

RG&E Proposal for Continued Operation of the R.E. Ginna Nuclear Power Plant

RG&E SC1 Residential - Average Bill Impact over 42 month term of contract 4.2%

RG&E SC8 Primary - Average Bill Impact over 42 month term of contract 6.0%

RG&E Proposal for Continued Operation of the R.E. Ginna Nuclear Power Plant

<b>GINNA RSSS Bill Impact</b>					
	<b>RG&amp;E SC1</b>	2015	2016	2017	2018
<b>600 kWh</b>					
Delivery	\$	43.19	\$ 43.19	\$ 43.19	\$ 43.19
Commodity	\$	49.75	\$ 49.75	\$ 49.75	\$ 49.75
NBC	\$	(5.89)	\$ (5.89)	\$ (5.89)	\$ (5.89)
SurChg	\$	6.00	\$ 6.00	\$ 6.00	\$ 6.00
Monthly Total Without Ginna RSS	\$	93.05	\$ 93.05	\$ 93.05	\$ 93.05
Monthly Ginna RSS	\$	6.11	\$ 3.80	\$ 3.75	\$ 1.98
Total With Ginna RSS	\$	99.16	\$ 96.85	\$ 96.80	\$ 95.03
Number of Months		9	12	12	9
Year Total Without Ginna RSS	\$	837.45	\$ 1,116.60	\$ 1,116.60	\$ 837.45
Total With Ginna RSS	\$	892.48	\$ 1,162.24	\$ 1,161.60	\$ 855.27
<b>Total Bill Percent Change Due to Ginna RSS</b>		<b>6.57%</b>	<b>4.09%</b>	<b>4.03%</b>	<b>2.13%</b>
					<b>Total Contract Period</b>
	\$				3,908.10
	\$				4,071.58
					<b>4.2%</b>

Basis of rates used in analysis

Customer Charge	Current Rate as of 7-2014
Bill Issuance Charge	Current Rate as of 7-2014
Commodity Charge	Average 8-13 through 7-14
MFC	Average 8-13 through 7-15
Delivery Charge	Current Rate as of 7-2014
RPS	Current Rate as of 7-2014
System Benefits Charge	Current Rate as of 7-2014
Transition Charge	Estimate without Ginna
State Assess Surcharge	Current Rate as of 7-2014
RDM	Current Rate as of 7-2014
Tax	Estimate

RG&E Proposal for Continued Operation of the R.E. Ginna Nuclear Power Plant

<b>GINNA RSSS Bill Impact</b>					
<b>RG&amp;E SC8 Primary</b>	2015	2016	2017	2018	
<b>330847 kWh</b>					
Delivery	\$ 10,163.59	\$ 10,163.59	\$ 10,163.59	\$ 10,163.59	
Commodity	\$ 22,445.20	\$ 22,445.20	\$ 22,445.20	\$ 22,445.20	
NBC	\$ 247.86	\$ 247.86	\$ 247.86	\$ 247.86	
SurChg	\$ 2,642.29	\$ 2,642.29	\$ 2,642.29	\$ 2,642.29	
Monthly Total Without Ginna RSS	\$ 35,498.94	\$ 35,498.94	\$ 35,498.94	\$ 35,498.94	
Monthly Ginna RSS	\$ 3,212.80	\$ 2,117.52	\$ 2,109.26	\$ 1,123.18	
Total With Ginna RSS	\$ 38,711.74	\$ 37,616.46	\$ 37,608.19	\$ 36,622.12	
Number of Months	9	12	12	9	<b>Total Contract Period</b>
Year Total Without Ginna RSS	\$ 319,490.45	\$ 425,987.27	\$ 425,987.27	\$ 319,490.45	\$ 1,490,955.45
Total With Ginna RSS	\$ 348,405.64	\$ 451,397.48	\$ 451,298.33	\$ 329,599.07	\$ 1,580,700.52
<b>Percent Change Due to Ginna RSS</b>	<b>9.05%</b>	<b>5.97%</b>	<b>5.94%</b>	<b>3.16%</b>	<b>6.0%</b>

