PSC No: 16 - Gas Leaf No. 127.17 Rochester Gas and Electric Corporation Revision: 3 Initial Effective Date: January 1, 2006 Superseding Revision: 2 Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

GENERAL INFORMATION

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

5. Operational Issues:

(a) Forecasting:

For all Customer service points, the ESCO is responsible for forecasting the usage of those service points, in accordance with the provision of Rule 10.G.

(b) Scheduling of Deliveries:

The ESCO is responsible for scheduling deliveries on the upstream pipelines directly serving the Company's citygates, in accordance with the procedures of those pipelines and the provisions of the applicable Service Classification and Rule 10.J of this tariff. The factor of adjustment used for balancing purposes to account for losses on the Company's system is 1.0114.

(c) Balancing and Settlement:

Each of the ESCO's Customer service points will be assigned a balancing option from Rule 10.G of this tariff, in accordance with the provisions of the applicable Service Classification. Balancing of ESCO deliveries with ESCO loads will be accomplished as specified in provisions of the applicable balancing option. Charges for balancing and cashout of overdeliveries or underdeliveries will be as specified in Rule 10.J.

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