

September 24, 2010

VIA ELECTRONIC FILING

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

Re: Case 09-E-0717 and Case 09-G-0718 – Rochester Gas and Electric Corporation –  
Electric and Gas Rates – Compliance Filing

Dear Secretary Brillling:

The enclosed tariff leaves and statements, issued by Rochester Gas and Electric Corporation (“RG&E” or “the Company”), are being transmitted for filing in compliance with the New York State Public Service Commission Order Establishing Rate Plan (“Order”), issued and effective September 21, 2010 in the above-referenced proceedings. This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) of the New York State Public Service Commission’s (“PSC” or “Commission”) Codes, Rules and Regulations (16 NYCRR Appendix 7-H). Appendix A sets forth a list of the revised tariff leaves and statements pertaining to the following Schedules:

PSC No. 16 – Gas  
PSC No. 18 – Electricity  
PSC No. 19 – Electricity

The purpose of this filing is to effectuate the electric and gas rate changes, as well as the other requirements of the Order. The tariffs and statements are filed to become effective on September 26, 2010. The amendments are summarized below. Further details can be found in the Joint Proposal (“JP”) and associated Appendices in the Order.

Base Delivery Rates

The base delivery rates effective September 26, 2010, September 1, 2011 and September 1, 2012 are set forth in Appendix T to the JP. Appendix S of the JP contains descriptions of the rate design changes associated with electric customer or gas monthly minimum charges, delivery per kWh charges, delivery per kW charges and delivery per therm charges.

Appendix S also contains several other rate provisions that have been incorporated into the tariffs and/or statements filed herein:

- The Bill Issuance and Payment Processing Charge (“BIPP”) has been converted from a per-meter charge to a per-bill charge.
- Electric competitive meter charges have been updated based on the results of the Embedded Cost of Service study.
- Standby rates have been developed using the methodology set forth in Case 02-E-0551, with one exception: the current customer charges were maintained for Rate Year 1. For Rate Year 2 and Rate Year 3, standby customer charges were increased by the same percentage amount of the otherwise applicable service classification (“OASC”) customer charge. In addition, standby customers will pay the same monthly per kWh transition charge as the standby customers’ OASC.
- Current electric sub-transmission class customers are grandfathered as of 9/26/10 and sub-transmission service will no longer be available to new service locations.
- Based on the results of the Marginal Cost of Service Study, new electric economic development delivery rates have been implemented for Empire Zone Rate (“EZR”) and Incremental Load Rate (“ILR”) customers in the applicable service classifications. For gas, the availability of EZR rates to customers that are located in Empire Zones and qualified for Empire Zone benefits has been discontinued. Existing EZR customers are grandfathered for the remaining term of their incentive.
- Several street lighting modifications have been put into effect, including the grandfathering of Service Classification (“SC”) 3 - Traffic Signal service to existing customers. New traffic signal service will be metered and customers will be served through the PSC No. 19 tariff.
- The payment to SC No. 5 Buy Back service customers is modified to reflect the market value of energy and supply. The SC No. 5 Buy Back tariff has been modified to be consistent with New York State Electric & Gas’ (“NYSEG”) SC No. 10 Buy Back tariff. Similar to NYSEG, the value of the energy purchased from customers under SC No. 5 will price variances between the actual and the scheduled purchases at the NYISO Real Time Locational Based Marginal Pricing. Whether generators are eligible for or have obtained a Point Identification Number from the NYISO will determine the price they are paid under the pricing formula.

#### Electric Non-Bypassable Charge (“NBC”)

Fixed production costs, previously recovered through the NBC, are now included in base delivery rates. The NBC statement filed herein reflects this change.

#### Electric System Benefits Charge (“SBC”)

As set forth in Appendix G to the JP, the base rate component of the electric SBC has been moved to the SBC surcharge. The SBC statement filed herein reflects this change.

#### Merchant Function Charges (“MFC”)

Electric and gas MFCs are computed in accordance with Appendix W to the JP. For gas, separate MFCs have been developed for residential and non-residential customers. For

electric, separate MFCs have been developed for large customers (SC Nos. 3, 7, 8 and 9) and small customers (SC Nos. 1, 2, 4, 6 and streetlighting). Electric and gas MFC statements are filed herein to effectuate the provisions of Appendix W. In addition, the 9/1/10 Gas Supply Charge (“GSC”) statement is filed herein to include the updated MFC. No other changes were made to the 9/1/10 GSC statement.

With the implementation of the electric MFCs the Retail Access Credit (“RAC”) and the Retail Access Surcharge (“RAS”) are eliminated. Accordingly, the RAS statement is also eliminated.

