

PSC No: 17 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003

Leaf No. 103
Revision: 0
Superseding Revision:

SCHEDULE A

GAS SERVICE-POINT DISTRIBUTION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

D. PSC Transition Cost Surcharge (Cont'd)

1. Surcharge for Pre 11/96 Service Classification No. 3 Service Points (Cont'd)

- (b) The PSC Transition Cost per therm is calculated by dividing the total cost in (a), above, by the total normalized sales of gas to the following customers:
- i) Retail Customers being served by Distribution Customers taking service under Service Classification No. 3; and
 - ii) Retail Customers taking service under Service Classification No. 1 of the Company's Schedule for Gas Service - PSC No. 16; and
 - iii) Retail Customers taking service under Service Classification No. 4 of the Company's Schedule for Gas Service - PSC No. 16 who are subject to the gas cost adjustment; and
 - iv) Retail Customers being served by Distribution Customers taking service under Service Classification No. 5.

2. Surcharge for Post 11/96 Service Classification No. 3 Service Points

For those service points served under Service Classification No. 3 which do not meet the criteria in D.1., the rates per therm herein provided shall be subject each month to a surcharge to collect; (a) a pro-rata share of upstream capacity costs that would otherwise be unrecovered as a result of customer migration to other suppliers, and; (b) a pro-rata share of the costs associated with ANR storage assets formerly recovered through citygate balancing charges.

- a) The total capacity costs to be recovered through this PSC Transition Cost Surcharge shall be computed monthly according to the following formula:

$$\text{\$cap} = (\text{tcap} / \text{ucap}) * \text{ucap}\$$$

Where:

$\text{\$cap}$ = The total capacity costs to be recovered through this PSC Transition Cost Surcharge.

(Continued on next leaf)

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