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Rochester Gas and Electric Corporation

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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. Any such daily differences shall be cashed-out to zero using the process detailed below. 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 10%, each ESCO shall be cashed-out according to the first 10% 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 10%, and the absolute value of the ESCO Pool Imbalance is less than 10%, that ESCO's imbalance shall be cashed out according to the first 10% tier under 10.G.3.A and 10.G.3.B of this Schedule.
 - c. If both the absolute value of the Pooling Area Imbalance and the absolute value of the ESCO Pool Imbalance is greater than 10%, that ESCO shall be cashed-out according to 10.G.3.A and 10.G.3.B. of this Schedule.

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