#### Purchase of Receivables (“POR”) discount

Separate POR discount percentages have been developed for electric and gas in accordance with Appendix W to the JP. To provide for a transition to the POR rates, the allocated credit and collections and call center costs will be phased into the POR discount rate over a two-year period. Under the phase-in, customers of ESCOs participating in the POR program will pay the allocated amount of credit and collections and call center costs through a combination of a) an adjustment to the POR discount rate; and b) a separate temporary charge, called the POR Administration Charge. The adjustment to the POR discount rate during the first year of the two-year phase-in will recover 50% of the applicable costs while the POR Administration Charge will recover the remaining 50% of these costs. In the second year, the POR discount rate will recover the full amount of these costs and the POR Administration Charge will expire.

Updated POR discount statements and a new POR Administration Surcharge statement are filed herein.

#### Revenue Decoupling Mechanism (“RDM”)

The Company is implementing a delivery service revenue per class RDM for electric, and a delivery service revenue per customer RDM for gas, for each rate year. The electric service classes subject to the RDM are: SC Nos. 1, 2, 3, 4, 7, 8-Secondary, 8-Substation, 8-Primary, 8-Subtransmission Industrial, 8-Subtransmission Commercial and 9 of PSC No. 19. The gas service classes subject to the RDM are: SC Nos. 1/5 Residential, 1/5 Non-Residential and 3/3HP of PSC No. 16. Monthly RDM targets for September 2013 through December 2013 will be equal to the corresponding month from the prior year. The electric and gas RDM targets for Rate Year 3 will repeat annually until changed by the Commission. Appendix U contains the provisions applicable to the respective RDMs.

Newspaper Publication

Notice of this filing will be published in newspapers and proof of publication shall be filed with the Secretary in accordance with Ordering paragraph four of the Order.

Questions concerning this filing should be directed to Lori Cole at (607) 762-8710, or to me at (585) 771-4692.

Very truly yours,

Mark O. Marini  
Director - Regulatory  
Rates & Regulatory Economics

Enclosures

**Rochester Gas & Electric Corporation**  
**List of Proposed Tariff Leaves**

PSC No. 16 – Gas, Schedule for Gas Service

Leaf No. 2, Revision 10  
Leaf No. 3, Revision 3  
Leaf No. 4.1, Revision 7  
Leaf No. 69, Revision 9  
Leaf No. 70, Revision 9  
Leaf No. 73, Revision 5  
Leaf No. 74, Revision 4  
Leaf No. 75, Revision 5  
Leaf No. 76, Revision 4  
Leaf No. 83, Revision 3  
Leaf No. 84, Revision 1  
Leaf No. 127.4, Revision 4  
Leaf No. 127.29, Revision 7  
Leaf No. 127.44, Revision 5  
Leaf No. 127.45, Revision 4  
Leaf No. 127.46.2, Revision 2  
Leaf No. 127.46.3, Revision 1  
Leaf No. 128, Revision 15  
Leaf No. 129, Revision 8  
Leaf No. 129.1, Revision 5  
Leaf No. 130.1, Revision 3  
Leaf No. 130.5, Revision 4  
Leaf No. 130.6, Revision 7  
Leaf No. 130.6.1, Revision 3  
Leaf No. 130.7, Revision 9  
Leaf No. 130.8, Revision 8  
Leaf No. 130.9, Revision 6  
Leaf No. 133.1, Revision 6  
Leaf No. 133.3, Revision 4  
Leaf No. 133.5, Revision 8  
Leaf No. 133.5.1, Revision 4  
Leaf No. 133.6, Revision 5  
Leaf No. 133.7, Revision 6  
Leaf No. 134, Revision 5  
Leaf No. 134.1, Revision 8  
Leaf No. 134.2, Revision 0  
Leaf No. 134.3, Revision 0  
Leaf No. 144, Revision 3

Leaf No. 145, Revision 4  
Leaf No. 145.1, Revision 0  
Leaf No. 145.2, Revision 0  
Leaf No. 146, Revision 4  
Leaf No. 147, Revision 2  
Leaf No. 147.1, Revision 4  
Leaf No. 147.2, Revision 8  
Leaf No. 147.8, Revision 3  
Leaf No. 147.9, Revision 3  
POR Statement No. 1  
DISC Statement No. 8  
GSC Statement No. 92  
IGSC Statement No. 37  
MCF Statement No. 1

