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 Rochester Gas and Electric Corporation
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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)

(f) Operational Flow Orders (Cont'd)

An OFO shall be issued on a system-wide basis. An ESCO who has elected to take daily balancing service from the Company shall incur those daily settlement charges described in Rule 10.G. The ESCO shall also be responsible for the pro-rata share of any upstream pipeline penalty charges incurred by the Company resulting from ESCO activities and may be assessed a per Therm penalty. An ESCO may lose its right to serve Customers as a result of non-compliance.

(g) Discontinuance or Curtailment of Gas Service

(1) Company's Right to Curtail or Limit Service

The Company shall only implement a curtailment as a last resort. Economic considerations shall not be the basis for a curtailment. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually-interruptible load, and supply acquisition shall be utilized before a curtailment is declared.

In the event the Company reasonably foresees an inability to meet the firm daily requirements of core sales or transportation customers, the Company shall have the right to curtail or limit any customer's use of gas. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency. To the extent possible, curtailments shall be localized. The Company shall not incur any liability for any cost, expense, loss or injury which may be sustained by reason of such curtailment or limitation, except as described in Rule 5.C.

In the event of a loss of supply due to force majeure circumstances including but not limited to major physical facility upstream failures beyond the control of the Company or the ESCOs (e.g. pipeline ruptures, widespread well freeze-offs, etc.), the Company shall endeavor to implement all curtailment plans in a non-discriminatory manner, without regard to which ESCO (or the Company) provides gas service to those customers which may be curtailed. Notwithstanding the above, the Company shall take any and all actions which, in its sole judgment, are required to maintain system integrity.

As part of the implementation of these curtailment procedures, the Company Gas Emergency Plan shall be put into effect. In the event of an emergency, the Company may deviate from Rule 5.C to the extent operational circumstances make it appropriate to do so. The Company shall exercise sound operational discretion, using these procedures as a general guideline.

For the purpose of this Rule 10.D.(g); the term "commercial customers" shall include governmental and public authority customers. The term "core customers" is defined to include customers that lack alternatives. They take either (a) firm sales service, and lack installed equipment capable of burning fuels other than gas; or (b) firm transportation service. A non-residential customer is a person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR 11.

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