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PSC No: 16 - Gas

Rochester Gas and Electric Corporation

Revision: 2

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Issued 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

Combination Account: A common account for both gas and electric service for the purpose of combined gas and electric billing by the Company. A Combination Account is served under P.S.C. No. 19 - Electricity and under this Schedule.

Commission or PSC: Public Service Commission of the State of New York, or any successor agency thereto.

Commodity Cost of Gas: The cost of Company gas delivered to the citygate. The cost is generally comprised of wellhead costs, storage withdrawal costs, plus variable costs.

Company: Rochester Gas and Electric Corporation

Control Area: The Gas Control Area is the Company's gas service territory.

Costs and Expenses: An estimate based on (a) the average hourly labor rates including a percentage for employee welfare costs, supervision, engineering, and administrative and general expenses, plus (b) the hourly rates for transportation and special equipment, plus (c) the Company's material costs including stores expense.

Curtailment: The reduction of gas deliveries to Customers or Direct Customers to maintain the integrity of the Company's distribution system.

Customer: A residential customer is a person who is receiving 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 customer includes any person who is supplied service at a premises used in whole or in part as his or her residence, as defined in 16 NYCRR 11.2(a)(2).

A nonresidential customer is a person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR 11.

Customer's Premises: Contiguous properties under his control through ownership or lease.

Dekatherm: 10 Therms.

Deliveries: Gas delivered to a Distribution Point of Receipt.

Department of Public Service ("DPS"): New York State Department of Public Service.

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