the Company's Electric Rate Joint Proposal, approved by the Commission in Case 03-E-0765 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service.

The PSC addressed the issue of incompatibilities between current rate design and unbundled costs on Page 24 of the Bill Format Order, stating that "once rates are properly unbundled, this problem should no longer exist". The Commission also stated that "If the implementation of unbundled bills precedes actual full rate unbundling, for any reason, the utility should raise this concern when it files its unbundled bill formats and work on a mutually-agreeable solution with Staff and other interested parties." The Company has discussed this issue with Staff. As a result, the Company proposes to maintain the current RAC and RAS as provided for in the Company's approved Electric Rate Joint Proposal, until such time when new rates are set.

RG&E already has in place a MFC for gas full service customers.

Street Lighting and Area Lighting

Street Lighting (PSC 18) kilowatt-hour usage is proposed to be calculated and billed on a monthly basis based on burn hours in the actual billing period, replacing the current method of billing one-twelfth of annual usage. Also, a table of monthly burn hours has been added to the Street Lighting and Outdoor Lighting (SC 6 of PSC 19) tariffs.

Definition of Monthly Billing Period

The definition of a normal billing period for electricity and gas customers is revised from the current range of 28 to 33 days to a proposed range of 25 to 35 days. The wider range will minimize the number of bills that fall outside of the normal range, thereby reducing the number of prorated bills.

Dishonored Check Fee

The dishonored check fee is proposed to be revised to a fixed fee of \$20, as permitted by General Obligations Law Section 5-328, to cover RG&E's bank fees and handling costs associated with dishonored checks.

Waiver Request for Degree Day Proration of the Gas Supply Charge

Leaf 69 of PSC 16 (Gas) is filed to revise the method of prorating the Gas Supply Charge

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("GSC") for a gas customer's heating load. RG&E seeks waiver of Section 720 – 6.5 (c) of 16 NYCRR to permit proration of the GSC's for the heating load of gas heating customers based on degree days rather than the calendar day proration method set forth in 16 NYCRR. Proration of the GSC's for a gas customer's non-heating load will continue to be based on calendar days. Currently, all GSC's are prorated based on the number of days each GSC is in effect during the customer's billing period. Proration based on degree days will provide a more accurate match between the monthly Gas Supply Charges and the quantity of gas used by the gas heating customer within each of the Gas Supply Charge months applicable to the customer's billing period.

Option Enrollment for Multiple Metered Accounts

A tariff revision has been filed to clarify that a customer's rate option selection will be applied to all premises and meters on the customer's account unless the customer requests a different rate option for each premise or meter.

Effective Date of Rate Option When Switching To or From Retail Access

Tariff revisions have been filed to minimize customer and ESCO confusion when a customer has enrolled in a new rate option during the annual enrollment period and is switching to or from retail access. It is proposed that, for a customer whose scheduled meter read for moving to or from retail access will not occur until after January 1, the customer will continue to be billed at their existing rate option until the retail access meter read switch date. This is a proposed change to the current process of moving the customer to the new rate option loop effective January 1, prior to the meter reading effectuating the retail access change.

Outreach and Education

RG&E will carry out a comprehensive outreach and education program for the successful implementation of its new billing system. Communications, training and outreach to customers, ESCOs and other stakeholders will be accomplished through many vehicles, including use of bill inserts and messages, direct mail, presentations and RG&E's website. The Outreach and Education Plan, as required by the Bill Format Order, is also enclosed as Attachment C.

Newspaper Publication & SAPA

In accordance with the requirement of Section 66 (12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 as to newspaper publication, notice of the proposed tariff changes will be published once in each week for four successive weeks in newspapers having general circulation in each customer rate area affected by the proposed changes.

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A State Administrative Procedure Act Notice is enclosed for publication in the State Register.

Company Contact

Please direct any questions pertaining to this filing to Susan Glann at (607) 762-7265 or to me at (585) 771-4692.

