Received: 02/18/2004

Status: CANCELLED Effective Date: 02/19/2004

PSC No: 16 - Gas

Rochester Gas and Electric Corporation

Revision: 2

Initial Effective Date: February 19, 2004

Insued in compliance with orders in Case 98-M-1343 dated Nov. 21, 2003 and Cases 99-M-0631 and 03-M-0117 dated Dec. 19, 2003

GENERAL INFORMATION

PART II RULES AND REGULATIONS

1. DEFINITIONS AND ABBREVIATIONS

As used herein, the following terms shall have the meanings set forth below. Additionally, other terms used within this Schedule are defined in the Uniform Business Practices ("UBP") Addendum to this schedule.

Adjusted Gas Revenue: The revenue realized from the applicable service classification rates and charges, minus the revenue taxes, the minimum, charge and the cost of gas.

Aggregation: Receiving, validating and summing forecasts for ESCOs.

Amount of Gas Available for Consumption: The amount of gas delivered to the RG&E city gate less system losses.

Applicant: A residential applicant is a person who requests service at a dwelling for his or her own residential use or the residential use by another person. For purposes of the Home Energy Fair Practices Act - HEFPA, a residential applicant is any person who requests service at a premises to be used as his or her residence or the residence of another person on whose behalf the person is requesting service, as defined in 16 NYCRR 11.2(a)(3).

A nonresidential applicant is a person, corporation or other entity requesting service from the company who is not a residential applicant as defined in 16 NYCRR 11.

Arrears: Charges for service for which payment has not been made more than 20 calendar days after payment was due.

Balance Control Account: The account containing all of a Balance Control Owner's service points which are being balanced under the same balancing option.

Balance Control Owner: An ESCO or DC who subscribes to an agreement indicating it is responsible for all charges, both debits and credits, that are assessed as a result of daily imbalances or any other services as set forth in RG&E's tariff.

Balancing: Matching the amount of gas delivered to the Company's system with the actual load on the system to maintain system integrity.

British Thermal Unit: The amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit.

Business Days: Any Monday through Friday when the Company's business offices are open.

Capacity: The physical capability to store or transport natural gas, usually measured in therms.

Cashout: The process of monetary settlement of gas supply imbalances.

Citygate: The interconnection point between the facilities of an interstate pipeline and the local facilities through which the Company receives deliveries from that pipeline.

Capacity: The physical capability to store or transport natural gas, usually measured in therms.

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