

**Rochester Gas and Electric Corporation
Electric Department
Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011**

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Rochester Gas and Electric Corporation
Electric Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate of Return Statement
(\$ 000)

		1	2	3	4	5	6	7	
	Schedule	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase	
<u>Operating Revenues</u>									
1	Sales Revenue	B	\$ 346,917	\$ 18,992	\$ 365,909	\$ 2,932	\$ 368,841	\$ 450,949	
2	Late Payments	B	2,076	(104)	1,972	16	1,988	2,507	
3	Total Retail Revenue		348,993	18,889	367,882	2,948	370,829	453,457	
4	Other Revenue	B	12,563	(6,671)	5,892	(1,517)	4,375	4,375	
5	Total Revenue		<u>361,556</u>	<u>12,217</u>	<u>373,773</u>	<u>1,430</u>	<u>375,204</u>	<u>457,831</u>	
6	Gross Revenue Taxes	E	4,067	387	4,453	17	4,470	5,465	
7	Net Revenue		<u>357,489</u>	<u>11,831</u>	<u>369,320</u>	<u>1,414</u>	<u>370,734</u>	<u>452,366</u>	
8	O&M Expenses	C	261,956	(47,545)	214,412	(747)	213,665	215,446	
9	Depreciation & Amortizations	D	45,233	4,292	49,526	(13)	49,512	49,512	
10	Taxes Other Than Income Taxes	E	46,546	22,236	68,782	(1,755)	67,027	67,027	
11	Total Operating Expenses		<u>353,736</u>	<u>(21,016)</u>	<u>332,719</u>	<u>(2,516)</u>	<u>330,204</u>	<u>331,985</u>	
12	Subtotal		<u>3,754</u>	<u>32,847</u>	<u>36,601</u>	<u>3,929</u>	<u>40,530</u>	<u>120,381</u>	
13	Other Income and Deductions	F	4,002	(4,002)	-	-	-	-	
14	Operating Income Before Income Taxes		<u>7,756</u>	<u>28,845</u>	<u>36,601</u>	<u>3,929</u>	<u>40,530</u>	<u>120,381</u>	
15	Income Taxes	G	(21,069)	16,685	(4,384)	2,159	(2,224)	29,409	
16	Operating Income Available for Return		<u>\$ 28,825</u>	<u>\$ 12,160</u>	<u>\$ 40,984</u>	<u>\$ 1,770</u>	<u>\$ 42,754</u>	<u>\$ 90,972</u>	
17	Rate Base	H	1,042,248	(37,336)	975,525	(6,984)	968,541	968,541	
18	Rate of Return		<u>2.77%</u>		<u>4.20%</u>		<u>4.41%</u>	<u>9.39%</u>	
19	Return on Equity		<u>-1.87%</u>		<u>0.46%</u>		<u>1.05%</u>	<u>11.43%</u>	
20	Return on Equity - Excluding PBA Impact		<u>5.01%</u>						
21	<u>Calculation of Return on Equity</u>								
22	Operating Income Available for Return		\$ 28,825		\$ 40,984			\$ 90,972	
23	Less: Interest Expense	H	(37,566)		(38,826)			(37,870)	
24	Balance for Common		(8,741)		2,158			53,102	
25	Rate Base	H	1,042,248		975,525			968,541	

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	Schedule	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase
26	Common Equity Percentage	45%		48%				48%
27	Equity Component of Rate Base	468,366		467,939				464,589
28	Balance for Common	(8,741)		2,158				53,102
29	Equity Component of Rate Base	468,366		467,939				464,589
		-1.87%		0.46%				11.43%
30 Calculation of Return on Equity - Excluding PBA Impact								
31	Operating Income Available for Return	28,825						
32	Less: Interest Expense	(37,566)						
33	Balance for Common	(8,741)						
34	Less: PBA Impact							
35	Pre-Tax Impact of PBAs	81,247						
36	Effective Tax Rate	39.62%						
		32,186						
37	Balance for Common - Excluding PBA Impact	23,445						
38	Rate Base	1,042,248						
39	Common Equity Percentage	45%						
40	Equity Component of Rate Base	468,366						
41	Balance for Common - Excluding PBA Impact	23,445						
42	Equity Component of Rate Base	468,366						
		5.01%						

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Revenue
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		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase	
			I		I-1		J		
<u>Retail Sales Revenue</u>									
1	Gross Base Delivery	RE-RRP-2B-WP-001	\$ 255,835	\$ (7,688)	\$ 248,147	\$ 497	\$ 248,644	\$ 81,113	\$ 329,757
2	a Less: Low Income Discounts	" "	-	(6,555)	(6,555)	-	(6,555)	-	(6,555)
3	b Less: Economic Development Discounts	" "	(6,678)	5,515	(1,163)	-	(1,163)	-	(1,163)
4	Plus: Transfer Fixed NBC Costs to Delivery	" "	77,914	224	78,138	2,276	80,414	-	80,414
5	Net Base Delivery Charges	" "	327,071	(8,504)	318,567	2,773	321,340	81,113	402,453
6	c System Benefit Charge	" "	4,624	361	4,985	52	5,036	-	5,036
7	d Energy Efficiency Portfolio Standards	" "	7,421	10,018	17,439	(61)	17,378	-	17,378
8	e Temporary State Assessment Surcharge	" "	-	14,298	14,298	87	14,385	-	14,385
9	f Renewable Portfolio Standards	" "	5,162	402	5,564	58	5,621	-	5,621
10	Merchant Function Charge - Delivery	" "	-	-	-	-	-	-	-
11	Retail Access Surcharge	" "	13,359	(13,359)	-	-	-	-	-
12	Retail Access Credit	" "	(15,395)	15,395	-	-	-	-	-
13	Gross Revenue Tax	" "	2,526	1,928	4,453	17	4,470	995	5,465
14	Transfer Commodity Uncollectibles from NBWC to MFC	" "	2,280	(2,280)	-	-	-	-	-
15	Unbilled	" "	(129)	733	604	6	610	-	610
16	Total Retail Revenue		346,917	18,992	365,909	2,932	368,841	82,108	450,949
17	Late Payments	RE-RRP-2B-WP-001	2,076	(104)	1,972	16	1,988	519	2,507
<u>Other Electric Revenue</u>									
18	Reconnection Charges	RE-RRP-2B-WP-001	623	-	623	-	623	-	623
19	Rent Revenue	" "	2,670	654	3,324	(1,517)	1,807	-	1,807
20	Damage Billing	" "	926	-	926	-	926	-	926
21	Inter-Company Revenue	" "	281	-	281	-	281	-	281
22	Purchase of Receivables Discount	" "	787	(787)	-	-	-	-	-
23	b Economic Development - Non-Rate Program	" "	(80)	80	-	-	-	-	-
24	Other	" "	1,058	(320)	738	-	738	-	738
25	Total		6,264	(373)	5,892	(1,517)	4,375	-	4,375
<u>Deferrals & Amortizations</u>									
26	f SBC/RPS (over)/under collection	RE-RRP-2B-WP-001	389	(389)	-	-	-	-	-
27	RAS (over)/under collection	" "	1,347	(1,347)	-	-	-	-	-
28	c NYSERDA True up	" "	810	(810)	-	-	-	-	-
29	b Economic Development Deferral	" "	(3,219)	3,219	-	-	-	-	-
30	Amortize 2003 SIT per JP XV.3.D	" "	916	(916)	-	-	-	-	-
31	Offset Delivery rate	" "	2,000	(2,000)	-	-	-	-	-
32	Other/Earnings Sharing ESM	" "	(332)	332	-	-	-	-	-
33	d EEPS (over)/under collection	" "	(2,969)	2,969	-	-	-	-	-
34	e Temporary State Assessment Surcharge Deferral	" "	3,580	(3,580)	-	-	-	-	-
35	Other	" "	3,776	(3,776)	-	-	-	-	-
36	Total		6,299	(6,299)	-	-	-	-	-
37	Total Other Revenues + Deferrals & Amortizations		12,563	(6,671)	5,892	(1,517)	4,375	-	4,375
38	Total		\$ 361,556	\$ 12,217	\$ 373,773	\$ 1,430	\$ 375,204	\$ 82,627	\$ 457,831

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Operation & Maintenance Expense
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		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase	
			I		I-1		J		
<u>O&M Expenses</u>									
1	Labor/Payroll	RGE Electric RRP-3	\$ 34,080	587	34,666	964	35,630	-	35,630
2	Medical Benefits	" "	1,894	65	1,959	-	1,959	-	1,959
3	Other Employee Benefits	" "	2,986	67	3,052	85	3,137	-	3,137
4	g OPEBs	" "	2,653	(141)	2,512	116	2,628	-	2,628
5	h Pension	" "	(5,332)	8,650	3,317	(528)	2,789	-	2,789
6	Group Incentive	" "	561	13	574	-	574	-	574
7	Employee Related	" "	469	12	481	-	481	-	481
8	Collections	" "	398	328	726	-	726	-	726
9	Uncollectibles	" "	6,517	1,068	7,585	104	7,689	1,781	9,470
10	Postage	" "	1,206	41	1,247	-	1,247	-	1,247
11	Telephone	" "	587	20	607	-	607	-	607
12	Materials & Supplies	" "	3,102	104	3,205	-	3,205	-	3,205
13	Legal Services	" "	1,116	1,647	2,763	-	2,763	-	2,763
14	Outside Services	" "	11,510	286	11,796	-	11,796	-	11,796
15	Transportation	" "	3,117	412	3,529	-	3,529	-	3,529
16	Insurance	" "	(456)	1,263	807	-	807	-	807
17	Advertising	" "	82	3	85	-	85	-	85
18	EEMC Costs	" "	4,328	148	4,476	-	4,476	-	4,476
19	USS Costs	" "	10,471	357	10,828	-	10,828	-	10,828
20	Rents & Leases	" "	2,709	92	2,801	-	2,801	-	2,801
21	Regulatory Commission Assessment Fees	" "	2,283	78	2,361	-	2,361	-	2,361
22	Transmission Wheeling	" "	320	11	331	-	331	-	331
23	Stores	" "	950	32	982	-	982	-	982
24	b Economic Development	" "	5,453	(1,853)	3,600	-	3,600	-	3,600
25	c System Benefit Charge	" "	10,229	(688)	9,541	52	9,592	-	9,592
26	d Energy Efficiency Portfolio Standards	" "	4,882	12,557	17,439	(61)	17,378	-	17,378
27	f Renewable Portfolio Standard	" "	5,310	253	5,564	58	5,621	-	5,621
28	Executive Incentive Compensation	" "	2,040	(2,040)	-	-	-	-	-
29	Vegetation Management	" "	3,747	3,823	7,570	-	7,570	-	7,570
30	e Temporary State Assessment Surcharge	" "	3,580	10,718	14,298	87	14,385	-	14,385
31	Low Income Program	" "	127	8,632	8,759	(6,658)	2,100	-	2,100
32	CRO Panel Initiatives	" "	-	4,199	4,199	-	4,199	-	4,199
33	Operations Staffing	" "	-	5,692	5,692	-	5,692	-	5,692
34	i Storm	" "	4,223	(1,523)	2,700	-	2,700	-	2,700
35	j Environmental Remediation	" "	5,868	4,684	10,553	-	10,553	-	10,553
36	k Outreach & Education	" "	568	19	587	-	587	-	587
37	l Right of Way	" "	113	4	117	-	117	-	117
38	m Sarbanes Oxley	" "	304	10	315	-	315	-	315
39	n Stray Voltage	" "	1,972	2,467	4,440	(1,082)	3,358	-	3,358
40	o Security	" "	687	23	710	-	710	-	710
41	p ERO_NERC	" "	227	8	234	-	234	-	234
42	q Electric DOE Liability	" "	999	987	1,986	-	1,986	-	1,986
43	Other	" "	5,257	(2,431)	2,826	(136)	2,690	-	2,690
44	Total		\$ 141,136	\$ 60,684	\$ 201,820	\$ (7,001)	\$ 194,820	\$ 1,781	\$ 196,600

Amortizations

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Operation & Maintenance Expense
(\$ 000)

		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase	
			I		I-1		J		
45	Ice Storm	RGE Electric RRP-3	2,700	-	2,700	-	2,700	2,700	
46	Allegheny Buy-out	" "	9,222	-	9,222	-	9,222	9,222	
47	Nine Mile II Mirror CWIP	" "	1,051	(1,051)	-	-	-	-	
48	Nine Mile II	" "	27,619	(27,619)	-	-	-	-	
49	Oswego Plant Sale	" "	6,476	(6,476)	-	6,476	6,476	6,476	
50	Outreach & Education - Voice Your Choice	" "	-	1,700	1,700	-	1,700	1,700	
51	Amortize Net Regulatory Deferrals	" "	-	(1,030)	(1,030)	(223)	(1,253)	(1,253)	
52			47,068	(34,476)	12,592	6,253	18,845	18,845	
<u>Deferrals</u>									
53	g OPEBs	RGE Electric RRP-3	1,300	(1,300)	-	-	-	-	
54	h Pension	" "	151	(151)	-	-	-	-	
55	i Storm Deferral	" "	(2,222)	2,222	-	-	-	-	
56	j Environmental Remediation	" "	(4,469)	4,469	-	-	-	-	
57	k Outreach & Education	" "	(568)	568	-	-	-	-	
58	l Right of Way	" "	(113)	113	-	-	-	-	
59	m Sarbanes Oxley	" "	(304)	304	-	-	-	-	
60	n Stray Voltage	" "	(1,972)	1,972	-	-	-	-	
61	o Security	" "	(90)	90	-	-	-	-	
62	p ERO_NERC	" "	(196)	196	-	-	-	-	
63	q Electric DOE Liability	" "	987	(987)	-	-	-	-	
64	r Positive Benefit Adjustments	" "	81,247	(81,247)	-	-	-	-	
65			73,752	(73,752)	-	-	-	-	
66	<u>Total O&M Plus Deferrals & Amortizations</u>		<u>\$ 261,956</u>	<u>\$ (47,545)</u>	<u>\$ 214,412</u>	<u>\$ (747)</u>	<u>\$ 213,665</u>	<u>\$ 1,781</u>	<u>\$ 215,446</u>
<u>Amount in Rates</u>									
67	g OPEBs		3,953	(1,441)	2,512	116	2,628	2,628	
68	h Pension		(5,181)	8,498	3,317	(528)	2,789	2,789	
69	i Storm Deferral		2,000	700	2,700	-	2,700	2,700	
70	j Environmental Remediation		1,400	9,153	10,553	-	10,553	10,553	
71	k Outreach & Education		-	587	587	-	587	587	
72	l Right of Way		-	117	117	-	117	117	
73	m Sarbanes Oxley		0	315	315	-	315	315	
74	n Stray Voltage		-	4,440	4,440	(1,082)	3,358	3,358	
75	o Security		597	113	710	-	710	710	
76	p ERO_NERC		31	204	234	-	234	234	
77	q Electric DOE Liability		1,986	-	1,986	-	1,986	1,986	
78	r Positive Benefit Adjustments		81,247	(81,247)	-	-	-	-	
79			86,034	(58,562)	27,471	(1,494)	25,977	25,977	
<u>Low Income Program Breakdown</u>									
80	a Customer Discount		55	6,500	6,555	(6,555)	-	-	
81	Arrearage Forgiveness		57	1,614	1,671	-	1,671	1,671	

