

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

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SCHEDULE B

GAS BALANCING SERVICE (Cont'd)

TYPE OF BALANCING SERVICE (Cont'd)

A) Daily Balancing Service (Cont'd)

4. Daily Cashout Under Operational Flow Order (OFO) Conditions

For daily deficiency imbalances during a day in which a Type I OFO is in effect, the Distribution Customer will pay the Distribution Provider for the deficiency amount for the duration of the Type I OFO as follows:

Imbalance Level

Rate per Therm of Imbalance

Between 0% and 10%

The higher of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, or the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) 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 10%

The higher of 150% of the Niagara absolute high index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, or 150% of the Dominion Transmission Incorporated (DTI) Appalachia South Point absolute high index price plus maximum firm transportation charges (commodity plus fuel plus demand) 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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