PSC No: 17 - Gas Rochester Gas and Electric Corporation Initial Effective Date: June 1, 2003 Leaf No. 138 Revision: 0 Superseding Revision:

SCHEDULE B

GAS BALANCING SERVICE (Cont'd)

TYPE OF BALANCING SERVICE (Cont'd)

A) Daily Balancing Service (Cont'd)

6. Balancing Charge (Cont'd)

c) The GSS capacity portion of the balancing charge is calculated by:

 $BC_{\text{GSSCAP}} = (T_{\text{DDAY}} * B_{\text{TOL}} * N_{\text{WDR}} * R_{\text{GSSCAP}}) / T_{\text{ANNUAL}}$

Where:

$BC_{GSSCAP} =$	the GSS capacity portion of the balancing charge.
$T_{DDAY} =$	the design day throughput in DT for all retail customer service points
	which are being served under Service Classification No. 3 and are
	included in a Daily Balancing Balance Control Account.
$\mathbf{B}_{\text{TOL}} =$	the tolerance band for Daily Balancing Service.
$N_{\text{WDR}} =$	the number of days of withdrawal at maximum withdrawal rate
	contracted for under the GSS service.
$R_{GSSCAP} =$	the annualized DTI GSS capacity reservation charge per DT.
$T_{\text{ANNUAL}} =$	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 are included in a Daily Balancing Balance
	Control Account.

d) The FTNN capacity portion of the balancing charge is calculated by:

 $BC_{\text{FTNNCAP}} = \left(\left(\left(T_{\text{DDAY}} * B_{\text{TOL}} * N_{\text{WDR}} \right) / N_{\text{INJ}} \right) * R_{\text{FTNNCAP}} \right) / T_{\text{ANNUAL}}$

Where:

BC _{FTNNCAP} =	the FTNN capacity portion of the balancing charge.
$T_{DDAY} =$	the design day throughput in DT for all retail customer service points
	which are being served under Service Classification No. 3 and are
	included in a Daily Balancing Balance Control Account.
$B_{TOL} =$	the tolerance band for Daily Balancing Service.
$N_{\rm WDR} =$	the number of days of withdrawal at maximum withdrawal rate
	contracted for under the GSS service.
$N_{\text{inj}} =$	the number of days of full injection allowed under the GSS service contract.
	the annualized DTI FTNN capacity reservation charge per DT. 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 are included in a Daily Balancing Balance Control Account.

(Continued on next leaf)

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