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Operation & Maintenance Expense
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		1	2	3	4	5	6	7
Test Year		Historic	Adjustments	Rate Year	12/4/09 Update	Rate Year	Rate	Rate Year
Workpaper		Test Year			Adjustments		Increase	with
			I		I-1		J	Rate Increase
82	Administration	15	518	533	-	533	-	533
83	a Total Low Income Program	\$ 127	\$ 8,632	\$ 8,759	\$ (6,555)	\$ 2,204	\$ -	\$ 2,204
<u>Economic Development Reconciliation</u>								
84	b Total Economic Development Program	12,462	(7,700)	4,763	4,763	4,763	-	4,763
85	Rate Discounts	4,264	(3,101)	1,163	1,163	1,163	-	1,163
86	b Economic Development Deferral	3,219	(3,219)	-	-	-	-	-
<u>Non-Rate discounts:</u>								
87	b Economic Development - Revenue	(80)	80	-	-	-	-	-
88	b Economic Development - O&M	5,453	(1,853)	3,600	-	3,600	-	3,600
89	Total Rate and Non-Rate Discounts	12,855	(8,093)	4,763	1,163	4,763	-	4,763
<u>SBC Reconciliation</u>								
Revenue								
90	c Embedded in Delivery Rates	\$ 4,556	\$ -	\$ 4,556	\$ -	\$ 4,556	\$ -	\$ 4,556
91	c System Benefit Charge	4,624	361	4,985	52	5,036	-	5,036
92	c NYSERDA True up	810	(810)	-	-	-	-	-
93		\$ 9,990	\$ (450)	\$ 9,541	\$ 52	\$ 9,592	\$ -	\$ 9,592
Expense								
94	c System Benefit Charge	\$ 10,229	\$ (688)	\$ 9,541	\$ 52	\$ 9,592	\$ -	\$ 9,592
<u>Energy Efficiency Portfolio Standards Reconciliation</u>								
Revenue								
95	d Energy Efficiency Portfolio Standards	\$ 7,421	\$ 10,018	\$ 17,439	\$ (61)	\$ 17,378	\$ -	\$ 17,378
96	d EEPS (over)/under collection	(2,969)	2,969	-	-	-	-	-
97		\$ 4,452	\$ 12,987	\$ 17,439	\$ (61)	\$ 17,378	\$ -	\$ 17,378
O&M Expense								
98	d Energy Efficiency Portfolio Standards	\$ 4,882	\$ 12,557	\$ 17,439	\$ (61)	\$ 17,378	\$ -	\$ 17,378
<u>Temporary State Assessment Surcharge</u>								
Revenue								
99	e Temporary State Assessment Surcharge	-	14,298	14,298	87	14,385	-	14,385
100	e Temporary State Assessment Surcharge Deferral	3,580	(3,580)	-	-	-	-	-
101		3,580	10,718	14,298	87	14,385	-	14,385
Expense								
102	e Temporary State Assessment Surcharge	3,580	10,718	14,298	87	14,385	-	14,385
<u>RPS Reconciliation</u>								
Revenue								
103	f Renewable Portfolio Standards	5,162	402	5,564	58	5,621	-	5,621
104	f SBC/RPS (over)/under collection	389	(389)	-	-	-	-	-
105		\$ 5,551	\$ 13	\$ 5,564	\$ 58	\$ 5,621	\$ -	\$ 5,621
Expense								
106	f Renewable Portfolio Standard	\$ 5,310	\$ 253	\$ 5,564	\$ 58	\$ 5,621	\$ -	\$ 5,621
107		\$ 5,310	\$ 253	\$ 5,564	\$ 58	\$ 5,621	\$ -	\$ 5,621

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Test Year Workpaper	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase
1 Depreciation Expense							
RE-RRP-2D-WP-001	\$ 39,983	\$ 4,542	\$ 44,526	\$ (13)	\$ 44,512	\$ -	\$ 44,512
<u>Decommissioning</u>							
2 Beebee	2,000	-	2,000	-	2,000	-	2,000
3 Russell	3,250	(250)	3,000	-	3,000	-	3,000
4 Total	<u>5,250</u>	<u>(250)</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
5 <u>Total</u>	<u>\$ 45,233</u>	<u>\$ 4,292</u>	<u>\$ 49,526</u>	<u>\$ (13)</u>	<u>\$ 49,512</u>	<u>\$ -</u>	<u>\$ 49,512</u>

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Operating Taxes
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		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase	
			I		I-1		J		
<u>Gross Revenue Taxes</u>									
1	Total Retail Revenue			\$ 365,909		\$ 368,841	\$ 82,108	450,949	
2	Average GRT Rate			1.22%		1.21%		1.21%	
3	GRT on Sales Revenues			4,453		4,470	995	5,465	
4	GRT on Other Revenues			-		-	-	-	
5	Total Gross Revenue Tax	RE-RRP-2E-WP-001	\$ 4,067	\$ 387	\$ 4,453	\$ 17	\$ 4,470	\$ 995	\$ 5,465
<u>Other Operating Taxes</u>									
6	Property Taxes	RE-RRP-2E-WP-001	50,026	15,021	65,047	(1,755)	63,292	-	63,292
7	Property Tax True-up	RE-RRP-2E-WP-001	(7,122)	7,122	-	-	-	-	-
8	Net Property Taxes		42,904	22,143	65,047	(1,755)	63,292	-	63,292
9	Payroll Taxes	""	2,665	59	2,724	-	2,724	-	2,724
10	Use Taxes	""	809	28	836	-	836	-	836
11	Other Taxes	""	169	6	174	-	174	-	174
12	Total Other Operating Taxes		46,546	22,236	68,782	(1,755)	67,027	-	67,027
13	<u>Total</u>		\$ 50,612	\$ 22,623	\$ 73,235	\$ (1,738)	\$ 71,497	\$ 995	\$ 72,492

Rochester Gas and Electric Corporation
Electric Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Other Income & Deductions
(\$ 000)

		1	2	3	4	5	6	7
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase
			I		I-1		J	
1	Revenues-Merchandising	RE-RRP-2F-WP-001	\$ 13	\$ (13)	\$ -	\$ -	\$ -	\$ -
2	Nonop Rental Income	""	(36)	36	-	-	-	-
3	Int/Div Income	""	2,788	(2,788)	-	-	-	-
4	AFUDC	""	807	(807)	-	-	-	-
5	Nonop Misc Income	""	1,008	(1,008)	-	-	-	-
6	IC Rev-Nonutil Ops E	""	725	(725)	-	-	-	-
7	Donations	""	(463)	463	-	-	-	-
8	OID-Penalties	""	(8)	8	-	-	-	-
9	OID-Civic&Political	""	(129)	129	-	-	-	-
10	OID-Other Deductions	""	(357)	357	-	-	-	-
11	Loss-Disp/Util Prop	""	(135)	135	-	-	-	-
12	Tax oth Inc Tax OID	""	(212)	212	-	-	-	-
13	Total		<u>\$ 4,002</u>	<u>\$ (4,002)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Rochester Gas and Electric Corporation
Electric Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Income Taxes
(\$ 000)

	1	2	3	4	5	6	7
Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase
		I		I-1		J	
1 Operating Income Before Income Taxes	RE-RRP-2A-WP-001		36,601		40,530	79,851	120,381
2 Interest Expense	H		(38,826)		(37,870)	-	(37,870)
3 Book Income Before Income Taxes (Adjusted for Tax Items)		(38,301)	36,076	(2,225)	4,885	2,660	79,851
4 Federal Income Taxes @ 35.000%		(13,405)	12,626	(779)	1,710	931	27,948
5 State Taxes @ 7.100%		(2,719)	2,561	(158)	347	189	5,669
6 Fed Benefit of State Tax Deduction @ 2.485%		952	(896)	55	(121)	(66)	(1,984)
7 Total Federal & State @ Statutory Rates		(15,173)	14,291	(881)	1,935	1,054	31,633
8 APB28 ETR True-Up	RE-RRP-2G-WP-001	3,782	(3,782)	-	-	-	-
Flow-Through							
9 Book / Tax Depreciation - Without Depreciation Study Impact	RE-RRP-2G-WP-001	(2,030)	(0)	(2,031)	-	(2,031)	-
10 Book / Tax Depreciation - Depreciation Study Impact	"	-	936	936	-	936	-
11 Allowance for Funds Used During Construction	"	(793)	793	-	-	-	-
12 Cost of Removal	"	(3,834)	2,111	(1,723)	224	(1,499)	-
13 Mirror CWIP	"	368	(368)	-	-	-	-
14 Gain on Retirement of Preferred Stock	"	156	(156)	-	-	-	-
15 Pre-Paid Property Tax	"	(245)	(352)	(597)	-	(597)	-
16 Subtotal: Flow-Through		(6,378)	2,963	(3,415)	224	(3,191)	-
Tax Reserve & Other Adjustments							
17 Reserve Adjustment - Fed	RE-RRP-2G-WP-001	508	(508)	-	-	-	-
18 Reserve Adjustment - NY	"	54	(54)	-	-	-	-
19 Reserve Interest - Fed	"	48	(48)	-	-	-	-
20 Reserve Interest - NY	"	(748)	748	-	-	-	-
21 Subtotal: Tax Reserve Adjustments		(138)	138	-	-	-	-
Permanent Differences							
22 Fuel Tax Credit Addback	RE-RRP-2G-WP-001	-	1	1	-	1	-
23 Lobbying and Political Expenses	"	73	(73)	-	-	-	-
24 Meals and Entertainment	"	27	15	42	-	42	-
25 Medicare Subsidy	"	(115)	(15)	(130)	-	(130)	-
26 Penalties	"	6	(6)	-	-	-	-
27 Restricted Stock	"	(13)	13	-	-	-	-
28 Tax Exempt Interest Income	"	(3)	3	-	-	-	-
29 Subtotal: Permanent Differences		(25)	(62)	(87)	-	(87)	-
30 Investment Tax Credit Amortization	RE-RRP-2G-WP-001	(704)	704	-	-	-	-
31 Out of Period Adjustments	RE-RRP-2G-WP-001	(2,434)	2,434	-	-	-	-
32 Flow Through Tax Impacts (Lines 8, 17, 23, 32, 33 & 34)		(5,896)	2,394	(3,502)	224	(3,278)	-
33 Delivery Income Taxes (Lines 7 & 35)		(21,069)	16,685	(4,384)	2,159	(2,224)	31,633

Rochester Gas and Electric Corporation
Electric Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate Base Summary Schedule (See RRP-4)
(000)

		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase	
Rate Base									
1	Utility Plant	RRP-4	\$ 1,553,202	149,809	\$ 1,664,271	\$ (2,687)	\$ 1,661,584	\$ -	\$ 1,661,584
2	Depreciation Reserve	" "	(536,211)	(85,151)	(607,654)	2,150	(605,504)	-	(605,504)
3	Materials & Supplies and Emission Allowances	" "	6,893	235	7,128	-	7,128	-	7,128
4	Prepayments	" "	20,960	6,511	27,471	(833)	26,638	-	26,638
5	O&M Working Capital per the FERC Formula	" "	26,720	68	25,853	(1,945)	23,908	-	23,908
6	Other Working Capital	" "	39,901	-	30,398	-	30,398	-	30,398
7	Deferred Debits & Credits	" "	114,246	(141,693)	(23,380)	(2,280)	(25,660)	-	(25,660)
8	Deferred Income Taxes	" "	(180,844)	31,892	(147,279)	(1,389)	(148,668)	-	(148,668)
9	Deferred Investment Tax Credit	" "	(2,945)	993	(1,609)	-	(1,609)	-	(1,609)
10	Total Before Earnings Base-Capitalization Adjustment		1,041,921	(37,336)	975,199	(6,984)	968,215	-	968,215
11	Earnings Base-Capitalization Adjustment	" "	326	-	326	-	326	-	326
12	Total		<u>\$ 1,042,248</u>	<u>\$ (37,336)</u>	<u>\$ 975,525</u>	<u>\$ (6,984)</u>	<u>\$ 968,541</u>	<u>\$ -</u>	<u>\$ 968,541</u>
Equity Component of Rate Base									
13	Rate Base		\$ 1,042,248		\$ 975,525		\$ 968,541		\$ 968,541
14	Common Equity Ratio	RRP-5	<u>45%</u>		<u>48%</u>		<u>48%</u>		<u>48%</u>
15	Common Equity		<u>\$ 468,366</u>		<u>\$ 467,939</u>		<u>\$ 464,589</u>		<u>\$ 464,589</u>
Interest Expense									
16	Rate Base		\$ 1,042,248		\$ 975,525		\$ 968,541		\$ 968,541
17	Weighted Cost of Debt	RRP-5	3.6%		4.0%		3.9%		3.9%
18	Interest Expense		<u>\$ 37,566</u>		<u>\$ 38,826</u>		<u>\$ 37,870</u>		<u>\$ 37,870</u>

**Rochester Gas and Electric
Electric Department
Adjustments from the Historic Test Year Ended June, 2009 to the Rate Year Ending August, 2011
(\$ 000)**

	<u>Workpaper</u>	
<u>Sales Revenue Adjustments</u>		
<u>Gross Base Delivery</u>		
1. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ (7,688)
<u>Low Income Discounts</u>		
2. Adjust to the Rate Year Forecast per the Sales & Revenue and Customer Service Panels	RE-RRP-2B-WP-01	\$ (6,555)
<u>Economic Development Discounts</u>		
3. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ 5,515
<u>Transfer Fixed NBC Costs to Delivery</u>		
4. Test Year reflects amounts recorded on the Company's books, the Sales & Revenue Panel reflects billed units. Propose to transfer the fixed component of the NBC into net base delivery charges following Ginna sale and retirement of Russell	RE-RRP-2B-WP-01	\$ 224
<u>System Benefit Charge</u>		
5. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ 361
<u>Energy Efficiency Portfolio Standard</u>		
6. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ 10,018
<u>Temporary State Assessment Surcharge</u>		
7. Adjust to reflect 2009-2014 18a Assessment	RE-RRP-2B-WP-01	\$ 14,298
<u>Renewable Portfolio Standard</u>		
8. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ 402
<u>Retail Access Surcharge</u>		
9. Eliminate RAS due to commodity program modification. Creation of Merchant Function Charge	RE-RRP-2B-WP-01	\$ (13,359)
<u>Retail Access Credit</u>		
10. Eliminate RAC due to commodity program modification. Creation of Merchant Function Charge	RE-RRP-2B-WP-01	\$ 15,395
<u>Gross Revenue Tax</u>		
11. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ 1,928
<u>Transfer Commodity Uncollectibles from NBC to MFC</u>		
12. Remove and transfer commodity uncollectibles from NBC to MFC	RE-RRP-2B-WP-01	\$ (2,280)
<u>Unbilled</u>		
13. To reflect a full 365 days of revenue in the Rate Year	RE-RRP-2B-WP-01	\$ 733
		<u>\$ 18,992</u>
<u>Late Payments Adjustments</u>		
14. Exclude Late Payments Related to Commodity Sales and Track Delivery Sales Revenue Changes	RE-RRP-2B-WP-01	<u>(104)</u>
<u>Other Revenue</u>		
<u>Rent Revenue</u>		
15. Increased Intercompany Rent Revenue compared to the Historic Test Year	RE-RRP-2B-WP-01	\$ 654

**Rochester Gas and Electric
Electric Department
Adjustments from the Historic Test Year Ended June, 2009 to the Rate Year Ending August, 2011
(\$ 000)**

