PSC No: 16 - Gas Leaf No. 127.30 Rochester Gas and Electric Corporation Revision: 3 Initial Effective Date: November 1, 2004 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)

G. Gas Balancing Service

Applicable To Use Of Service For

Balancing of gas delivered by an ESCO for its Customer service points, or by a Direct Customer for its own service point(s), on the Company's gas distribution system for which the ESCO is taking delivery service under the applicable Service Classification of this tariff. Service is limited to any ESCO which:

- a) Satisfies the credit and security requirements in Rule 10.D.7 and
- b) Agrees to the Customer responsibility requirements listed in the applicable service classification and in this tariff

Character Of Service

Dynamically matching the amount of gas delivered to the Company's distribution system by the ESCO with the amount of gas being used by the service points in the ESCO's Balance Control Account, within the parameters set forth in this Rule 10.G.

Customer Responsibility

Under this Schedule, the ESCO is responsible for planning a gas supply sufficient for the needs of the service points in its Balance Control Account and for delivering gas to the Company's system, and for meeting the requirements of all other provisions of this Rule 10.G. The ESCO is responsible for payment to the Company all charges associated with the applicable service classification and in this tariff, including all daily and monthly cashout amounts, surcharges, penalties and applicable taxes.

Balance Control Account

The Customer service points of an ESCO taking delivery service under the applicable Service Classification of this tariff will be assigned to a Balance Control Account for balancing service. A separate Balance Control Account will be established for each type of balancing service elected by the ESCO for its Customer service points.

Designation Of Third Party Agent

An ESCO may designate a third party to act as agent for the ESCO for the purposes of carrying out any of the required functions required by this Schedule. The ESCO remains financially responsible for all rates and charges of this Rule 10.G.

Capacity Requirements

The ESCO is responsible for planning a gas supply sufficient for the needs of the service points in its Balance Control Account and for the transportation capacity required to deliver it to the Company's system.

ESCOs serving Customers under Service Classification No. 3 without alternate fuel capability, as described below, shall be required to demonstrate to the Company that they have contracted for a sufficient amount of firm, non-recallable, primary delivery point capacity to the Company's citygate, during the months of November through March, to meet the peak day needs of those Customers, or have notified its Customers and the Company, in writing, that the Customers may be subject to interruption. These requirements also apply to Service Classification No. 7 customers whose annual use is greater than or equal to 35,000 therms.

Customers served under Service Classification No. 3 with alternate fuel capability shall be required to demonstrate to the Company that they have alternate fuel capability to meet their peak day needs. Such alternate fuel capability shall be capable of handling an extended outage for a period of at least five days; and it shall be the Customer's responsibility to provide annual proof or certification that the equipment has been tested. These requirements also apply to Service Classification No. 7 customers whose annual use is greater than or equal to 35,000 therms.

During the months of November through March, ESCOs serving Customers under Service Classification No. 5 or Service Classification No. 7 whose annual use is less than 35,000 therms, of this tariff must demonstrate to the Company that they have contracted for a sufficient amount of firm, non-recallable, primary delivery point capacity to the Company's citygate to meet the winter season design day needs of those Customers.

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