



Joseph J. Syta
Vice President – Controller and Treasurer

June 16, 2015

VIA EMAIL

secretary@dps.ny.gov

Honorable Kathleen Burgess
Secretary
State of New York
Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 15-M-_____ - Petition of Rochester Gas and Electric Corporation
Under Section 69 of the Public Service Law for Authority to Issue Long-Term Indebtedness, Preferred
Stock and Hybrid Securities and to Enter into Derivative Instruments Pursuant to a Global Financing Plan

Dear Secretary Burgess:

Enclosed please find for filing a petition on behalf of Rochester Gas and Electric Corporation ("RG&E") for New York State Public Service Commission ("Commission") authorization under Section 69 of the Public Service Law for the issuance of long-term indebtedness, preferred stock and hybrid securities and to enter into derivative instruments.

RG&E respectfully requests that the Commission grant the requested relief no later than the first quarter of 2016.

If you have any questions regarding this filing, please contact me at 585-724-8003.

Respectfully submitted,

A handwritten signature in blue ink that reads "Joseph J. Syta".

Joseph J. Syta
Vice President, Controller & Treasurer

Enclosures

cc: Steve Adams (via e-mail)
Howard Coon (via e-mail)
Noelle Kinsch (via e-mail)

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION
NOTICE OF PROPOSED RULEMAKING**

Pursuant to the provisions of the State Administrative Procedure Act, notice is hereby given of the following proposed rulemaking:

1. **Proposed Action:** The Public Service Commission is considering whether to approve or deny in whole or in part a petition of Rochester Gas and Electric Corporation authorizing the issuance of long-term indebtedness, preferred stock and hybrid securities and to enter into derivative instruments to manage interest rate risk and other financial exposure.
2. **Statutory Authority Under Which the Rule is Proposed:** PSL Section 69.
3. **Subject of the Proposed Rule:** Issuance of and sale of preferred stock, bonds and other forms of indebtedness.
4. **Purpose of Proposed Rule:** To permit Rochester Gas and Electric Corporation to finance transactions for purposes authorized under PSL Section 69.
5. **Terms of the Proposed Rule:** Rochester Gas and Electric Corporation is requesting authority to issue and sell preferred stock, bonds and other forms of indebtedness under PSL Section 69.
6. **Text of proposed rule may be obtained from:** Central Operations, Public Service Commission, Bldg. 3, Empire State Plaza, Albany, NY 12223, (518) 474-2500.
7. **Data, views or arguments may be submitted to:** Kathleen Burgess, Secretary, Public Service Commission, Bldg. 3, Empire State Plaza, Albany, NY 12223, (518) 474-6530.
8. **Public comment will be received until:** 45 days after publication of this notice.
9. **Regulatory Impact Statement, Regulatory Flexibility Analysis for Small Business and Rural Area Flexibility Analysis:** Statements and analyses are not submitted with this notice because the rule is within the definition contained in section 102(2)(a)(ii) of the State Administrative Procedure Act.

NEW YORK STATE PUBLIC SERVICE COMMISSION

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In the Matter of the Petition of ROCHESTER GAS AND :
ELECTRIC CORPORATION Under Section 69 of the Public :
Service Law for Authority to Issue Long-Term Indebtedness, :
Preferred Stock and Hybrid Securities and to Enter into :
Derivative Instruments Pursuant to a Global Financing Plan :
-----X

Case 15-M-_____

**VERIFIED PETITION OF
ROCHESTER GAS AND ELECTRIC CORPORATION
FOR AUTHORITY TO ISSUE LONG-TERM INDEBTEDNESS, PREFERRED STOCK
AND HYBRID SECURITIES AND TO ENTER INTO DERIVATIVE INSTRUMENTS
PURSUANT TO A GLOBAL FINANCING PLAN**

Dated: June 16, 2015

NEW YORK STATE PUBLIC SERVICE COMMISSION

-----X
In the Matter of the Petition of ROCHESTER GAS AND :
ELECTRIC CORPORATION Under Section 69 of the Public : Case 15-M-_____
Service Law for Authority to Issue Long-Term Indebtedness, :
Preferred Stock and Hybrid Securities and to Enter into :
Derivative Instruments Pursuant to a Global Financing Plan :
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**VERIFIED PETITION OF
ROCHESTER GAS AND ELECTRIC CORPORATION
FOR AUTHORITY TO ISSUE LONG-TERM INDEBTEDNESS, PREFERRED STOCK
AND HYBRID SECURITIES AND TO ENTER INTO DERIVATIVE INSTRUMENTS
PURSUANT TO A GLOBAL FINANCING PLAN**

Rochester Gas and Electric Corporation ("RG&E" or the "Company") hereby petitions the State of New York Public Service Commission (the "Commission") for authorization under Section 69 of the Public Service Law ("PSL") to issue long-term indebtedness (the "Proposed Debt"), preferred stock and hybrid securities (together, the "Proposed Securities") and to enter into derivative instruments to manage interest rate risk and other financial exposure pursuant to a global financing plan.

Background

1. RG&E is a gas and electric corporation organized under the laws of the State of New York in 1852. RG&E is a direct wholly-owned subsidiary of Iberdrola USA Networks, Inc. Iberdrola USA Networks is a wholly owned subsidiary of Iberdrola USA, Inc., which in turn is a subsidiary of Iberdrola, S.A. RG&E's Restated Certificate of Incorporation, as amended, is on file with the Commission in Case 12-M-0066.
2. RG&E's principal office is located at 89 East Avenue, Rochester, New York 14649-0001.

3. In its Order authorizing the issuance of securities issued and effective April 22, 2013,¹ the Commission authorized RG&E to issue long-term debt, preferred stock and hybrid securities of up to \$518 million, not later than December 31, 2015, the proceeds of which could be used to : (a) refinance \$50,000,000 in fixed rate tax-exempt debt to refinance debt that will become callable prior to December 31, 2015; (b) refinance up to \$68,000,000 of auction rate tax-exempt securities; and (c) finance up to \$400,000,000 in plant and equipment additions (the “Order”).

4. The Company’s financing authorization under the Order will expire on December 31, 2015 and, therefore, the Company requests that the Commission approve this Petition no later than the first quarter of 2016.

5. As of the date of this Petition, the Company has not issued securities pursuant to the Order. Paragraph 7 specifically addresses the request for authorization and places it in the context of the total financing need over the period through the end of December 2020.

6. The Company requests that communications in this proceeding be addressed to the attention of Joseph J. Syta, Vice President – Controller & Treasurer, Rochester Gas and Electric Corporation, 89 East Avenue, Rochester, New York 14649-0001, 585-724-8003, joseph_syta@rge.com and Noelle M. Kinsch, Deputy General Counsel, Iberdrola USA Management Corporation, 99 Washington Avenue, Suite 2018, Albany, New York 12210, 518-434-4977, noelle.kinsch@iberdrolausa.com.

Current Petition

7. RG&E hereby seeks Commission authorization to issue and sell up to \$627,850,000 principal amount of securities through December 31, 2020 for purposes of: (a) refinancing

¹ Case 12-M-0561 - Petition of Rochester Gas and Electric Corporation Under Section 69 of the Public Service Law for Authority to Issue Long-Term Debt, Preferred Stock and Hybrid Securities, Order Authorizing Issuance of Securities (April 22, 2013).

\$150,000,000 of taxable debt that matures prior to July 15, 2019; (b) refinancing up to \$39,850,000 of tax-exempt term rate debt that matures in 2016; (c) refinancing \$50,000,000 in fixed rate tax-exempt debt that was repurchased by the Company on May 30, 2013; (d) refinancing up to \$68,000,000 of auction rate tax-exempt securities; and (e) funding up to \$320,000,000 of further additions to utility plant and equipment. These financing requirements are developed in the attached Exhibit F.

8. RG&E proposes to use the proceeds of the issuance and sale of the Proposed Securities for purposes permitted by PSL Section 69, and as described in Paragraph (7) above.

9. RG&E hereby requests authority that the securities issued and sold under this authorization may be: (a) unsecured or secured long-term debt obligations; (b) debt obligations issued in consideration of the receipt of proceeds from a like amount of tax-exempt securities ("Tax-Exempt Debt") issued by the New York State Energy Research and Development Authority ("NYSERDA") or other public entity authorized to issue such Tax-Exempt Debt; (c) unsecured, subordinated taxable debt securities with interest deferral provisions or other forms of securities with debt and quasi-equity characteristics ("Hybrid Securities"); or (d) new preferred stock.

