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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

- (1) S.C. No. 3 or S.C. 7 (annual use greater than or equal to 35,000 therms) Daily Balancing Service (Cont'd)
- (b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service consists of the following factors:

Daily Meter Read Data

Customer service points must have daily meter reading devices installed to provide daily meter reads. Daily meter read data for each Customer Service point shall be made available by 2:00 PM Eastern Time for the previous day's usage. The Company shall accommodate potential errors of accuracy and omission by working with ESCOs to preclude any scheduling anomalies and in adjusting any cash outs or penalties that can be directly attributed to such meter errors. In the event of meter recording device or communications failure, ESCOs and their Customers shall be responsible for providing meter reads directly to the Company by no later than 10:00 a.m. on business days. On any business day that the ESCO or Customer fails to provide timely meter reads, the Company shall charge a special meter read fee per service point in accordance with the Special Services Statement of this tariff. The ESCO or Customer may, but is not obligated to, provide a meter read on weekends and holidays. When no meter read is provided, the Company shall estimate the usage for those days. Unless otherwise agreed to by both parties, in the event the problem continues for more than 30 days, the Company has the right to either correct the problem at the ESCO's and their Customer's expense or discontinue service under Service Classification No. 3 or Service Classification No. 7 and the meter recording device shall be removed.

Amount of Gas to be Delivered

(A) Daily Delivered

The ESCO is expected to achieve a balance between its deliveries and the consumption at the service points within its Balance Control Account on a daily basis. The ESCO shall determine the amount of gas to be delivered to the Company's citygate. On a daily basis, the imbalance between the total metered amount of gas used by the Customers in the ESCO's Balance Control Account multiplied by the factor of adjustment as stated in Rule 10.D.5(b), and the total amount delivered to the Company's citygates for the ESCO's Balance Control Account shall be subject to a daily cashout according to the applicable provisions of Section (iii) - Daily Cashout or Section (iv) - Daily Cashout Under Operational Flow Order (OFO) Conditions, of this Rule 10.G, below.

(B) Upstream Pipeline Cost Overrun

The Company shall have the right to collect from ESCOs incremental upstream pipeline costs incurred, beyond the 5% balancing threshold upon demonstration by the Company.

3. Daily Cashout (iii)

(A) **Daily Deficiency Imbalances:**

For daily deficiency imbalances, the ESCO shall pay the Company for the applicable deficiency amount as follows, based on the applicable daily price index as established in the GTOP manual:

Imbalance Level Rate per Therm of Imbalance

First 5%

The midpoint index price plus variable transportation charges to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Rochester, New York