

PSC No: 16 - Gas  
 Rochester Gas and Electric Corporation  
 Initial Effective Date: February 19, 2004  
 Issued in compliance with orders in Case 98-M-1343 dated Nov. 21, 2003 and Cases 99-M-0631 and 03-M-0117 dated Dec. 19, 2003

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**GENERAL INFORMATION****10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)**

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 ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company 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 ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.

**B. Daily Surplus Imbalances:**

For daily surplus imbalances, the Company will pay the ESCO for the surplus amount as follows:

**Imbalance Level****Rate per Therm of Imbalance**

First 10%	The average of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate.
Between 10% and 20%	The lower of 85% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, or 85% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.

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