10. RG&E hereby requests Commission authorization to employ, at the Company's discretion, derivative instruments such as interest rate swaps, treasury locks or other derivative products (such as caps or collars) as necessary to manage interest rate risks and other financial exposures. Any use of derivatives would be pursuant to the requirements discussed in the Order at pages 7-8.

11. RG&E has \$68,000,000 of outstanding tax-exempt, auction rate securities (1997 Series A and B), of which \$5,850,000 are held in treasury, on which the interest rate is tied to a

multiple of a proprietary Morgan Stanley short-term tax-exempt index. If this index rate rises, it might become desirable to redeem the remainder of these securities at par and reissue them at a fixed rate of interest. Such a transaction could be accomplished by conversion and reissuance of the existing multi-modal security into another interest mode or by the issuance of Refunding Bonds. RG&E also has \$50,000,000 of tax-exempt bonds held in treasury (2004 Series B). These bonds were purchased at par on May 30, 2013. Refinancing of these bonds would require a refunding.

12. The Company has not determined whether any of the Proposed Securities will bear a fixed or adjustable rate.

13. The Company currently has no preferred stock issued and outstanding. If the Company were to issue new Preferred Stock, the designation, dividend rate, redemption prices and sinking fund, if any, applicable to the Preferred Stock will be set forth in a Certificate of Amendment to RG&E's Restated Certificate of Incorporation pursuant to Section 805 of the New York Business Corporation Law, which would be supplied to the Commission as soon as available. The particular terms of a series of new Preferred Stock would be described in an offering memorandum relating to the new Preferred Stock.

14. The Proposed Debt may be issued to or through third parties, or to any direct or indirect parents of RG&E. The terms proposed herein for the Proposed Debt are substantially the same as those approved by the Commission in the Order. The Proposed Debt will be exclusive of the current debt.

15. Although it may prove advantageous to provide security for the Proposed Debt because of uncertain future market conditions, the Company has not determined if any of the Proposed Debt will be secured. The Company has also not determined whether any of the Proposed

Debt will be in the form of financing facilities or debt instruments with banks, institutions, or direct or indirect parent companies of RG&E; what any Proposed Debt maturities will be; whether the Proposed Debt will be sold at one time or in a number of transactions; or when the Proposed Debt transactions will take place.

16. The terms of any loans between RG&E and any direct or indirect parent and the derivation of the interest rate associated with each Proposed Debt instrument will be filed in accordance with PSL Section 69 and Title 16 of the State of New York Codes, Rules and Regulations ("NYCRR") Sections 115.1 and 245.1 (each, a "Compliance Filing"). Further, loans between the Company and a direct or indirect parent would comply with the requirements set forth in the Order at pages 5-6 and in Ordering Clause #4.

17. In the event all or part of the Proposed Debt is publicly sold or privately placed with third parties other than a direct or indirect parent of RG&E, any underwriting agreement or bond purchase agreement, or its equivalent, entered into in connection with the sale, as well as a copy of the appropriate instrument defining the rights of the holders of the Proposed Debt, will be filed as part of the relevant Compliance Filing.

18. RG&E requests that the costs and expenses of issuing the Proposed Debt be deferred and amortized over the life of the Proposed Debt. An estimate of such costs and expenses is attached hereto as Exhibit G. RG&E shall submit a verified report of the actual costs and expenses of each such issue following the closing of the subject transaction.

19. In its November 5, 2013 Order in connection with Case 12-M-0066² at page 27, the Commission required that the Petitioner provide: "an analysis of existing interest rate spreads

² Case 12-M-0066 – Petition for Approval of an Internal Reorganization Pursuant to Public Service Law §70, Order Adopting Staff Report and Approving Reorganization, Subject To Conditions as Modified and Clarified, and Making Findings on Management Audit Compliance (Nov. 5, 2013)

between Rule 144A and fully registered securities at the time of the petition; a forecast of those spreads for one year following the date of the petition; an analysis of if and when full SEC registration should commence based upon those spreads and the costs of registration; and, a discussion of the timeframe needed for the preparation and filing of the necessary registration documents.” Petitioner addresses these requirements in Exhibit H and concludes that registration would not be economic at this time.

20. The reimbursement margin provides RG&E a method to demonstrate that the proceeds from the current debt have been used for utility plant purposes. The margin is essentially the amount by which net utility plant, both in service and under construction, exceeds long-term securities at a given date. RG&E used a pro forma balance sheet reimbursement margin projected through March 31, 2021 to calculate RG&E's reimbursement margin and such reimbursement margin is attached hereto as Exhibit E.

21. No further application is required to be made to any federal agency for consent to the issuance and sale of the Proposed Securities as herein proposed. However, to the extent that the Company intends to issue the Proposed Debt in the form of unsecured notes issued as collateral for, and in consideration of the net proceeds of, a like amount of bonds of NYSERDA, the approval of NYSERDA's board will be required. Also, NYSERDA bonds would require approvals from the Public Authorities Control Board, the Comptroller, and the Governor of the State of New York.

22. The utility property of RG&E is stated at "original cost" as defined in 16 NYCRR Sections 37.1(b) and 31.1(f) and there is not included therein any amount for a franchise, consent or right to operate as a public utility.

23. In compliance with 16 NYCRR Section 37.1(n), RG&E advises that no franchise, or any right to own, operate or enjoy any franchise, or any contract for consolidation or lease is proposed to be capitalized directly or indirectly under the programs herein outlined.

Supporting Schedules

24. In support of this Petition, RG&E submits the following schedules, or agrees to furnish them as soon as they are available, including a statement of its financial condition, in accordance with the 16 NYCRR. Sections 18.1 and 37.1:

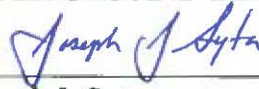
<u>Exhibit</u>	<u>Description</u>
A	Long-term Indebtedness Issued Pursuant to 12-M-0561
B	Statement of Financial Condition
C	Utility Plant Additions
D	Utility Plant Depreciation
E	Reimbursement Margin
F	Forecast of Financing Requirements 2015-1Q21
G	Schedule of Estimated Costs and Expenses
H	Analysis Pursuant to Requirements Contained in Case 12-M-0066
I	Affidavit re: 16 NYCRR Sections 37.1(o), 37.3(d) and 37.6 (j)
J	Resolutions authorizing corporate action

WHEREFORE, for the reasons set forth herein, the Company respectfully requests that the Commission issue an Order no later than the first quarter of 2016 authorizing Petitioner, pursuant to PSL Section 69, to enter into the financing arrangements described herein and issue such further orders as may be necessary to permit the Company to issue and sell the Proposed Securities from time to time; and grant such other and further relief to which the Company may be entitled.

Respectfully submitted,

ROCHESTER GAS AND ELECTRIC CORPORATION

By:



Joseph J. Syta

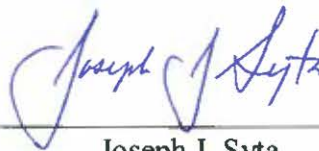
Vice President, Controller & Treasurer

Dated: June 16, 2015

STATE OF NEW YORK)
) ss.:
COUNTY OF MONROE)

VERIFICATION

Joseph J. Syta, being duly sworn, deposes and says: I am the Vice President – Controller & Treasurer of ROCHESTER GAS AND ELECTRIC CORPORATION, the Petitioner herein; I have read the foregoing Petition and know the contents thereof; the same is true to my knowledge.



Joseph J. Syta

Subscribed and sworn to
before me this 15th day
of June, 2015.