	<u>Workpaper</u>	
<u>Purchase of Receivables Discount</u>		
16. Remove Test Year POR Discount	RE-RRP-2B-WP-01	\$ (787)
<u>Economic Development - Non-Rate Program</u>		
17. Remove Historic Test Year Economic Deferral Contributions in Aid of Construction since total Economic Development Program (Rate Discount & Non-Rate Expenses) are included in the Rate Year	RE-RRP-2B-WP-01	\$ 80
<u>Other</u>		
18. Reclassify Allegany Generation Expense	RE-RRP-2B-WP-01	(105)
19. Exclude Material ID Correction from the Historic Test Year Amount	RE-RRP-2B-WP-01	(215)
		<u>\$ (320)</u>
		<u>\$ 18,672</u>
 <u>Deferrals & Amortizations</u>		
<u>SBC/RPS (over)/under collection</u>		
20. Remove SBC/RPS (over)/under collection since Rate Year SBC/RPS matches expense	RE-RRP-2B-WP-01	\$ (389)
<u>RAS (over)/under collection</u>		
21. Remove RAS (over)/under collection since Rate Year RAS matches expense	RE-RRP-2B-WP-01	\$ (1,347)
<u>NYSERDA True up</u>		
22. Rate Year Forecast - Sales & Revenue Panel	RE-RRP-2B-WP-01	\$ (810)
<u>ED Deferral</u>		
23. Remove ED Deferral since forecasted ED revenue matches expense	RE-RRP-2B-WP-01	\$ 3,219
<u>Amortize 2003 SIT per JP XV.3.D</u>		
24. Remove Historic Test Year one-time deferral	RE-RRP-2B-WP-01	\$ (916)
<u>Offset Delivery rate</u>		
25. Remove Historic Test Year one-time deferral	RE-RRP-2B-WP-01	\$ (2,000)
<u>Other/Earnings Sharing ESM</u>		
26. Remove Historic Test Year one-time deferral	RE-RRP-2B-WP-01	\$ 332
<u>EEPS (over)/under collection</u>		
27. Remove EEPS deferral since Rate Year EEPS revenue matches expense	RE-RRP-2B-WP-01	\$ 2,969
<u>Temporary State Assessment Surcharge</u>		
28. Remove deferral since forecasted Temporary State Assessment Surcharge revenue matches expense	RE-RRP-2B-WP-01	\$ (3,580)
<u>Other D&A</u>		
29. Remove Historic Test Year NBC Supply & Uncollectible Deferral for Rate Year Forecast	RE-RRP-2B-WP-01	\$ (6,197)
30. Remove Historic Test Year one-time 2002/2003 NYS Tax Audit Deferral	RE-RRP-2B-WP-01	2,309
31. Cease state tax deferral of rate differential from 7.5% to 7.1%	RE-RRP-2B-WP-01	151
32. Remove Historic Test Year Other Deferrals & Amortizations for Rate Year Forecast	RE-RRP-2B-WP-01	(38)
		<u>\$ (3,776)</u>
		<u>\$ (6,299)</u>

Rochester Gas and Electric
Electric Department
Adjustments from the Historic Test Year Ended June, 2009 to the Rate Year Ending August, 2011
(\$ 000)

Workpaper

O&M Expense Adjustments (see RRP-3)

Depreciation & Amortization Adjustments

33. Reflect depreciation study and rate proposed by the depreciation witness		2,362
34. Reflect deprecation impacts of the proposed capital spending from the CRO Panel		2,759
35. Reduce Russell decommissioning accrual		(250)
36. Eliminate the depreciation associated with Rochester Street Lighting consistent with Schedule E of the Company's petition to sell the facilities to the City of Rochester		(579)
		<u>1,930</u>

Operating Tax Adjustments

Total Gross Revenue Tax

37. Rate Year Forecast - Tied to Revenue Forecast	Schedules B & E	\$ 387
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Property Taxes

38. Adjust Property Taxes to reflect average annual escalation and to reflect annual level of RTP Property Tax	RE-RRP-2E-WP-01	\$ 11,572
39. Eliminate the property taxes associated with Rochester Street Lighting consistent with Schedule E of the Company's petition to sell the facilities to the City of Rochester		(386)
40. Increased the test year property tax expense to reflect the anticipated rate year implication of the addition of the \$103 million increase in the assessed value expected once the value of the Rochester Transmission Project is added to the tax roll.	RE-RRP-2E-WP-04	3,835
41. Set property tax true-up deferral to zero for Rate Year, since expected level is included in base rates (true up continues)	RE-RRP-2E-WP-01	<u>7,122</u>
		\$ 22,143

Payroll Taxes

42. Rate Year Forecast - Payroll Inflation Factor	RE-RRP-2E-WP-01	\$ 59
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Use Taxes

43. Rate Year Forecast - General Inflation Factor	RE-RRP-2E-WP-01	\$ 28
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Other Taxes

44. Rate Year Forecast - General Inflation Factor	RE-RRP-2E-WP-01	\$ 6
		<u>\$ 22,623</u>

Other Income & Deductions Adjustments

45. Eliminate Test Year Balances for Rate Year Forecast		\$ (4,002)
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Income Tax Adjustments

46. APB28 ETR True-Up	RE-RRP-2G-WP-01	\$ (3,782)
47. Flow-Through, Tax Reserve & Other Adjustments	RE-RRP-2G-WP-01	3,101
48. Permanent Differences	RE-RRP-2G-WP-01	(62)
49. Investment Tax Credit Amortization	RE-RRP-2G-WP-01	704
50. Out of Period Adjustments	RE-RRP-2G-WP-01	<u>2,434</u>
		<u>\$ 2,394</u>

**Rochester Gas and Electric
 Electric Department
 Adjustments from the Historic Test Year Ended June, 2009 to the Rate Year Ending August, 2011
 (\$ 000)**

Sales Revenue Adjustments

Gross Base Delivery

1. Eliminate double count of EDZ revenues(see RGE Electric I-1 Adjustment - Revenue.xls)	(1,282)
2. Increase in forecasted customer count (see RGE Electric I-1 Adjustment - Revenue.xls)	982
3. Increase in projected units (see RGE Electric I-1 Adjustment - Revenue.xls)	797
	<hr/> 497

Transfer Fixed NBC Costs to Delivery

4. Increase in projected units (see RGE Electric I-1 Adjustment - Revenue.xls)	2,276
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System Benefit Charge

5. Increase in projected units (see RGE Electric I-1 Adjustment - Revenue.xls)	52
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Energy Efficiency Portfolio Standard

6. EEPS Rate lowered to match rate year expenditures (see RGE Electric I-1 Adjustment - Revenue.xls)	(61)
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Temporary State Assessment Surcharge

7. Increase in projected units (see RGE Electric I-1 Adjustment - Revenue.xls)	87
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Renewable Portfolio Standard

8. Increase in projected units (see RGE Electric I-1 Adjustment - Revenue.xls)	58
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Gross Revenue Tax

9. Impact of revised sales forecast (see RGE Electric I-1 Adjustment - Revenue.xls)	17
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Unbilled

10. Impact of revised sales forecast (see RGE Electric I-1 Adjustment - Unbilled.xls)	6
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Late Payments Adjustments

11. Track Delivery Sales Revenue Changes (see RGE Electric I-1 Adjustment - Late Payments.xls)	16
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Other Revenue

12. Reduction of intercompany rent revenue due to the expiration of three assets prior to the Rate Year that were included in the Company's original filing (see RGE Electric I-1 Adjustment - Intercompany Rent.xls)	(1,517)
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Deferrals & Amortizations

O&M Expense Adjustments

13. Eliminate Low Income double count per NYRC-0025 (DPS-25)	(6,555)
14. Update Low Income Administrative Labor Costs	(103)
15. Return Oswego Plant Sale amortization per NYRC-0024 (DPS-24)	6,476
16. Correct calculation of uncollectibles percentage per NYRC-0062 (DPS-62) (see RG&E Electric I-1 Adjustment - Uncollectibles.xls)	104
17. Impact of Oct. 2009 RG&E Union MOA on Labor/Payroll (see RGE Electric I-1 Adjustment - Payroll Inflation.xls)	964
18. Impact of Oct. 2009 RG&E Union MOA on Other Employee Benefits (see RG&E Electric I-1 Adjustment - Payroll Inflation.xls)	85
19. Updated Stray Voltage Estimate (see RG&E Electric I-1 Adjustment - Stray Voltage.xls)	(1,082)
20. Impact of Updated Pension Expense Forecast (see RGE Electric I-1 Adjustment - Pension & OPEB.xls)	(528)
21. Impact of Updated OPEB Expense Forecast (see RGE Electric I-1 Adjustment - Pension & OPEB.xls)	116
22. Add Sundry Write-Off Forecast (see RGE Electric I-1 Adjustment - Sundry Writeoff.xls)	109
23. Remove Executive Incentives / Restricted Stock per NYRC-0034 (DPS-34)	(245)
24. Include Amortization of Excess Deferred State Income Taxes per NYRC-0329 (DPS-262)	(223)

Depreciation & Amortization Adjustments

25. Updated Depreciation per Rate Base Model (see RRP-4)	(13)
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Operating Tax Adjustments

26. Updated property tax escalation rate for most recently available information (see RGE Electric I-1 Adjustment - Property Tax.xls)	(410)
27. Impact of recently approved 10% economic obsolescence (see RGE Electric I-1 Adjustment - PTax Obsolescence.xls) per NYRC-0069 (DPS-69)	(1,722)
28. Updated impact of RTP (see RGE Electric I-1 Adjustment - PTax RTP.xls)	1,572
29. Updated impact of Russell (see RGE Electric I-1 Adjustment - PTax Russell.xls)	(1,195)

Other Income & Deductions Adjustments

Income Tax Adjustments

30. Adjust Cost of Removal per NYRC-0327 Supplemental (DPS-260 Supplemental) (see RGE Electric I-1 Adjustment Cost of Removal.xls)	224
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Weighted Cost of Debt

31. Reflect the impact of the update made to RRP-5 as described in the response to NYRC-0355 (DPS-288)	3.91%
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Rochester Gas and Electric Corporation
Electric Department
Historic Test Year Ended June 30, 2009 Operating Results
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate Increase
(\$ 000)

Calculation of Rate Increase		
1	Equity Component of Rate Base	464,589
2	Target Return on Equity	11.43%
3	Earnings Required to Achieve Target Return	<u>53,102</u>
4	Earning Before Rate Relief	4,884
5	After-Tax Increase Required	<u>48,218</u>
6	Federal and State Income Taxes	31,633
7	Before Tax Increase Required	<u>79,851</u>
8	Uncollectibles	1,781
9	Late Payment Revenues	<u>(519)</u>
10	Total Revenue Requirement - Before GRT	81,113
11	Gross Revenue Taxes	995
12	Rate Increase	<u>82,108</u>
Calculation of Combined Federal & State Tax Rate		
13	State Tax Rate	7.1%
14	Factor for Business Tax Credit	100.0%
15	State Tax Rate, Net of Business Tax Credit	7.1%
16	Federal Tax Offset	-2.5%
17	State Tax Rate, Net of Federal Tax Offset	4.6%
18	Federal Tax Rate	35.0%
19	Combined State & Federal Tax Rate	39.6%
Other Necessary Percentages		
20	Uncollectibles	2.2%
21	Late Payment Revenues	0.6%
22	Gross Revenue Tax	1.2%

**Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011**

Schedule	A	Rate of Return Statement
Schedule	B	Revenue
Schedule	C	Operation & Maintenance Expense
Schedule	D	Depreciation & Amortizations
Schedule	E	Operating Taxes
Schedule	F	Other Income & Deductions
Schedule	G	Income Taxes
Schedule	H	Rate Base
Schedule	I	Normalizing & Forecasting Adjustments
Schedule	I-1	December 4, 2009 Updates
Schedule	J	Rate Adjustment Required to Earn Return

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate of Return Statement
(\$ 000)

		1	2	3	4	5	6	7
	Schedule	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase
<u>Operating Revenues</u>								
1	Sales Revenue	\$ 133,616	\$ (182)	\$ 133,435	\$ (118)	\$ 133,317	\$ 59,010	\$ 192,327
2	Late Payments	2,671	(4)	2,667	(2)	2,665	462	3,127
3	Total Retail Revenue	136,287	(185)	136,102	(120)	135,981	59,472	195,454
4	Other Revenue	7,979	(6,731)	1,248	-	1,248	-	1,248
5	Total Revenue	<u>144,267</u>	<u>(6,917)</u>	<u>137,350</u>	<u>(120)</u>	<u>137,229</u>	<u>59,472</u>	<u>196,702</u>
6	Gross Revenue Taxes	2,745	180	2,925	(21)	2,904	1,285	4,189
7	Net Revenue	<u>141,522</u>	<u>(7,097)</u>	<u>134,425</u>	<u>(99)</u>	<u>134,326</u>	<u>58,187</u>	<u>192,513</u>
8	O&M Expenses	92,394	(3,611)	88,783	(5,588)	83,195	1,935	85,129
9	Depreciation & Amortizations	18,503	6,747	25,250	-	25,250	-	25,250
10	Taxes Other Than Income Taxes	18,496	7,975	26,471	(233)	26,238	-	26,238
11	Total Operating Expenses	<u>129,393</u>	<u>11,111</u>	<u>140,503</u>	<u>(5,822)</u>	<u>134,682</u>	<u>1,935</u>	<u>136,616</u>
12	Subtotal	<u>12,129</u>	<u>(18,207)</u>	<u>(6,078)</u>	<u>5,722</u>	<u>(356)</u>	<u>56,252</u>	<u>55,897</u>
13	Other Income and Deductions	2,061	(2,061)	-	-	-	-	-
14	Operating Income Before Income Taxes	<u>14,190</u>	<u>(20,268)</u>	<u>(6,078)</u>	<u>5,722</u>	<u>(356)</u>	<u>56,252</u>	<u>55,897</u>
15	Income Taxes	(2,239)	(6,396)	(8,635)	2,247	(6,388)	22,284	15,896
16	Operating Income Available for Return	<u>\$ 16,429</u>	<u>\$ (13,872)</u>	<u>\$ 2,557</u>	<u>\$ 3,475</u>	<u>\$ 6,032</u>	<u>\$ 33,968</u>	<u>\$ 40,000</u>
17	Rate Base	472,364		409,450		425,863		425,863
18	Rate of Return	<u>3.48%</u>		<u>0.62%</u>		<u>1.42%</u>		<u>9.39%</u>
19	Return on Equity	<u>-0.28%</u>		<u>-7.00%</u>		<u>-5.20%</u>		<u>11.43%</u>
20	Return on Equity - Excluding PBA Impact	<u>5.13%</u>						

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate of Return Statement
(\$ 000)

		1	2	3	4	5	6	7
	Schedule	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase
<u>Calculation of Return on Equity</u>								
21		\$ 16,429		\$ 2,557		\$ 6,032		\$ 40,000
22	H	(17,026)		(16,296)		(16,651)		(16,651)
23		<u>(596)</u>		<u>(13,739)</u>		<u>(10,619)</u>		<u>23,349</u>
24	H	472,364		409,450		425,863		425,863
25	H	45%		48%		48%		48%
26		<u>212,271</u>		<u>196,405</u>		<u>204,277</u>		<u>204,277</u>
27		(596)		(13,739)		(10,619)		23,349
28		<u>212,271</u>		<u>196,405</u>		<u>204,277</u>		<u>204,277</u>
29		-0.28%		-7.00%		-5.20%		11.43%
<u>Calculation of Return on Equity - Excluding PBA Impact</u>								
30		16,429						
31	H	(17,026)						
32		<u>(596)</u>						
33								
34	C	28,991						
35		<u>39.62%</u>						
		11,485						
36		10,888						
37		472,364						
38		45%						
39		<u>212,271</u>						
40		10,888						
41		<u>212,271</u>						
42		5.13%						

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Revenue
(\$ 000)

