Received: 08/01/2008 Status: CANCELLED Effective Date: 11/01/2008

PSC No: 16 - Gas Leaf No. 142
Rochester Gas and Electric Corporation Revision: 3
Initial Effective Date: November 1, 2008 Superseding Revision: 2

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES <50 MW (Cont'd)

- i) Revenues achieved by the Company from releases of capacity; and
- ii) Charges associated with capacity that is either a) assigned to ESCOs through the Retail Access Capacity Program detailed in Service Classification No. 5; or b) used by the ESCO to provide retail service under Service Classification No. 1; or c) used by the Company to provide Daily Balancing Service to Service Classification Nos. 3 or 7 customers.
- (b) The upstream capacity portion of this PSC transition cost per therm is calculated by dividing the total capacity cost in (a), above, by the total normalized volumes of gas delivered to the following Customers:
 - Customers being served by ESCOs taking service under Service Classification No. 3 who
 converted to such service from Service Classification No. 5 or Service Classification No. 1,
 after November 1, 1996, excluding gas delivered to new load as defined in D.2.(a)(i), above;
 and
 - ii) Customers taking service under Service Classification No. 1 or SC 6; and
 - iii) Customers taking service under Service Classification No. 4, who are subject to the GSC; and
 - iii) Customers being served by ESCOs taking service under Service Classification No. 5; and
 - iv) Customers being served by ESCOs taking service under Service Classification No. 7.

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