

RG&E

Energy *Lines*

Season's Greetings

WISHING YOU
AND YOUR FAMILY
A SAFE AND HAPPY
HOLIDAY SEASON.

December 2005

KEEPING YOU INFORMED



*Time is running out!
Did you...*

voice *your choice?*

for your electricity supply

You have until **8:30 p.m. on December 30, 2005** to *Voice Your Choice*. Your electricity supply pricing option takes effect January 1, 2006 through December 31, 2006. So don't delay – enroll your RG&E electricity account today!

JUST 3 STEPS

TO CHOOSING YOUR ELECTRICITY SUPPLY.

STEP

1

UNDERSTANDING

STEP

2

CHOOSING

STEP

3

ENROLLING

To enroll:

- ▶ Fill out and mail the enrollment card provided in your kit
- ▶ Visit www.rge.com
- ▶ Call **1.800.RGE.VYCN**ow (1.800.743.8926)
- ▶ Use RG&E's Hearing-Impaired Line (TTY) 1.800.962.3293
- ▶ Contact an ESCO (energy services company). For an up-to-date list of ESCOs, go to www.rge.com.

When you enroll by phone or at our Web site, please have your **RG&E account number** handy. It is located in the top right corner on the first page of your bill.

Understanding your bill

Terms You Need to Know

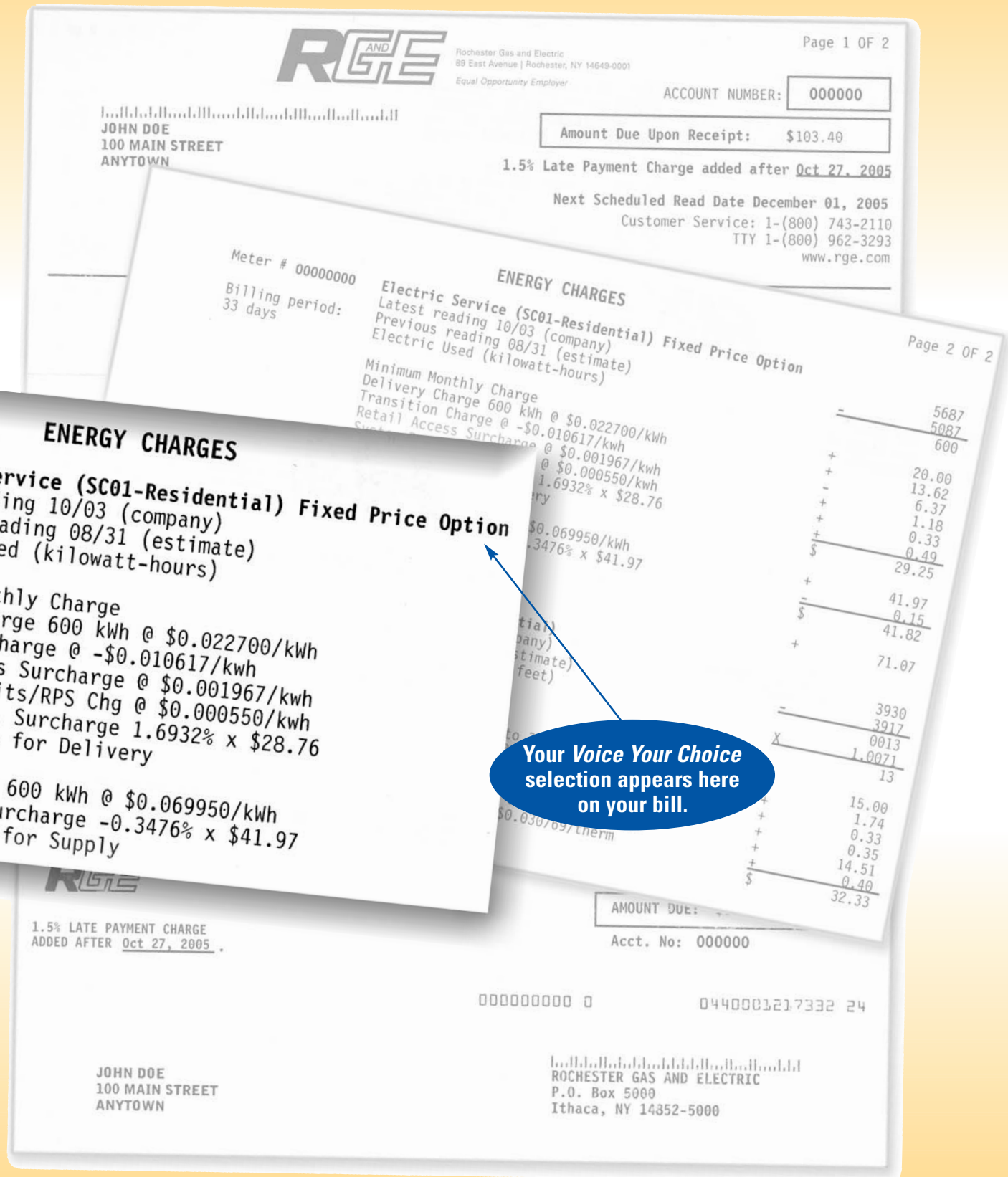
- ▶ **Delivery Charge:** The delivery charge is what you pay RG&E to transport electricity to you over the power lines to your home. It is a fixed price per kilowatt-hour (kwh) and will be the same regardless of the electricity supplier or pricing option you choose.
- ▶ **Transition Charge:** The transition charge is the difference between the market price of electricity and the price of RG&E's long-term electricity supply contracts. (May be positive or negative.) This charge may be fixed or variable depending on the electricity supply pricing option you choose. All customers will pay this charge regardless of their supply choice.
- ▶ **Supply Charge:** The supply charge is what you pay RG&E or an energy services company (ESCO) for the electricity you receive. It can be either fixed – the same per kilowatt-hour (kwh) each month – or variable – changing each month.