		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase	
			I		I-1		J		
<u>Retail Sales Revenue</u>									
1	Gross Base Delivery Charges	RG-RRP-2B-WP-001	\$ 119,442	\$ (813)	\$ 118,629	\$ (9)	\$ 118,619	\$ 57,725	\$ 176,345
2	a Less: Low Income Discounts	" "	(55)	(5,542)	(5,597)	-	(5,597)	-	(5,597)
3	b Less: Economic Development Discounts	" "	(24)	(98)	(122)	-	(122)	-	(122)
4	Net Base Delivery Charges		119,363	(6,454)	112,910	(9)	112,901	57,725	170,626
5	Merchant Function Charge	RG-RRP-2B-WP-001	10,735	(9,485)	1,250	-	1,250	-	1,250
6	c Energy Efficiency Portfolio Standards	" "	880	2,056	2,936	-	2,936	-	2,936
7	d Temporary State Assessment Surcharge	" "	-	12,852	12,852	(37)	12,815	-	12,815
8	Unbilled	" "	(412)	660	249	(51)	198	-	198
9	R&D Surcharge	" "	305	9	314	-	314	-	314
10	Gross Revenue Tax	" "	2,745	180	2,925	(21)	2,904	1,285	4,189
11	Total Retail Revenue		133,616	(182)	133,435	(118)	133,317	59,010	192,327
12	Late Payments	RG-RRP-2B-WP-001	2,671	(4)	2,667	(2)	2,665	462	3,127
<u>Other Gas Revenue</u>									
13	Reconnection, WMS, Line Extensions, Misc.	RG-RRP-2B-WP-001	876	(36)	840	-	840	-	840
14	Intercompany	" "	158	93	252	-	252	-	252
15	Purchase of Receivables Discount	" "	1,025	(1,025)	-	-	-	-	-
16	Damage Billing	" "	110	46	156	-	156	-	156
17	Total		2,169	(921)	1,248	-	1,248	-	1,248
<u>Deferrals & Amortizations</u>									
18	Medicare Part D gross-up	RG-RRP-2B-WP-001	(91)	91	-	-	-	-	-
19	SIT amortization (JP XV)	" "	677	(677)	-	-	-	-	-
20	Property tax amortization (JP XV)	" "	627	(627)	-	-	-	-	-
21	NYS statutory tax rate change deferral	" "	(67)	67	-	-	-	-	-
22	2002 NYS tax audit deferral	" "	(112)	112	-	-	-	-	-
23	R&D tax benefit deferral	" "	(141)	141	-	-	-	-	-
24	MFC deferred revenue	" "	2,117	(2,117)	-	-	-	-	-
25	c EEPS deferred revenue	" "	(630)	630	-	-	-	-	-
26	Mendon heater gas deferral	" "	321	(321)	-	-	-	-	-
27	d Temporary State Assessment Surcharge - Deferral	" "	3,108	(3,108)	-	-	-	-	-
28	Total		\$ 5,810	\$ (5,810)	\$ -	\$ -	\$ -	\$ -	\$ -
29	Total Other Revenues + Deferrals & Amortizations		\$ 7,979	\$ (6,731)	\$ 1,248	\$ -	\$ 1,248	\$ -	\$ 1,248
30	Total		\$ 144,267	\$ (6,917)	\$ 137,350	\$ (120)	\$ 137,229	\$ 59,472	\$ 196,702

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Operation & Maintenance Expense
(\$ 000)

		1	2	3	4	5	6	7	
		Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase
				I		I-1		J	
<u>O&M Expenses</u>									
1	Labor/Payroll	RGE Gas RRP-3	\$ 20,667	\$ 460	\$ 21,127	\$ 587	\$ 21,714	\$ -	\$ 21,714
2	Medical Benefits	" "	1,122	38	1,161	-	1,161	-	1,161
3	Other Employee Benefits	" "	1,870	42	1,911	53	1,964	-	1,964
4	e OPEBs	" "	1,570	(37)	1,534	71	1,604	-	1,604
5	f Pension	" "	(2,395)	4,425	2,030	(310)	1,720	-	1,720
6	Group Incentive	" "	327	7	334	-	334	-	334
7	Employee Related	" "	186	6	192	-	192	-	192
8	Collections	" "	350	271	621	-	621	-	621
9	Uncollectibles	" "	14,438	(10,483)	3,955	(3)	3,952	1,935	5,887
10	Postage	" "	959	33	992	-	992	-	992
11	Telephone	" "	279	10	289	-	289	-	289
12	Materials & Supplies	" "	1,363	47	1,410	-	1,410	-	1,410
13	Legal Services	" "	499	706	1,205	-	1,205	-	1,205
14	Outside Services	" "	5,261	28	5,289	-	5,289	-	5,289
15	Transportation	" "	1,165	177	1,342	-	1,342	-	1,342
16	Insurance	" "	693	13	705	-	705	-	705
17	Advertising	" "	74	3	77	-	77	-	77
18	EEMC Costs	" "	2,189	75	2,263	-	2,263	-	2,263
19	USS Costs	" "	5,299	181	5,479	-	5,479	-	5,479
20	Rents & Leases	" "	1,367	47	1,413	-	1,413	-	1,413
21	Regulatory Commission Assessment Fees	" "	1,084	37	1,121	-	1,121	-	1,121
22	Stores	" "	270	9	279	-	279	-	279
23	Executive Compensation	" "	1,032	(1,032)	-	-	-	-	-
24	Vegetation Management	" "	19	347	367	-	367	-	367
25	c EEPS	" "	150	2,786	2,936	-	2,936	-	2,936
26	a Low Income Program	" "	191	8,735	8,927	(5,753)	3,173	-	3,173
27	b Economic Development	" "	-	100	100	-	100	-	100
28	CRO Panel Initiatives	" "	-	1,876	1,876	-	1,876	-	1,876
29	Operations Staffing	" "	-	2,104	2,104	-	2,104	-	2,104
30	Mendon Heater	" "	351	(351)	-	-	-	-	-
31	g Environmental Remediation	" "	2,984	2,325	5,309	-	5,309	-	5,309
32	h Integrity of Gas Pipeline	" "	467	525	992	-	992	-	992
33	i Sarbanes Oxley	" "	154	5	159	-	159	-	159
34	j Security	" "	347	12	359	-	359	-	359
35	d Temporary State Assessment Surcharge	" "	3,108	9,744	12,852	(37)	12,815	-	12,815
36	Other	" "	(1,561)	863	(698)	(101)	(798)	-	(798)
37	Total		\$ 65,878	\$ 24,133	\$ 90,011	\$ (5,493)	\$ 84,518	\$ 1,935	\$ 86,453

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Operation & Maintenance Expense
(\$ 000)

		1	2	3	4	5	6	7	
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase	
			I		I-1		J		
<u>Amortizations</u>									
38	Mendon Heater	RGE Gas RRP-3	\$ -	\$ 201	\$ 201	\$ -	\$ 201	\$ -	
39	Amortize Net Regulatory Deferrals	" "	-	(1,430)	(1,430)	(95)	(1,525)	-	
			-	(1,228)	(1,228)	(95)	(1,324)	-	
<u>Deferrals</u>									
40	e OPEBs	RGE Gas RRP-3	\$ 785	(785)	-	-	-	-	
41	f Pension	" "	(299)	299	-	-	-	-	
42	g Environmental Remediation	" "	(2,384)	2,384	-	-	-	-	
43	h Integrity of Gas Pipeline	" "	(467)	467	-	-	-	-	
44	i Sarbanes Oxley	" "	(154)	154	-	-	-	-	
45	j Security	" "	43	(43)	-	-	-	-	
46	Positive Benefit Adjustments	" "	28,991	(28,991)	-	-	-	-	
47			26,516	(26,516)	-	-	-	-	
48	Total O&M and Regulatory Debits & Credits		\$ 92,394	\$ (3,611)	\$ 88,783	\$ (5,588)	\$ 83,195	\$ 1,935	\$ 85,129
<u>Amount in Rates</u>									
49	e OPEBs		\$ 2,355	\$ (821)	\$ 1,534	\$ 71	\$ 1,604	\$ -	\$ 1,604
50	f Pension		(2,694)	4,724	2,030	(310)	1,720	-	1,720
51	g Environmental Remediation		600	4,709	5,309	-	5,309	-	5,309
52	h Integrity of Gas Pipeline		-	992	992	-	992	-	992
53	i Sarbanes Oxley		(0)	159	159	-	159	-	159
54	j Security		391	(31)	359	-	359	-	359
55			652	9,731	10,383	(240)	10,143	-	10,143
<u>Low Income Program Breakout</u>									
56	a Rate Reduction		83	5,514	5,597	(5,753)	(157)	-	(157)
57	Arrears Forgiveness		86	2,439	2,525	-	2,525	-	2,525
58	Administration		22	783	805	-	805	-	805
59	a Total		\$ 191	\$ 8,735	\$ 8,927	\$ (5,753)	\$ 3,173	\$ -	\$ 3,173
60	Total Economic Development Program		24	198	222	-	222	-	222
61	b Rate Discounts		24	98	122	-	122	-	122
<u>Non-Rate discounts:</u>									
62	b Economic Development - O&M		-	100	100	-	100	-	100
63	Total Rate and Non-Rate Discounts		24	198	222	-	222	-	222

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Operation & Maintenance Expense
(\$ 000)

	1	2	3	4	5	6	7		
Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase		
		I		I-1		J			
<u>Energy Efficiency Portfolio Standards Reconciliation</u>									
<u>Revenue</u>									
64	c	Energy Efficiency Portfolio Standards	880	2,056	2,936	-	2,936	-	2,936
65	c	EEPS (over)/under collection	(630)	630	-	-	-	-	-
66			250	2,686	2,936	-	2,936	-	2,936
<u>O&M Expense</u>									
67	c	Energy Efficiency Portfolio Standards	150	2,786	2,936	-	2,936	-	2,936
<u>Temporary State Assessment Surcharge Reconciliation</u>									
<u>Revenue</u>									
68	d	Temporary State Assessment Surcharge	-	12,852	12,852	(37)	12,815	-	12,815
69	d	Temporary State Assessment Surcharge - Deferral	3,108	(3,108)	-	-	-	-	-
			3,108	9,744	12,852	(37)	12,815	-	12,815
<u>Expense</u>									
70	d	Temporary State Assessment Surcharge	3,108	9,744	12,852	(37)	12,815	-	12,815

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Depreciation & Amortizations
(\$ 000)

	1	2	3	4	5	6	7
Test Year Workpaper	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase
1 Depreciation Expense							
RG-RRP-2D-WP-001	\$ 18,503	\$ 6,747	\$ 25,250	\$ -	\$ 25,250	\$ -	\$ 25,250
2 Total	<u>\$ 18,503</u>	<u>\$ 6,747</u>	<u>\$ 25,250</u>	<u>\$ -</u>	<u>\$ 25,250</u>	<u>\$ -</u>	<u>\$ 25,250</u>

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Operating Taxes
(\$ 000)

	1	2	3	4	5	6	7	
Test Year Workpaper	Historic Test Year	Adjustments I	Rate Year	12/4/09 Update Adjustments I-1	Rate Year	Rate Increase J	Rate Year with Rate Increase	
<u>Gross Revenue Taxes</u>								
1 Total Retail Revenue			\$ 133,435		\$ 133,317	\$ 59,010	\$ 192,327	
2 Average GRT Rate			2.19%		2.18%		2.18%	
3 GRT on Sales Revenues			2,925		2,904	1,285	4,189	
4 GRT on Other Revenues			-		-	-	-	
5 Total Gross Revenue Tax	RG-RRP-2E-WP-001	2,745	180	2,925	(21)	2,904	1,285	4,189
<u>Other Operating Taxes</u>								
6 Property Taxes	RG-RRP-2E-WP-001	21,246	3,456	24,701	(233)	24,468	-	24,468
7 Property Tax True-up	" "	(4,477)	4,477	-	-	-	-	-
8 Net Property Taxes		16,769	7,932	24,701	(233)	24,468	-	24,468
9 Payroll Taxes	RG-RRP-2E-WP-001	1,391	31	1,422	-	1,422	-	1,422
10 Use Taxes	" "	324	11	335	-	335	-	335
11 Other Taxes	" "	12	0	12	-	12	-	12
12 Total Other Operating Taxes		18,496	7,975	26,471	(233)	26,238	-	26,238
13 Total		\$ 21,241	\$ 8,155	\$ 29,395	\$ (254)	\$ 29,141	\$ 1,285	\$ 30,427

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Other Income & Deductions
(\$ 000)

		1	2	3	4	5	6	7
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase
			I		I-1		J	
1	Int/Div Income	RG-RRP-2F-WP-001	\$ 1,129	\$ (1,129)	\$ -	\$ -	\$ -	\$ -
2	AFUDC	" "	39	(39)	-	-	-	-
3	Nonop Misc Income	" "	886	(886)	-	-	-	-
4	IC Rev-Nonutil Ops E	" "	303	(303)	-	-	-	-
5	Donations	" "	(226)	226	-	-	-	-
6	OID-Civic&Political	" "	(63)	63	-	-	-	-
7	OID-Other Deductions	" "	81	(81)	-	-	-	-
8	Tax oth Inc Tax OID	" "	(88)	88	-	-	-	-
9	Total		<u>\$ 2,061</u>	<u>\$ (2,061)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Income Taxes
(\$ 000)

	1	2	3	4	5	6	7
Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase
		I		I-1		J	
1 Operating Income Before Income Taxes	A		\$ (6,078)		\$ (356)	\$ 56,252	\$ 55,897
2 Interest Expense	H		(16,296)		(16,651)	-	(16,651)
3 Book Income Before Income Taxes (Adjusted for Tax Items)		(1,041)	(21,334)	(22,374)	5,367	(17,007)	39,245
4 Federal Income Taxes @ 35.000%	RG-RRP-2G-WP-001	(364)	(7,467)	(7,831)	1,878	(5,953)	19,688
5 State Taxes @ 7.100%	" "	(74)	(1,515)	(1,589)	381	(1,208)	3,994
6 Fed Benefit of State Tax Deduction @ 2.485%	" "	26	530	556	(133)	423	(1,398)
7 Total Federal & State @ Statutory Rates		(412)	(8,451)	(8,864)	2,126	(6,737)	22,284
8 APB28 ETR True-Up	RG-RRP-2G-WP-001	910	(910)	-	-	-	-
Flow-Through							
9 Allowance for Funds Used During Construction	RG-RRP-2G-WP-001	(34)	34	-	-	-	-
10 Book / Tax Depreciation - Without Depreciation Study Impact	" "	39	-	39	-	39	39
11 Book / Tax Depreciation - Depreciation Study Impact	" "	-	1,403	1,403	-	1,403	1,403
12 Cost of Removal	" "	(1,615)	687	(928)	121	(807)	(807)
13 Pre-Paid Property Tax	" "	(198)	(42)	(240)	-	(240)	(240)
14 Subtotal: Flow-Through		(1,808)	2,082	273	121	394	394
Permanent							
15 Lobbying and Political Expenses	RG-RRP-2G-WP-001	14	(14)	-	-	-	-
16 Meals and Entertainment	" "	9	5	14	-	14	14
17 Medicare Subsidy	" "	(52)	(7)	(59)	-	(59)	(59)
18 Penalties	" "	(2)	2	-	-	-	-
19 Restricted Stock	" "	0	(0)	-	-	-	-
20 Tax Exempt Interest Income	" "	(1)	1	-	-	-	-
21 Subtotal: Permanent		(32)	(13)	(45)	-	(45)	(45)
22 Investment Tax Credit Amortization	RG-RRP-2G-WP-001	(308)	308	-	-	-	-
23 Out of Period Adjustments	RG-RRP-2G-WP-001	(588)	588	-	-	-	-
24 Flow Through Tax Impacts (Lines 8, 15, 23, 24 & 25)		(1,827)	2,055	228	121	349	349
25 Tax Expense Booked		\$ (2,239)	\$ (6,396)	\$ (8,635)	\$ 2,247	\$ (6,388)	\$ 22,284
			\$ (8,635)	\$ 2,247	\$ (6,388)	\$ 22,284	\$ 15,896

Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate Base Summary Schedule (See RRP-4)
(\$000)

		1	2	3	4	5	6	7
	Test Year Workpaper	Historic Test Year	Adjustments	Rate Year	12/4/09 Update Adjustments	Rate Year	Rate Increase	Rate Year with Rate Increase
			I		I-1		J	
Rate Base								
1	Utility Plant	RRP-4	\$ 678,317	\$ 55,277	\$ 726,900	\$ -	\$ 726,900	\$ 726,900
2	Depreciation Reserve	" "	(257,969)	(42,835)	(296,329)	1,656	(294,673)	(294,673)
3	Storage Gas	" "	41,724	(41,724)	-	-	-	-
4	Materials & Supplies and Emission Allowances	" "	2,733	93	2,826	-	2,826	2,826
5	Prepayments	" "	8,969	1,379	10,348	(169)	10,179	10,179
6	O&M Working Capital per the FERC Formula	" "	16,513	3,688	18,142	(2,300)	15,842	15,842
7	Other Working Capital	" "	23,086	(36,919)	(2,188)	-	(2,188)	(2,188)
8	Deferred Debits & Credits	" "	12,856	8,180	21,615	433	22,048	22,048
9	Deferred Income Taxes	" "	(52,591)	(23,237)	(71,202)	16,793	(54,409)	(54,409)
10	Deferred Investment Tax Credit	" "	(1,422)	993	(810)	-	(810)	(810)
11			472,216	(75,104)	409,302	16,413	425,715	425,715
12	Earnings Base-Capitalization Adjustment	" "	148	-	148	-	148	148
13	Total		<u>\$ 472,364</u>	<u>\$ (75,104)</u>	<u>\$ 409,450</u>	<u>\$ 16,413</u>	<u>\$ 425,863</u>	<u>\$ 425,863</u>
Equity Component of Rate Base								
14	Rate Base	RRP-4	\$ 472,364		\$ 409,450		\$ 425,863	\$ 425,863
15	Common Equity Ratio	RRP-5	45%		48%		48%	48%
16	Common Equity		<u>\$ 212,271</u>		<u>\$ 196,405</u>		<u>\$ 204,277</u>	<u>\$ 204,277</u>
Interest Expense								
17	Rate Base	RRP-5	\$ 472,364		\$ 409,450		\$ 425,863	\$ 425,863
18	Weighted Cost of Debt		3.6%		4.0%		3.9%	3.9%
19	Interest Expense		<u>\$ 17,026</u>		<u>\$ 16,296</u>		<u>\$ 16,651</u>	<u>\$ 16,651</u>

