

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: July 1, 2004

Leaf No. 144.2
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

Retail Access Capacity Program (Cont'd)

F) Release of Empire Capacity

Release of capacity on Empire will be carried out pursuant to the terms and conditions of Empire's Tariff on file with the Commission, as such Tariff may be amended from time to time, and the terms and conditions of any separate agreement between the Company and Empire pertaining to this subject. In the event of any conflict between the terms and conditions of Empire's Tariff and any separate agreement, the terms and conditions of the latter shall control. Release of capacity on TCPL and the DSR Service shall be carried out by the Company consistent with the terms and conditions of the Company's agreements with TCPL and the DSR Service provider.

G) Release of DTI Capacity

Release of capacity on DTI shall be carried out in a manner consistent with FERC requirements pertaining to capacity release.

H) Rates for Released Capacity

The rates to be paid by an ESCO taking released capacity shall be the Company's maximum contract rates pursuant to the tariffs and/or agreements applicable to the released capacity.

I) Transfer of Gas in Storage to the ESCO

Where storage assets are released to an ESCO in conjunction with this Retail Access Capacity Program after the commencement of the storage injection season (April 1 of each year), the Company shall transfer to the ESCO a quantity of gas equivalent to a pro-rata share of gas that the Company has acquired to provide service to the migrated Customers. The quantity of gas transferred shall be the storage capacity to be released multiplied by a percentage (published in Company's GTOP) representing the planned degree to which the Company's storage will be filled at the beginning of the month during which the release is made. As detailed below, there will be an ESCO Charge and an ESCO Credit associated with transfers of gas in storage.

ESCO Charge:

The ESCO shall pay the Company: 1) the weighted average commodity cost of gas in storage multiplied by the quantity of gas transferred; plus 2) a contribution to storage capacity costs calculated as shown below.

The weighted average cost of commodity will be billed for each transfer of DTI storage and will be billed in November for the cumulative gas transfer of the DSR Service.

The contribution to storage capacity will be calculated differently for east side and west capacity as indicated below. The calculations for the east side and west side will be added together to derive a total cost.

Applicable to DTI pipeline for the months May – March

East side = $(rscapdti * wacos_3 * months_{APR}) + (rscapdti * months_{NOV} * (ftnngss\$/cgdeliv_{DTI}))$

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York