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PSC No: 16 - Gas

Rochester Gas and Electric Corporation

Initial Effective Date: March 1, 2004

Leaf No. 133

Revision: 1

Superseding Revision: 0

SERVICE CLASSIFICATION NO 4 (Cont'd)

GENERAL SERVICE-ECONOMIC DEVELOPMENT (Cont'd)

COST ADJUSTMENT:

Under Pricing Option A, the charges shall be subject to a gas cost adjustment as described under Service Classification No. 1, or a transportation rate adjustment as described under Service Classification No. 3. Under Pricing Option B, the charges may be so adjusted.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification will be increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the customer is taking service.

TERMS OF PAYMENT:

All bills are rendered at the rates stated above. A late payment charge of one and one-half (1 1/2) percent per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.D.2. If a negotiated Service Agreement is in effect, the late payment charge will be stated in the Agreement but shall not exceed the rate stated in Rule 4.D.2.

OTHER TERMS AND CONDITIONS:

Transportation service will be provided under this Service Classification in accordance with all other terms and conditions as described in Service Classification No. 3 Large Transportation Service, except as specifically noted above. These terms and conditions include Option I and Option II service, banking and balancing charges, supplemental gas cost charges, and Special Provisions 1 through 6 and 8.

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