PSC No: 16 - Gas Leaf No. 130.1 Rochester Gas and Electric Corporation Revision: 0 Initial Effective Date: March 1, 2004 Superseding Revision: Issued under the authority of the PSC in Case Nos. 02-E-0198 and 02-G-0199, issued and effective March 7, 2003

SERVICE CLASSIFICATION NO. 3

LARGE TRANSPORTATION SERVICE

AVAILABLE:

In all of the Gas Control Area served by the Company.

CHARACTER OF SERVICE:

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas will be natural gas of not less that 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission.

OBLIGATION TO SERVE:

It shall be the Company's obligation to deliver the Customer's gas from the Distribution Point(s) of Receipt to the Distribution Point(s) of Delivery. However, the Company shall have no obligation or responsibility for making arrangements for the Customer's supply of gas from the Customer's supply source to the Distribution Point(s) of Receipt.

RATE CHOICES AVAILABLE TO CUSTOMERS:

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 3 is a Retail Access Rate, under which RG&E will provide Delivery Service. Commodity Service will be provided by an ESCO.

MONTHLY RATE FOR TRANSPORTATION SERVICE:

For each service agreement, the monthly rate shall consist of the minimum charge, service-point transportation charges, including the Transportation Rate Adjustment, and applicable taxes, as found in each Service Classification.

MINIMUM CHARGE:

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

OTHER CHARGES:

- 1. A. <u>Interdepartmental Sales Credit</u> The interdepartmental sales credit shall be calculated as follows:
 - The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48* per dekatherm, or greater than the average cost of purchased gas plus \$.48* per dekatherm.

* Except for gas used in the Company's gas turbine where the adder shall be \$.44 per dekatherm.

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