

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: August 1, 2006

Leaf No. 127.33
Revision: 4
Superseding Revision: 3

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

Greater than 10% to 15%	The average of 110% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 110% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.
Greater than 15% to 20%	The average of 115% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 115% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.
Greater than 20%	<p>During the period November 1 through March 31, the average of 140% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 140% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.</p> <p>During the period April 1 through October 31, the average of 130% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 130% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.</p>

B. Daily Surplus Imbalances:

For daily surplus imbalances, the Company will pay the ESCO for the applicable surplus amount as follows, based on the applicable daily price index published in Gas Daily (or a successor):

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
First 10%	The average of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate.
Greater than 10% to 15%	The average of 90% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 90% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.
Greater than 15% to 20%	The average of 85% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 85% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.

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