

PSC No: 16 - Gas

Leaf No. 133.3

Rochester Gas and Electric Corporation

Revision: 2

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

SERVICE CLASSIFICATION NO. 5**SMALL TRANSPORTATION SERVICE (Cont'd)**

ucap = The Company's total unreleased upstream pipeline capacity less the amount of DTI FTNN and FTNNGSS capacity used for balancing Service Classification No. 3 customers under the Daily Balancing Service.

ucap\$ = The Company's total upstream pipeline capacity costs, less:

- 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 total capacity cost per therm is calculated by dividing the total 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 1.(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.

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