

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

Leaf No. 127.34
Revision: 4
Superseding Revision: 3

GENERAL INFORMATION

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

G. Gas Balancing Service (Cont'd)

Greater than 20%

During the period November 1 through March 31, the average of 60% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 60% 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.

During the period April 1 through October 31, the average of 70% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 70% 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.

4. Daily Cashout Under Operational Flow Order (OFO) Conditions

A. Daily Deficiency Imbalances:

For daily deficiency imbalances during a day in which a Type I OFO is in effect, the ESCO will pay the Company for the deficiency amount for the duration of the Type I OFO as follows:

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
Between 0% and 10%	The higher of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, or 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 10%	The higher of 150% of the Niagara absolute high index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, or 150% of the Dominion Transmission Incorporated (DTI) Appalachia South Point absolute high 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.

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