

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: October 17, 2009

Leaf No. 144
Revision: 2
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

D. Research and Development Surcharge

The rates per therm as herein provided shall be subject each month to a surcharge to collect funds to support medium and long term gas research and development programs.

The amount of the surcharge will be calculated yearly by dividing the total amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998, less any amounts to be paid to upstream pipelines for GRI funding in the calendar year for which the surcharge is being calculated, by the total normalized volumes delivered to customers taking service under all Service Classifications.

The total amount collected annually under this surcharge will be reconciled to ensure that it does not exceed the amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998. Any amounts collected through this surcharge which are not spent on R&D programs will be refunded to the customers.

E. Mendon Heater Fuel Charge

The fuel cost associated with running the Mendon Gate Station will be a proportional volumetric charge based on the current market price of gas.

TERMS OF PAYMENT:

All bills are rendered at the rate set forth in this service classification. A late payment charge of one and one-half percent (1 ½%) per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.D.2.

BALANCING SERVICE:

The ESCO/DC must take balancing service under Rule 10.G. for each service point for which it is taking transportation service. The ESCO/DC will indicate the type of balancing service to be used for each of its service agreements, consistent with Rule 10.G. and the applicable Service Classifications.

Each of the ESCO's/DC's service agreements will be assigned to a Balance Control Account. A separate Balance Control Account will be established for each type of Balancing Service elected for the ESCO's Customers or the DC.

Retail Access Capacity Program

A) General

ESCOs serving Customers with annual use less than 35,000 therms under this service Classification will be required to participate in the Retail Access Capacity Program, as defined in this Section whereby transportation capacity from liquid trading points - Dawn and Southpoint (i.e. all receipt points on the Dominion Transmission Incorporated (DTI) system south of DTI's Valley Production Compressor Station) - to the Company's city gates at Mendon and Caledonia, respectively, and storage capacity, will be released to ESCOs serving Customers under this service Classification with annual use less than 35,000 therms.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York