How Your Voice Your Choice Selection Appears on Your Bill

Your bill shows your choice of either the RG&E Fixed Price Option or the RG&E Variable Price Option. It is shown in the "Electric Service" portion of your bill, typically found on the second page.

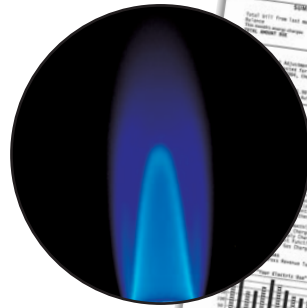
- ▶ **RG&E Fixed Price Option:** This option consists of a *fixed* supply charge and a *fixed* transition charge. The fixed supply charge includes the cost of electricity plus the cost of providing a fixed price for one year even if wholesale market prices of electricity fluctuate.
- ▶ **RG&E Variable Price Option:** This option consists of a *variable* supply charge and a *variable* transition charge. The variable supply and transition charges change every month with the market price of electricity.

EXAMPLE ONLY...
your bill may not look the same if your account is listed in another service classification (C&I, Time of Use).



Higher natural gas supply prices will impact bills

Given current market conditions and the impact of Hurricanes Katrina and Rita, market-based natural gas supply prices are already considerably higher than they were last winter when they were at record high levels. As a result, projected bill increases of 25% to 40% already reported by organizations including the Public Service Commission, the federal Energy Information Administration, the American Gas Association and the Northeast Gas Association are reasonable estimates.



Here's what you can do to help manage natural gas costs this winter:

- ▶ Check out **www.rge.com** and read our bill inserts for important information on using energy wisely. Some simple steps can go a long way toward saving you money. Those simple steps include:
 - Making sure your home is adequately insulated.
 - Cleaning or replacing furnace filters when they are dirty or once a month.
 - Making sure heating supply and return registers are clean and not blocked by furniture or drapes.
 - Installing an automatic set-back thermostat.
 - Opening blinds and drapes on south-facing windows during the day to let in heat from the sun, and closing them at night and on cloudy days.
 - Setting your water heater temperature at 120 degrees. (Follow manufacturer's instructions or contact a plumbing and heating contractor.)
- ▶ **Sign up for RG&E's Budget Billing program.** This will enable you to spread your energy costs out evenly over the year. For more information visit www.rge.com or contact us at 1.800.743.2110.
- ▶ **If you're having trouble paying your RG&E bills,** contact us at 1.877.266.3492. The sooner you do, the sooner we can work on a solution together.

- Natural gas bills include **delivery** and **supply** charges. The **delivery** charge is what you pay RG&E to transport natural gas to your home or business. The **supply** charge is what you pay RG&E or another supplier for the natural gas they buy for you.
- RG&E's natural gas delivery prices have remained essentially flat since 1994.
- RG&E natural gas customers pay market-based prices for the natural gas they use (supply). RG&E cannot control these market-based natural gas supply prices, and RG&E makes no profit on the natural gas we purchase for our customers.

RG&E
AND
Always at Your Service

 An Energy East Company

www.rge.com