Very truly yours,

Mark O. Marini
Manager – Regulatory & Tariffs
Rates & Regulatory Economics

Cc: Rate Case Parties
ESCOs

Rochester Gas & Electric Corporation
Tariff Filing for Proposed Billing System Revisions
List of Proposed Tariff Leaves

PSC No. 16 – Gas, Schedule for Gas Service

Leaf No. 62, Revision 1
Leaf No. 65, Revision 1
Leaf No. 69, Revision 7
Leaf No. 127.29, Revision 5
Leaf No. 128, Revision 5
Leaf No. 129, Revision 6
Leaf 129.1, Revision 2
Leaf No. 130.6, Revision 4
Leaf No. 130.6.1, Revision 1
Leaf No. 133.5, Revision 4
Leaf No. 133.6, Revision 2

PSC No. 18 – Electricity, Schedule for Electric Service - Street Lighting

Leaf No. 10, Revision 3
Leaf No. 11, Revision 3
Leaf No. 15, Revision 1
Leaf No. 18, Revision 1
Leaf No. 19, Revision 1
Leaf No. 24, Revision 1
Leaf No. 26, Revision 6
Leaf No. 26.1, Revision 2
Leaf No. 26.2, Revision 1
Leaf No. 26.3, Revision 2
Leaf No. 26.4, Revision 1
Leaf No. 27, Revision 3
Leaf No. 28, Revision 3
Leaf No. 29, Revision 3
Leaf No. 30, Revision 3
Leaf No. 37, Revision 6
Leaf No. 37.1, Revision 1
Leaf No. 37.2, Revision 1
Leaf No. 37.3, Revision 1
Leaf No. 37.4, Revision 0
Leaf No. 38, Revision 2
Leaf No. 40, Revision 1

Leaf No. 45, Revision 8
Leaf No. 45.1, Revision 2
Leaf No. 45.2, Revision 1
Leaf No. 45.3, Revision 2
Leaf No. 45.4, Revision 0

PSC No. 19 – Electricity, Schedule for Electric Service

Leaf No. 50, Revision 1
Leaf No. 53, Revision 2
Leaf No. 70, Revision 2
Leaf No. 71, Revision 1
Leaf No. 75, Revision 1
Leaf No. 80, Revision 3
Leaf No. 81, Revision 4
Leaf No. 104, Revision 2
Leaf No. 160.25, Revision 5
Leaf No. 160.26, Revision 2
Leaf No. 160.27, Revision 2
Leaf No. 160.29, Revision 2
Leaf No. 160.31, Revision 2
Leaf No. 160.31.1, Revision 0
Leaf No. 160.31.2, Revision 0
Leaf No. 161, Revision 5
Leaf No. 161.1, Revision 3
Leaf No. 161.2, Revision 3
Leaf No. 161.3, Revision 3
Leaf No. 162, Revision 4
Leaf No. 163, Revision 2
Leaf No. 164, Revision 6
Leaf No. 164.1, Revision 3
Leaf No. 164.2, Revision 2
Leaf No. 164.3, Revision 3
Leaf No. 164.4, Revision 1
Leaf No. 166, Revision 6
Leaf No. 166.1, Revision 3
Leaf No. 166.2, Revision 2
Leaf No. 166.3, Revision 3
Leaf No. 166.4, Revision 1
Leaf No. 169, Revision 5
Leaf No. 169.1, Revision 2
Leaf No. 169.1.1, Revision 0
Leaf No. 169.2, Revision 2
Leaf No. 169.3, Revision 0

