

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: January 1, 2005
Issued in compliance with order in Case 02-M-0515 dated August 4, 2004

Leaf No. 130.7
Revision: 3
Superseding Revision: 2

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

7. Transportation Rate Adjustment:

The transportation rates set forth in this Service Classification shall be subject to a transportation rate adjustment per therm of gas distributed. The total Transportation Rate Adjustment for this service classification will include the following components:

- i) The Interdepartmental Sales Credit; and
- ii) The FERC Order 636 Transition Cost Surcharge; and
- iii) The PSC Transition Cost Surcharge; and
- iv) The Research and Development Surcharge.

8. Large General Service Transportation Rate Adjustment Statement

Not less than three days prior to the first day of each billing period, the Company shall file with the Public Service Commission a Statement showing the Service Classification No. 3 charges listed in items i) through iv) of Section 7, above. The Statement will also list the charges per therm for Daily Balancing Service, and CSC Enhanced Daily Balancing Service. Such charges may be combined for billing purposes.

9. Weather Normalization Adjustment (WNA):

All space-heating customers will also be charged the applicable WNA pursuant to General Information Section 11 of this tariff.

10. Additional Facilities

The Customer shall pay the installed costs and expenses of additional facilities which the Company deems necessary to provide service under this service classification. Notwithstanding such payment, all such facilities shall remain the sole property of the Company. Automated meter reading equipment is required for this Service Classification and shall be installed by the Company. The Customer is responsible to ensure that a suitable space for such equipment is provided and maintained, and that access to a telephone line for such equipment is provided. The Customer will reimburse the Company for newly installed Automated Meter Reading Equipment for its costs and expenses.

11. Dual-Fuel Facilities

The Company assumes no responsibility for the adequacy of dual-fuel or other standby facilities and shall not be liable for any loss, damage or expense, direct or indirect, which may be incurred by the Customer or others in connection with or as a result of any interruption of gas service.

12. Economic Development Programs

A. Economic Development Zone Rider

This service is provided in cooperation with the New York State Department of Economic Development, New York State Department of Labor, the New York State Public Service Commission, and the local economic development zone certification board, pursuant to Article 18-B of the General Municipal Law, to assist in the revitalization of economically distressed geographic areas throughout the Company's service territory. New service under this rider will no longer be available to customers whose zone certificate does not include an initial date of eligibility prior to January 1, 2005.

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