

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

Leaf No. 111
Revision: 0
Superseding Revision:

SCHEDULE A

GAS SERVICE-POINT DISTRIBUTION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

E. Research and Development Surcharge (Cont'd)

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 Service Classification Nos. 1, 3, and 4 (who are subject to the gas cost adjustment) of the Distribution Provider's Schedule for Gas Service, P. S. C. No. 16, and Service Classifications No. 5 of this Schedule.

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.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Schedule, including any adjustments and minimum charge, are increased by the applicable effective percentage shown in Rule 5.E for service supplied within the municipality where the Retail Customer is taking service.

TERMS OF PAYMENT:

All bills are rendered at the rates stated in the applicable appendix. Refer to Rule 5.D for further information regarding payment terms.

BALANCING SERVICE:

The Distribution Customer must take balancing service under Schedule B of this tariff for each service point for which it is taking distribution service. The Distribution Customer will indicate the type of balancing service to be used for each of its service points, consistent with Schedule B of this tariff and the Special Provisions contained in this Schedule A.

Each of the Distribution Customer's service points 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 Distribution Customer's Retail Customers.

SPECIAL PROVISIONS:

The Distribution Customer shall assist the Distribution Provider in maintaining the following provisions of its Retail Customers' service. The following Service Classifications define the characteristics and special provisions that apply to each available type of service under this Schedule A. One of the following Service Classifications shall be assigned to each service point. The Distribution Customer is responsible for selecting the Service Classification which may be most appropriate to the requirements of the service point. The Distribution Provider makes no warranty, express or implied, as to the propriety of any Service Classification determination by a Distribution Customer or the Service Classification appropriate to the future service requirements of the Retail Customer. If the Retail Customer's use of service or equipment changes in the future, the Distribution Customer must notify the Distribution Provider of these changes to ensure that the Distribution Customer is being billed properly. The Distribution Provider will monitor the Distribution Customer's selection of Retail Customer service classification and reserves the right to switch the Retail Customer's service classification if it is determined that the provisions of applicability are not being met.

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