Christina K Sardou

Notary Public, State of New York
Qualified in GENESEE County
Commission Expires: 10-19-2018

CHRISTINA K. SARDOU
Notary Public, State of New York
Genesee County
Registration No. 01SA6015061
Commission Expires: October 19, 2018

EXHIBIT A

Long-term Indebtedness Issued Pursuant to 12-M-0561 as of date of petition

Case: 12-M-0561

Issued 4/18/13

Effective until: 12/31/15

	Authorized Purpose				Total
	New Money	Refinancing of Taxable Maturities	Tax Exempt Callable	Tax Exempt Mandatory Put	
Authorized Amount	400,000,000	-	118,000,000	-	518,000,000
Issued Amounts:					
Authorized, Not Issued	<u>400,000,000</u>	<u>-</u>	<u>118,000,000</u>	<u>-</u>	<u>518,000,000</u>

EXHIBIT B**Statement of Financial Condition**

Sec. 18.1(a) thru 18.1(e)

Capital Stock Authorized, Issued, Outstanding

Class of Stock	Shares Authorized	Shares Outstanding	Par Amount	Capital in excess of par
Limited Voting Junior Preferred Stock	<u>1</u>	<u>1</u>	<u>\$ 1</u>	<u>\$ -</u>
	<u>1</u>	<u>1</u>	<u>\$ 1</u>	<u>\$ -</u>
Common Stock, \$5 par value	<u>50,000,000</u>	<u>38,886,000</u>	<u>\$ 194,430,000</u>	<u>\$ 529,943,000</u>
Total	<u>50,000,001</u>	<u>38,886,001</u>	<u>\$ 194,430,001</u>	<u>\$ 529,943,000</u>

EXHIBIT B
Statement of Financial Condition
 Sec. 18.1(f) thru 18.1(h)
Indebtedness

	Commission Authorization			Outstanding Indebtedness					
	Case No.	Date of Order	Authorized	Issue Date	Coupon	Amount	Held in Treasury	Outstanding	Maturity Date
Taxable Secured Notes									
FMB Series YY	09-M-0309	6/23/2009	\$ 100,000,000	6/29/2009	5.900%	150,000,000	\$ -	\$ 150,000,000	7/15/2019
FMB Series AAA	09-M-0309	6/23/2009	200,000,000	7/29/2011	4.100%	125,000,000	-	125,000,000	7/29/2021
FMB Series WW	03-M-0178	8/1/2003	200,000,000	7/17/2007	6.470%	100,000,000	-	100,000,000	7/15/2032
FMB Series VV	03-M-0178	8/1/2003	75,000,000	9/15/2003	6.375%	75,000,000	-	75,000,000	9/1/2033
FMB Series XX	07-M-1194	11/18/2008	75,000,000	12/24/2008	8.000%	150,000,000	-	150,000,000	12/15/2033
			\$ 650,000,000			\$ 600,000,000	-	\$ 600,000,000	

Each of the bonds listed above is secured under the Supplemental Mortgage Indenture dated March 1, 1983.

	Commission Authorization			Outstanding Indebtedness					
	Case No.	Date of Order	Authorized	Issue Date	Coupon	Amount	Held in Treasury	Outstanding	Maturity Date
Tax-Exempt Unsecured Notes									
PCN 1997 Series A	93-M-0355-3060	5/5/1997	34,000,000	8/19/1997	0.104%	34,000,000	2,450,000	31,550,000	8/1/2032
PCN 1997 Series B	93-M-0355-3060	5/5/1997	34,000,000	8/19/1997	0.104%	34,000,000	3,400,000	30,600,000	8/1/2032
			\$ 68,000,000			\$ 68,000,000	\$ 5,850,000	\$ 62,150,000	

	Commission Authorization			Outstanding Indebtedness					
	Case No.	Date of Order	Authorized	Issue Date	Coupon	Amount	Held in Treasury	Outstanding	Maturity Date
Tax-Exempt Secured Notes									
PCN 2004 Series A (FMB Series RR)	09-M-0309	6/23/2009	10,500,000	8/26/2004	4.750%	10,500,000	-	10,500,000	7/1/2016
PCN 2004 Series B (FMB Series SS)	03-M-0178	8/1/2003	50,000,000	8/26/2004		50,000,000	50,000,000	-	5/15/2032
PCN 1997 Series C (FMB Series ZZ)	09-M-0309	6/23/2009	29,350,000	8/19/1997	5.000%	29,350,000	-	29,350,000	8/1/2016
			\$ 89,850,000			\$ 89,850,000	\$ 50,000,000	\$ 39,850,000	

Outstanding Indebtedness		
Amount	Held in Treasury	Outstanding
\$ 757,850,000	\$ 55,850,000	\$ 702,000,000

Multi-mode pollution control notes totaling the principal amounts shown as outstanding above were issued in connection with NYSERDA Pollution Control Revenue Bonds. 1997 Series A & B unsecured obligations; 1997 Series C and 2004 Series A & B are secured under the Supplemental Mortgage Indenture dated March 1, 1983. Each of the bonds is issued by NYSERDA are secured by an Indenture of Trust with The Bank of New York Mellon, which also acts as trustee and paying agent. The multi-mode revenue bonds have a structure that enables the Company to optimize the use of short-term rates by allowing for the interest rates to be based on a daily rate, a weekly rate, a commercial paper rate or a multi-year fixed rate. Payment of the principal of, and interest all of the tax-exempt bonds listed above is guaranteed by National Public Finance Guaranty Corporation.

EXHIBIT B
Statement of Financial Condition

Sec. 18.1(i)

Accounts Payable to Affiliated Interests

The balances as of March 31, 2013 below arise under service agreements or contracts with various affiliates. Balances are due 30-days after invoicing and bear no interest.

NYSEG		-
Iberdrola USA Mgmt Corp		7,023,308
Central Maine Power	\$	-
Maine Natural Gas		-
Iberdrola USA		471,252
Iberdrola Engineering Projects		489,913
	\$	<u>7,984,473</u>

Petitioner also has agreements whereby it borrows from affiliated companies to fund working capital and capital expenditure needs. These agreements and balances thereunder are described below.

Sec. 18.1(j)

Other Indebtedness

Short-term debt is incurred to finance a portion of Petitioner's capital expenditures and to meet working capital needs. Petitioner has multiple sources of short-term debt. Petitioner is party to a joint revolving credit agreement ("Joint Revolver") along with New York State Electric & Gas Corporation and Central Maine Power Company (the "Borrowers") under which all Borrowers are limited to borrowings of \$600 million and Petitioner is limited to borrowings of \$200 million. The agreement expires in July 2019. Petitioner has a credit facility with Iberdrola USA ("IUSA RCF") under which it can borrow up to \$250 million. Petitioner is party to a three way agreement with New York State Electric & Gas Corporation and Central Maine Power Company ("Virtual Money Pool") under which each participant may lend its excess cash or borrow the excess cash of the others. The agreements with affiliates are both on-demand loans.

Outstanding Short-term Debt by Source

	31-Mar-15	Avg Rate at 31- Mar-15
Joint Revolver	\$ -	
IUSA RCF	75,587,000	0.41%
Virtual Money Pool-NYSEG	-	
Virtual Money Pool-CMP	<u>49,800,000</u>	0.41%
Total	<u>\$ 125,387,000</u>	

EXHIBIT B**Statement of Financial Condition**

Sec. 18.1(k)

Accrued Interest on Outstanding Indebtedness

	As of	
	<u>31-Dec-14</u>	<u>31-Mar-15</u>
FMB Series YY	4,080,833	1,868,333
FMB Series AAA	2,363,194	1,081,944
FMB Series WW	2,983,389	1,365,889
FMB Series VV	1,593,750	398,438
FMB Series XX	533,333	3,533,333
PCN 2004 Series A (FMB Series RR)	249,375	124,688
PCN 2004 Series B (FMB Series SS)	-	-
PCN 1997 Series A	1,458	3,282
PCN 1997 Series B	1,458	3,182
PCN 1997 Series C (FMB Series ZZ)	611,458	240,507
	<u>12,418,250</u>	<u>8,619,596</u>

EXHIBIT B
Statement of Financial Condition
 Sec. 18.1(l)
Dividends Declared and Paid

	2010		2011		2012		2013		2014	
	Amount Declared	Amount Paid	Amount Declared	Amount Paid	Amount Declared	Amount Paid	Amount Declared	Amount Paid	Amount Declared	Amount Paid
Common Stock:	-	-	100,000,000	100,000,000	-	-	75,000,000	75,000,000	100,000,000	100,000,000

EXHIBIT B
Statement of Financial Condition

Sec. 18.1(m)
Contingent Liabilities

Petitioner has not recognized any contingent assets or contingent liabilities on its Balance Sheet at March 31, 2015. There are various matters pending that, because of uncertainty over their outcome, could be regarded as contingent liabilities. An amount for these items, in aggregate, cannot be reasonably quantified.

Sec. 18.1(n)
Unearned Surplus

None.

Sec. 18.1(o)
Amortization of Deferred debits and credits

Amortization of deferred debits and deferred credits or other balance sheet accounts consists of the systematic extinguishment of the assets and liabilities concurrent with the recovery of such amounts in rates or allocation of the costs over the useful life of the underlying asset or liability.

