

PSC No: 17 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003

Leaf No. 146
Revision: 0
Superseding Revision:

SCHEDULE B

GAS BALANCING SERVICE (Cont'd)

TYPE OF BALANCING SERVICE (Cont'd)

C) Small-Volume Customer Balancing Service (Cont'd)

6. Calculation of Daily Usage

After the close of each gas day, the Distribution Provider will calculate a backcast, which is the usage for each Retail Customer service point for that gas day, based upon the weather and the system load that actually occurred during the gas day. The Distribution Provider will then aggregate the load of all Retail Customer service points within the Distribution Customer's Balance Control Account to arrive at the total amount of gas used by the Distribution Customer's Balance Control Account for the gas day.

7. Reporting of Daily Usage Data

By 5:00 PM Eastern Time after the close of each gas day, the Distribution Provider will report to DTI and the Distribution Customer the total amount of gas received at the Distribution Provider's system by the Distribution Customer from DTI in that day. This amount shall be the total amount of gas used by the Distribution Customer's Balance Control Account multiplied by the factor of adjustment stated in Rule 4.B, minus any amounts delivered for such Balance Control Account on the Empire Pipeline. Based on that report, DTI will adjust the storage gas balance of the Distribution Customer to reflect any imbalance between the total amount of gas received at the Distribution Provider's system by the Distribution Customer from DTI, and the amount of gas nominated and delivered on the DTI pipeline.

8. Reconciliation and Cashout

For each service point, the difference between the backcast and any metered usage (actual or estimated) will be determined. For each day that a difference (henceforth "adjustment") exists, the cashout rate applied to that adjustment will be the previous 30-day rolling average of the average of (a) the Niagara midpoint index price plus variable transportation charges to the Mendon citygate and (b) the DTI Appalachia South Point index price plus variable transportation charges to the Caledonia citygate.

On a monthly basis, Distribution Customers will be charged or credited by the Distribution Provider for the cumulative daily adjustment quantity.

(Continued on next leaf)

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