

PSC No: 16 - Gas

Leaf No. 130.4

Rochester Gas and Electric Corporation

Revision: 2

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Superseding Revision: 0

Issued in compliance with order in Cases 03-E-0765, 02-E-0198, and 03-G-0766 dated May 20, 2004

SERVICE CLASSIFICATION NO. 3**LARGE TRANSPORTATION SERVICE (Cont'd)**

- i) Revenues achieved by the Company from releases of capacity; and
 - ii) Charges associated with capacity that is either a) assigned to ESCOs through the Retail Access Capacity Program detailed in Service Classification No. 5; or b) used by the ESCO to provide retail service under Service Classification No. 1; or c) used by the Company to provide Daily Balancing Service to Service Classification No. 3 customers.
- b) The upstream capacity portion of this PSC transition cost per therm is calculated by dividing the total capacity cost in (a), above, by the total normalized volumes of gas delivered to the following Customers:
- i) Customers being served by ESCOs taking service under Service Classification No. 3 who converted to such service from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996, excluding gas delivered to new load as defined in D.2.(a)(i), above; and
 - ii) Customers taking service under Service Classification No. 1; and
 - iii) Customers taking service under Service Classification No. 4, who are subject to the GSC; and
 - iv) Customers being served by ESCOs taking service under Service Classification No. 5.
- (c) 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

T_{SC3} = The total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3.

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

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

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

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