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PSC No: 17 - Gas Rochester Gas and Electric Corporation

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SCHEDULE A

GAS SERVICE-POINT DISTRIBUTION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

D. PSC Transition Cost Surcharge

1. Surcharge for Pre 11/96 Service Classification No. 3 Service Points

For those service points served under Service Classification No. 3 which were continuously taking service under Service Classification No. 3 - General Service Firm Transportation of the Distribution Provider's Schedule for Gas Service, P.S.C. No. 16 until the time of transfer to Service Classification No. 3 of this tariff, and which converted to such Service Classification No. 3 from Service Classification No. 1 - General Service of P.S.C. No. 16 prior to November 1, 1996, the rates per therm herein provided shall be subject each month to a surcharge to collect a pro-rata share of the costs associated with ANR storage and associated transportation assets formerly recovered through citygate balancing charges.

(a) The total costs associated with ANR storage and associated transportation assets to be recovered through this PSC Transition Cost Surcharge shall be computed monthly as follows:

$$ANR = (BC_{CG} * T_{SC3}) - (BC_{CG} * T_{CG}) - [BC_{DY} * (T_{DY} + T_{CSC})]$$

where:

\$ANR = The total costs associated with ANR storage and associated transportation assets to be recovered through this PSC Transition Cost Surcharge.

BC_{CG} = The charge per therm that would have applied under the former Citygate Balancing Service.

The total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3.

The total normalized annual (twelve months rolling average) throughput for all retail $T_{CG} =$ customer service points which are being served under Service Classification No. 3 and which were formerly included in a Citygate Balancing Balance Control Account.

 BC_{DY} = The charge per therm for Daily Balancing Service.

The total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.

T_{CSC} = The total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3 and are included in a CSC Enhanced Daily Balancing Balance Control Account.

(Continued on next leaf)

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