Sec. 18.1(p)
Financial Statements

See 2014 Audited Statements and March 31, 2015 Unaudited statements following

Exhibit C
Rochester Gas and Electric
Utility Plant Additions

	Beginning Balance 1/1/2010	Construction Additions	Retirements	Transfers	Adjustments *	Ending Balance 12/31/2010
Plant in Service						
Electric	1,452,490,248	24,329,209	(17,816,625)		(2,218,483)	1,456,784,349
Gas	620,775,915	20,133,150	(2,279,498)			638,629,567
Common	208,871,946	1,174,361	(4,000,017)			206,046,290
Total	\$ 2,282,138,109	\$ 45,636,720	\$ (24,096,140)	\$ -	\$ (2,218,483)	\$ 2,301,460,206
Plant Acquisition Adjustment						
Property Held Future Use	1,623,620				-	1,623,620
CWIP						
Electric - Expenditures	50,776,295	80,417,269				106,864,355
- Closings		(24,329,209)				
Gas - Expenditures	3,936,784	20,588,383				4,392,017
- Closings		(20,133,150)				
Common - Expenditures	1,132,106	10,262,915				10,220,660
- Closings		(1,174,361)				
Total CWIP	55,845,185	65,631,847			-	121,477,032
Total Utility Plant	\$ 2,339,606,914	\$ 111,268,567	\$ (24,096,140)	\$ -	\$ (2,218,483)	\$ 2,424,560,858

* Includes adjustments to Asset Retirement Costs (ARC)

Exhibit C
Rochester Gas and Electric
Utility Plant Additions

	Beginning Balance 1/1/2011	Construction Additions	Retirements	Transfers	Adjustments *	Ending Balance 12/31/2011
Plant in Service						
Electric	1,456,784,349	73,905,471	(3,874,141)	(2,030,350)	2	1,524,785,331
Gas	638,629,567	24,422,913	(2,927,001)			660,125,479
Common	206,046,290	17,244,578	(4,685,456)	2,030,350		220,635,762
Total	\$ 2,301,460,206	\$ 115,572,962	\$ (11,486,598)	\$ -	2	\$ 2,405,546,572
Plant Acquis Adj						
Prop Held Future Use	1,623,620	-	-	-	(1,174,954) **	448,666
CWIP						
Electric - Expenditures	106,864,355	132,467,833				165,426,717
- Closings		(73,905,471)				
Gas - Expenditures	4,392,017	31,684,337				11,653,441
- Closings		(24,422,913)				
Common - Expenditures	10,220,660	17,654,977				10,631,059
- Closings		(17,244,578)				
Total CWIP	121,477,032	66,234,185				187,711,217
Total Utility Plant	\$ 2,424,560,858	\$ 181,807,147	\$ (11,486,598)	\$ -	2	\$ 2,593,706,455

* Includes adjustments to Asset Retirement Costs (ARC)

** Transfer of Hojack Line (Transmission) to account 121

Exhibit C
Rochester Gas and Electric
Utility Plant Additions

	Beginning Balance 1/1/2012	Construction Additions	Retirements	Transfers	Adjustments *	Ending Balance 12/31/2012
Plant in Service						
Electric	1,524,785,331	172,755,610	(5,837,716)	-	721,260	1,692,424,485
Gas	660,125,479	34,449,475	(3,086,624)	-	130,363	691,618,693
Common	220,635,762	15,212,485	(7,422,377)	-	(289,954)	228,135,916
Total	\$ 2,405,546,572	\$ 222,417,570	\$ (16,346,717)	\$ -	\$ 561,669	# \$ 2,612,179,094
Plant Acquis Adj						
Prop Held Future Use	448,666	-	-	-	-	448,666
CWIP						
Electric - Expenditures	165,426,717	174,402,896				167,074,003
- Closings		(172,755,610)				
Gas - Expenditures	11,653,441	29,776,725				6,980,691
- Closings		(34,449,475)				
Common - Expenditures	10,631,059	14,479,879				9,898,453
- Closings		(15,212,485)				
Total CWIP	187,711,217	(3,758,070)				183,953,147
Total Utility Plant	\$ 2,593,706,455	\$ 218,659,500	\$ (16,346,717)	\$ -	\$ 561,669	\$ 2,796,580,907

* Includes adjustments to Asset Retirement Costs (ARC)

Exhibit C
Rochester Gas and Electric
Utility Plant Additions

	Beginning Balance 1/1/2013	Construction Additions	Retirements	Transfers	Adjustments	Ending Balance 12/31/2013
Plant in Service						
Electric	1,692,424,485	139,125,038	(24,496,424)	12,208	-	1,807,065,307
Gas	691,618,693	28,860,595	(3,262,212)	(34,470)	-	717,182,606
Common	228,135,916	15,726,627	(6,061,886)	22,262	-	237,822,919
Total	\$ 2,612,179,094	\$ 183,712,260	\$ (33,820,522)	\$ -	\$ -	# \$ 2,762,070,832

Plant Acquis Adj						
Prop Held Future Use	448,666	-	-	-	-	448,666

CWIP						
Electric - Expenditures	167,074,003	142,429,731				170,378,696
- Closings		(139,125,038)				
Gas - Expenditures	6,980,691	26,929,881				5,049,977
- Closings		(28,860,595)				
Common - Expenditures	9,898,453	21,640,867				15,812,693
- Closings		(15,726,627)				
Total CWIP	183,953,147	7,288,219				191,241,366

Total Utility Plant	\$ 2,796,580,907	\$ 191,000,479	\$ (33,820,522)	\$ -	\$ -	\$ 2,953,760,864
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Exhibit C
Rochester Gas and Electric
Utility Plant Additions

	Beginning Balance 1/1/2014	Construction Additions	Retirements	Transfers	Adjustments *	Ending Balance 12/31/2014
Plant in Service						
Electric	1,807,065,307	79,087,388	(27,517,969)	(499,630)	5,033,608	1,863,168,704
Gas	717,182,606	31,141,082	(5,827,148)	(109,618)	-	742,386,922
Common	237,822,919	19,424,923	(9,838,955)	609,248	-	248,018,135
Total	\$ 2,762,070,832	\$ 129,653,393	\$ (43,184,072)	\$ -	\$ 5,033,608	# \$ 2,853,573,761

Plant Acquis Adj						
Prop Held Future Use	448,666	-	-	-	-	448,666

CWIP						
Electric - Expenditures	170,378,696	116,620,416				207,911,724
- Closings		(79,087,388)				
Gas - Expenditures	5,049,977	32,263,544				6,172,439
- Closings		(31,141,082)				
Common - Expenditures	15,812,693	23,228,817				19,616,587
- Closings		(19,424,923)				
Total CWIP	191,241,366	42,459,384				233,700,750

Total Utility Plant	\$ 2,953,760,864	\$ 172,112,777	\$ (43,184,072)	\$ -	\$ 5,033,608	\$ 3,087,723,177
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* Adjustments to Asset Retirement Costs (ARC)

Exhibit C
Rochester Gas and Electric
Utility Plant Additions

	Beginning Balance 1/1/2015	Construction Additions	Retirements	Transfers	Adjustments	Ending Balance 3/31/2015
Plant in Service						
Electric	1,863,168,704	3,852,857	(160,401)	-	-	1,866,861,160
Gas	742,386,922	2,876,589	(608,917)	-	-	744,654,594
Common	248,018,135	(395,454)	(23,612)	-	-	247,599,069
Total	\$ 2,853,573,761	\$ 6,333,991	\$ (792,930)	\$ -	\$ -	# \$ 2,859,114,823

Plant Acquis Adj						
Prop Held Future Use	448,666	-	-	-	-	448,666

CWIP						
Electric - Expenditures	207,911,724	(8,371,095)				195,687,772
- Closings		(3,852,857)				
Gas - Expenditures	6,172,439	2,468,670				5,764,520
- Closings		(2,876,589)				
Common - Expenditures	19,616,587	7,514,381				27,526,422
- Closings		395,454				
Total CWIP	233,700,750	(4,722,036)				228,978,714

Total Utility Plant	\$ 3,087,723,177	\$ 1,611,955	\$ (792,930)	\$ -	\$ -	\$ 3,088,542,203
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Exhibit D
Rochester Gas and Electric
Utility Plant Depreciation

