

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL

A. Introduction:

1. This Section contains the terms and conditions pertaining to General Retail Access under the multi-retailer model.
2. The ESCOs are responsible for arranging for delivery of gas supplies on the upstream pipelines that serve the Company's system.

B. Definitions and Abbreviations:

Definitions for terms and abbreviations pertaining to General Retail Access can be found in Rule 1, Definitions and Abbreviations, of this Tariff.

C. Customer Participation:

1. Eligibility Requirements:

Eligibility to participate in General Retail Access - Multi-Retailer Model is open to all customers subject to the following:

- (a) A Customer, whose Gas Supply and delivery would otherwise be provided by RG&E, under S.C. No. 1, S.C. No. 6 or S.C. No. 8 may arrange for Gas Supply only from an ESCO that meets the requirements set forth herein.
- (b) A Customer may select only one ESCO at a time per customer account per utility type, regardless of the number of service points.

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2. Customer Information:

Rules and requirements for Customer Information are contained in Section 4 of the UBP Addendum to this Schedule.

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3. Confidentiality:

The ESCO must keep confidential any customer information (usage and billing and credit information) obtained from RG&E. This information shall not be disclosed to any party, unless otherwise authorized by the Customer in writing. All other customer information, such as account numbers (and any passwords used, if applicable), telephone numbers and service addresses, shall also be kept confidential and not disclosed to others, unless otherwise authorized in writing by the Customer.

RG&E will not disclose a customer's usage and billing and credit information to an ESCO unless the Customer has notified RG&E, in writing, that such information may be disclosed.

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4. Changes in Supplier:

- (a) Switching Requirements – S.C. No. 5, S.C. No. 4 whose otherwise applicable service classification is S.C. No. 5, S.C. No. 7 Customers with annual use less than 35,000 therms and S.C. No. 9:
See Section 5 of the UBP Addendum to this Schedule.
- (i) Effective Date of Switch:
All switches will occur on the date of the Customer's next meter reading date, which must be at least fifteen (15) days in the future.
- (ii) Special Meter Reading Fees:
A fee of twenty (\$20) per customer location, per meter, per read attempt, will be charged to an ESCO or Direct Customer requesting that a meter read be performed on a date other than the regularly scheduled meter reading date.
- (b) Switching Requirements – S.C. No. 3, S.C. No. 10, S.C. No. 4 whose otherwise applicable service classification is S.C. No. 3, and SC No. 7 customers who annual use is greater than or equal to 35,000 therms:
See Section 5 of the UBP Addendum to this Schedule.
- (i) Initiating a Service Switch:
- (a) The ESCO/DC and the Customer shall each submit a formal request on their letterhead to RG&E by the fifteenth (15th) calendar day of the month.
- (b) The switch date will be the first calendar day of the next month.
- (ii) Special Meter Reading Fees:
Daily meter reads and special meter reading fees will be in accordance with Rule 10.G of this Schedule, at Type of Balancing Service, S.C. No. 3 Daily Balancing Service, 1. Daily Meter Read Data.
- (c) Budget Billing Adjustments:
RG&E Budget Billings reflect only delivery charges and may be adjusted at the switch dates or as required to reflect changes in RG&E's service and, if adjusted, shall be reflected in the Customer's next bill.

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5. Metering:

(a) The metering requirements set forth in this Schedule apply here. Customers will continue to use existing meters.

(b) A Customer that does not take service under an economic incentive provision that requests a meter other than that provided by the Company, commensurate with the Customer's Service Classification, is subject to the additional requirements set forth in this Schedule. Meter upgrades, subject to the availability of equipment, will be installed and operated by RG&E at the Customer's expense.

(c) RG&E will continue to own, install, maintain, and read Customers' meters for billing purposes.

A schedule of meter upgrade charges shall be provided by RG&E upon the request of the Customer or its authorized designee. RG&E maintains a schedule of meter upgrade charges that covers standard metering options, and such schedule is available upon request.

