

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
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GENERAL INFORMATION**10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)**

- a) The incremental DPO asset portion of the balancing charge is calculated by:

$$BC_{ASSET} = C_{DPO} / T_{ANNUAL}$$

Where:

BC_{ASSET} = the incremental DPO asset portion of the balancing charge.
 C_{DPO} = the total annual cost of any assets that the Company must hold in excess of those assets that it would otherwise hold if it were not acting as the DPO.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account.

- b) The administrative portion of the balancing charge is calculated by:

$$BC_{ADMIN} = C_{ADMIN} / T_{ANNUAL}$$

Where:

BC_{ADMIN} = the administrative portion of the balancing charge.
 C_{ADMIN} = the total annual administrative costs to be recovered.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account, all Customer service points served under Service Classification No. 5, and all service points served under Service Classification No. 7 whose annual use is less than 35,000 therms.

- c) The total balancing charge per DT is:

$$BC_{ASSET} + BC_{ADMIN}$$

The balancing charge for CSC Enhanced Daily Balancing Service will be published each month on the Large General Service Transportation Rate Adjustment Statement.

C) S.C. No. 5 and S.C. No. 7 (annual use less than 35,000 therms) Balancing Service

S.C. No. 5 and S.C. No. 7 Balancing Service is a process wherein the ESCO accommodates the difference, on a daily basis, between the backcast, which is the usage for each Customer service point for that gas day, of the ESCO's S.C. No. 5 and S.C. No. 7 Customer service points and the net quantity of gas delivered on a scheduled basis by the ESCO to the Company's system for such service points, using its No-Notice Storage assets held on the Dominion Transmission Incorporated (DTI) system. This difference may be either positive or negative. It is the ESCO's responsibility to nominate, on a daily basis, those volumes that it expects its Customer service points to consume. This service operates in conjunction with the Delivery Point Operator (DPO) service and the Citygate Swing Customer (CSC) service offered under the Dominion Transmission Incorporated (DTI) rate schedules DPO and CSC, respectively.

S.C. No. 5 and S.C. No. 7 Balancing Service consists of the following factors:

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