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Issued in compliance with order in Case 04-G-0386 issued July 28, 2004

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW (Cont'd)

Retail Access Capacity Program (Cont'd)

The calculation of the ESCO credit for capacity costs is: Applicable to DTI for the Months of May through March

 $East\ side = \qquad (rscapdti*wacos_3*months_{APR}) + (rscapdti*months_{NOV}*(ftnngss\$/cgdeliv_{DTI}))$

Applicable to TCPL and Empire for the months of May - March

West side = $(rscapun * wacos_3 * months_{APR})$

Applicable to DSR Service (for the month of November)

West side = $(rscapun * wacos_4 * months_{APR/oct})$

ESCO Charge:

East side = rscapdti * wacos₂ * (nmt/amt) West side = rscapun * wacos₂ * (nmt/amt)

k) Term of Release

Releases of capacity pursuant to this Retail Access Capacity Program shall be made in accordance with the procedures set forth in the Company's GTOP manual.

1) Pipeline, Service Provider, and Regulatory Requirements

ESCOs to whom capacity is to be, or has been, released pursuant to this Retail Access Capacity Program shall cooperate with the Company, meet all applicable requirements of the respective pipelines, service providers, and governmental entities having jurisdiction over the relevant assets, and make all required payments to the respective pipelines and service providers.

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