Leaf No. 170, Revision 1
Leaf No. 174, Revision 8
Leaf No. 174.1, Revision 2
Leaf No. 174.2, Revision 3
Leaf No. 174.3, Revision 3
Leaf No. 175, Revision 2
Leaf No. 176, Revision 4
Leaf No. 187, Revision 5
Leaf No. 187.1, Revision 3
Leaf No. 187.2, Revision 1
Leaf No. 187.3, Revision 2
Leaf No. 187.4, Revision 1
Leaf No. 188, Revision 2
Leaf No. 188.1 Revision 0
Leaf No. 190, Revision 6
Leaf No. 190.1, Revision 3
Leaf No. 190.2, Revision 2
Leaf No. 190.3, Revision 3
Leaf No. 190.4, Revision 1
Leaf No. 193, Revision 6
Leaf No. 193.1, Revision 4
Leaf No. 193.1.1, Revision 0
Leaf No. 193.2, Revision 3
Leaf No. 193.2.1, Revision 0
Leaf No. 194, Revision 6
Leaf No. 194.1, Revision 3
Leaf No. 194.2, Revision 2
Leaf No. 194.3, Revision 3
Leaf No. 195, Revision 4
Leaf No. 195.1, Revision 0
Leaf No. 195.2, Revision 0
Leaf No. 200.2, Revision 1
Leaf No. 204, Revision 1
Leaf No. 205, Revision 5
Leaf No. 205.1, Revision 0
Leaf No. 209, Revision 1
Leaf No. 210, Revision 6
Leaf No. 210.1, Revision 2
Leaf No. 210.2, Revision 3
Leaf No. 210.3, Revision 3
Leaf No. 210.4, Revision 2
Leaf No. 210.5, Revision 0
Leaf No. 213, Revision 5

Leaf No. 213.1, Revision 2
Leaf No. 214, Revision 5
Leaf No. 214.1, Revision 2
Leaf No. 214.1.1, Revision 0
Leaf No. 224, Revision 7
Leaf No. 236, Revision 2
Leaf No. 242, Revision 5
Leaf No. 243, Revision 7
Leaf No. 246, Revision 2
Leaf No. 246.1, Revision 3
Leaf No. 246.2, Revision 2

Attachment B
Rochester Gas and Electric Corporation
Summary of Tariff Leaf Revisions by Subject

PSC Number	Tariff Leaf Number	Section	Subject
16	62	General Information	Billing period
16	65	General Information	Dishonored Payment fee
16	69	General Information	Degree Day Proration for GSC
16	127.29	General Information	Bill Issuance Charge
16	128	SC 1	Bill Issuance Charge
16	129	SC 1	Bill Issuance Charge
16	129.1	SC 1	Bill Issuance Charge
16	130.6	SC 3	Bill Issuance Charge
16	130.6.1	SC 3	Bill Issuance Charge
16	133.5	SC 5	Bill Issuance Charge
16	133.6	SC 5	Bill Issuance Charge
18	10	General Information	Determination of Energy Use, Burn Hours
18	11	General Information	Housekeeping - Added SBC paragraph
18	15	General Information	Housekeeping - Update NYPP language to NYISO
18	18	General Information	Updated Application Form
18	19	General Information	Updated Application Form
18	24	General Information	Updated Application Form
18	26	SC 1	Unbundled EPO
18	26.1	SC 1	Unbundled FPO and EOSA
18	26.2	SC 1	Unbundled FPO and EOSA
18	26.3	SC 1	Unbundled VPO
18	26.4	SC 1	Revise Annual Price to Monthly Price
18	27	SC 1	Revise Annual Price to Monthly Price
18	28	SC 1	Revise Annual Price to Monthly Price
18	29	SC 1	Revise Annual Price to Monthly Price
18	30	SC 1	Determination of Energy Use
18	37	SC 2	Unbundled EPO
18	37.1	SC 2	Unbundled FPO and EOSA
18	37.2	SC 2	Unbundled FPO and EOSA
18	37.3	SC 2	Unbundled VPO
18	37.4	SC 2	Unbundled VPO
18	38	SC 2	Billing kW
18	40	SC 2	Billing Period
18	45	SC 3	Unbundled EPO
18	45.1	SC 3	Unbundled FPO and EOSA
18	45.2	SC 3	Unbundled FPO and EOSA
18	45.3	SC 3	Unbundled VPO
18	45.4	SC 3	Determination of Energy Use
19	50	General Information	Metering
19	53	General Information	Metering
19	70	General Information	Metering
19	71	General Information	Billing period
19	75	General Information	Dishonored Payment fee
19	80	General Information	Unbundled Retail Access Surcharge
19	81	General Information	Unbundled System Benefits Charge/Renewable Portfolio Standard Charge
19	104	General Information	Housekeeping - Update NYPP language to NYISO
19	160.25	General Information	Bill Issuance Charge
19	160.26	General Information	Unbundled Pricing Option descriptions
19	160.27	General Information	Unbundled Pricing Option descriptions
19	160.29	General Information	VYC Enrollment
19	160.31	General Information	VYC Switching on Interim Estimated Reading
19	160.31.1	General Information	VYC Switching on Interim Estimated Reading
19	160.31.2	General Information	VYC Switching on Interim Estimated Reading
19	161	SC 1	Unbundled EPO
19	161.1	SC 1	Unbundled EPO