(d) RG&E will perform meter readings in accordance with established reading cycles and current practices, and provide relevant meter reading information to the ESCO. Information provided to an ESCO may be used solely by the ESCO for the purpose of billing the Customer.

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6. Billing:

(a) Except as specified in Rule 10.I. of this Schedule, Consolidated Billing and Payment Processing, RG&E will bill a Customer only for the delivery of Gas Supply and other services provided by RG&E. The ESCO is responsible for billing its Customer for the Gas Supply and other services the ESCO provides to the Customer.

(b) The RG&E bill will be issued to a Customer in accordance with established billing cycles and practices applicable to such Customer.

(c) A DC or the ESCO acting as an agent for Customers, is responsible for:

(i) obtaining and scheduling Gas Supply with the upstream pipelines, and (ii) complying with the provisions herein relating to Operational Issues as specified in Rule 10.D.9 of this Schedule, with respect to its or a Customer's Gas Supply requirements.

7. Customer's Agent:

(a) Participation by a Customer in General Retail Access shall be deemed an election by such customer for the ESCO selected by the Customer, to act as such customer's agent and attorney-in-fact for all matters relating to acquisition of Gas Supply, gas scheduling, and transmission service (including, but not limited to, designation by such customer's ESCO or another ESCO to take responsibility for Operational Issues), and Customers shall be bound by any determinations, decisions, understandings or agreements reached by such ESCO with respect to Operational Issues.

8. Provider of Last Resort ("POLR"):

(a) RG&E will be the POLR for those customers: (i) for whom competition is not a viable option, (ii) who choose not to participate in retail access, (iii) who terminate their agreements with an ESCO and fail to designate a substitute ESCO, or (iv) who are impacted by an ESCO's discontinuance of service.

(b) As a POLR, RG&E will:

i. Accept customers, subject to Commission consumer protection rules, and provide related customer services;

ii. Obtain and deliver Gas Supply for such customers, consistent with the then-current upstream pipelines' tariffs and retail tariffs; and

iii. Provide for any programs, as approved by the Commission to assist low-income customers.

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D. ESCO/DC Participation:

1. Eligibility Criteria:

To be eligible to participate in General Retail Access, an ESCO/DC must meet the requirements specified in the UBP Addendum.

2. ESCO/DC Requirements:

(a) ESCOs and DCs must sign and deliver to RG&E an Operating Agreement.

(b) ESCOs must provide Home Energy Fair Practices Act (HEFPA) protections to residential customers, in compliance with the Commission's Order Relating to Implementation of Chapter 686 of the Laws of 2003 and Pro-Ration of Consolidated Bills, Case Nos. 99-M-0631 and 03-M-0017, issued June 20, 2003, together with the rules and regulations implementing the same, as may be revised, modified, amended, clarified, supplemented or superseded. Further information is available at the New York Public Service Commission's website (<http://www.dps.state.ny.us/hefpa.htm>).

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3. Creditworthiness Standards:

(a) Applicability:

The creditworthiness rules in accordance with the UBP Addendum will apply.

(b) Financial Information:

The Company may seek financial information from an ESCO/DC for the sole purpose of verifying financial information reported by Dunn & Bradstreet. The Company will have the option to require an ESCO/DC to post security to cover the ESCO/DC's credit exposure in excess of the amount set forth in UBP Addendum Section 3.D.3.

(c) Credit Approval:

An ESCO/DC, upon written notification by the Company that it has failed to satisfy the credit requirements or, subsequently, while providing service to retail customers, it no longer satisfies the credit requirements, may still obtain or retain credit approval from the Company if it pays any outstanding balance due the Company for service rendered and elects to provide mutually agreeable security to the Company. An illustrative list of security instruments is provided in the Gas Transportation Operating Procedures Manual.

