

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: October 17, 2009

Leaf No. 133.5
Revision: 6
Superseding Revision: 5

SERVICE CLASSIFICATION NO. 5
SMALL TRANSPORTATION SERVICE (Cont'd)

G. Reliability

Reliability Surcharge : the reliability surcharge recovers the costs associated with upstream reliability capacity retained by the Company. The reliability capacity requirement is calculated as the difference between the design day requirements for Firm sales and non-daily metered transportation customers less typical peak day requirements for the same class of customers. The capacity resources are a proportional share of RG&E's upstream storage and transportation capacity on Empire and DTI plus a storage inventory carrying charge. The capacity requirements will be adjusted annually for any changes in design day and typical peak day requirements, including growth on the system.

- (1) The component of the Reliability Surcharge will only be applicable to non-daily metered service pursuant to:
 - (a) Service Classification 5, 7 whose annual use is less than 35,000 therms and 9 of PSC No. 16 Gas, or superseding issues thereof.
- (2) The costs to be recovered through the reliability surcharge component will be reduced by a proportionate share of revenues associated with the applicable share of non-migration capacity release, net off-system sales revenue and pipeline supplier refunds related to services used in the derivation of the surcharge.
- (3) On or before September 30 of each year, the Company will provide a report to the Director of the Office of Gas and Water that includes the calculation for the projected year's capacity requirements, a statement of the changes from the previous year, an explanation of the reason(s) or basis for the changes, and all associated workpapers.

TERMS OF PAYMENT:

All bills are rendered at the rate set forth in this service classification. A late payment charge of one and one-half percent (1 ½%) 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.

BALANCING SERVICE:

The ESCO/DC must take balancing service under Rule 10.G for each service point for which it is taking transportation service. The ESCO/DC will indicate the type of balancing service to be used for each of its service agreements, consistent with Rule 10.G and the applicable Service Classifications.

Each of the ESCO's/DC's service agreements will be assigned to a Balance Control Account. A separate Balance Control Account will be established for each type of Balancing Service elected for the ESCO's Customers or the DC.

SPECIAL PROVISIONS:

1. Economic Development Programs – Rate and Discounts

A. Economic Development Zone Rider (EDZ)

Service taken under this Service Classification may be eligible for the rates and charges under the Economic Development Zone Rider. Any customer who meets the qualifications set forth under General Information Section 4.K.2, whose zone certificate includes an initial date of eligibility prior to January 1, 2005, shall pay for delivery service at the following rate:

<u>Usage</u>	<u>Rate</u>
First 3 therms or less	\$12.88
Next 97 therms, per therm	.18967
Next 400 therms, per therm	.14327
Next 500 therms, per therm	.12665
Over 1,000 therms, per therm	.09145
Bill Issuance Charge (per bill):	\$1.08

All other rates, as described above, are also applicable.

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