Basis of rates used in analysis

Customer charge	Current Rate as of 7-2014
Competitive meter charge	Current Rate as of 7-2014
Competitive meter serv. Charge	Current Rate as of 7-2014
Competitive meter data service	Current Rate as of 7-2014
Hourly meter charge	Current Rate as of 7-2014
Demand charge	Current Rate as of 7-2014
Transition charge	Estimate
Revenue decoupling mech	Current Rate as of 7-2014
Reactive charge	Current Rate as of 7-2014
NY state assessment	Current Rate as of 7-2014
SBC/RPS charge	Current Rate as of 7-2014
Variable supply charge on peak	2013 Average Monthly - Estimated
Variable supply charge off peak	2013 Average Monthly - Estimated
Supply Adjustment Charge	2013 Average Monthly - Estimated
Ancillary and NTAC Charge	2013 Average Monthly - Estimated
Capacity charge	2013 Average Monthly - Estimated
Merchant function charge	2013 Average Monthly

RG&E Proposal for Continued Operation of the R.E. Ginna Nuclear Power Plant  
Rochester Gas and Electric Corporation  
Ginna Surcharge Rates

Service Class	April 2015 Through December 2015		Twelve Month Ending December 2016		Twelve Month Ending December 2017	
	KW	kWh	KW	kWh	KW	kWh
SC1 - Residential		1,969,435,952		2,731,219,405		2,787,982,712
SC2 (incl. Borderline) - NonResidential		159,435,338		223,493,668		226,178,147
SC3 - NonResidential	1,221,736	445,060,834	1,620,006	602,055,242	1,637,559	608,702,436
SC4 - Residential		26,913,788		79,076,527		78,306,359
SC7 (incl. Borderline) - NonResidential	1,772,380	27,532,335	2,345,514	777,115,940	2,372,835	786,259,433
SC8 Transmission - NonResidential	49,245	495,571	66,223	25,135,732	66,903	25,395,602
SC8 SubTrans Ind - NonResidential	1,145,118	5,011,361	1,512,264	734,634,892	1,528,877	742,648,888
SC8 SubTrans Com - NonResidential	687,962	576,335,129	908,109	450,724,942	920,840	457,266,417
SC8 Primary - NonResidential	1,112,963	18,268,572	1,456,532	668,456,862	1,471,745	675,561,221
SC8 Secondary - NonResidential	1,448,954	553,982,526	1,901,488	767,476,723	1,921,128	775,654,261
SC8 Substation - NonResidential	198,643	332,268,236	253,621	100,537,057	256,122	101,528,801
SC9 - NonResidential	167,112	500,827,479	224,903	59,245,950	227,261	59,877,884
	7,804,113	4,615,567,121	10,288,660	7,219,172,940	10,403,270	7,325,362,161
SC6 Area Light		4,905,429		7,781,667		7,839,097
Street Light		30,721,237		47,663,113		47,532,167
	7,804,113	4,651,193,787	10,288,660	7,274,617,720	10,403,270	7,380,733,425
SC14 - OASC SC3	8,166	1,774,065	9,909	2,750,974	9,909	2,750,974
SC14 - OASC SC8 Primary	20,495	4,541,900	24,001	6,628,167	24,001	6,628,167
SC14 - OASC SC8 Secondary	10,750	2,709,493	12,772	4,030,404	12,772	4,030,404
SC14 - OASC SC8 Subtra-Commercial	218,019	80,840,326	265,542	121,606,306	265,542	121,606,306
SC14 - OASC SC8 Subtra-Industrial	203,147	48,999,997	236,649	70,820,652	236,649	70,820,652
SC14 - OASC SC8 Substation	22,406	4,388,878	25,948	5,694,022	25,948	5,694,022
	482,983	143,254,659	574,821	211,530,525	574,821	211,530,525
	8,287,096	4,794,448,446	10,863,481	7,486,148,245	10,978,091	7,592,263,950