**Rochester Gas and Electric
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results and
Revenue Requirement for Forecast Year ending August 31, 2011
Adjustments
(\$000)**

	Workpaper	
<u>Sales Revenue</u>		
<u>Gross Base Delivery Charges</u>		
1. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RG-RRP-2B-WP-01	\$ (813)
 <u>Low Income Discounts</u>		
2. Adjust to the Rate Year Forecast per the Sales & Revenue and Customer Service Panels	RG-RRP-2B-WP-01	(5,542)
 <u>Economic Development Discounts</u>		
3. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RG-RRP-2B-WP-01	(98)
 <u>Merchant Function Charge</u>		
4. Adjust to reflect only the administrative and procurement function costs pursuant to the Gas Joint Proposal sections VII.6.c. Excludes supply related uncollectibles, storage inventory carrying charges, working capital on gas supply and working capital on commodity hedge margin account.	RG-RRP-2B-WP-01	(9,485)
 <u>Energy Efficiency Portfolio Standards</u>		
5. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RG-RRP-2B-WP-01	2,056
 <u>Temporary State Assessment Surcharge</u>		
6. Adjust to reflect 2009-2014 18a Assessment	RG-RRP-2B-WP-01	12,852
 <u>Unbilled</u>		
7. To reflect a full 365 days of revenue in the Rate Year	RG-RRP-2B-WP-01	660
 <u>R&D Surcharge</u>		
8. Adjust to the Rate Year Forecast per the Sales & Revenue Panel	RG-RRP-2B-WP-01	9
 <u>Gross Revenue Tax</u>		
9. Tracking adjustment to the Rate Year level in Revenues offset by an equal amount in expense	RG-RRP-2B-WP-01	180
		<u>\$ (182)</u>
 <u>Late Payments</u>		
<u>Late Payments</u>		
10. Exclude Late Payments Related to Commodity Sales and Track Delivery Sales Revenue Changes	RG-RRP-2B-WP-01	<u>\$ (4)</u>
 <u>Other Revenue</u>		
<u>Reconnection, WMS, Line Extensions, Misc.</u>		
11. Rate Year Forecast - Sales & Revenue Panel		\$ (36)
 <u>Intercompany</u>		

**Rochester Gas and Electric
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results and
Revenue Requirement for Forecast Year ending August 31, 2011
Adjustments
(\$000)**

	<u>Workpaper</u>	
12. Rate Year Forecast - Sales & Revenue Panel	RG-RRP-2B-WP-01	93
<u>Purchase of Receivable Discount</u>		
13. Remove ESCO supply related discount since no ESCO supply uncollectibles are in delivery rates	RG-RRP-2B-WP-01	(1,025)
<u>Damage Billing</u>		
14. Rate Year Forecast - Sales & Revenue Panel	RG-RRP-2B-WP-01	46
		<u>\$ (921)</u>
<u>Deferrals & Amortizations</u>		
<u>Medicare Part D gross-up</u>		
15. Set deferral to zero, since expected level is included in OPEB costs in base rates (true up continues)	RG-RRP-2B-WP-01	\$ 91
<u>SIT amortization (JP XV)</u>		
16. Amount fully amortized prior to Rate Year	RG-RRP-2B-WP-01	\$ (677)
<u>Property tax amortization (JP XV)</u>		
17. Amount fully amortized prior to Rate Year	RG-RRP-2B-WP-01	\$ (627)
<u>NYS statutory tax rate change deferral</u>		
18. Cease state tax deferral of rate differential from 7.5% to 7.1%	RG-RRP-2B-WP-01	\$ 67
<u>2002 NYS tax audit deferral</u>		
19. Remove Historic Test Year one-time deferral	RG-RRP-2B-WP-01	\$ 112
<u>R&D tax benefit deferral</u>		
20. Remove Historic Test Year one-time deferral	RG-RRP-2B-WP-01	\$ 141
<u>MFC deferred revenue</u>		
21. Exclude reconciliation of the Merchant Function Charge from the Delivery Revenue Requirement	RG-RRP-2B-WP-01	\$ (2,117)
<u>EEPS deferred revenue</u>		
22. Remove EEPS deferral since Rate Year EEPS revenue matches expense	RG-RRP-2B-WP-01	\$ 630
<u>Mendon heater gas deferral</u>		
23. Remove deferral proposed to include in GSC & TRA	RG-RRP-2B-WP-01	\$ (321)
<u>Temporary State Assessment Surcharge</u>		
24. Remove deferral since forecasted Temporary State Assessment Surcharge revenue matches expense	RG-RRP-2B-WP-01	<u>\$ (3,108)</u>

**Rochester Gas and Electric
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results and
Revenue Requirement for Forecast Year ending August 31, 2011
Adjustments
(\$000)**

	Workpaper	
	\$ (5,810)	
<u>O&M Expenses (see RRP-3)</u>		
<u>Depreciation & Amortization Adjustments</u>		
25. Reflect depreciation study and rate proposed by the depreciation witness		3,540
26. Reflect deprecation impacts of the proposed capital spending from the CRO Panel		3,206
<u>Operating Tax Adjustments</u>		
<u>Total Gross Revenue Tax</u>		
27. Rate Year Forecast - Tied to Revenue Forecast	Schedules B & E	\$ 180
<u>Property Taxes</u>		
28. Adjust Property Taxes to reflect average annual escalation	RG-RRP-2E-WP-01	3,456
29. Set property tax true-up deferral to zero for Rate Year, since expected level is included in base rates (true up continues)	RG-RRP-2E-WP-01	4,477
		7,932
<u>Payroll Taxes</u>		
30. Rate Year Forecast - Payroll Inflation Factor	RG-RRP-2E-WP-01	31
<u>Use Taxes</u>		
31. Rate Year Forecast - General Inflation Factor	RG-RRP-2E-WP-01	11
<u>Other Taxes</u>		
32. Rate Year Forecast - General Inflation Factor	RG-RRP-2E-WP-01	0
		\$ 8,155
<u>Other Income & Deductions Adjustments</u>		
33. Eliminate Test Year Balance for Rate Year Forecast		\$ (2,061)
<u>Income Taxes</u>		
34. APB28 ETR True-Up	RG-RRP-2G-WP-01	\$ (910)
35. Flow-Through	RG-RRP-2G-WP-01	2,082
36. Permanent	RG-RRP-2G-WP-01	(13)
37. Investment Tax Credit Amoritzation	RG-RRP-2G-WP-01	308
38. Out of Period Adjustments	RG-RRP-2G-WP-01	588
		\$ 2,055

**Rochester Gas and Electric
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results and
Revenue Requirement for Forecast Year ending August 31, 2011
Adjustments
(\$000)**

Sales Revenue

Gross Base Delivery Charges

1. 0.3% decrease in sales mostly offset by a 0.6% increase in customer count (see RGE Gas I-1 Adjustment - Revenue.xls) (9)

TSAS Surcharge

2. Due to a decrease in sales (see RGE Gas I-1 Adjustment - Revenue.xls) (37)

Unbilled

3. Impact of Sales Update (see RGE Gas I-1 Adjustment - Unbilled.xls) (51)

Revenue Taxes

4. Due to a decrease in sales, particularly a 2.2% decrease in residential sales which carries a higher GRT surcharge (see RGE Gas I-1 Adjustment - Revenue.xls) (21)

Late Payments

5. Track Delivery Sales Revenue Changes (see RGE Gas I-1 Adjustment - Late Payments.xls) (2)

Other Revenue

Deferrals & Amortizations

O&M Expenses

6. Eliminate Low Income double count per NYRC-0025 (DPS-25) (5,597)
 7. Update Low Income Administrative Labor Costs (156)
 8. Impact of Oct. 2009 RG&E Union MOA on Labor/Payroll (see RGE Gas I-1 Adjustment - Payroll Inflater.xls) 587
 9. Impact of Oct. 2009 RG&E Union MOA on Other Employee Benefits (see RGE Gas I-1 Adjustment - Payroll Inflater.xls) 53
 10. Impact of Updated Pension Expense Forecast (see RGE Gas I-1 Adjustment - Pension & OPEB.xls) (310)
 11. Impact of Updated OPEB Expense Forecast (see RGE Gas I-1 Adjustment - Pension & OPEB.xls) 71
 12. Add Sundry Write-Off Forecast (see RGE Gas I-1 Adjustment - Sundry Writeoff.xls) 23
 13. Impact of Revenue updates on Uncollectible expense (3)
 14. Remove Executive Incentives / Restricted Stock per NYRC-0034 (DPS-34) (124)
 15. Include Amortization of Excess Deferred State Income Taxes per NYRC-0329 (DPS-262) (95)

Depreciation & Amortization Adjustments

Operating Tax Adjustments

16. Updated property tax escalation rate for most recently available information (see RGE Electric I-1 Adjustment - Property Tax.xls) 488
 17. Impact of recently approved 10% economic obsolescence (see RGE Gas I-1 Adjustment - PTax Obsolescence.xls) (722)
 per NYRC-0069 (DPS-69)

Other Income & Deductions Adjustments

Income Tax Adjustments

18. Adjust Cost of Removal per NYRC-0327 Supplemental (DPS-260 Supplemental) (see RGE Gas I-1 Adjustment Cost of Removal.xls) 121

Weighted Cost of Debt

19. Reflect the impact of the update made to RRP-5 as described in the response to NYRC-0355 (DPS-288) 3.91%

**Rochester Gas and Electric Corporation
Gas Department
Revised Historic Test Year Ended June 30, 2009 Operating Results And
Revenue Requirement for Forecast Year Ending August 31, 2011
Rate Increase - Dist
(\$ 000)**

Calculation of Rate Increase

1	Equity Component of Rate Base	\$ 204,277
2	Target Return on Equity	11.43%
3	Earnings Required to Achieve Target Return	<u>23,349</u>
4	Earning Before Rate Relief	<u>(10,619)</u>
5	After-Tax Increase Required	33,968
6	Federal and State Income Taxes	<u>22,284</u>
7	Before Tax Increase Required	56,252
8	Uncollectibles	1,935
9	Late Payment Revenues	<u>(462)</u>
10	Total Revenue Requirement - Before GRT	57,725
11	Gross Revenue Taxes	<u>1,285</u>
12	Rate Increase	\$ 59,010

Calculation of Combined Federal & State Tax Rate

13	State Tax Rate	7.1%
14	Factor for Business Tax Credit	100.0%
15	State Tax Rate, Net of Business Tax Credit	7.1%
16	Federal Tax Offset	-2.5%
17	State Tax Rate, Net of Federal Tax Offset	4.6%
18	Federal Tax Rate	35.0%
19	Combined State & Federal Tax Rate	39.6%

Other Necessary Percentages

20	Uncollectibles	3.3%
21	Late Payment Revenues	0.8%
22	Gross Revenue Tax	2.2%

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Index

Schedule	Description
A	Summary
B	Utility Plant and Depreciation Reserve
C	Materials & Supplies and Prepayments
D	O&M Working Capital per the FERC Formula
E	Other Working Capital
F	Deferred Debits & Credits
G	Deferred Taxes and Investment Tax Credit
H	Earnings Base-Capitalization Adjustment
I	Adjustments to the Rate Year
I-1	December 4, 2009 Update Adjustments

Rochester Gas and Electric Corporation
Electric Rate Base
Summary
(000)

		1	2	3	4	5
	Schedule	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
1	Utility Plant	\$ 1,553,202	\$ 111,069	\$ 1,664,271	\$ (2,687)	\$ 1,661,584
2	Depreciation Reserve	(536,211)	(71,443)	(607,654)	2,150	(605,504)
3	Materials & Supplies	6,893	235	7,128	-	7,128
4	Prepayments	20,960	6,511	27,471	(833)	26,638
5	O&M Working Capital per the FERC Formula	26,720	(866)	25,853	(1,945)	23,908
6	Other Working Capital	39,901	(9,503)	30,398	-	30,398
7	Deferred Debits & Credits	114,246	(137,624)	(23,379)	(2,281)	(25,660)
8	Deferred Income Taxes	(180,844)	33,564	(147,280)	(1,388)	(148,668)
9	Deferred Investment Tax Credit	(2,945)	1,336	(1,609)	-	(1,609)
10	Total Before Earnings Base-Capitalization Adjustment	1,041,921	(66,723)	975,199	(6,983)	968,215
11	Earnings Base-Capitalization Adjustment	326	-	326	-	326
12	Total	<u>\$ 1,042,247</u>	\$ (66,723)	<u>\$ 975,525</u>	\$ (6,983)	<u>\$ 968,541</u>

Rochester Gas and Electric Corporation
Electric Rate Base
Utility Plant and Depreciation Reserve
(000)

		1	2	3	4	5
	Col 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
<u>Utility Plant</u>						
1	Gross Utility Plant	RC - RRP-4 - WP - June 2009 Rate Base	\$ 1,380,184			
2	Plant Held for Future Use	"	1,736			
3	Completed Construction	"	161,302			
4	Construction Work in Progress	"	51,269			
5	Exclude Interest-Bearing CWIP	"	<u>(41,289)</u>			
6	Total		\$ 1,553,202	\$ 111,069	\$ 1,664,271	\$ (2,687) \$ 1,661,584
7	<u>Depreciation Reserve</u>	RC - RRP-4 - WP - June 2009 Rate Base	<u>(536,211)</u>	<u>(71,443)</u>	<u>(607,654)</u>	<u>2,150</u> <u>(605,504)</u>
8	<u>Net Plant</u>		<u>\$ 1,016,991</u>	\$ 39,625	<u>\$ 1,056,617</u>	\$ (536) <u>\$ 1,056,080</u>

**Rochester Gas and Electric Corporation
 Electric Rate Base
 Materials & Supplies and Prepayments
 (000)**

	1	2	3	4	5	
Col 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011	
1 <u>Materials & Supplies</u>	RC - RRP-4 - WP - June 2009 Rate Base	\$ <u>6,893</u>	\$ 235	\$ <u>7,128</u>	\$ -	\$ <u>7,128</u>
 <u>Prepayments</u>						
2 Property Taxes	RC - RRP-4 - WP - June 2009 Rate Base	\$ 19,665	\$ 6,467	\$ 26,132	\$ (833)	\$ 25,299
3 PSC General Assessment	"	655	22	677	-	677
4 Insurance and Other	"	<u>640</u>	<u>22</u>	<u>662</u>	<u>-</u>	<u>662</u>
				-		-
5 Total		\$ <u>20,960</u>	\$ 6,511	\$ <u>27,471</u>	\$ (833)	\$ <u>26,638</u>

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
O&M Working Capital per the FERC Formula
(000)

