PSC No: 16 - Gas Rochester Gas and Electric Corporation Initial Effective Date: July 1, 2004 Leaf No. 144.5 Revision: 1 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7

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

Retail Access Capacity Program (Cont'd)

The calculation of the ESCO credit for capacity costs is: <u>Applicable to DTI for the Months of May through March</u> East side = (rscapdti * wacos₃ * months_{APR}) + (rscapdti * months_{NOV} * (ftnngss\$/cgdeliv_{DTI}))

<u>Applicable to TCPL and Empire for the months of May – March</u> West side = ($rscapun * wacos_3 * months_{APR}$)

<u>Applicable to DSR Service (for the month of November)</u> West side = (rscapun * wacos₄ * months_{APR/oct})

ESCO Charge:

East side = rscapdti * wacos₂ * (nmt/amt) West side = rscapun * wacos₂ * (nmt/amt)

k) Term of Release

Releases of capacity pursuant to this Retail Access Capacity Program shall be made in accordance with the procedures set forth in the Company's GTOP manual.

1) Pipeline, Service Provider, and Regulatory Requirements

ESCOs to whom capacity is to be, or has been, released pursuant to this Retail Access Capacity Program shall cooperate with the Company, meet all applicable requirements of the respective pipelines, service providers, and governmental entities having jurisdiction over the relevant assets, and make all required payments to the respective pipelines and service providers.

m) DSR Service for the Period April 1, 2004 to November 1, 2004

1) July 1, 2004 Release of DSR Service:

Effective for July 1, 2004, only, the Company shall release a pro-rata share of storage capacity in the DSR Service to the ESCO, who shall reimburse RG&E for storage service demand charges for April, May, and June, 2004, consistent with the terms and conditions of RG&E's agreement with the DSR Service provider.

2) July 1, 2004 Transfer of Gas in Storage in the DSR Service to the ESCO:

Effective for July 1, 2004, only, the Company shall transfer to the ESCO a quantity of gas equivalent to a pro-rata share of gas in the DSR Service that the Company has acquired in April, May, and June, 2004, to provide service to the migrated Customers. The quantity of gas transferred in the DSR Service shall be the storage capacity released multiplied by a percentage (published in Company's GTOP) representing the planned degree to which the Company's storage will be filled at July 1, 2004. The ESCO shall pay the Company the weighted average commodity cost of gas in storage multiplied by the quantity of gas transferred.

3) November 1, 2004 Transfer of Gas in Storage in the DSR Service to the ESCO:

Effective for November 1, 2004, only, the weighted average commodity cost of gas in storage and the contribution to storage capacity costs shall be based on the months of July, August, September, and October, 2004.

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