

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: October 2, 2006

Leaf No. 133.5
Revision: 4
Superseding Revision: 3

SERVICE CLASSIFICATION NO. 5

SMALL TRANSPORTATION SERVICE (Cont'd)

D. Research and Development Surcharge

The rates per therm as herein provided shall be subject each month to a surcharge to collect funds to support medium and long term gas research and development programs.

The amount of the surcharge will be calculated yearly by dividing the total amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998, less any amounts to be paid to upstream pipelines for GRI funding in the calendar year for which the surcharge is being calculated, by the total normalized volumes delivered to customers taking service under all Service Classifications.

The total amount collected annually under this surcharge will be reconciled to ensure that it does not exceed the amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998. Any amounts collected through this surcharge which are not spent on R&D programs will be refunded to the customers.

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.J 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.J 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 them	.09145
Bill Issuance Charge:	\$0.62

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

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