(d) Security/Prepayment:

If the ESCO/DC's credit standing ceases to meet the Company's credit requirements or if its financial exposure changes due to increased usage during the period of service, then the Company has the right to require security or prepayment. If the security is not tendered within five (5) calendar days after the request, then the Company may initiate a process to discontinue the ESCO/DC.

(e) Deposit:

If the ESCO/DC subsequently satisfies the credit appraisal without the need for some or all of the security requirement, the Company will return the appropriate portion of the ESCO/DC's advance deposit with accumulated interest.

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4. Billing:

(a) Invoices:

Invoices shall be issued to ESCOs/DCs monthly for imbalances, Customer data provided on request (over and above the information provided without charge), Special Meter Reading charges, adjustments to prior invoices, and other retail tariff services provided in accordance with this Schedule. Services requested directly by Customers will be billed directly to the Customers unless ESCOs request that those charges be billed to them instead.

(b) The Company will provide mechanisms that will allow customers to choose, through their ESCO, a Consolidated Billing and Payment Processing option, consistent with Rule 10.I, of this Schedule.

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5. Operational Issues:

(a) **Forecasting:**

For all Customer service points, the ESCO is responsible for forecasting the usage of those service points, in accordance with the provision of Rule 10.G.

(b) **Scheduling of Deliveries:**

The ESCO is responsible for scheduling deliveries on the upstream pipelines directly serving the Company's citygates, in accordance with the procedures of those pipelines and the provisions of the applicable Service Classification and Rule 10.J of this tariff. The factor of adjustment used for balancing purposes to account for losses on the Company's system is 1.0100.

(c) **Balancing and Settlement:**

Each of the ESCO's Customer service points will be assigned a balancing option from Rule 10.G of this tariff, in accordance with the provisions of the applicable Service Classification. Balancing of ESCO deliveries with ESCO loads will be accomplished as specified in provisions of the applicable balancing option. Charges for balancing and cashout of over-deliveries or under-deliveries will be as specified in Rule 10.J.

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(d) Upstream Pipeline Capacity:

The ESCO is responsible to meet the requirements for capacity on the upstream pipelines serving the Company's citygates, in accordance with the provisions of Rule 10.J.

(e) Operation of the Distribution System:

(1) Company Responsibilities

The Company shall be responsible for the operation and maintenance of its distribution system, including:

- i) Engineering, design and construction of the system;
- ii) Extension/expansion of the distribution system;
- iii) Connection of new customers to the system;
- iv) Confirmation of upstream pipeline nominations;
- v) Measurement of gas into the system;
- vi) Maintaining adequate pressures within the system;
- vii) Delivery of gas to service points;
- viii) Maintenance and repair of the system;
- ix) Emergency response and repairs;
- x) Disconnection and reconnection of customers;
- xi) Maintenance of curtailment plans;
- xii) Provision of balancing services as specified in Rule 10.J;
- xiii) Communication with ESCOs.

(f) Operational Flow Orders:

The Company reserves the right to issue an Operational Flow Order (OFO) requiring a change in the delivery of ESCO's gas at either or both of its citygates, at any time that, upon sole determination by the Company, such action is required to alleviate conditions which threaten the integrity of the Company's distribution system or any of the upstream pipelines serving such distribution system, e.g.:

- (i) Maintain system operations at the pressures required to provide efficient and reliable distribution system operation; or
- (ii) Ensure adequate supplies in the gas system to deliver on demand; or
- (iii) Maintain contractual balance with upstream pipelines serving the Company's service territory where an imbalance threatens the integrity of the Company's distribution system or any of the upstream pipelines serving such distribution system.

The issuance of an OFO will be defined by the Company as either a Type I OFO or Type II OFO. A Type I OFO will be issued when the Company's system or a particular citygate cannot tolerate an underdelivery of gas. A Type II OFO will be issued when the Company's system or a particular citygate cannot tolerate an overdelivery of gas.