**Estimated Net Costs [Fixed Payment less Estimated Market Revenues]**

January - September 2018		2015				2016				2017					
KW	kWh	Transmission Allocator	Allocated Costs	Surcharge Rate per kW	Surcharge Rate per kWh	Allocated Costs	Surcharge Rate per kW	Surcharge Rate per kWh	Allocated Costs	Surcharge Rate per kW	Surcharge Rate per kWh	Allocated Costs	Surcharge Rate per kW	Surcharge Rate per kWh	Allocated Costs
174,591,758	3.60%	\$ 2,047,789	\$ 0.01284	\$ 1,766,315	\$ 0.00790	\$ 1,777,800	\$ 0.00786	\$ 720,999							
1,255,978	469,010,295	8.09%	\$ 4,600,158	\$ 3.77	\$ 3,967,853	\$ 2.45	\$ 3,993,652	\$ 2.44	\$ 1,619,654						
58,579,335	1.31%	\$ 744,136	\$ 0.02765	\$ 641,853	\$ 0.00812	\$ 646,026	\$ 0.00825	\$ 262,000							
1,815,847	605,234,907	10.68%	\$ 6,074,866	\$ 3.43	\$ 5,239,859	\$ 2.23	\$ 5,273,928	\$ 2.22	\$ 2,138,879						
51,426	19,465,548	0.40%	\$ 226,325	\$ 4.60	\$ 195,216	\$ 2.95	\$ 196,486	\$ 2.94	\$ 79,686						
1,155,231	560,051,945	10.75%	\$ 6,116,321	\$ 5.34	\$ 5,275,616	\$ 3.49	\$ 5,309,917	\$ 3.47	\$ 2,153,474						
702,391	348,989,604	6.09%	\$ 3,463,112	\$ 5.03	\$ 2,987,098	\$ 3.29	\$ 3,006,520	\$ 3.26	\$ 1,219,315						
1,120,894	512,476,552	8.81%	\$ 5,008,019	\$ 4.50	\$ 4,319,653	\$ 2.97	\$ 4,347,739	\$ 2.95	\$ 1,763,256						
1,467,123	591,156,343	11.52%	\$ 6,554,039	\$ 4.52	\$ 5,653,169	\$ 2.97	\$ 5,689,925	\$ 2.96	\$ 2,307,589						
190,036	75,304,815	1.73%	\$ 982,899	\$ 4.95	\$ 847,797	\$ 3.34	\$ 853,309	\$ 3.33	\$ 346,066						
172,023	45,626,821	1.06%	\$ 601,359	\$ 3.60	\$ 518,701	\$ 2.31	\$ 522,073	\$ 2.30	\$ 211,730						
7,930,949	5,602,248,599	0.993	\$ 56,489,269		\$ 48,724,664		\$ 49,041,470		\$ 19,889,113						
	5,556,857	0.09%	\$ 53,159	\$ 0.01084	\$ 45,852	\$ 0.00589	\$ 46,150	\$ 0.00589	\$ 18,717						
	33,456,893	0.59%	\$ 333,724	\$ 0.01086	\$ 287,852	\$ 0.00604	\$ 289,724	\$ 0.00610	\$ 117,500						
7,930,949	5,641,262,349	100.00%	\$ 56,876,152		\$ 49,058,369		\$ 49,377,344		\$ 20,025,329						
9,909	2,035,424														
24,001	4,949,977														
12,772	2,956,237														
265,542	84,461,306														
236,649	56,180,050														
25,948	4,415,345														
574,821	154,998,339														
8,505,770	5,796,260,688														
			\$ 56,876,152		\$ 49,058,369		\$ 49,377,344		\$ 20,025,329						

Notes:

The highlighted numbers are the estimated annual net cost to customers (i.e. fixed payments - 85% of forecast Ginna energy and UCAP revenues)

2015 is Apr - Dec, 2016 and 2017 are calendar years, 2018 is Jan - Sep

RGE's "forecast" of energy prices is based on NYMEX forward prices through 2016 and a natural gas spark spread off of Henry Hub thereafter.

