

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

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Revision: 0
Superseding Revision:

SCHEDULE B

GAS BALANCING SERVICE (Cont'd)

TYPE OF BALANCING SERVICE (Cont'd)

A) Daily Balancing Service (Cont'd)

3. Daily Cashout Under Non-Operational Flow Order (OFO) Conditions

For daily deficiency imbalances, the Distribution Customer will pay the Distribution Provider for the deficiency amount as follows:

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
First 10%	The average of the Niagara midpoint index price plus variable transportation charges to the Mendon citygate, and the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges to the Caledonia citygate.
Between 10% and 20%	The higher of 115% of the Niagara midpoint index price plus variable transportation charges to the Mendon citygate, or 115% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges to the Caledonia citygate. In addition, the Distribution Customer will pay the Distribution Provider a pro-rata share of any upstream pipeline-imposed penalties that the Distribution Provider may incur as a result of the deficiency imbalance.
Greater than 20%	The higher of 125% of the Niagara midpoint index price plus variable transportation charges to the Mendon citygate, or 125% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges to the Caledonia citygate. In addition, the Distribution Customer will pay the Distribution Provider a pro-rata share of any upstream pipeline-imposed penalties that the Distribution Provider may incur as a result of the deficiency imbalance.

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