

→ *Maintaining* **reliability**

RG&E has numerous programs to maintain and improve the reliability of our electric delivery system. They include:

- ▶ Infrared inspections of overhead power lines and substation equipment using helicopters, trucks and hand-held units.
- ▶ Routine tree trimming to reduce storm-related damage to lines.
- ▶ Treating wood poles when warranted to extend their useful life; defective poles are replaced.
- ▶ Inspecting and maintaining substation equipment.



Sometimes *we may need to cut back use*

While we have all the power our customers need, sometimes we may need to cut back use to help other parts of the state, particularly during summer heat waves.

To protect the state's electrical system, the New York Independent System Operator could, on occasion, require all utilities in the state to take steps to reduce electricity consumption. The final step would be to temporarily interrupt electricity to selected areas for an hour on a rotating basis. As the interruptions end in one area, they would move on to other areas until the high demand for electricity passes.



HIGHLIGHTS **RG&E**

June 2004

VALUABLE CUSTOMER INFORMATION



Dear Customer,

As this edition of *Highlights* goes to press, we anticipate closing on the sale of the Ginna Nuclear Generating Station to Constellation Energy. The Ginna sale allows us to focus on the business of providing reliable, essential electricity service to you.

About four to five weeks after the sale, we plan to issue refunds to eligible electricity customers with the proceeds from the Ginna sale.

Refunds are based on how much electricity you used over the past 12 months. The more electricity you used, the greater your refund. Refund checks will be mailed to most eligible customers. Refunds less than \$1 will be credited to the customer's account and noted on their next bill. Customers who are more than 60 days behind in their payments to RG&E will also see a credit on their bill.

For more information about the Ginna refund visit rge.com. Or call the Ginna Refund Answer Line at 1.800.743.8041.

For the past 34 years, Ginna has served us well. Its excellent operating and performance records are a tribute to the people who built and have operated the plant. When Ginna passes to the Constellation Energy, the electricity the plant produces will continue to be a valuable and reliable resource to you.

Speaking of reliability, we thought you might like to know how electricity gets to you and some of the behind-the-scenes things we do to keep the energy delivery system so dependable. This issue of *Highlights* contains information on these topics.

Have an enjoyable summer.

Sincerely,



Essential connections

Electricity is an essential part of your life. That's why our people work hard to maintain a reliable, yet complex system that delivers electricity to your door the moment you need it.

Here's a simple illustration of how RG&E delivers electricity to your home or business.

Generating System – Consists of power plants that produce electricity. Most New York State generating stations are no longer owned by utilities.

Transmission System – Consists of all the generating plants, step up transformers and high-voltage transmission lines that bring electricity to the distribution system.

Distribution System – Consists of all lines, poles, and equipment that bring electricity from the substation to your home or business.

Generation



Generating Stations – Various energy sources (water, natural gas, oil, coal, nuclear, or wind) are used to power turbines that generate electricity.



Step Up Transformers – As electricity leaves a generating station, its voltage is increased or stepped up by a transformer to enable it to travel over long distances.

Distribution

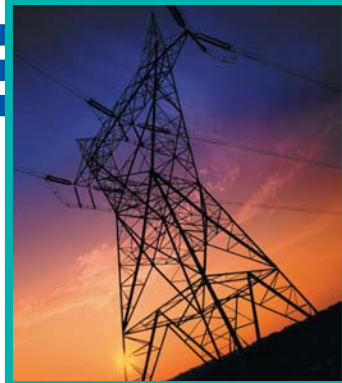


Substations – Reduce or step down electricity to usable voltage for use in large businesses and facilities such as schools, and hospitals, etc. Substations also route power via circuits into neighborhoods.



NYS Independent System Operator (ISO) – This independent organization maintains a balance between electricity supply and demand in New York State. It also coordinates supply and demand with similar agencies in neighboring states.

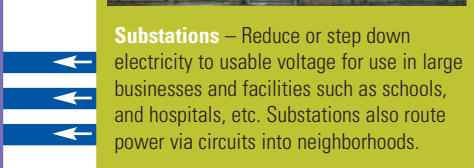
Transmission



High Voltage Transmission Lines – These lines carry high-voltage electricity over long distances. Voltage is the force that pushes electricity through wires like pressure pushes water through a pipe.



Pole or Pad Mounted Transformers – Before electricity enters homes or small business, the voltage is further stepped down to power appliances, lights, computers, etc.



RG&E
AND
Always at Your Service



HOW WE RESPOND TO POWER INTERRUPTIONS

Our first priority is to remove any immediate hazards, such as live, fallen power lines, to ensure safety. We then repair our main facilities that bring electricity to your neighborhood. Next, we work on our local delivery system, including the poles and power lines along streets and roads. At the same time, we focus on areas that serve critical facilities such as hospitals, nursing homes, and fire and power stations and customers who depend on electrically operated, life-sustaining equipment. It's a time-proven process that ensures we restore your service as quickly, efficiently and safely as possible.