		1	2	3	4	5	
	Col 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011	
<u>O&M Expenses</u>							
1	Total O&M Expense	Exhibit RRP-2, Schedule A	\$ 261,956	\$ (47,545)	\$ 214,412	\$ (747)	\$ 213,665
2	Exclude Transmission Wheeling	Exhibit RRP-2, Schedule C	(320)	320	-	(331)	(331)
3	Exclude Uncollectibles	"	(6,517)	(1,068)	(7,585)	(104)	(7,689)
4	Exclude Temporary State Assessment Surcharge	"	-	-	-	(14,385)	(14,385)
5	Exclude Positive Benefit Adjustments	"	(81,247)	81,247	-	-	-
6							
7	Balance		173,873	32,954	206,827	(15,567)	191,260
8	Working Capital Allowance Factor (1/8)		<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>
9	Working Capital Allowance - O&M		\$ 21,734	4,119	\$ 25,853	(1,945)	\$ 23,908
<u>Purchased Power</u>							
10	Net Lag per Unbundling Collaborative		6				
11	Days per Year		<u>365</u>				
12	Percent of Year		1.64%				
13	Purchased Power Expense	RC - RRP-4 - WP - June 2009 Rate Base	<u>303,281</u>				
14	Cash Working Capital on Purchased Power & Gas		<u>4,985</u>	<u>(4,985)</u>	<u>-</u>	<u>-</u>	<u>-</u>
15	<u>Total</u>		<u>\$ 26,720</u>	\$ (866)	<u>\$ 25,853</u>	\$ (1,945)	<u>\$ 23,908</u>

**Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Other Working Capital
(000)**

		1	2	3	4	5
	Col 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
<u>Total Working Capital</u>						
1	Accounts Receivable	RC - RRP-4 - WP - June 2009 Rate Base	\$ 121,122			
2	Accounts Payable	"	<u>(41,289)</u>			
3	Net Accounts Receivable		79,833			
4	Exclude Amount Included in O&M Working Capital per the FERC Formula	Schedule D	<u>(26,720)</u>			
5	Subtotal		\$ 53,114	\$ -	\$ 53,114	\$ -
6	Commodity Hedge Margin Accounts	RC - RRP-4 - WP - June 2009 Rate Base	9,503	(9,503)	-	-
7	Special Deposits	"	2,713	-	2,713	2,713
8	Provision for Uncollectibles	"	(12,783)	-	(12,783)	(12,783)
9	Payroll Deductions	"	(46)	-	(46)	(46)
10	Taxes Accrued and Payable	"	(10,975)	-	(10,975)	(10,975)
11	Interest Payable	"	(8,057)	-	(8,057)	(8,057)
12	Other Current & Accd Liabilities	"	<u>6,432</u>	<u>-</u>	<u>6,432</u>	<u>-</u>
13	Total		<u>\$ 39,901</u>	\$ (9,503)	<u>\$ 30,398</u>	\$ -

Rochester Gas and Electric Corporation
Electric Rate Base
Deferred Debits & Credits
(000)

	1	2	3	4	5	
	Historic Test		Rate Year		Updated Rate	
Work Papers	Year Ended	Adj's to the	Ending August	December 4,	Year Ending	
	June 30, 2009	Year	31, 2011	2009 Updates	August 31, 2011	
		I		I-1		
1 Beebee Decommissioning Reserve	RC - RRP-4 - 12/4/09 Update -	\$ (9,726)	\$ (4,001)	\$ (13,727)	\$ -	\$ (13,727)
2 Russell Decommissioning Reserve	Def Debits & Credits	-	(11,233)	\$ (11,233)	-	(11,233)
3 Nine Mile 2 Regulatory Asset	"	82,975	(82,975)	-	-	-
4 Nine Mile Mirror CWIP	"	18,747	(18,747)	-	-	-
5 Oswego Regulatory Asset	"	28,943	(19,740)	9,203	(3,238)	5,965
6 Allegany Regulatory Asset	"	54,577	(19,981)	34,596	-	34,596
7 DOE Liability	"	(121,449)	(3,572)	(125,021)	-	(125,021)
8 DOE Liability - True-up	"	(5,039)	-	(5,039)	-	(5,039)
9 Economic Development - True-up	"	(6,445)	(2,792)	(9,238)	-	(9,238)
10 Environmental Site Remediation	"	400	3,379	3,779	-	3,779
11 FAS-112 Post Employment Benefit Liability	"	(2,988)	(29)	(3,018)	-	(3,018)
12 Ice Storm	"	23,411	(5,850)	17,561	-	17,561
13 Major Storm Reserve	"	(977)	660	(317)	-	(317)
14 NBC True-up	"	16,230	(16,230)	-	-	-
15 NYS Income Tax / GRT Deferral	"	(419)	419	-	-	-
16 OPEB Reserve	"	(53,997)	277	(53,720)	(51)	(53,770)
17 OPEB True-up	"	(2,506)	(3,190)	(5,696)	-	(5,696)
18 Outreach & Education - True-up	"	6,636	(518)	6,118	-	6,118
19 Pension Asset	"	63,170	(838)	62,331	(891)	61,440
20 Pension True-up	"	(14,821)	8,698	(6,123)	1,899	(4,224)
21 Pre-Capitalized Installation Costs	"	(1,010)	169	(842)	-	(842)
22 Non-Qualified Retiree Trust (net of related liability)	"	(747)	2,153	1,406	-	1,406
23 Net (Gains) & Losses on Interest Rate Hedges	"	33,103	38,944	72,047	-	72,047
24 Loss on Reacquired Debt	"	7,959	(2,234)	5,725	-	5,725
25 Variable Rate Debt - Pre-2004 True-up	"	(1,763)	-	(1,763)	-	(1,763)
26 All Other	"	(16)	(392)	(408)	-	(408)
27 Total		<u>\$ 114,246</u>	\$ (137,624)	<u>\$ (23,379)</u>	\$ (2,281)	<u>\$ (25,659)</u>

Rochester Gas and Electric Corporation
Electric Rate Base
Deferred Taxes and Investment Tax Credit
 (000)

		1	2	3	4	5
	Col 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
<u>Deferred Taxes</u>						
1	Accelerated Depreciation	RC - RRP-4 - WP - June 2009 Rate Base	\$ (119,749)	\$ (11,882)	\$ (131,631)	\$ (2,142) \$ (133,773)
2	Repair Allowance	"	(9,675)	(6,925)	(16,601)	- (16,601)
3	Casualty Loss	"	(1,810)	(3,581)	(5,391)	- (5,391)
4	Tracking Deferred Debits and Credit	"	(55,746)	57,820	2,074	754 2,828
5	Other		<u>6,137</u>	<u>(1,868)</u>	<u>4,269</u>	<u>-</u> <u>4,269</u>
6	Total		<u>\$ (180,844)</u>	\$ 33,564	<u>\$ (147,280)</u>	\$ (1,388) <u>\$ (148,668)</u>
7	<u>Investment Tax Credits</u>	RC - RRP-4 - WP - June 2009 Rate Base	<u>\$ (2,945)</u>	\$ 1,336	<u>\$ (1,609)</u>	\$ - <u>\$ (1,609)</u>

Rochester Gas and Electric Corporation
Electric Rate Base
Earnings Base-Capitalization Adjustment
(000)

	Column 3 Work Papers	Electric RRP-4, Sch A	Gas RRP-4, Sch A	Total	
<u>Net Assets & Liabilities</u>					
1	Rate Base	RC - RRP-4 - WP - June 2009 Rate Base	\$ 1,041,921	\$ 472,216	1,514,138
2	Interest-Bearing Construction Work in Progress	"			43,227
3	Asset Sale Gain Account (Accruing NCR)	"			(54,348)
4	Positive Benefit Adjustment (Accruing NCR)	"			(54,097)
5	Regulatory Assets & Liabilities (Accruing NCR)	"			7,511
6	Non-Utility Property	"			1,648
7	Other	"			<u>2,658</u>
8	Total Assets & Liabilities in Rate Base and Not in Rate Base				<u>\$ 1,460,737</u>
<u>Total Capitalization</u>					
9	Short Term Debt	RC - RRP-4 - WP - June 2009 Rate Base			\$ 132,078
10	Long Term Debt	"			693,086
11	Customer Deposits & Deferred Compensation	"			<u>4,440</u>
12	Total Debt				829,604
13	Common Equity	"			<u>631,607</u>
14	Total Investor-Committed Capital				<u>1,461,211</u>
15	<u>Earnings Base-Capitalization Adjustment</u>		<u>\$ 326</u>	<u>\$ 148</u>	<u>\$ 474</u>

No Change from the September filing.

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
(000)

Work Paper and Schedule Ref

Utility Plant

1	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - June 2009 Rate Base	\$ 30,895
2	Plant Additions Supported by the Capital Expenditure Panel	RC - RRP-4 - WP - Plant	93,603
3	Retirement of the Street Lighting Facilities to be Sold to the City of Rochester	RE - RRP-4 - WP - Rochester Street Lights	<u>(13,429)</u>
4	Total		<u>\$ 111,069</u>

Depreciation Reserve

5	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - June 2009 Rate Base	\$ (7,222)
6	Tracking Plant Additions Supported by the Capital Expenditure Panel	RC - RRP-4 - WP - Plant	(71,696)
7	Tracking Change in Depreciation Rates Supported by Mr. Earl Robinson	"	(1,225)
8	Transfer Russell Decommissioning Reserve to a Deferred Credit	RC - RRP-4 - WP - Def Debits & Credits	2,150
9	Reflect the Sale of Street Lighting Facilities to the City of Rochester		
10	Retirement of the Plant	Opposite of Row 3	\$ 13,429
11	Proceeds to be Received from the City of Rochester	"	(7,061)
12	Net Tax Expense	"	<u>181</u>
13	Total		<u>6,549</u>
14	Total		<u>\$ (71,443)</u>

Materials & Supplies

	Inflate Historic Test Year to the Rate Year		
15	Historic Test Year Average Balance	Schedule C	\$ 6,893
16	General Inflatior (26 months)		<u>3.41%</u>
17			
18	Adjustment		<u>\$ 235</u>

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
(000)

Prepayments

Property Taxes

	Inflate Historic Test Year to the Rate Year					
1	Historic Test Year Average Balance		Schedule C		\$ 19,665	
2	Property Tax Inflator	(26 months)	RE-RRP-2E-WP-002		<u>23.13%</u>	
3	Adjustment				\$ 4,549	
4	Include Estimated Incremental Taxes on Rochester Transmission Project		Exhibit RE - RRP-2, Schedule I			
5	Estimated Annual Incremental Taxes	Exhibit RRP-2, Schedule I	\$ 3,835	x 50%	=	<u>1,918</u>
6	Total					<u>\$ 6,467</u>

PSC General Assessment

	Inflate Historic Test Year to the Rate Year					
7	Historic Test Year Average Balance		Schedule C		\$ 655	
8	General Inflator	(26 months)	RE-RRP-3A-WP-003		<u>3.41%</u>	
9	Adjustment					22

Insurance and Other

	Inflate Historic Test Year to the Rate Year					
10	Historic Test Year Average Balance		Schedule C		\$ 640	
11	General Inflator	(26 months)	RE-RRP-3A-WP-003		<u>3.41%</u>	
12	Adjustment					<u>22</u>
13	Total					<u>\$ 6,511</u>

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
(000)

O&M Working Capital per the FERC Formula

O&M Expenses

1 Track Adjustments to O&M Expense Schedule D \$ 4,119

Purchased Power

2 Exclude - Subject to Recovery Through the Merchant Function Charge Schedule D (4,985)

Total \$ (866)

Other Working Capital

Commodity Hedge Margin Accounts

3 Exclude - Subject to Recovery Through the Merchant Function Charge \$ (9,503)

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
(000)

Deferred Debits & Credits

Beebee Decommissioning Reserve

1	Accrual through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits	=	\$ (3,001)	
2	Rate Year Accrual	(2,000) x 50%	=	<u>(1,000)</u>	
3	Total				(4,001)

Russell Decommissioning Reserve

4	Transfer Balance from the Depreciation Reserve	Opposite of Row 8	=	\$ (2,150)	
5	Accrual through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits	=	(7,583)	
6	Rate Year Accrual	(3,000) x 50%	=	<u>(1,500)</u>	
7	Total				(11,233)

Nine Mile 2 Regulatory Asset

8	Amortization through the Beginning of the Rate Year	-	=	\$ (44,083)	
9	Write Down the Remaining Balance With the PBA	"	=	<u>(38,892)</u>	
10	Total				(82,975)

Nine Mile Mirror CWIP

11	Amortization through the Beginning of the Rate Year	-	=	\$ (1,752)	
12	Write Down the Remaining Balance With the PBA	"	=	<u>(16,995)</u>	
13	Total				(18,747)

Oswego Regulatory Asset

14	Amortization through the Beginning of the Rate Year	-	=	\$ (10,793)	
15	Write Down a Portion of the Remaining Balance With the PBA	"	=	<u>(8,946)</u>	
16	Total				(19,740)

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
 (000)

Allegany Regulatory Asset					
1	Amortization through the Beginning of the Rate Year	Exhibit RE - RRP-2, Schedule I			\$ (15,370)
2	Rate Year Amortization	(9,222)	x	50%	= <u>(4,611)</u>
3	Total				\$ (19,981)
DOE Liability					
4	Accrual through the Beginning of the Rate Year			-	\$ (2,579)
5	Rate Year Accrual	(1,986)	x	50%	= <u>(993)</u>
6	Total			(This line did not add correctly in the Sept filing but did not affect the rate base.)	(3,572)
Economic Development - True-up					
7	Adjust to the Actual Balance at June 30, 2009			-	(2,792)
Environmental Site Remediation					
9	Adjust to the Actual Balance at June 30, 2009			RE-RRP-3A-WP-003	3,379
FAS-112 Post Employment Benefit Liability					
10	Adjust to the Actual Balance at June 30, 2009			-	(29)
Ice Storm					
11	Amortization through the Beginning of the Rate Year			-	\$ (4,500)
12	Rate Year Amortization	(2,700)	x	50%	= <u>(1,350)</u>
13	Total				(5,850)
Major Storm Reserve					
14	Set Equal to the June, 2009 Balance and Assume that Storm Costs through the Beginning of the Rate Year Equal the Accrual (\$2 million per year)			RC - RRP-4 - WP - Def Debits & Credits	660

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
(000)

1	NBC True-up			
	Exclude - Subject to Recovery through the NBC	RC - RRP-4 - WP - Def Debits & Credits		(16,230)
2	NYS Income Tax / GRT Deferral			
	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits		419
3	OPEB Reserve			
	Accrual through the Beginning of the Rate Year, Net of Payments to Retirees	RC - RRP-4 - WP - Def Debits & Credits	\$ 20	
4	Rate Year Accrual, Net of Payments to Retirees	515 x 50%	=	<u>258</u>
5	Total			277
6	OPEB True-up			
	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits		(3,190)
7	Outreach & Education - True-up			
	Deferral through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits	\$ 332	
8	Rate Year Amortization	(1,700) x 50%	=	<u>(850)</u>
9	Total			(518)
10	Pension Asset			
	Accrual through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits	\$ 419	
11	Rate Year Accrual	(2,514) x 50%	=	<u>(1,257)</u>
12	Total			(838)
13	Pension True-up			
	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$ 2,258	
14	Amortization through the Beginning of the Rate Year			<u>6,440</u>
15	Total			8,698

Rochester Gas and Electric Corporation
 Electric Rate Base Exhibit
 Adjustments to the Rate Year
 (000)

1	Pre-Capitalized Installation Costs							
	Rate Year Amortization	337	x	50%	=	-		169
2	Non-Qualified Retiree Trust (net of related liability)							
	Adjust to the Actual Balance at June 30, 2009							2,153
3	Net (Gains) & Losses on Interest Rate Hedges							
	Adjust to the Actual Balance at June 30, 2009							
4	Amortization through the Beginning of the Rate Year							
5	Rate Year Amortization	(4,079)	x	50%	=	<u>(2,040)</u>		
6	Total							38,944
7	Loss on Reacquired Debt							
	Amortization through the Beginning of the Rate Year							
8	Rate Year Amortization	(1,064)	x	50%	=	<u>\$ (532)</u>		
9	Total							(2,234)
10	All Other							
	Adjust to the Actual Balance at June 30, 2009							<u>(392)</u>
11	Total							<u>\$ (137,624)</u>