The energy prices are then adjusted for basis using 12 months of historical on-peak and off-peak NYISO DAM prices (West vs. Ginna) to come up with the Ginna "bus price" for Energy.

RGE's "forecast" of capacity prices is based on NYMEX UCAP forward prices through October 2016, escalated at 3% per year thereafter.

The NYMEX energy and capacity prices are from the January 26, 2015 close.

The base data we use from the CME (NYMEX) and NYISO are publicly available from their respective websites.

These prices are not a market price forecast, but a snapshot of the prices at which these commodities were trading at the close of business on January 26, 2015.

Actual net cost to customers will likely be different and will primarily depend on Ginna's actual market revenues.

Surcharge Rate per kW	Surcharge Rate per kWh	total kW	total kWh	Total Allocated Cost	total period rate
	\$ 0.00330		9,630,398,745	\$ 61,872,337.02	\$ 0.006425
	\$ 0.00413		783,698,911	\$ 6,312,903.25	\$ 0.008055
\$ 1.29	\$ 0.00447	5,735,279		\$ 14,181,316.45	\$ 2.472646
			242,876,009	\$ 2,294,015.28	\$ 0.009445
\$ 1.18		8,306,576		\$ 18,727,532.42	\$ 2.254543
\$ 1.55		233,797		\$ 697,713.36	\$ 2.984270
\$ 1.86		5,341,490		\$ 18,855,328.33	\$ 3.529975
\$ 1.74		3,219,302		\$ 10,676,045.85	\$ 3.316261
\$ 1.57		5,162,134		\$ 15,438,668.02	\$ 2.990753
\$ 1.57		6,738,693		\$ 20,204,722.20	\$ 2.998315
\$ 1.82		898,422		\$ 3,030,071.29	\$ 3.372659
\$ 1.23		791,299		\$ 1,853,863.18	\$ 2.342810

\$ 0.00337

\$ 0.00351

RG&E Proposal for Continued Operation of the R.E. Ginna Nuclear Power Plant  
 Rochester Gas and Electric Corporation  
 Transmission Plant Allocator Used in ECOS 2008

RGE - Electric	12 CP	% of Total	% of Total excluding Lighting
RESIDENTIAL SERVICE SC 1	410.62	35.29%	35.53%
RESIDENTIAL TOU SC 4	15.22	1.31%	1.32%
GEN SERVICE SMALL USE SC 2	41.90	3.60%	3.63%
GEN SERVICE 100 kW MIN SC 3	94.11	8.09%	8.14%
GEN SERVICE 12 kW MIN SC 7	124.29	10.68%	10.75%
GEN SERVICE TOU SC 9	12.30	1.06%	1.06%
LARGE GEN SERV TOU SEC SC 8	134.09	11.52%	11.60%
LARGE GEN SERV TOU SUB-TRAN SEC SC 8	20.11	1.73%	1.74%
LARGE GEN SERV TOU PRI SC 8	102.46	8.81%	8.87%
LARGE GEN SERV TOU SUB-TRAN IND SC 8	125.13	10.75%	10.83%
LARGE GEN SERV TOU SUB-TRAN COM SC 8	70.85	6.09%	6.13%
LARGE GEN SERV TOU TRAN SC 8	4.63	0.40%	0.40%
Total excluding lighting	1,155.71	99.32%	100.00%
STREET LIGHTING SERVICE SC1, SC2, SC3	6.83	0.59%	
AREA LTG SERVICE SC 6	1.09	0.09%	
TOTAL	1,163.63	100.00%	100.00%

Note: Standby load is excluded