PSC No. 18 – Electricity, Schedule for Electric Service

Leaf No. 3, Revision 3  
Leaf No. 11, Revision 9  
Leaf No. 12, Revision 1  
Leaf No. 26, Revision 10  
Leaf No. 26.1.1, Revision 6  
Leaf No. 26.4, Revision 4  
Leaf No. 27, Revision 8  
Leaf No. 28, Revision 7  
Leaf No. 29, Revision 8  
Leaf No. 30, Revision 8  
Leaf No. 31, Revision 2  
Leaf No. 37, Revision 11  
Leaf No. 37.1.1, Revision 7  
Leaf No. 38, Revision 5  
Leaf No. 39, Revision 5  
Leaf No. 40, Revision 2  
Leaf No. 43, Revision 2  
Leaf No. 45, Revision 13  
Leaf No. 45.1.1, Revision 7  
POR Statement No. 1  
DISC Statement No. 6  
SBC Statement No. 12  
TCV Statement No. 58  
MFC Statement No. 2

PSC No. 19 – Electricity, Schedule for Electric Service

Leaf No. 3, Revision 5  
Leaf No. 4.1, Revision 6  
Leaf No. 53, Revision 5  
Leaf No. 81, Revision 11  
Leaf No. 81.1, Revision 9  
Leaf No. 81.2, Revision 4  
Leaf No. 81.3, Revision 5  
Leaf No. 86.1, Revision 3  
Leaf No. 160.25, Revision 7  
Leaf No. 160.25.1, Revision 2  
Leaf No. 160.26, Revision 6  
Leaf No. 160.26.1, Revision 3  
Leaf No. 160.27, Revision 5  
Leaf No. 160.27.1, Revision 6  
Leaf No. 160.27.2, Revision 0  
Leaf No. 161, Revision 9  
Leaf No. 161.1, Revision 10  
Leaf No. 161.2, Revision 11  
Leaf No. 164, Revision 13  
Leaf No. 164.1.1, Revision 7  
Leaf No. 164.4, Revision 7  
Leaf No. 165, Revision 7  
Leaf No. 166, Revision 13  
Leaf No. 166.1.1, Revision 7  
Leaf No. 166.4, Revision 6  
Leaf No. 167, Revision 5  
Leaf No. 169, Revision 9  
Leaf No. 169.1, Revision 7  
Leaf No. 169.1.1, Revision 5  
Leaf No. 174, Revision 14  
Leaf No. 174.3, Revision 9  
Leaf No. 176, Revision 10  
Leaf No. 180, Revision 2  
Leaf No. 181, Revision 2  
Leaf No. 182, Revision 2  
Leaf No. 183, Revision 2  
Leaf No. 184, Revision 2  
Leaf No. 186, Revision 2  
Leaf No. 187, Revision 9  
Leaf No. 187.3, Revision 5  
Leaf No. 187.4, Revision 5

Leaf No. 188, Revision 5  
Leaf No. 189, Revision 6  
Leaf No. 190, Revision 13  
Leaf No. 190.3, Revision 9  
Leaf No. 190.4, Revision 6  
Leaf No. 193, Revision 11  
Leaf No. 193.1, Revision 9  
Leaf No. 193.1.1, Revision 5  
Leaf No. 194, Revision 10  
Leaf No. 194.2, Revision 6  
Leaf No. 195, Revision 9  
Leaf No. 195.1, Revision 8  
Leaf No. 195.2, Revision 6  
Leaf No. 196, Revision 6  
Leaf No. 197, Revision 7  
Leaf No. 199, Revision 7  
Leaf No. 199.1, Revision 5  
Leaf No. 199.2, Revision 1  
Leaf No. 200, Revision 9  
Leaf No. 200.1, Revision 4  
Leaf No. 210, Revision 12  
Leaf No. 210.2, Revision 9  
Leaf No. 210.5, Revision 5  
Leaf No. 211, Revision 5  
Leaf No. 213, Revision 9  
Leaf No. 213.1, Revision 6  
Leaf No. 214, Revision 10  
Leaf No. 214.1, Revision 7  
Leaf No. 218, Revision 8  
Leaf No. 224, Revision 13  
Leaf No. 234, Revision 9  
Leaf No. 234.1, Revision 4  
Leaf No. 242, Revision 13  
Leaf No. 242.1, Revision 0  
Leaf No. 242.2, Revision 0  
Leaf No. 243, Revision 17  
Leaf No. 243.1, Revision 0  
Leaf No. 244, Revision 6  
POR Statement No. 1  
DISC Statement No. 7  
SBC Statement No. 12  
TCV Statement No. 58



MFC Statement No. 2