Attachment B
Rochester Gas and Electric Corporation
Summary of Tariff Leaf Revisions by Subject

19	161.2	SC 1	Unbundled FPO and EOSA
19	161.3	SC 1	Unbundled VPO
19	162	SC 1	Unbundled VPO
19	163		
19	164	SC 2	Unbundled EPO
19	164.1	SC 2	Unbundled FPO and EOSA
19	164.2	SC 2	Unbundled FPO and EOSA
19	164.3	SC 2	Unbundled VPO
19	164.4	SC2	Unbundled VPO
19	166	SC 3	Unbundled EPO
19	166.1	SC 3	Unbundled FPO and EOSA
19	166.2	SC 3	Unbundled FPO and EOSA
19	166.3	SC 3	Unbundled VPO
19	166.4	SC 3	Metering
19	169	SC 3	Unbundled Incentives
19	169.1	SC 3	Unbundled Incentives
19	169.1.1	SC 3	Unbundled Incentives
19	169.2	SC 3	Unbundled Incentives
19	169.3	SC 3	Unbundled Incentives
19	170	SC 3	Metering
19	174	SC 4	Unbundled EPO
19	174.1	SC 4	Unbundled FPO and EOSA
19	174.2	SC 4	Unbundled FPO and EOSA
19	174.3	SC 4	Unbundled VPO
19	175	SC 4	Unbundled VPO
19	176	SC 4	Unbundled VPO
19	187	ODL	Unbundled EPO
19	187.1	ODL	Unbundled FPO and EOSA
19	187.2	ODL	Unbundled FPO and EOSA
19	187.3	ODL	Unbundled VPO
19	187.4	ODL	Unbundled Bill Issuance Charge
19	188	ODL	Unbundled Bill Issuance Charge
19	188.1	ODL	ODL Determination of Energy Use
19	190	SC 7	Unbundled EPO
19	190.1	SC 7	Unbundled FPO and EOSA
19	190.2	SC 7	Unbundled FPO and EOSA
19	190.3	SC 7	Unbundled VPO
19	190.4	SC 7	Metering
19	193	SC 7	Unbundled Incentives
19	193.1	SC 7	Unbundled Incentives
19	193.1.1	SC 7	Unbundled Incentives
19	193.2	SC 7	Unbundled Incentives
19	193.2.1	SC 7	Unbundled Incentives, Metering
19	194	SC 8	Unbundled EPO
19	194.1	SC 8	Unbundled FPO and EOSA
19	194.2	SC 8	Unbundled FPO and EOSA
19	194.3	SC 8	Unbundled VPO
19	195	SC 8	Unbundled VPO
19	195.1	SC 8	Metering
19	195.2	SC 8	Metering
19	200.2	SC 8	Metering
19	204	SC 8	Metering
19	205	SC 8 - RTP	Unbundled VPO
19	205.1	SC 8 - RTP	Metering
19	209	SC 8 - RTP	Metering
19	210	SC 9	Unbundled EPO
19	210.1	SC 9	Unbundled EPO

Attachment B
Rochester Gas and Electric Corporation
Summary of Tariff Leaf Revisions by Subject