Depreciation/Amortization Reserve	Electric	Gas	Common	Total
Beginning Balance as of 1/1/2010	\$ 493,743,504	\$ 232,448,690	\$ 109,584,848	\$ 835,777,042
Accruals - Depreciation (Excl Decommissioning)	34,979,187	15,345,145	4,061,461	54,385,793
- Amortization	198,153	171,271	14,006,784	14,376,208
- Vehicles (Clearing Accounts)			2,457,010	2,457,010
Less: Net Charges for Plant Retirements				
Book Cost of Retirements	17,825,568	2,279,498	4,000,017	24,105,083
Cost of Removal	8,102,887	1,612,443	351,975	10,067,305
Salvage (Credit)	<u>9,238,206</u>	<u>12,271</u>	<u>218,740</u>	<u>9,469,217</u>
Total	16,690,249	3,879,670	4,133,252	24,703,171
Transfers (Net)				-
Miscellaneous Adjustments (Net)	2,515,952	3,201		2,519,153
Ending Balance as of 12/31/2010	\$ 514,746,547	\$ 244,088,637	\$ 125,976,851	\$ 884,812,035

Exhibit D
Rochester Gas and Electric
Utility Plant Depreciation

Depreciation/Amortization Reserve	Electric	Gas	Common	Total
Beginning Balance as of 1/1/2011	\$ 514,746,547	\$ 244,088,637	\$ 125,976,851	\$ 884,812,035
Accruals - Depreciation (Excl Decommissioning)	30,109,406	16,472,775	4,260,489	50,842,670
- Amortization	94,259	171,271	3,522,579	3,788,109
- Vehicles (Clearing Accounts)			2,543,399	2,543,399
Less: Net Charges for Plant Retirements				
Book Cost of Retirements	3,874,143	2,927,001	4,685,456	11,486,600
Cost of Removal	7,884,337	1,590,128	276,289	9,750,754
Salvage (Credit)	<u>3,469,835</u>	<u>12,462</u>	<u>239,253</u>	<u>3,721,550</u>
Total	8,288,645	4,504,667	4,722,492	17,515,804
Transfers (Net)				
Miscellaneous Adjustments (Net)	70,097	3,203	127,304	200,604
Ending Balance as of 12/31/2011	\$ 536,731,664	\$ 256,231,219	\$ 131,708,130	\$ 924,671,013

Exhibit D
Rochester Gas and Electric
Utility Plant Depreciation

Depreciation/Amortization Reserve	Electric	Gas	Common	Total
Beginning Balance as of 1/1/2012	\$ 536,731,664	\$ 256,231,219	\$ 131,708,130	\$ 924,671,013
Accruals - Depreciation (Excl Decommissioning)	31,792,751	17,175,724	3,991,654	52,960,129
- Amortization	96,431	171,271	3,518,155	3,785,857
- Vehicles (Clearing Accounts)			2,643,737	2,643,737
Less: Net Charges for Plant Retirements				
Book Cost of Retirements	5,837,716	3,086,624	7,422,377	16,346,717
Cost of Removal	9,822,061	2,269,434	319,695	12,411,190
Salvage (Credit)	<u>6,030,054</u>	<u>14,689</u>	<u>470,810</u>	<u>6,515,553</u>
Total	9,629,723	5,341,369	7,271,262	22,242,354
Transfers (Net)				-
Miscellaneous Adjustments (Net)	(12,941,239) (A)	3,202		(12,938,037)
Ending Balance as of 12/31/2012	\$ 546,049,884	\$ 268,240,047	\$ 134,590,414	\$ 948,880,345

(A) Includes (\$11,434,210) reclassification of Russell decommissioning reserve from account 108009 to account 254691, amortization of the excess depreciation reserve to account 456810, other electric revenues of (\$1,760,388), depreciation of ARC related assets of \$248,748 and other miscellaneous adjustments of \$4,611

Exhibit D
Rochester Gas and Electric
Utility Plant Depreciation

Depreciation/Amortization Reserve	Electric	Gas	Common	Total
Beginning Balance as of 1/1/2013	\$ 546,049,884	\$ 268,240,046	\$ 134,590,415	\$ 948,880,345
Accruals - Depreciation (Excl Decommissioning)	35,389,281	17,841,474	3,967,965	57,198,720
- Amortization	96,305	5,370	3,538,107	3,639,782
- Vehicles (Clearing Accounts)			2,547,785	2,547,785
Less: Net Charges for Plant Retirements				
Book Cost of Retirements	24,496,425	3,296,682	6,061,887	33,854,994
Cost of Removal	6,602,684	2,223,503	334,895	9,161,082
Salvage (Credit)	<u>4,086,447</u>	<u>36,319</u>	<u>647,995</u>	<u>4,770,761</u>
Total	27,012,662	5,483,866	5,748,787	38,245,315
Transfers (Net)				-
Miscellaneous Adjustments (Net)	(3,019,646) (A)	(12,173)	(33,171)	(3,064,990)
Ending Balance as of 12/31/2013	\$ 551,503,162	\$ 280,590,851	\$ 138,862,314	\$ 970,956,327

(A) Amortization of excess depreciation reserve of (\$5,239,612), transfer of Allegany station reserve of \$1,846,854 to account 102010, depreciation of ARC related assets of \$320,482 and miscellaneous adjustments of \$52,628

Exhibit D
Rochester Gas and Electric
Utility Plant Depreciation

Depreciation/Amortization Reserve	Electric	Gas	Common	Total
Beginning Balance as of 1/1/2014	\$ 551,503,162	\$ 280,590,851	\$ 138,862,314	\$ 970,956,327
Accruals - Depreciation (Excl Decommissioning)	36,306,688	18,489,864	4,686,377	59,482,929
- Amortization	96,305	4,923	3,690,109	3,791,337
- Vehicles (Clearing Accounts)			3,104,147	3,104,147
Less: Net Charges for Plant Retirements				
Book Cost of Retirements	27,517,969	5,827,148	9,838,955	43,184,072
Cost of Removal	9,384,970	1,112,324	366,251	10,863,545
Salvage (Credit)	<u>1,863,403</u>	<u>77,162</u>	<u>189,965</u>	<u>2,130,530</u>
Total	35,039,536	6,862,310	10,015,241	51,917,087
Transfers (Net)				-
Miscellaneous Adjustments (Net)	(2,906,077) (A)	(11,829)	119,836	(2,798,070)
Ending Balance as of 12/31/2014	\$ 549,960,542	\$ 292,211,499	\$ 140,447,542	\$ 982,619,583

(A) Amortization of excess depreciation reserve of (\$5,250,000), transfer of Russell reserve to decommissioning account 254 of \$396,066, depreciation of ARC related assets of \$2,142,197 and miscellaneous adjustments of \$194,340.

Exhibit D
Rochester Gas and Electric
Utility Plant Depreciation

Depreciation/Amortization Reserve	Electric	Gas	Common	Total
Beginning Balance as of 1/1/2015	\$ 549,960,542	\$ 292,211,499	\$ 140,447,542	\$ 982,619,583
Accruals - Depreciation	9,986,026	9,497,776	5,764,566	25,248,368
Less: Net Charges for Plant Retirements				
Book Cost of Retirements				
Cost of Removal				
Salvage (Credit)				
Total	71,824	375,912	-	447,736
Transfers (Net)				-
Miscellaneous Adjustments (Net)	-	-	-	-
Ending Balance as of 3/31/2015	\$ 559,874,744	\$ 301,333,363	\$ 146,212,108	\$ 1,007,420,215

