

PSC No: 16 - Gas  
Rochester Gas and Electric Corporation  
Initial Effective Date: November 1, 2004

Leaf No. 144.4  
Revision: 3  
Superseding Revision: 2

### SERVICE CLASSIFICATION NO. 7

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

#### Retail Access Capacity Program (Cont'd)

##### ESCO Credit:

The Company will provide a credit to the ESCO for amounts previously paid towards the released storage assets through the balancing charge and/or bundled Customer rates, equal to the sum, over all months in the period beginning with April and ending at the transfer month, of the monthly credits calculated as follows:

$$\text{rscap} * \text{wacos}_2 * (\text{nmt}/\text{amt})$$

Where: rscap	=	The amount of storage deliverability at city gate released to the ESCO (in DT)
wacos <sub>2</sub>	=	The Company's monthly weighted average cost of storage assets, including the DSR Service and associated TCPL and Empire transportation, DTI GSS storage (demand and capacity), and DTI FTNNGSS transportation (in \$/DT).
nmt	=	The normalized throughput for the month for all Customers served by ESCOs taking service under Service Classification No. 5, or all customers served by ESCOs taking service under Service Classification No. 7 whose annual use is less than 35,000 therms or served by the Company under Service Classification No. 1 (in DT).
amt	=	The normalized annual throughput for all Customers served by ESCOs taking service under Service Classification No. 5, or all customers served by ESCOs taking service under Service Classification No. 7 whose annual use is less than 35,000 therms or served by the Company under Service Classification No. 1, divided by 12 (in DT).

#### J) Transfer of Storage Gas and Capacity to the Company

In the event that an ESCO's load declines, necessitating a return of capacity to the Company, the ESCO will transfer to the Company an amount of gas equal to the returned storage capacity multiplied by a percentage representing the planned degree to which the Company's storage will be filled at the beginning of the month during which the return is made. The Company will reimburse the ESCO at the Company's weighted average commodity cost of gas in storage for the above-calculated amount. If the ESCO does not have a quantity of gas in storage equal to the above-calculated amount, the ESCO must procure an amount of gas in storage and available for immediate withdrawal by the Company, to meet this requirement. This gas must be transferred to RG&E's account on the first calendar day of the appropriate month. If the ESCO does not transfer the required gas in storage on the first calendar day of the appropriate month, the ESCO will be subject to a penalty of \$2.50/therm/day for each therm of required storage gas not available to the Company.

As detailed below, there will be an ESCO Credit and an ESCO Charge associated with transfers of gas in storage.

##### ESCO Credit:

The Company will credit the ESCO: 1) the weighted average commodity cost of gas in storage multiplied by the quantity of gas transferred; plus 2), a contribution to storage capacity costs calculated as shown below.

The Company will credit the ESCO at the Company's weighted average commodity cost of gas in storage for the transferred gas. The weighted average cost of commodity will be credited monthly for gas purchased from DTI storage and will be credited in November for gas purchased from the DSR Service. If the ESCO does not have a quantity of gas in storage equal to the above calculated amount, the ESCO must procure an amount of gas in storage and available for immediate withdrawal by the Company, to meet this requirement. In the event, the ESCO does not provide the required gas; the Company will bill the ESCO the higher of: 1) the costs associated with replacement of the gas supplies, or 2) the cost determined by applying the Weighted Average Cost of Gas per therm, as stated on the Small General Service Transportation Rate Adjustment Statement.

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