19	210.2	SC 9	Unbundled FPO and EOSA
19	210.3	SC 9	Unbundled VPO
19	210.4	SC 9	Unbundled VPO
19	210.5	SC 9	Metering
19	213	SC 9	Unbundled Incentives
19	213.1	SC 9	Unbundled Incentives
19	214	SC 9	Unbundled Incentives
19	214.1	SC 9	Unbundled Incentives
19	214.1.1	SC 9	Unbundled Incentives
19	224	SC 11	Unbundled System Benefits Charge/Renewable Portfolio Standard Charge
19	236	SC 12	Unbundled System Benefits Charge/Renewable Portfolio Standard Charge
19	242	SC 14	Unbundled Standby Rates
19	243	SC 14	Unbundled Standby Rates
19	246	SC 14	Unbundled Standby Rates
19	246.1	SC 14	Unbundled Standby Rates
19	246.2	SC 14	Unbundled Standby Rates

**ROCHESTER GAS & ELECTRIC CORPORATION
2005-2006 REPLACEMENT PROJECT
OUTREACH AND EDUCATION PLAN**

Long Range Goal:

The goal is to replace RG&E's CIS*Plus* with the SAP Customer Care and Service (CCS) system, a highly configurable customer information and billing system.

A new Outage Management process will also be implemented to replace PassCall and the Customer Response System (CRS).

To successfully implement CCS and the new Outage Management process, it is critical to understand all process changes and their impacts. This will allow issues to be addressed proactively resulting in business solutions that can be communicated to stakeholders.

How the Priority Was Set:

RG&E will be filing tariff revisions with the Public Service Commission (PSC) to become effective October 2, 2006. RG&E proposes to modify its electricity and natural gas tariffs to conform to the billing specifications of RG&E's new CCS billing system. Tariffs will also be further unbundled into competitive billing and metering charge components in accordance with the PSC's February 2005 Bill Formats Order. The CCS has been designed to produce no significant change in total revenue.

Tariff schedules affected by the revisions are PSC Nos. 16 – Natural Gas Service, 18 – Electric Street Lighting service and 19 – Electricity Service.

Well-planned communications and training will help RG&E end users understand their roles, new processes, and how to use the system to meet customer and business needs.

Objectives for Plan Year(s):

It is important to communicate pertinent and timely information to our customers, to limit customer confusion, manage call volume in the Customer Relations Center (CRC) and maintain customer satisfaction levels. It is also important to target communications to a host of other stakeholders. Information may be provided using multiple message vehicles including rge.com, IVR, lobby displays, bill inserts, back of envelope messages, bill messages, letters and postcards as necessary.

TARGET	VEHICLE	WHY TARGETED
Key accounts Larger commercial/ Industrial customers	Letter, one-on-one meetings, special Energylines (bill insert)	Customers need to understand the new billing format, changes to Budget Billing service, street lighting, as well as other changes.
Residential and small business customers	Article in Energylines (bill insert) including Spanish version, Web site (rge.com), bill messages, back of envelope messages, bill format explanations, IVR or letters, lobby displays	
(Issues may be identified during realization that need to be communicated to specific customers.)		
TARGET	VEHICLE	WHY TARGETED
ESCOs (and EDI service providers), aggregators	WebEx/Teleconferences, phone	Need to understand the new terminology; changes to EDI, meter numbers, rate categories and rge.com; PoD ID number; and participate in EDI testing.
Direct billing EDI customers	E-mails via mailbox	Changes in billing need to be communicated.
Collection agencies	Letter, e-mails via mailbox, phone	The new system will result in account configuration and numbering differences as well as bill changes.
Payment Agencies	Letter, e-mails via mailbox, phone	The new system will result in changes to the RG&E bill stub and the file transfer process will change.

TARGET	VEHICLE	WHY TARGETED
rge.com On-line Electronic Bill Presentment and Payment Service Customers (RG&E EBPP via Chase with new service Provided by KUBRA)	rge.com, e-mails	New login ID and password; EDI changes.
Third Party Billing Aggregation	Letter with attachments	The new system will result in account configuration and number differences as well as billing changes.

New Program:

Replacement of RG&E's CIS *Plus* with the SAP Customer Care and Service (CCS) system.

Evaluation/Feedback:

Input from customers and end users has been/will continue to be solicited via a variety of ways both before and after go live to help identify and resolve gaps in current vs. future business processes.