PSC No: 16 - Gas Rochester Gas and Electric Corporation Initial Effective Date: November 1, 2007 Issued in compliance with order in Case 06-G-0059 dated August 23, 2007 Leaf No. 98 Revision: 2 Superseding Revision: 1

GENERAL INFORMATION

<u>5. DISCONTINUANCE OF SERVICE</u> (Cont'd)

B. <u>DISCONTINUANCE OF SERVICE DUE TO FRAUD</u>

If tampered equipment (as defined in Rule 1) is found on the customer's premises, or if any fraud upon the Company is practiced upon the customer's premises, the Company may, after giving notices required by law, and complying with 16 NYCRR 13 discontinue the supply of gas to the customer and remove its meter, apparatus and pipes. Service will not be restored to such a customer until he has paid the Company all damages occasioned or sustained, including the full costs and expenses of removing and restoring the meter, apparatus and service line.

C. <u>DISCONTINUANCE OR CURTAILMENT OF SERVICE</u>

(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 of a loss of supply due to force majeure circumstances including but not limited to major physical upstream failures beyond the control of the Company or the ESCOs (e.g. pipeline ruptures, widespread well freeze-offs, etc.), the Company will endeavor to implement all curtailment plans in a nondiscriminatory manner, without regard to which ESCO (or the Company) provides gas service to those customers which may be curtailed. 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 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 will be localized.

As part of the implementation of these curtailment procedures, the RG&E Gas Emergency Plan will 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 will exercise sound operational discretion, using these procedures as a general guideline.

For the purpose of this Rule 5.C., 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 nonresidential customer is a person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR 11.

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