

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: November 1, 2007
Issued in Compliance with order in Case 07-G-0299 dated August 30, 2007

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Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

b) Methodology for Release

The Company shall release capacity on both the Empire and DTI systems to ESCOs serving customers based on winter season design day requirements of the retail load served by each ESCO, as calculated by the Company. The allocation methodology shall provide for the Company's operational distribution system requirements, including, but not limited to, maintaining the appropriate ratio of Empire deliveries to DTI deliveries to ensure system integrity.

c) Administration of Released Assets

The Company shall administer release of assets so as to maintain a correspondence between winter season design day requirements of the retail load served by each ESCO and capacity released to that ESCO on a periodic basis. As load served by an ESCO changes, the Company shall periodically make corresponding adjustments to the quantity of capacity released to the ESCO. The procedure for effectuating such adjustments is specified in the Company's GTOP manual. In any situation where the Company is required to repute the recalled capacity entitlements to the ESCO, the ESCO waives its rights to such reputs.

d) Recall of Capacity Entitlements

If the ESCO becomes unqualified to sell gas on the Company's system or transport gas on pipelines upstream of its city gates, the Company shall recall all capacity released to the ESCO. If the ESCO fails to deliver supplies of gas adequate to serve its Customers, or if required for system reliability purposes, the Company shall have the right to recall all capacity released to the ESCO. References to "recall" of capacity are intended to include all returns to the Company of rights and obligations pertaining to capacity previously released to an ESCO, unless the context requires otherwise.

e) Release of Empire Capacity

Release of capacity on Empire will be carried out pursuant to the terms and conditions of Empire's Tariff on file with the Commission, as such Tariff may be amended from time to time, and the terms and conditions of any separate agreement between the Company and Empire pertaining to this subject. In the event of any conflict between the terms and conditions of Empire's Tariff and any separate agreement, the terms and conditions of the latter shall control. Release of capacity on TCPL shall be carried out by the Company consistent with the terms and conditions of the Company's agreements with TCPL.

f) Release of DTI Capacity

Release of capacity on DTI shall be carried out in a manner consistent with FERC requirements pertaining to capacity release.

g) Rates for Released Capacity

The rates to be paid by an ESCO taking released capacity shall be the maximum pipeline rates.

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