PSC No: 16 - Gas Rochester Gas and Electric Corporation Initial Effective Date: December 1, 2016 Issued in compliance with Order in Case 15-G-0286, dated June 15, 2016. Leaf No. 127.31.1 Revision: 4 Superseding Revision: 3

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

A) S.C. No. 3 or S.C. 7 (annual use greater than or equal to 35,000 therms) Daily Balancing Service

S.C. No. 3 or S.C. No. 7 Daily Balancing Service is a process wherein the Company accommodates the difference, on a daily basis, between the actual usage of the ESCO's S.C. No. 3 Customer service points, grossed up for losses, and the quantity of gas delivered by the ESCO to the Company's system for such service points. This difference may be either positive or negative. The Company shall cashout to the initial dead bands on a day-to-day basis such that only imbalances greater than +/- 5% would be cashed out and only back to the 5% level on a daily basis. At the end of month, the daily imbalances, both positive and negative, would be cashed out to the 0% level. Such daily cash-outs shall be summed up and charged or credited to the ESCO on a monthly basis. It is the ESCO's responsibility to nominate, on a daily basis, those volumes that it expects its Customer service points to consume, utilizing the daily meter read data for those service points, provided by the Company.

- 1. Daily Cash-Out Calculation At the end of the Day the Pooling Area Imbalance shall be calculated.
 - a. If the absolute value of the Pooling Area Imbalance is less than 5%, each ESCO shall be cashedout according to the first 5% tier under 10.G.3.A and 10.G.3.B of this Schedule.
 - b. If the absolute value of the Pooling Area Imbalance is greater than 5%, and the absolute value of the ESCO Pool Imbalance is less than 5%, then no cash-out shall apply.
 - c. If both the absolute value of the Pooling Area Imbalance and the absolute value of the ESCO Pool Imbalance is greater than 5%, that ESCO shall be cashed-out to the 5% level according to 10.G.3.A and 10.G.3.B. of this Schedule.
 - d. End of Month Imbalance: At the end of the month, all pools shall be cashed out to a 0% imbalance at the average of the daily prices for the month according to the first 5% tier of 10.G.3.A and 10.G.3.B of this Schedule.

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