Exhibit E
Rochester Gas and Electric
Reimbursement Margin

(,000s)	2011	2012	2013	2014
Reimbursement Margin at Beginning Period	\$ 515,490,617	\$ 493,193,003	\$ 594,406,398	\$ 730,162,156
Gross Plant Expenditures	165,441,102	231,468,338	196,797,820	202,015,750
Expended for Construction	165,441,102	231,468,338	196,797,820	202,015,750
Nuclear Plant Decommissioning Funds	-	-	-	-
Other Regulatory Assets and Liabilities, net	-	-	-	-
Expended for Nuclear Fuel Assemblies	(41,828,562)	(43,918,074)	10,028,888	(86,028,654)
Change in Working Capital	-	-	-	-
	(16,062,948)	(31,304,356)	10,902,959	39,459,616
Total of Expenditures (during period)	107,549,592	156,245,908	217,729,667	155,446,712
Total (Including Margin)	\$ 623,040,209	\$ 649,438,911	\$ 812,136,065	\$ 885,608,868
Provided by:				
Depreciation Expense				
Net Salvage	50,842,670	52,960,129	57,198,719	59,482,931
Amortization of Nuclear Fuel Assemblies	(5,980,056)	(5,925,015)	(4,462,959)	(8,887,339)
Amortization of Regulatory Assets	-	-	-	-
Amortization of Regulatory Liabilities	47,204,732	46,285,316	48,466,326	(6,552,852)
Increase (Decrease) in Accumulated Deferred Income Taxes	(37,839,753)	(29,621,336)	(28,189,085)	(1,928,188)
	36,266,831	(10,659,287)	58,461,719	7,929,481
Issuance and Redemptions of Securities:				
Long Term Debt --- Principal				
--- Expenses	38,500,000	-	(50,000,000)	(5,850,000)
Preferred Stock --- Par and Premium	(3,314,097)	-	(1,496,017)	(283,845)
--- Expense (Included in Other Regulatory Assets, net)	-	-	-	-
Common Stock --- Par and Premium	-	-	-	-
--- Reacquired Capital Stock	-	-	-	-
--- Expense	-	-	-	-
Amortization of Debt	-	-	-	-
Amortization of Loss of Reacquired Debt	959,778	1,056,899	1,017,341	980,741
(Less) Amortization of Gain on Reacquired Debt	3,207,101	935,807	977,865	990,748
Total Issuance of Securities	39,352,782	1,992,706	(49,500,811)	(4,162,356)
Total Provided	\$ 129,847,206	\$ 55,032,513	\$ 81,973,909	\$ 45,881,677
Balance not provided ---	\$ 493,193,003	\$ 594,406,398	\$ 730,162,156	\$ 839,727,191
Margin at End of Period				

EXHIBIT F
Forecast of Financing Requirements 2016-3/31/2021

(\$000)

CASH FLOWS (\$000)	--->					
	2015-1Q16	2Q16-1Q17	2Q17-1Q18	2Q18-1Q19	2Q19-1Q20	2Q21-1Q21
Operations						
Earnings	96,628	82,099	93,365	106,540	117,513	123,511
Depreciation & amortization	103,489	83,571	90,680	98,914	106,148	110,414
Deferred taxes	-	-	23,287	30,373	36,002	33,097
Other	(42,338)	(6,696)	7,799	7,625	21,183	47,652
Total	157,779	158,974	215,131	243,452	280,846	314,674
Investments						
Capital expenditures ¹	(199,086)	(274,029)	(267,753)	(266,529)	(262,767)	(258,046)
Financings						
Change in short-term debt	(109,503)	45,055	67,622	(51,923)	(28,079)	(26,628)
LTD Maturities	-	(39,850)	-	-	(150,000)	-
LTD Issuance	150,000	109,850	50,000	75,000	225,000	50,000
Dividends	-	-	(65,000)	-	(65,000)	(80,000)
Infusions	-	-	-	-	-	-
Total	40,497	115,055	52,622	23,077	(18,079)	(56,628)
Net cash flow	(810)	(0)	(0)	(0)	0	0

BALANCE SHEET (\$ 000)	12/31/2014 Balance	3/31/2016 Balance	3/31/2017 Balance	3/31/2018 Balance	3/31/2019 Balance	3/31/2020 Balance	3/31/2021 Balance	
Cash	811	1	1	1	0	1	1	
Short-term debt	169,737	60,234	105,289	172,911	120,988	144,832	94,360	
IBCWIP	228,438	138,893	138,893	138,893	138,893	138,893	138,893	
Capital Supporting Rate Base								
Short-term debt	-	-	-	34,018	-	5,939	-	
Customer Deposits	4,436	13,591	13,591	13,591	13,591	13,591	13,591	
Long-term Debt	691,055	841,055	911,055	961,055	1,036,055	1,036,055	1,086,055	
Equity (net of AOCI)	762,970	859,598	941,697	970,062	1,076,602	1,022,575	1,120,113	
Total Capital	#####	1,714,244	1,866,343	1,978,726	2,126,248	2,078,160	2,219,759	
Equity Ratio	52%	50%	50%	49%	51%	49%	50%	
Refinancing	-	-	39,850	-	-	150,000	-	189,850
Additions	-	150,000	70,000	50,000	75,000	75,000	50,000	320,000
Total Financing Requirement	-	-	70,000	50,000	75,000	75,000	50,000	509,850

Refunding Bonds for tax-exempt securities:

Held in treasury	55,850
Callable at par	62,150
Total Refunding Bonds	118,000

¹ CAPEX based on filing made with Commission on May 20, 2015 in Case 15-_____.

Analysis Pursuant to Requirements Contained in 12-M-0066

In its Order in connection with Case 12-M-0066¹, (the “Reorganization Order”) at page 27, the Commission requires that the Petitioner provide: “an analysis of existing interest rate spreads between Rule 144A and fully registered securities at the time of the petition; a forecast of those spreads for one year following the date of the petition; an analysis of if and when full SEC registration should commence based upon those spreads and the costs of registration; and, a discussion of the timeframe needed for the preparation and filing of the necessary registration documents”.

Analysis of Spreads

Petitioner was provided with a database of 2,096 utility and energy public debt issuances, both registered and 144A, that occurred between January, 2000 and April, 2015. Petitioner then proceeded to filter the database as shown in the table below, identifying 76 relevant transactions.

of txns

180 Transactions from April 1, 2014 through April 9, 2015
Eliminated transactions for a variety of reasons that make them non-comparable to the type of issuances done by petitioner:
-63 Foreign, non-utility or non-corporate issuers
-6 Non-investment grade or single BBB- rating
-6 Floating rate
-2 Jr subordinated securities
-27 Odd maturities (3s-5, 7s-3, 9s-2,11-29s,14, 50s-3)
76 Remaining Transactions

The transactions selected had the following characteristics.

Breakdown of Selected Transactions						
Maturity	Secured			Unsecured		
	144a	SEC	Total	144a	SEC	Total
5	0	2	2	1	8	9
10	0	10	10	5	11	16
30	2	16	18	1	20	21
	2	28	30	7	39	46

¹ Case 12-M-0066, Order Adopting Staff Report and Approving Reorganization, Subject To Conditions as Modified and Clarified, and Making Findings on Management Audit Compliance (issued November 5, 2013)

Petitioner then analyzed the 144A versus registered transactions in each subgroup that contained both types.

Group 1 (5-yr maturity, secured): No 144A comparable trades.

Issue Date	Issuer	Moody's Rating	S&P Rating	Amt (\$mm)	Coupon	Maturity	Price	Yield	Spread (bps)	Security	144a or SEC	Mat yrs
5/28/2014	Public Service Electric & Gas Co	A3	A	250	1.800	6/1/2019	99.819	1.847	37.000	Secured	SEC	5.0
8/6/2014	Public Service Electric & Gas Co	A3	A	250	2.000	8/15/2019	99.796	2.054	40.000	Secured	SEC	5.0

Group 2 (10-yr maturity, secured): No 144A comparable trades.

Issue Date	Issuer	Moody's Rating	S&P Rating	Amt (\$mm)	Coupon	Maturity	Price	Yield	Spread (bps)	Security	144a or SEC	Mat yrs
5/12/2014	Florida Power & Light Co	A2	A	500	3.250	6/1/2024	99.871	3.265	60.000	Secured	SEC	10.0
6/2/2014	Southwestern Public Service Co	Baa2	A	150	3.300	6/15/2024	99.670	3.339	80.000	Secured	SEC	10.0
6/16/2014	Northern States Power Co	A3	A	100	3.300	7/15/2024	99.647	3.342	75.000	Secured	SEC	10.0
8/6/2014	Public Service Electric & Gas Co	A3	A	250	3.150	8/15/2024	99.821	3.196	70.000	Secured	SEC	10.0
8/11/2014	Consumers Energy Co	A1	A-	250	3.125	8/31/2024	99.898	3.137	72.000	Secured	SEC	10.0
8/18/2014	Atlantic City Electric Co	A3	A	150	3.375	9/1/2024	99.957	3.380	100.000	Secured	SEC	10.0
9/8/2014	Southern California Gas Co	A2	AA-	500	3.150	9/15/2024	99.634	3.193	72.000	Secured	SEC	10.0
11/3/2014	Commonwealth Edison Co	Baa2	A-	250	3.100	11/1/2024	99.915	3.110	75.000	Secured	SEC	10.0
11/4/2014	Public Service Electric & Gas Co	A3	A	250	3.050	11/15/2024	99.520	3.130	78.000	Secured	SEC	10.0
12/3/2014	Ameren Illinois Co	Baa2	A	300	3.250	3/1/2025	99.943	3.257	97.000	Secured	SEC	10.0

Group 3 (30-yr maturity, secured): Two 144a comparable trades. Average spread for the group was 102bps. Smaller of two 144a deals priced 10 bps above average despite mid-BBB ratings; index size deal priced below group average.