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10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)

(f) Operational Flow Orders (Cont'd)

An OFO will be issued on a system-wide basis. An ESCO who has elected to take daily balancing service from the Company will incur those daily settlement charges described in Rule 10.G. The ESCO will also be responsible for the pro-rata share of any upstream pipeline penalty charges incurred by the Company resulting from ESCO activities. An ESCO may lose its right to serve Customers as a result of non-compliance.

(g) Discontinuance or Curtailment of Gas Service

(1) Company's Right to Curtail or Limit Service

The Company shall only implement a curtailment as a last resort. Economic considerations shall not be the basis for a curtailment. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually-interruptible load, and supply acquisition shall be utilized before a curtailment is declared.

In the event of a loss of supply due to force majeure circumstances including but not limited to major physical facility upstream failures beyond the control of the Company or the ESCOs (e.g. pipeline ruptures, widespread well freeze-offs, etc.), the Company will endeavor to implement all curtailment plans in a non-discriminatory manner, without regard to which ESCO (or the Company) provides gas service to those customers which may be curtailed. Notwithstanding the above, the Company will take any and all actions which, in its sole judgment, are required to maintain system integrity.

In the event the Company reasonably foresees an inability to meet the firm daily requirements of core sales or transportation customers, the Company shall have the right to curtail or limit any customer's use of gas. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency. To the extent possible, curtailments will be localized. The Company shall not incur any liability for any cost, expense, loss or injury which may be sustained by reason of such curtailment or limitation, except as described in Rule 5.C.

As part of the implementation of these curtailment procedures, the RG&E Gas Emergency Plan will be put into effect. In the event of an emergency, the Company may deviate from Rule 5.C to the extent operational circumstances make it appropriate to do so. The Company will exercise sound operational discretion, using these procedures as a general guideline.

For the purpose of this Rule 10.D.(g); the term "commercial customers" shall include governmental and public authority customers. The term "core customers" is defined to include customers that lack alternatives. They take either (a) firm sales service, and lack installed equipment capable of burning fuels other than gas; or (b) firm transportation service. A nonresidential customer is a person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR 11.

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Continued)

D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)

(g) Discontinuance or Curtailment of Gas Service (Cont'd)

(2) Curtailment Notification Process

The Company will notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal. Notification will be provided to the Energy Service Companies (ESCOs) and curtailed customers periodically during the curtailment period.

(3) Gas Requirements during a Curtailment

During a period of curtailment, ESCOs and Direct Customers may be required to maintain city gate deliveries of gas at the direction of the Company, subject to qualified upstream force majeure interruptions or curtailment preventing the ability to secure and deliver such supplies. The Company may request the ESCO to deliver up to and including proven primary point capacity requirements. Such delivery requirements will apply whether the ESCO's customer(s) is curtailed or not.

It will be the Company's option to purchase curtailed supplies in excess of plant protection requirements. Supplies would be delivered by ESCOs at a mutually agreeable RG&E city gate or upstream point. The Company may divert gas at the city gate, from an ESCO or Direct Customer, which is intended to serve lower priority customers. In the event of a redirection of supplies under this provision, the ESCO or Direct Customer whose gas is diverted in such instances shall be compensated.

(4) ESCO and Direct Customer Compliance

ESCOs and Direct Customers are required to comply with the requirements of the curtailment. Failure of the Company to adhere to one or more of the curtailment criteria is not basis for non-compliance, but may provide the basis for a complaint to the Commission. If, during the curtailment period, the Company is aware of ESCOs or Direct Customers that are not responding to required actions, all reasonable efforts will be made to inform the non-responding party. Lack of such notification will not relieve any party of its obligations.

(5) Penalties

Any ESCO or Direct Customer who fails to comply with the Company's curtailment instructions may be charged a penalty which will be the greater of: (a) \$2.50 per therm, or (b) three times the market price. The market price during a curtailment will be the higher of: (a) the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon city gate, or (b) the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia city gate.

