

PSC No: 17 - Gas
 Rochester Gas and Electric Corporation
 Initial Effective Date: November 1, 2003
 Issued in compliance with order in Case 02-M-0515 dated 4/24/03

Leaf No. 143
 Revision: 1
 Superseding Revision: 0

SCHEDULE B

GAS BALANCING SERVICE (Cont'd)

TYPE OF BALANCING SERVICE (Cont'd)

B) CSC Enhanced Daily Balancing Service

7. Balancing Charge

The Distribution Customer will be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control account. The balancing charge will consist of a charge to cover the cost of any incremental assets that the Distribution Provider must hold in order to qualify as a DPO, and administrative costs. The balancing charge shall be calculated each month as follows:

- a) The incremental DPO asset portion of the balancing charge is calculated by:

$$BC_{ASSET} = C_{DPO} / T_{ANNUAL}$$

Where:

- BC_{ASSET} = the incremental DPO asset portion of the balancing charge.
 C_{DPO} = the total annual cost of any assets that the Distribution Provider must hold in excess of those assets that it would otherwise hold if it were not acting as the DPO.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3 and Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account.

- b) The administrative portion of the balancing charge is calculated by:

$$BC_{ADMIN} = C_{ADMIN} / T_{ANNUAL}$$

Where:

- BC_{ADMIN} = the administrative portion of the balancing charge.
 C_{ADMIN} = the total annual administrative costs to be recovered.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3 and Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account, and all retail customer service points served under Service Classification No. 5.

- c) The total balancing charge per DT is:

$$BC_{ASSET} + BC_{ADMIN}$$

The balancing charge for CSC Enhanced Daily Balancing Service will be published each month on the Large General Service Distribution Service Rate Adjustment Statement.

(Continued on next leaf)

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