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
Adjustments to the Rate Year
(000)

Deferred Income Taxes

Accelerated Depreciation

1	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$	(8,565)
2	Tracking Plant Additions Supported by the Capital Expenditure Panel	RC - RRP-4 - WP - Plant		(4,974)
3	Tracking Change in Depreciation Rates Supported by Mr. Earl Robinson	"		485
4	Reverse Accumulated Deferred Income Taxes Relating to the Street Lighting Facilities to be Sold to the City of Rochester	RE - RRP-4 - WP - Rochester Street Lights		<u>1,172</u>
5	Total		\$	(11,882)

Repair Allowance

6	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$	(8,565)
7	Amortization through the Midpoint of the Rate Year	RC - RRP-4 - WP - Plant		<u>1,639</u>
8	Total			(6,925)

Casualty Loss

9	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$	(322)
10	Amortization through the Midpoint of the Rate Year	RC - RRP-4 - WP - Plant		<u>(3,259)</u>
11	Total			(3,581)

Tracking Deferred Debits and Credits

12	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$	(4,802)
13	Transfer Russell Decommissioning Deferred Taxes from Other	2,150 x 39.615%	=	852
14	Tracking Use of PBA to Write Down Nine Mile, NM2 Mirror CWIP and Part of Oswego	RC - RRP-4 - WP - Def Debits & Credits		16,743
15	Amortization through the Midpoint of the Rate Year	"		<u>45,027</u>
16	Total			57,820

Rochester Gas and Electric Corporation
 Electric Rate Base Exhibit
 Adjustments to the Rate Year
 (000)

Other			
1	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$ (1,016)
2	Transfer Russell Decommissioning Deferred Taxes to Category Tracking Deferred Debits and Credits	Opposite of Row 13	<u>(852)</u>
3	Total		<u>(1,868)</u>
	Total		<u>\$ 33,564</u>
 <u>Deferred Investment Tax Credit</u>			
4	Amortization through the Midpoint of the Rate Year	RC - RRP - WP - ITC	<u>\$ 1,336</u>

Rochester Gas and Electric Corporation
Electric Rate Base Exhibit
December 4, 2009 Update Adjustments
(000)

Work Paper and Schedule Ref

Utility Plant

1	Correct the Plant Additions Supported by the Capital Expenditure Panel The transfer of Russell Decommissioning Reserve was inadvertently assigned in the Plant model to gross plant instead of depreciation reserve. Offset by adjustment to depreciation reserve.	RC - RRP-4 - 12/4/09 Update - Plant	\$	(2,150)
2	Correct Small Formula Error in the Plant Model			<u>(536)</u>
3	Total			<u>\$ (2,687)</u>

Depreciation Reserve

4	Tracking Adjustment to Plant Additions Supported by the Capital Expenditure Panel The transfer of Russell Decommissioning Reserve was inadvertently assigned in the Plant model to gross plant instead of depreciation reserve. Offset by adjustment to plant.	RC - RRP-4 - 12/4/09 Update - Plant		<u>\$ 2,150</u>
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Prepayments

Property Taxes

Update Property Tax Inflation				
5	Historic Test Year Average Balance	Schedule C, Line 2	\$	19,665
6	Property Tax Inflation (26 months)	RGE Electric I-1 Adjustment - Property Tax.xls - Summary		<u>22,311</u>
7	Adjustment		\$	4,388
8	Adjustment Included in September Filing	Schedule I, Line 3		<u>4,549</u>
9	Update Adjustment		\$	(161)
Track Other Property Tax Updates				
10	10% Economic Obsolescence	Exhibit RRP-2, Schedule I-1, Line 27	\$	(1,722)
11	Addition of Rochester Transmission Project	Exhibit RRP-2, Schedule I-1, Line 28		1,572
12	Retirement of Russell Station	Exhibit RRP-2, Schedule I-1, Line 29		<u>(1,195)</u>
13	Total			(1,345)
14	Average Effect on Prepayments in Rate Base			<u>50%</u>
15	Update Adjustment			<u>(672)</u>
16	Total			<u>\$ (833)</u>

O&M Working Capital per the FERC Formula

17	Exclude Transmission from Working Capital (inadvertently shown as zero in the Sept filing.)	\$	(331)	x	12.50%	=	\$	(41)
18	Exclude Temporary State Assessment Surcharge from Working Capital (per NYRC-0366 (DPS-299))	\$	(14,385)	x	12.50%	=		(1,798)
19	Track Other Adjustments to O&M per Update Exhibit RRP-2							<u>(106)</u>
20	Total				Schedule D, Line 15			<u>\$ (1,945)</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Index

Schedule	Description
A	Summary
B	Utility Plant and Depreciation Reserve
C	Fuel Inventory, Materials & Supplies and Prepayments
D	O&M Working Capital per the FERC Formula
E	Other Working Capital
F	Deferred Debits & Credits
G	Deferred Taxes and Investment Tax Credit
H	Earnings Base-Capitalization Adjustment
I	Adjustments to the Rate Year
I-1	December 4, 2009 Update Adjustments

Rochester Gas and Electric Corporation
Gas Rate Base
Summary
(000)

		1	2	3	4	5
	Schedule	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
1	Utility Plant	\$ 678,317	\$ 48,583	\$ 726,900	\$ -	\$ 726,900
2	Depreciation Reserve	(257,969)	(38,360)	(296,329)	1,656	(294,673)
3	Storage Gas	41,724	(41,724)	-	-	-
4	Materials & Supplies	2,733	93	2,826	-	2,826
5	Prepayments	8,969	1,379	10,348	(169)	10,179
6	O&M Working Capital per the FERC Formula	16,513	1,629	18,142	(2,300)	15,842
7	Other Working Capital	23,086	(25,274)	(2,188)	-	(2,188)
8	Deferred Debits & Credits	12,856	8,759	21,615	433	22,048
9	Deferred Income Taxes	(52,591)	(18,611)	(71,202)	16,793	(54,409)
10	Deferred Investment Tax Credit	(1,422)	612	(810)	-	(810)
11	Total Before Earnings Base-Capitalization Adjustment	\$ 472,216	\$ (62,914)	\$ 409,302	\$ 16,413	\$ 425,715
12	Earnings Base-Capitalization Adjustment	148	-	148	-	148
13	Total	<u>\$ 472,365</u>	\$ (62,914)	<u>\$ 409,450</u>	\$ 16,413	<u>\$ 425,863</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Utility Plant and Depreciation Reserve
(000)

		1	2	3	4	5
	Column 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
<u>Utility Plant</u>						
1	Gross Utility Plant	RC - RRP-4 - WP - June 2009 Rate Base	\$ 673,651			
2	Completed Construction	"	4,286			
3	Construction Work in Progress	"	2,317			
4	Exclude Interest-Bearing CWIP	"	<u>(1,938)</u>			
5	Total		\$ 678,317	\$ 48,583	\$ 726,900	\$ -
						\$ 726,900
6	<u>Depreciation Reserve</u>	RC - RRP-4 - WP - June 2009 Rate Base	<u>(257,969)</u>	<u>(38,360)</u>	<u>(296,329)</u>	<u>1,656</u>
						<u>(294,673)</u>
7	<u>Net Plant</u>		<u>\$ 420,348</u>	\$ 10,223	<u>\$ 430,571</u>	\$ 1,656
						<u>\$ 432,227</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Fuel Inventory, Materials & Supplies and Prepayments
(000)

	1	2	3	4	5
Column 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
1 <u>Storage Gas</u>	RC - RRP-4 - WP - June 2009 Rate Base	\$ 41,724	\$ (41,724)	\$ -	\$ -
2 <u>Materials & Supplies</u>	RC - RRP-4 - WP - June 2009 Rate Base	\$ 2,733	\$ 93	\$ 2,826	\$ 2,826
<u>Prepayments</u>					
3 Property Taxes	RC - RRP-4 - WP - June 2009 Rate Base	\$ 8,352	\$ 1,358	\$ 9,710	\$ (169) \$ 9,541
4 PSC General Assessment	"	334	11	345	- 345
5 Insurance and Other	"	283	10	293	- 293
				-	-
6 Total		\$ 8,969	\$ 1,379	\$ 10,348	\$ (169) \$ 10,179

Rochester Gas and Electric Corporation
Gas Rate Base
O&M Working Capital per the FERC Formula
(000)

		1	2	3	4	5	
	Column 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011	
<u>O&M Expenses</u>							
1	Total O&M Expense	Exhibit RRP-2, Schedule A	\$ 92,394	\$ (3,611)	\$ 88,783	\$ (5,588)	\$ 83,195
2	Exclude Uncollectibles	Exhibit RRP-2, Schedule C	(14,438)	10,483	(3,955)	3	(3,952)
3	Exclude Temporary State Assessment Surcharge	Exhibit RRP-2, Schedule C	-	-	-	(12,815)	(12,815)
4	Exclude Positive Benefit Adjustments	"	(28,991)	28,991	-	-	-
5							
6	Balance		48,965	35,863	84,828	(18,400)	66,428
7	Working Capital Allowance Factor (1/8)		<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>
8	Working Capital Allowance - O&M		\$ 6,121	4,483	\$ 10,604	(2,300)	\$ 8,304
<u>Purchased Gas</u>							
9	Net Lag per Unbundling Collaborative		6				
10	Days per Year		<u>365</u>				
11	Percent of Year		1.64%				
12	Purchased Gas Expense	RC - RRP-4 - WP - June 2009 Rate Base	<u>173,603</u>				
13	Cash Working Capital on Purchased Power & Gas		\$ 2,854	\$ (2,854)	\$ -	\$ -	\$ -
<u>Gas Withdrawn from Storage</u>							
14	Number of Days from Rendering Service Until Meter is Read		15				
15	Number of Days from Meter Reading Until Bill is Mailed		1				
16	Number of Days from Billing Until Payment is Received		<u>22</u>				
17	Total Lag		38				
18	Days per Year		<u>365</u>				
19	Percent of Year		10.41%				
20	Gas Withdrawn from Storage	RC - RRP-4 - WP - June 2009 Rate Base	<u>72,410</u>				
21	Cash Working Capital		\$ 7,539	\$ (7,539)	\$ -	\$ -	\$ -
22	<u>Total</u>		<u>\$ 16,513</u>	\$ 1,629	<u>\$ 10,604</u>	\$ (2,300)	<u>\$ 8,304</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Other Working Capital
(000)

		1	2	3	4	5
	Column 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
1	Accounts Receivable	RC - RRP-4 - WP - June 2009 Rate Base	\$ 44,493			
2	Accounts Payable	"	<u>(27,259)</u>			
3	Net Accounts Receivable		17,234			
4	Exclude Amount Included in O&M Working Capital per the FERC Formula	Schedule D	<u>(16,513)</u>			
5	Balance		721	-	721	-
6	Commodity Hedge Margin Accounts	RC - RRP-4 - WP - June 2009 Rate Base	25,274	(25,274)	-	-
7	Special Deposits	"	1,123	-	1,123	-
8	Provision for Uncollectibles	"	(7,512)	-	(7,512)	-
9	Payroll Deductions	"	(19)	-	(19)	-
10	Taxes Accrued and Payable	"	(4,548)	-	(4,548)	-
11	Interest Payable	"	(3,357)	-	(3,357)	-
12	Other Current & Accd Liabilities	"	<u>11,404</u>	-	<u>11,404</u>	-
13	Total		<u>\$ 23,086</u>	\$ (25,274)	<u>\$ (2,188)</u>	\$ -
						<u>\$ (2,188)</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Deferred Debits & Credits
(000)

		1	2	3	4	5
	Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011
1	Deferred Gas Costs	\$ 682	\$ (682)	\$ -	\$ -	\$ -
2	Environmental Site Remediation	166	(11,071)	(10,906)	-	(10,906)
3	NYS Income Tax / GRT Deferral	(169)	169	-	-	-
4	OPEB Reserve	(31,481)	164	(31,318)	(30)	(31,348)
5	OPEB True-up	(954)	(1,377)	(2,330)	-	(2,330)
6	Pension Asset	36,829	(451)	36,379	(569)	35,810
7	Pension True-up	(6,897)	4,461	(2,437)	1,032	(1,405)
8	FAS-112 Post Employment Benefit Liability	(1,742)	(17)	(1,759)	-	(1,759)
9	Pre-Capitalized Installation Costs	(437)	73	(364)	-	(364)
10	Non-Qualified Retiree Trust (net of related liability)	(436)	1,255	819	-	819
11	Net (Gains) & Losses on Interest Rate Hedges	13,706	16,404	30,110	-	30,110
12	Loss on Reacquired Debt	3,296	(852)	2,444	-	2,444
13	Variable Rate Debt - Pre-2004 True-up	(550)	-	(550)	-	(550)
14	All Other	842	684	1,526	-	1,526
15	Total	<u>\$ 12,856</u>	<u>\$ 8,759</u>	<u>\$ 21,615</u>	<u>\$ 433</u>	<u>\$ 22,048</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Deferred Taxes and Investment Tax Credit
(000)

		1	2	3	4	5	
	Column 1 Work Papers	Historic Test Year Ended June 30, 2009	Adjs to the Rate Year I	Rate Year Ending August 31, 2011	December 4, 2009 Updates I-1	Updated Rate Year Ending August 31, 2011	
<u>Deferred Taxes</u>							
1	Accelerated Depreciation	RC - RRP-4 - WP - June 2009 Rate Base	\$ (61,909)	\$ (18,866)	\$ (80,775)	\$ 16,966	\$ (63,809)
2	Repair Allowance	"	(285)	(730)	(1,014)	-	(1,014)
3	Tracking Deferred Debits and Credits	"	1,419	1,567	2,986	(173)	2,813
4	Other	"	<u>8,185</u>	<u>(583)</u>	<u>7,602</u>	<u>-</u>	<u>7,602</u>
5	Total		<u>\$ (52,591)</u>	\$ (18,611)	<u>\$ (71,202)</u>	\$ 16,793	<u>\$ (54,409)</u>
6	<u>Investment Tax Credits</u>	RC - RRP-4 - WP - June 2009 Rate Base	<u>\$ (1,422)</u>	\$ 612	<u>\$ (810)</u>	-	<u>\$ (810)</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Earnings Base-Capitalization Adjustment
(000)

		Column 3 Work Papers	Electric RRP-4, Sch A	Gas RRP-4, Sch A	Total
<u>Net Assets & Liabilities</u>					
1	Rate Base	RC - RRP-4 - WP - June 2009 Rate Base	\$ 1,041,921	\$ 472,216	1,514,138
2	Interest-Bearing Construction Work in Progress	"			43,227
3	Asset Sale Gain Account (Accruing NCR)	"			(54,348)
4	Positive Benefit Adjustment (Accruing NCR)	"			(54,097)
5	Regulatory Assets & Liabilities (Accruing NCR)	"			7,511
6	Non-Utility Property	"			1,648
7	Other	"			<u>2,658</u>
8	Total Assets & Liabilities in Rate Base and Not in Rate Base				<u>\$ 1,460,737</u>
<u>Total Capitalization</u>					
9	Short Term Debt	RC - RRP-4 - WP - June 2009 Rate Base			\$ 132,078
10	Long Term Debt	"			693,086
11	Customer Deposits & Deferred Compensation	"			<u>4,440</u>
12	Total Debt				829,604
13	Common Equity	"			<u>631,607</u>
14	Total Investor-Committed Capital				<u>1,461,211</u>
15	<u>Earnings Base-Capitalization Adjustment</u>		<u>\$ 326</u>	<u>\$ 148</u>	<u>\$ 474</u>

No Change from the September filing.