Issue Date	Issuer	Moody's Rating	S&P Rating	Amt (\$mm)	Coupon	Maturity	Price	Yield	Spread (bps)	Security	144a or SEC	Mat yrs
6/10/2014	Indianapolis Power & Light Co	Baa2	BBB+	130	4.500	6/1/2044	98.737	4.578	112.000	Secured	144a	30.0
6/25/2014	Kansas Gas & Electric Co	Baa2	A	250	4.300	7/15/2044	99.747	4.315	95.000	Secured	144a	30.0
4/14/2014	Connecticut Light & Power Co	Baa2	A	250	4.300	4/15/2044	100.000	4.300	82.000	Secured	SEC	30.0
5/6/2014	Northern States Power Co	A3	A	300	4.125	5/15/2044	99.709	4.142	77.000	Secured	SEC	30.0
5/28/2014	Public Service Electric & Gas Co	A3	A	250	4.000	6/1/2044	99.051	4.096	77.000	Secured	SEC	30.0
6/2/2014	PPL Electric Utilities Corp	Baa1	A-	300	4.125	6/15/2044	98.827	4.194	82.000	Secured	SEC	30.0
6/9/2014	Oglethorpe Power Corp	Baa2	A	250	4.550	6/1/2044	99.370	4.589	115.000	Secured	SEC	30.0
6/23/2014	Ameren Illinois Co	Baa2	A	250	4.300	7/1/2044	99.432	4.334	92.000	Secured	SEC	30.0
6/23/2014	DTE Electric Co	A3	A	350	4.300	7/1/2044	99.849	4.309	87.000	Secured	SEC	30.0
9/2/2014	Florida Power & Light Co	A2	A	500	4.050	10/1/2044	99.670	4.069	90.000	Secured	SEC	30.0
9/8/2014	PECO Energy Co	A3	A-	300	4.150	10/1/2044	99.657	4.170	95.000	Secured	SEC	30.0
11/5/2014	Northwestern Corp		A-	450	4.176	11/15/2044	100.000	4.176	112.500	Secured	SEC	30.0
11/17/2014	Duke Energy Progress Inc	A1	A	500	4.150	12/1/2044	99.658	4.170	110.000	Secured	SEC	30.0
12/3/2014	Entergy Arkansas Inc	Baa2	A-	250	4.950	12/15/2044	99.288	4.996	200.000	Secured	SEC	30.0
2/23/2015	Commonwealth Edison Co	Baa2	A-	400	3.700	3/1/2045	100.000	3.700	103.000	Secured	SEC	30.0
3/3/2015	Idaho Power Co	Baa1	A-	250	3.650	3/1/2045	99.314	3.722	100.000	Secured	SEC	30.0
3/4/2015	DTE Electric Co	A3	A	500	3.700	3/15/2045	99.766	3.713	100.000	Secured	SEC	30.0
3/31/2015	Union Electric Co	Baa2	A	250	3.650	4/15/2045	99.764	3.663	112.500	Secured	SEC	30.0

Group 4 (5-yr maturity, unsecured): Single 144A trade priced 6 bps wider than the group average of 82 bps.

Issue Date	Issuer	Moody's Rating	S&P Rating	Amt (\$mm)	Coupon	Maturity	Price	Yield	Spread (bps)	Security	144a or SEC	Mat yrs
12/1/2014	Berkshire Hathaway Energy Co	A3	BBB+	350	2.400	2/1/2020	99.978	2.404	88.000	Unsecured	144a	5.0
3/10/2015	Sempra Energy	Baa1	BBB+	500	2.400	3/15/2020	99.916	2.418	80.000	Unsecured	SEC	5.0
1/7/2015	Arizona Public Service Co	A3	A-	250	2.200	1/15/2020	99.986	2.203	72.000	Unsecured	SEC	5.0
11/17/2014	DTE Energy Co	A3	BBB	300	2.400	12/1/2019	99.882	2.425	80.000	Unsecured	SEC	5.0
11/17/2014	Dominion Resources Inc	Baa2	BBB+	700	2.500	12/1/2019	99.850	2.532	90.000	Unsecured	SEC	5.0
10/22/2014	WGL Holdings Inc		A	100	2.250	11/1/2019	99.792	2.294	85.000	Unsecured	SEC	5.0
8/19/2014	Southern Co	Baa1	A-	350	2.150	9/1/2019	99.768	2.199	62.000	Unsecured	SEC	5.0
8/12/2014	Laclede Group Inc		BBB+	125	2.550	8/15/2019	99.805	2.592	98.000	Unsecured	SEC	5.0
6/3/2014	NextEra Energy Capital Holdings Inc	Baa1	BBB+	350	2.400	9/15/2019	99.825	2.436	80.000	Unsecured	SEC	5.0

Group 5 (10-yr maturity, unsecured): Average spread for the group of 102 bps. Two 144A trades priced wider and two tighter.

Issue Date	Issuer	Moody's Rating	S&P Rating	Amt (\$mm)	Coupon	Maturity	Price	Yield	Spread (bps)	Security	144a or SEC	Mat yrs
3/19/2015	Oncor Electric Delivery Co LLC	Baa1	A	350	2.950	4/1/2025	99.724	2.982	100.000	Unsecured	144a	10.0
2/24/2015	Tucson Electric Power Co	Baa2	BBB+	300	3.050	3/15/2025	99.673	3.088	110.000	Unsecured	144a	10.0
12/1/2014	Berkshire Hathaway Energy Co	A3	BBB+	400	3.500	2/1/2025	99.977	3.502	128.000	Unsecured	144a	10.0
9/22/2014	Niagara Mohawk Power Corp	A3	A-	500	3.508	10/1/2024	99.999	3.508	95.000	Unsecured	144a	10.0
5/28/2014	ITC Holdings Corp	Baa2	BBB+	400	3.650	6/15/2024	99.666	3.690	125.000	Unsecured	SEC	10.0
6/9/2014	Arizona Public Service Co	A3	A-	250	3.350	6/15/2024	99.908	3.361	75.000	Unsecured	SEC	10.0
6/10/2014	Sempra Energy	Baa1	BBB+	500	3.550	6/15/2024	99.708	3.585	95.000	Unsecured	SEC	10.0
11/17/2014	Interstate Power & Light Co	A3	A-	250	3.250	12/1/2024	99.255	3.338	100.000	Unsecured	SEC	10.0
4/9/2015	Alabama Power Co	A1	A	250	2.800	4/1/2025	99.888	2.813	85.000	Unsecured	SEC	10.0
1/12/2015	Northeast Utilities	Baa2	BBB+	300	3.150	1/15/2025	99.898	3.162	125.000	Unsecured	SEC	10.0
11/17/2014	Dominion Resources Inc	Baa2	BBB+	500	3.625	12/1/2024	99.833	3.645	130.000	Unsecured	SEC	10.0
8/7/2014	Pacific Gas & Electric Co	A3	BBB	350	3.400	8/15/2024	99.925	3.409	98.000	Unsecured	SEC	10.0
5/6/2014	DTE Energy Co	A3	BBB	350	3.500	6/1/2024	99.914	3.510	92.000	Unsecured	SEC	10.0
4/1/2014	Duke Energy Corp	A3	BBB	600	3.750	4/15/2024	99.941	3.757	100.000	Unsecured	SEC	10.0
4/1/2014	Union Electric Co	Baa2	A	350	3.500	4/15/2024	99.982	3.502	75.000	Unsecured	SEC	10.0
11/19/2014	Consolidated Edison Co of New York Inc	A2	A-	250	3.300	12/1/2024	99.653	3.341	98.000	Unsecured	SEC	10.0

Group 6 (30-yr maturity, unsecured): Sole 144A trade priced wider than the average, but closest contemporaneous trades (ConEd NY and PG&E) also priced wider than the average, suggesting that some of the difference was related to market characteristics at the issuance date.

