

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: March 15, 2006

Leaf No. 150  
Revision: 1  
Superseding Revision: 0

## SERVICE CLASSIFICATION NO. 10

### GAS SERVICE-POINT TRANSPORTATION SERVICE:

#### 1. Definitions

**Market Electric Price** – The respective zonal average of the Real Time Electric Market Locational Based Marginal Pricing (LBMP) for the applicable hour and zone as reported on the NYISO website expressed in \$/Mwh.

**Base Year** – The first full year of the operation of NYISO starting December 1, 1999.

**Base Year Spark Spread** – The simple average of the Spark Spread for all 8,784 hours of the Base Year.

**Calendar Year** – January 1<sup>st</sup> – December 31<sup>st</sup> of the year prior to the first day of the Effective Period.

**Customer's Heat Rate Tier Level** – Depending on what technology the Customer's unit employs, there will be four different proxy heat rates:

**Tier 1** – 17.5 mmBTU/Mwh-hour for older, simple cycle peaking units (i.e. those units that commenced operation prior to December 31, 1998)

**Tier 2** – 11.0 mmBTU/Mwh-hour for Rankine Cycle steam units

**Tier 3** – 10.0 mmBTU/Mwh-hour for new, simple cycle peaking units

**Tier 4** – 7.4 mmBTU/Mwh-hour for combination cycle plants

**Customer's Mwh Generated Output** – The hourly dth consumption divided by the Customer's heat rate expressed in Mwh/hours

**Daily Market Gas Cost** – The average per dth market cost of gas reported in Gas Daily for the average daily market price for city gate deliveries at the location of the customer based on an average of the high and midpoint prices.

**Effective Period** – The Effective Period for the initial Value Added Charge is March 15, 2006 through April 30, 2007. Beginning 2007, the Effective Period is May 1<sup>st</sup> of each year through April 30<sup>th</sup> of the following year.

**Fuel Cost of Generation** – The applicable Daily Market Gas Cost multiplied by the Customer's Heat Rate Tier Level expressed in \$/Mwh.

**NYISO** – The New York Independent System Operator.

**Spark Spread** – The difference between the Market Electric Price and the Fuel Cost of Generation expressed in \$/Mwh based on the location of the customer.

**Test Year** – The Test Year will be the previous Calendar Year to the Effective Period.

#### 2. Applicable to Use of Service For

A Customer service point where such service point is an electric generating facility, in the entire gas control area, with service limited to service points which meet the Eligibility Criteria listed in Section 3, below. The Customer must abide by all Company Tariff provisions and all other applicable laws, rules and provisions.

#### 3. Eligibility Criteria

Any new Customer service point which meets the requirements stated below shall be eligible to receive service in accordance with the rates, charges and provisions set forth under this Service Classification:

- a) The Customer must operate an electric generating facility having a rated capacity of not less than 50 megawatts.
- b) The Customer's generating facility must have the ability to switch to an alternate fuel when notified to do so by the Company.

#### 4. Interruptibility

The Company may, for up to 30 days (720 hours) annually, direct the Customer to switch to its alternate fuel supply. The Customer will be instructed to terminate delivery of its gas to the Company's system. The Company shall notify the Customer of the requirement to switch to its alternate fuel before noon, Eastern time, on the day prior to the day on which the switch is required. In addition to the above, in the case of a system supply emergency, the Company may curtail deliveries in accordance with Rule 10.D.9(g) or 10.D.9(h).

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