

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: May 28, 2004
Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

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GENERAL INFORMATION

4. METERING AND BILLING (Cont'd)

H. ADJUSTMENT OF RATES DUE TO CHANGES IN COST OF GAS (Cont'd)

(10) **Research and Development Surcharge**

Sales subject to Service Classification No. 1, Service Classification No. 4, and Service Classification No. 6 who are subject to the GSC, will be subject to a surcharge to collect funds to support medium and long term gas research and development programs. This surcharge will replace the existing funding of the Gas Research Institute (GRI).

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 all Service Classifications.

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. This surcharge will be listed as a separate item on the GSC statement.

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