

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

Leaf No. 136
Revision: 0
Superseding Revision:

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 (Cont'd)

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

Imbalance Level

Rate per Therm of Imbalance

Between 0% and 10%

The lower of the Niagara midpoint index price, or the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price. 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 lower of 50% of the Niagara absolute low index price, or 50% of the Dominion Transmission Incorporated (DTI) Appalachia South Point absolute low index price. 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 surplus imbalance.

The Distribution Provider will track daily cashout activity, and the Distribution Customer will be charged or credited with the daily cashout costs at the conclusion of every month.

5. Imbalance Trading

Distribution Customers may trade daily imbalances among each other. The Distribution Provider will provide a daily list of Distribution Customers that have imbalances and the direction of the imbalance (either surplus or deficiency). The amount of the imbalance will not be provided. Distribution Customers must notify the Distribution Provider of any imbalance trades no later than three (3) business days from the end of the month in which the imbalance occurred. Trades must be for imbalances occurring on the same day and may be for no more than the amount of the Distribution Customer's imbalance for that day.

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