Rochester Gas and Electric Corporation
Gas Rate Base
Adjustments to the Rate Year
 (000)

		Work Paper and Schedule Ref	
<u>Utility Plant</u>			
1	Tracking Plant Additions Supported by the Capital Expenditure Panel	RC - RRP-4 - WP - Plant	<u>\$ 48,583</u>
<u>Depreciation Reserve</u>			
2	Tracking Plant Additions Supported by the Capital Expenditure Panel	RC - RRP-4 - WP - Plant	\$ (36,460)
3	Tracking Change in Depreciation Rates Supported by Mr. Earl Robinson	"	<u>(1,900)</u>
4	Total		<u>\$ (38,360)</u>
<u>Storage Gas</u>			
5	Exclude - Subject to Recovery Through the Merchant Function Charge	Schedule C	<u>\$ (41,724)</u>
<u>Materials & Supplies</u>			
Inflate Historic Test Year to the Rate Year			
6	Historic Test Year Average Balance	Schedule C	\$ 2,733
7	General Inflator (26 months)		<u>3.41%</u>
8	Adjustment		<u><u>\$ 93</u></u>

Rochester Gas and Electric Corporation
Gas Rate Base
Adjustments to the Rate Year
(000)

<u>Prepayments</u>				
Property Taxes				
	Inflate Historic Test Year to the Rate Year			
1	Historic Test Year Average Balance		Schedule C	\$ 8,352
2	Property Tax Inflator	(26 months)	RG-RRP-2E-WP-002	<u>16.27%</u>
3	Adjustment			<u>\$ 1,358</u>
PSC General Assessment				
	Track Change in Expense			
	Inflate Historic Test Year to the Rate Year			
4	Historic Test Year Average Balance		Schedule C	\$ 334
5	General Inflator	(26 months)	RG-RRP-3A-WP-003	<u>3.41%</u>
6	Adjustment			11
Insurance and Other				
	Inflate Historic Test Year to the Rate Year			
7	Historic Test Year Average Balance		Schedule C	\$ 283
8	General Inflator	(26 months)	RG-RRP-3A-WP-003	<u>3.41%</u>
9	Adjustment			<u>10</u>
10	Total			<u>\$ 1,379</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Adjustments to the Rate Year
(000)

O&M Working Capital per the FERC Formula

O&M Expenses

1	Track Adjustments to O&M Expense	Schedule D	\$ 4,483
Purchased Gas			
2	Exclude - Subject to Recovery Through the Merchant Function Charge	Schedule D	<u>(2,854)</u>
Gas Withdrawn from Storage			
3	Exclude - Subject to Recovery Through the Merchant Function Charge	Schedule D	<u>(7,539)</u>
4	Total		<u><u>\$ (5,909)</u></u>
<u>Other Working Capital</u>			
5	Exclude - Subject to Recovery in the Merchant Function Charge	Schedule E	<u>\$ (25,274)</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Adjustments to the Rate Year
(000)

<u>Deferred Debits & Credits</u>				
Deferred Gas Costs				
1	Deferral & Amortization through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits		\$ (682)
Environmental Site Remediation				
2	Deferral & Amortization through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits		\$ 1,843
3	Offset Part of the Remaining Balance With the PBA	"		<u>(12,915)</u>
4	Total			(11,071)
NYS Income Tax / GRT Deferral				
5	Adjust to the Actual Balance at June 30, 2009			169
OPEB Reserve				
6	Accrual through the Beginning of the Rate Year, Net of Payments to Retirees	RC - RRP-4 - WP - Def Debits & Credits		\$ 12
7	Rate Year Accrual, Net of Payments to Retirees	303 x 50%	=	<u>152</u>
8	Total			164
OPEB True-up				
9	Adjust to the Actual Balance at June 30, 2009		-	(1,377)
Pension Asset				
10	Accrual through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits		\$ 288
11	Rate Year Accrual	(1,477) x 50%	=	<u>(739)</u>
12	Total			(451)
Pension True-up				
13	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits		\$ 1,183
14	Amortization through the Beginning of the Rate Year	"		<u>3,278</u>
15	Total			4,461

Rochester Gas and Electric Corporation
Gas Rate Base
Adjustments to the Rate Year
(000)

1	FAS-112 Post Employment Benefit Liability			
	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits		\$ (17)
	Pre-Capitalized Installation Costs	RC - RRP-4 - WP - Def Debits & Credits		
2	Rate Year Amortization	146 x 50%	=	73
	Non-Qualified Retiree Trust (net of related liability)			
3	Adjust to the Actual Balance at June 30, 2009			1,255
	Net (Gains) & Losses on Interest Rate Hedges			
4	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits		\$ 18,937
5	Amortization through the Beginning of the Rate Year	"		(1,689)
6	Rate Year Amortization	(1,689) x 50%	=	<u>(844)</u>
7	Total			16,404
	Loss on Reacquired Debt			
8	Amortization through the Beginning of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits		\$ (632)
9	Rate Year Amortization	(440) x 50%	=	<u>(220)</u>
10	Total			(852)
	All Other			
11	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits		<u>684</u>
12	Total			<u>\$ 8,759</u>

Rochester Gas and Electric Corporation
Gas Rate Base
Adjustments to the Rate Year
(000)

Deferred Income Taxes

Accelerated Depreciation

1	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	\$ (2,053)
2	Tracking Plant Additions Supported by the Capital Expenditure Panel	"	44,800
3	Tracking Change in Depreciation Rates Supported by Mr. Earl Robinson	RC - RRP-4 - WP - Plant	<u>(61,613)</u>
4	Total		\$ (18,866)

Repair Allowance

5	Deferral & Amortization through the Midpoint of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits	(730)
6	Total		

Tracking Deferred Debits and Credits

7	Deferral & Amortization through the Midpoint of the Rate Year	RC - RRP-4 - WP - Def Debits & Credits	1,567
8	Total		

Other

9	Adjust to the Actual Balance at June 30, 2009	RC - RRP-4 - WP - Def Debits & Credits	<u>(583)</u>
10	Total		<u>\$ (18,611)</u>

Deferred Investment Tax Credit

11	Amortization through the Midpoint of the Rate Year	RC - RRP - WP - ITC	<u>\$ 612</u>
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Rochester Gas and Electric Corporation
Gas Rate Base
December 4, 2009 Update Adjustments
(000)

Work Paper and Schedule Ref

Depreciation Reserve

1	Electric Transportation Depreciation was Inadvertently Posted to Gas	RC - RRP-4 - 12/4/09 Update - Plant	\$ <u>1,656</u>
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Prepayments

Property Taxes

2	Update Property Tax Inflation		
	Historic Test Year Average Balance	Schedule C, Line 3	\$ 8,352
3	Property Tax Inflation (26 months)	RGE Gas I-1 Adjustment - Property Tax.xls	<u>18.56%</u>
4	Adjustment		\$ 1,550
5	Adjustment Included in September Filing	Schedule I, Line 3	<u>1,358</u>
6	Update Adjustment		\$ 192
	Track Other Property Tax Updates		
7	10% Economic Obsolescence		\$ (722)
8	Average Effect on Prepayments in Rate Base		<u>50%</u>
9	Update Adjustment		<u>(361)</u>
10	Total		\$ <u>(169)</u>

O&M Working Capital per the FERC Formula

11	Exclude Temporary State Assessment Surcharge from Working Capital (per NYRC-0366 (DPS-299))	\$ (12,815)	x	12.50%	=	\$ (1,602)
12	Track Other Adjustments to O&M per Update Exhibit RRP-2					<u>(698)</u>
13	Total			Schedule D		\$ <u>(2,300)</u>

Rochester Gas and Electric Corporation
 Gas Rate Base
 December 4, 2009 Update Adjustments
 (000)

Deferred Debits & Credits

OPEB Reserve

1 Reflect Updated Actuarial Estimates \$ (30)

Pension Asset

2 Reflect Updated Actuarial Estimates (569)

Pension True-up

3 Reflect Updated Actuarial Estimates 1,032

4 **Total** \$ 433

Deferred Income Taxes

Accelerated Depreciation

Adjust to Actual 2008 Tax Return

5 Bonus Depreciation RC - RRP-4 - 12-04-09 Update - 008 Tax Return Page 1 of 3 \$ (590)

6 Unit of Property " Page 2 of 3 17,863

7 Amortizations " Page 2 of 3 227

8 Update the Adjustment Tracking the Change in Depreciation Rates RC - RRP-4 - 12/4/09 Update - Plant, Schedule E (457)

9 Other Updates to the Plant Model RC - RRP-4 - 12/4/09 Update - Plant, Schedule A, Minus 4 Lines Above (77)

10 Total \$ 16,966

Tracking Deferred Debits and Credits

11 OPEB Reserve \$ (30) x -35% = \$ 11

12 Pension Asset (569) x -39.615% = 225

13 Pension True-up 1,032 x -39.615% = (409)

14 Total \$ 433 (173)

15 **Total** \$ 16,793

**Exhibit: RG&E__(RRP-5) -12/4/09 Update
Description**

Description of 12/4/09 Updates to RRP-5

RG&E

Schedule C: New issue during the rate year to reflect the rate assumptions as described in response to DPS-0288 resulting in a decrease in assumed coupon from 7.75% to 6.75%.

Schedule B: Decrease in the cost of long-term debt of 10 bps from 7.66% to 7.56%. Decrease in WACC of 5bps from 9.56% to 9.41%.

RG&E
Forecast Capital Structure and Costs
(\$ 000)

	<u>Rate Year</u>		<u>Annual Cost</u>		<u>Weighted Cost Rate</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Tax Gross-Up at</u>	<u>Before Tax</u>
						39.615%	
Long Term Debt	\$ 821,833	51.7%	7.56%	\$ 62,090	3.91%		3.91%
Customer Deposits	\$ 4,457	0.3%	4.85%	\$ 216	0.01%		0.01%
Total Debt	\$ 826,290	52.0%	7.54%	\$ 62,306	3.92%		3.92%
Preferred Stock	\$ -	0.0%	0.00%	\$ -	0.00%	0.00%	0.00%
Common Equity	\$ 762,193	48.0%	11.43%	\$ 87,119	5.48%	3.60%	9.08%
	<u>\$ 1,588,483</u>	<u>100.0%</u>	<u>9.41%</u>	<u>\$ 149,424</u>	<u>9.41%</u>	<u>3.60%</u>	<u>13.00%</u>

RG&E
Summary of Capital
\$ thousands, Db / (Cr)

Exhibit: RG&E (RRP-5) -12/4/09 Update
Schedule: B

	Test Year (LTM Ending 6/30/09)					Rate Year (LTM Ending 8/31/011)				
	Average Balance			Cost		Average Balance			Cost	
	Total	Supporting CWIP	Supporting Rate Base	Amount	Percent	Total	Supporting CWIP	Supporting Rate Base	Amount	Percent
Short-Term Debt										
Joint Revolving Credit Facility	\$ (83,009)	\$ -	\$ (83,009)	1,336		\$ (23,500)	\$ -	\$ (23,500)	705	
Inter-company Facility	(49,069)	-	(49,069)	772		-	-	-	-	
STD supporting CWIP	-	53,586	53,586	(862)		-	23,500	23,500	(705)	
Total Short-term Debt	\$ (132,078)	\$ 53,586	\$ (78,492)	\$ 1,246	1.59%	\$ (23,500)	\$ 23,500	\$ -	\$ -	0.00%
Long-Term Debt										
Unsecured Notes	\$ (546,417)	\$ -	\$ (546,417)	\$ 37,635		\$ (655,500)	\$ -	\$ (655,500)	\$ 44,253	
Tax Exempt Notes	(156,097)	-	(156,097)	7,149		(183,350)	-	(183,350)	9,571	
Unamortized Debt Discount	830	-	830	39		716	-	716	32	
Book Value Long-term Debt	(701,684)	-	(701,684)	44,823		(838,134)	-	(838,134)	53,856	
Debt Issuance Expense	10,718	-	10,718	978		16,302	-	16,302	823	
Hedge (Gains)/Losses	-	-	-	1,929		-	-	-	5,768	
(Gain)/Loss on Reacquired Debt	-	-	-	2,763		-	-	-	1,504	
Facility fees (Joint Revolver)	-	-	-	100		-	-	-	139	
Up-front costs (Joint Revolver)	-	-	-	66		-	-	-	-	
Total Long-term Debt	\$ (690,965)	\$ -	\$ (690,965)	\$ 50,659	7.33%	\$ (821,833)	\$ -	\$ (821,833)	\$ 62,090	7.56%
Customer Deposits	\$ (4,440)	\$ -	\$ (4,440)	\$ 203	4.57%	\$ (4,457)	\$ -	\$ (4,457)	\$ 216	4.85%
Common Equity										
Common stock	\$ (194,429)	\$ -	\$ (194,429)			\$ (194,429)	\$ -	\$ (194,429)		
Capital in excess of par value	(484,803)	-	(484,803)			(509,943)	-	(509,943)		
Retained Earnings	(69,613)	-	(69,613)			(175,059)	-	(175,059)		
Accumulated other comprehensive income	61,233	(61,233)	-			76,646	(76,646)	-		
Deferred Compensation	-	-	-			-	-	-		
Treasury Stock	117,238	-	117,238			117,238	-	117,238		
Total Common Equity	(570,374)	(61,233)	(631,607)		11.43%	(685,547)	(76,646)	(762,193)		11.43%
Total Capital	\$ (1,397,858)	\$ (7,647)	\$ (1,405,505)			\$ (1,535,336)	\$ (53,146)	\$ (1,588,483)		

Capitalization Ratios

Short-term Debt	5.6%	0.09%	0.0%	0.00%
Long-term Debt	49.2%	3.60%	51.7%	3.91%
Customer Deposits	0.3%	0.01%	0.3%	0.01%
Common Equity	<u>44.9%</u>	<u>5.14%</u>	<u>48.0%</u>	<u>5.48%</u>
Total Capital	100.0%	8.84%	100.0%	9.41%

RG&E
Long-Term Debt Detail
\$ thousands, Db / (Cr)

Exhibit: RG&E__(RRP-5) -12/4/09 Update

Schedule: C

	Rate	Maturity Date	Balance at Jun 30, 2009	Issuance Jul 09-Aug 10	Redemption Jul 09 -Aug 10	Balance at Sep 1, 2010	Rate Year		Balance at Aug 31, 2011	Rate Year Interest Expense
							Rate Year Issuance	Rate Year Redemption		
First Mortgage Bonds										
FMB MTN Series B	7.600%	10/27/09	(100,000)		100,000	-			-	-
FMB Series TT	6.950%	4/1/11	(161,000)			(161,000)		161,000	-	6,527
FMB Series WW	6.470%	06/15/32	(100,000)			(100,000)			(100,000)	6,470
FMB Series VV	6.375%	9/1/33	(75,000)			(75,000)			(75,000)	4,781
FMB Series YY	8.000%	12/15/33	(150,000)	-	-	(150,000)	-	-	(150,000)	12,000
FMB Series XX	5.900%	07/15/19	(150,000)	-	-	(150,000)	-	-	(150,000)	8,850
New Issue	6.750%	04/01/41	-	-	-	-	(200,000)	-	(200,000)	5,625
Subtotal			(736,000)	-	100,000	(636,000)	(200,000)	161,000	(675,000)	44,253
Tax-Exempt Notes										
PCN 2004 Series A	4.750%	5/15/32	(1,325)	(9,175)		(10,500)			(10,500)	499
PCN 2004 Series B	5.375%	5/15/32	(50,000)			(50,000)			(50,000)	2,688
PCN 1997 Series A	5.000%	8/1/32	(34,000)			(34,000)			(34,000)	1,700
PCN 1997 Series B	5.000%	8/1/32	(34,000)			(34,000)			(34,000)	1,700
PCN 1997 Series C	5.000%	8/1/32	(850)	(28,500)		(29,350)			(29,350)	1,468
PCN 1998 Series A	5.950%	9/1/33	(25,500)	-	-	(25,500)	-	-	(25,500)	1,517
Subtotal			(145,675)	(37,675)	-	(183,350)	-	-	(183,350)	9,571
Unamortized Debt Discount										
			Balance at Jun 30, 2009	Amortization Jul 09-Aug 10		Balance at Sep 1, 2010			Balance at Aug 31, 2011	Rate Year Amortization
FMB Series VV			668	32		635			608	28
FMB Series TT			22	22		-			-	-
FMB Series WW			101	5		96			92	4
Subtotal			791	59		732			700	32
Book Value Long-Term Debt			(880,884)			(818,618)			(857,650)	