

January 29, 2004

VIA ELECTRONIC FILING

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

Re: Case No. 02-E-0551 - RG&E's Tariff Filing to Establish New Rates,  
Terms and Conditions for the Provision of Electric Standby Service.

Dear Secretary Brillong:

The enclosed tariff leaves, issued by Rochester Gas & 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").

PSC No.19 – Electricity, Schedule for Electric Service

Leaf No. 240, Revision 2  
Leaf No. 241, Revision 2  
Leaf No. 244, Revision 1

PSC No.20 – Electricity, Schedule for Electric Distribution Service

Leaf No. 177.4, Revision 2  
Leaf No. 177.5, Revision 1  
Leaf No. 177.6, Revision 1

Effective: February 1, 2004.

Today's filing is in compliance with the Commission's Order Directing Modifications to Standby Service Tariffs, issued January 23, 2004 in Case No. 02-E-0551 (the "January Order").

**Existing Customer Eligibility**

In accordance with the January Order, RG&E revised its tariff to clarify that a NYSERDA funded recipient as of January 31, 2003, must commence operation of its On-Site Generating facilities ("OSG") by May 31, 2006 to remain qualified as an Existing Customer.

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### **Phase-in**

RG&E's tariff is also updated to eliminate the five-year phase-in for Designated Technology Customers. Instead, like Existing Customers, the revised tariff now provides that Designated Technology Customers, who would not otherwise qualify as an Existing Customer, will have the option to choose between going immediately to full Standby Rates or participating in the eight-year phase-in. To take full Standby Service Rates, a Designated Technology Customer who would not otherwise qualify as an Existing Customer must make that one-time election in writing to the Company 30 days prior to commencing Standby Service. Otherwise, the Designated Technology Customer would be subject to the phase-in and would join the phase-in (in progress) for the remainder of the eight-year period.

### **Exemption**

A permanent exemption from RG&E's Standby Service is available to a Designated Technology Customer, who would not otherwise qualify as an Existing Customer, if such customer's facility were placed in-service between February 1, 2004, and May 31, 2006. The customer must make the election to be permanently exempt in writing, thirty (30) days prior to commencing standby service. Existing OSG projects that upgrade by installing Designated Technology components, or hybrid projects partially comprised of Designated Technology components, are eligible for the Designated Technology exemption only for the upgraded Designated Technology components, and only if those components are separately metered.

Finally, if a Designated Technology Customer came on-line between the dates of July 29, 2003 and February 1, 2004, such a customer must make the election to be permanently exempt no later than March 1, 2004.

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### **Efficient CHP Criteria**

This filing provides criteria established in the January Order that small, efficient Combined Heat and Power (“CHP”) facilities must meet to become eligible for the rate options. The criteria include efficiency, environmental emissions standards, size limit and methods for measuring and calculating compliance with the CHP criteria.

### **Miscellaneous Tariff Changes**

In accordance with the January Order, RG&E has also modified its Standby Service tariff regarding the Term of Service. Effective February 1, 2004, a customer may terminate Standby Service upon giving RG&E a 60-day notice of termination (a 90-day notice was previously proposed).

### **Conclusion**

In accordance with Ordering Clause 2 of the January Order, newspaper publication of the proposed tariff amendments has been waived.

RG&E is E-mailing a copy of today’s filing to all parties. Please direct any questions pertaining to this filing to Curt Roney at (585)724-8252, or me at (585)771-4692.

Very truly yours,

Mark O. Marini  
Manager – Regulatory Affairs

Cc: All active parties  
Encs.