

Effective Date: 07/21/2016

PSC No: 16 - Gas
 Rochester Gas and Electric Corporation
 Initial Effective Date: June 19, 2015

Leaf No. 127.40.1
 Revision: 1
 Superseding Revision: 0

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

C) S.C. No. 5, S.C. No. 7 (annual use less than 35,000 therms), and S.C. No. 9 Balancing Service (Cont'd)

On a daily basis, the Company calculates a CSC measurement for each ESCO, as follows:

$C = P - E$, where

C = CSC measurement in Dt,

P = ESCO's actual pool usage in Dt, and

E = ESCO's Empire Pipeline nomination in Dt

In the event that an ESCO's CSC Measurement is negative (i.e., ESCO delivers more gas on the Empire System than their actual pool usage), all gas associated with the negative CSC measurement shall be cashed out at the lesser of A or B below:

- A.** Cash out \$ = $[NC * (DO_L + TC_{VF} + E_{VF})] - [DTI_O * NC]$ where
 NC = negative CSC measurement in Dt,
 DO_L = Dawn, Ontario absolute low index price per Dt,
 TC_{VF} = TransCanada Pipeline variable and fuel charges per Dt,
 E_{VF} = Empire Pipeline variable and fuel charges per Dt, and
 DTI_O = prevailing DTI tariff rate per Dt allowable over injection charge if the Company incurs a penalty from DTI for over injection into its storage account
- B.** Cash out \$ = $[NC * (DTI_S + DTI_{VF})] - [DTI_O * NC]$, where
 NC = negative CSC measurement in Dt,
 DTI_S = DTI South point absolute low index price per Dt,
 DTI_{VF} = DTI Pipeline variable and fuel charges per Dt, and
 DTI_O = prevailing DTI tariff rate per Dt allowable over injection charge if the Company incurs a penalty from DTI for over injection into its storage account

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