

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
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SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

Retail Access Capacity Program (Cont'd)

B) Capacity to Be Released

Capacity to be released between Dawn and Mendon shall include transportation capacity on TransCanada PipeLine Limited (TCPL), Union Gas Limited (Union), and Empire State Pipeline (Empire), and storage capacity on Union. These assets shall be termed "Empire Capacity". Capacity to be released between Southpoint and Caledonia shall include transportation and storage capacity on DTI. These assets shall be termed "DTI capacity". The total capacity available for release shall be sufficient to meet the design day load of all Customers eligible for service under this service classification, as determined from time to time by the Company, as well as to meet the operational design requirements of the Company's distribution system. References to "release" of capacity are intended to include all transfers to ESCOs of rights and obligations pertaining to capacity held by the Company unless the context requires otherwise.

C) Methodology for Initial Release

Upon commencement of the Retail Access Capacity Program, the Company shall make an initial pro-rata release of transportation and storage capacity on both the Empire and DTI systems to ESCOs then serving customers under this service classification. Such release shall be based on winter season design day requirements of the retail load served by each ESCO, as calculated by the Company. The allocation methodology shall provide for the Company's operational distribution system requirements, including, but not limited to, maintaining the appropriate ratio of storage supply to flowing supply and the appropriate ratio of Empire deliveries to DTI deliveries to ensure system integrity.

D) Administration of Released Assets

After the initial release of assets, the Company shall administer release of assets so as to maintain a correspondence between winter season design day requirements of the retail load served by each ESCO and capacity released to that ESCO on a periodic basis. As load served by an ESCO changes, the Company shall periodically make corresponding adjustments to the quantity of capacity released to the ESCO. The procedure for effectuating such adjustments is specified in the Company's GTOP manual. In any situation where the Company is required to repute the recalled capacity entitlements to the ESCO, the ESCO waives its rights to such reputs.

E) Recall of Capacity Entitlements

If the ESCO becomes unqualified to sell gas on the Company's system or transport gas on pipelines upstream of its city gates, the Company shall recall all capacity released to the ESCO. If the ESCO fails to deliver supplies of gas adequate to serve its Customers, or if required for system reliability purposes, the Company shall have the right to recall all capacity released to the ESCO. References to "recall" of capacity are intended to include all returns to the Company of rights and obligations pertaining to capacity previously released to an ESCO, unless the context requires otherwise.

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