SERVICE CLASSIFICATION NO. 5

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 5 (Cont'd):

d) **Administration of Released 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 reput 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.

f) **Release of Empire Capacity**
Release of capacity on Empire will be carried out pursuant to the terms and conditions of Empire's Tariff on file with the Commission, as such Tariff may be amended from time to time, and the terms and conditions of any separate agreement between the Company and Empire pertaining to this subject. In the event of any conflict between the terms and conditions of Empire's Tariff and any separate agreement, the terms and conditions of the latter shall control. Release of capacity on TCPL and the DSR Service shall be carried out by the Company consistent with the terms and conditions of the Company's agreements with TCPL and the DSR Service provider.

DSR Service capacity release shall become effective April 1 of each year; the ESCO must notify RG&E of its election by March 15.

g) **Release of DTI Capacity**
Release of capacity on DTI shall be carried out in a manner consistent with FERC requirements pertaining to capacity release.

h) **Rates for Released Capacity**
The rates to be paid by an ESCO taking released capacity shall be the Company's maximum contract rates pursuant to the tariffs and/or agreements applicable to the released capacity.

i) **Transfe r of Storage Gas and Capacity to the ESCO**
Where storage assets are released to an ESCO in conjunction with this Retail Access Capacity Program after the commencement of the storage injection season (April 1 of each year), the Company shall transfer to the ESCO a quantity of gas equivalent to a pro-rata share of gas that the Company has acquired to provide service to the migrated Customers. The quantity of gas transferred shall be the storage capacity to be released multiplied by a percentage (published in Company's GTOP) representing the planned degree to which the Company's storage will be filled at the beginning of the month during which the release is made.

As detailed below, there will be an ESCO Charge and an ESCO Credit associated with transfers of gas in storage to the ESCO.

ESCO Charge:

The ESCO shall pay the Company: 1) the weighted average commodity cost of gas in storage multiplied by the quantity of gas transferred; plus 2) a contribution to storage capacity costs calculated as shown below.

The weighted average cost of commodity will be billed for each transfer of DTI storage and will be billed in November for the cumulative gas transfer of the DSR Service.

The contribution to storage capacity will be calculated differently for east side and west capacity as indicated below. The calculations for the east side and west side will be added together to derive a total cost.

Applicable to DTI pipeline for the months May – March

East side = $(\text{rscapdti} * \text{wacos}_3 * \text{months}_{APR}) + (\text{rscapdti} * \text{months}_{NOV} * (\text{ftnngss\$/cgdeliv}_{DTI}))$

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