

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: July 1, 2005

Leaf No. 147.10
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 9

RESIDENTIAL DISTRIBUTED GENERATION GAS TRANSPORTATION SERVICE (Cont'd)

b) Capacity to Be Released

Capacity to be released between Dawn and Mendon shall include transportation capacity on TransCanada PipeLine Limited (TCPL) and Empire State Pipeline (Empire). Storage capacity in the Delivery and Storage Redelivery Service ("DSR Service") will be made available to the ESCO for release under the following choices:

- (1) 100% of its DSR Service peak day requirements;
- (2) 66% of its DSR Service peak day requirements; or
- (3) 0% of its DSR Service peak day requirements, if it can demonstrate it has non-recallable primary point capacity from the Dawn Hub to the citygate for its firm customers, or a firm supply contract with a reliable counterparty for delivery to Empire at Chippawa or a point downstream of Chippawa.

In the event an ESCO elects a DSR Service quantity less than 100% of its DSR Service peak day requirements, the quantity of TCPL capacity available to the ESCO will be adjusted in accordance with the Company's GTOP Manual.

To accommodate for the difference in released assets between Empire and TCPL, the ESCO must demonstrate it has non-recallable primary point capacity from the Dawn Hub to the citygate for its customers, or a firm supply contract with a reliable counterparty for delivery to Empire at Chippawa or a point downstream of Chippawa.

An ESCO (new or current) that takes over service to an existing set of customers being served pursuant to this service classification from a current ESCO serving such customers shall, immediately upon such take over, assume the DSR Service choice of the ESCO serving such customers prior to the take over (that is, it may not make its own DSR Service election for that existing set of customers), regardless of whether the take over of the customers was pursuant to an assignment or transfer of ownership by way of merger or purchase or by any other means.

An ESCO which is not taking assignment or ownership of an existing set of customers being served by a current ESCO pursuant to this service classification may make an application to be qualified to serve customers under this service classification in the Retail Access Capacity Program.

(1) If such application is made between March 16 and October 31 and if DSR Service capacity is available, the ESCO must elect one of the DSR Service choices set forth above at the time of application. If available, the DSR Service capacity shall be released and storage gas shall be transferred on November 1.

(2) If such application is made between November 1 and March 15 and if DSR Service capacity is available, the ESCO shall elect DSR Service in accordance with the Release of Empire Capacity paragraph in this Retail Access Capacity Program provision.

TCPL, Empire, and DSR Service 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 may 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 Release

The Company shall release transportation and storage capacity on both the Empire and DTI systems to ESCOs serving customers under this service classification 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 Empire deliveries to DTI deliveries to ensure system integrity.

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