Issue Date	Issuer	Moody's Rating	S&P Rating	Amt (\$mm)	Coupon	Maturity	Price	Yield	Spread (bps)	Security	144a or SEC	Mat yrs
12/1/2014	Berkshire Hathaway Energy Co	A3	BBB+	750	4.500	2/1/2045	99.141	4.552	160.000	Unsecured	144a	30.0
9/8/2014	Washington Gas Light Co	A1	A+	100	4.224	9/15/2044	100.000	4.224	100.000	Unsecured	SEC	30.0
3/23/2015	Southwestern Electric Power Co	Baa3	BBB	400	3.900	4/1/2045	99.108	3.951	145.000	Unsecured	SEC	30.0
5/12/2014	Tampa Electric Co	A3	BBB+	300	4.350	5/15/2044	99.933	4.354	87.000	Unsecured	SEC	30.0
4/9/2015	Alabama Power Co	A1	A	175	3.750	4/1/2045	101.051	3.691	110.000	Unsecured	SEC	30.0
11/3/2014	Pacific Gas & Electric Co	A3	BBB	500	4.300	3/15/2045	98.851	4.369	130.000	Unsecured	SEC	30.0
3/5/2015	Alabama Power Co	A1	A	550	3.750	3/1/2045	99.306	3.789	107.000	Unsecured	SEC	30.0
12/8/2014	Oklahoma Gas & Electric Co	A1	A-	250	4.000	12/15/2044	98.214	4.104	120.000	Unsecured	SEC	30.0
11/17/2014	Dominion Resources Inc	Baa2	BBB+	450	4.700	12/1/2044	99.632	4.723	165.000	Unsecured	SEC	30.0
11/24/2014	El Paso Electric Co	Baa2	BBB	150	5.000	12/1/2044	99.645	5.023	200.000	Unsecured	SEC	30.0
10/22/2014	WGL Holdings Inc		A	125	4.600	11/1/2044	99.226	4.648	165.000	Unsecured	SEC	30.0
10/6/2014	Atmos Energy Corp	Baa1	A-	500	4.125	10/15/2044	99.812	4.136	103.000	Unsecured	SEC	30.0
9/16/2014	Gulf Power Co	A2	A	200	4.550	10/1/2044	99.804	4.562	122.000	Unsecured	SEC	30.0
8/12/2014	Laclede Group Inc		BBB+	250	4.700	8/15/2044	99.905	4.706	145.000	Unsecured	SEC	30.0
8/20/2014	Alabama Power Co	A1	A	400	4.150	8/15/2044	99.204	4.197	98.000	Unsecured	SEC	30.0
5/5/2014	Appalachian Power Co	Baa1	BBB	300	4.400	5/15/2044	99.306	4.442	105.000	Unsecured	SEC	30.0
8/7/2014	Pacific Gas & Electric Co	A3	BBB	225	4.750	2/15/2044	106.042	4.380	115.000	Unsecured	SEC	30.0
1/13/2015	Southern California Edison Co	A3	A	425	3.600	2/1/2045	99.616	3.621	112.000	Unsecured	SEC	30.0
11/19/2014	Consolidated Edison Co of New York Inc	A2	A-	750	4.625	12/1/2044	99.745	4.639	155.000	Unsecured	SEC	30.0
10/6/2014	Wisconsin Power & Light Co	A2	A	250	4.100	10/15/2044	99.914	4.105	98.000	Unsecured	SEC	30.0
5/12/2014	Wisconsin Electric Power Co	A2	A-	250	4.250	6/1/2044	99.376	4.287	80.000	Unsecured	SEC	30.0

Based on this analysis, Petitioner discerns minimal to no appreciable spread difference between 144A and registered issuance formats. This conclusion is consistent with previous findings on this topic dating back the assessments in cases 12-M-0066 and 13-M-0554. The analysis is also supported by continuing dialogue with Petitioner's bankers who have consistently advised the Company that the advantage to SEC registration is 5-10 basis points.

Further, based on the consistency of the findings on the topic, Petitioner believes that there is no reason to forecast a material change in the relationship between 144A and registered issuance spreads.

Petitioner estimates that the annual costs of maintaining registration would range from \$650,000 to \$1,000,000 and that additional, up-front costs of \$500,000 to \$650,000 would be incurred for the initial registration. These additional costs could not be recovered given the volume of new issuance expected by the Petitioner. Petitioner would need 3 to 6 months for the preparation and filing of the necessary documents, and up to a year if it could not obtain a waiver of the pushdown accounting requirement.

Additional Factors

The Commission is aware that on February 26th, Petitioner's parent company Iberdrola USA announced its intent to merge with UIL Holdings Corporation. The transaction is a cash and stock-for-stock exchange and will result in Iberdrola USA becoming, a registered, public company. While this imposes no requirements on the petitioner specifically, it does mean that all of the SEC reporting and disclosure requirements will pertain to the consolidated IUSA group, of which Petitioner is a part. This will provide some of the "intangible benefits to ratepayers [that] accompany full registration in the form of SEC oversight and enforcement of accountable and transparent financial reporting"² that the Commission has previously stated are attendant to registration.

² Case 13-M-0554 Petition of New York State Electric & Gas Corporation under §69 of the Public Service Law, page 13.

NEW YORK STATE PUBLIC SERVICE COMMISSION

-----X
In the Matter of the Petition of ROCHESTER GAS AND :
ELECTRIC CORPORATION Under Section 69 of the Public :
Service Law for Authority to Issue Long-Term Indebtedness and :
Request for Expedited Approval :
-----X

Case 15-M-_____

AFFIDAVIT

STATE OF NEW YORK)
) ss.:
COUNTY OF MONROE)

Joseph J. Syta, being duly sworn, deposes and says:

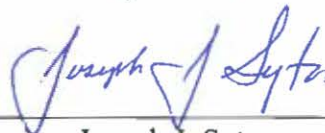
1. I am the Vice President – Controller & Treasurer of ROCHESTER GAS AND ELECTRIC CORPORATION ("RG&E");

2. The accounts of RG&E have been kept strictly in accordance with the accounting orders of the State of New York Public Service Commission (the "Commission") applicable thereto, and that since the effective date of such orders there have been no charges to asset accounts not in accordance therewith and that all required credits to such asset accounts have been made for the amount and in the manner prescribed therefore in such accounting orders;

3. Proper credits to all sub-accounts have been made for all property which was removed, sold, abandoned or destroyed, or which for any cause ceased to be used and useful in the service of the public during the reimbursement period referred to in RG&E's Petition in this proceeding, as required by the applicable system of accounts prescribed by the Commission; that during such period the debits to each of said sub-accounts represent the original cost of property used and useful in the service of the public; and that the funds expended for purposes for which reimbursement is sought were not directly or indirectly derived from the sale of stock, bonds,

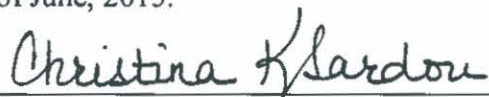
notes or other evidences of indebtedness payable at periods of more than twelve months after the date thereof or from open accounts of RG&E; and

4. No part of the Proposed Debt (as defined in RG&E's Petition in this matter) is in whole or in part reasonably chargeable to maintenance of RG&E's system or service.



Joseph J. Syta

Subscribed and sworn to
before me this 15th day
of June, 2015.



Notary Public, State of New York
Qualified in GENESEE County
Commission Expires: 10-19-2018

CHRISTINA K. SARDOU
Notary Public, State of New York
Genesee County
Registration No. 01SA6015061
Commission Expires: October 19, 2018

ROCHESTER GAS AND ELECTRIC CORPORATION**Certified Resolutions**

RESOLVED, that the Corporation is authorized to file with the Public Service Commission of the State of New York ("Commission") a petition requesting authorization of said Commission to issue long-term debt up to \$650 million principal amount of securities (secured or unsecured debt obligations, or preferred stock) through March 31, 2021, for the purposes of optional refunding, refinancing and new capital needs identified in the rate filing forecast.

RESOLVED, that the officers of the Corporation be and they hereby are authorized to take any and all action which they may deem necessary or desirable in order to carry out the intent and purposes of the foregoing resolution.

I, Mark V. Dolan, Secretary of **ROCHESTER GAS AND ELECTRIC CORPORATION**, a New York corporation, do hereby certify that the foregoing is a true and correct copy of resolutions duly adopted by the Board of Directors of said Corporation by unanimous written consent on June 2, 2015, and that said resolutions are in full force and effect as of the date hereof

IN WITNESS WHEREOF, I have hereunto affixed my signature this 15th day of June, 2015.

A handwritten signature in black ink, appearing to read "Mark V. Dolan", is written over a horizontal line.

Mark V. Dolan