(6) Compensation for Diverted Gas

Compensation for the diverted gas will be set at the market price in effect during the time of the curtailment, unless it can be demonstrated that a contract calls for a higher price. The market price during a curtailment is the higher of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon city gate, or the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia city gate. RG&E will recover compensation from customers via the Gas Supply Charge (GSC), subject to Commission review.

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Continued)

D. ESCO/DC Participation (Cont'd)

(7) General Curtailment Procedures

In the event of interruption or a force majeure curtailment situation due to a supply deficiency, the needs of core customers will be met first, regardless of whether they are customers of the Company or an ESCO. If the Company is unable to satisfy the full requirements of its customers and finds it necessary to curtail existing service due to a deficiency in its gas supply, the Company will curtail service generally following the procedures set forth below.

In the event the Company is unable to satisfy the full requirements of its customers and finds it necessary to curtail existing service due to a deficiency in its gas supply, the Company will curtail service generally following these procedures but will adapt the response to conditions that exist at the time of the curtailment:

- (a) Reduce company-use gas to the extent possible by:
 - (i) Reducing usage of natural gas for electric generation;
 - (ii) Reducing the heating load at company facilities.
- (b) Dual-fuel requirements for customers with full facilities to burn an alternate fuel;
- (c) Other dual-fuel requirements (excluding plant protection);
- (d) Implement the New York Gas Group Standard Operating Procedure for the Pooling of Gas Supply and/or other mutual aid procedures if appropriate;
- (e) Issue public appeal for voluntary load reduction;
- (f) Request the County or Counties affected to declare a State of Emergency in order to close non-essential facilities;
- (g) Curtail large industrial and commercial transportation customers that have returned to sales service and the Company was unable to obtain a pipeline capacity contract to serve them to the minimum level required to maintain building protections.
- (h) Large industrial and commercial space heating, boiler fuel requirements, air conditioning, electric generation, and other non-process purposes where the base annual requirements for an individual piece of gas equipment are 12,000 Dth. or larger;
- (i) Process requirements for which there are technically feasible alternate fuels, and industrial and commercial requirements for space heating where the base annual requirements for an individual piece of equipment are 12,000 Dth. or larger;
- (j) Industrial and commercial space heating, boiler fuel requirements, air conditioning, electric generation, and other non-process purposes where the total base annual requirements are 12,000 Dth. or larger;

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Continued)

D. ESCO/DC Participation (Cont'd)

(7) General Curtailment Procedures (Cont'd)

- (k) Process requirements for which there are technically feasible alternative fuels, and industrial and commercial requirements for space heating (other than boiler fuel use), where the total base annual requirements are 12,000 Dth. or larger;
- (l) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation, and other non-process purposes where the total base annual requirements are between 1,200 Dth. and 11,999 Dth., inclusive;
- (m) Process requirements for which there are technically feasible alternate fuels, and industrial and commercial requirements for space heating (other than boiler fuel use), where the total base annual requirements are between 1,200 Dth. and 11,999 Dth., inclusive;
- (n) Process and feedstock requirements for which there are no technically feasible alternative fuels, where the total base annual requirements are 1,200 Dth. or more;
- (o) Plant protection requirements for customers curtailed in Items h through n above;
- (p) Industrial and commercial requirements where combined total base annual requirements are less than 1,200 Dth.;
- (q) Residential requirements.

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D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)
 - (g) Discontinuance or Curtailment of Gas Service (Cont'd)

- 8) Restoration

When the Company determines that service can be restored to customers, it will implement restoration procedures and will notify the public of restoration status. Compensation will be charged or credited through the settlement process mechanism described in Rule 10. G.4.A.(2) and Rule 10.G.4.A.(3). Such determination shall be considered final and binding on all parties. -The normal settlement methodology will not be used in cases where an ESCO's load was reduced at the request of, or due to the action of, the Company.

- (h) Emergency Services:

- (1) Customer Emergency Calls

In response to an Emergency Service Call, the ESCO shall communicate to Customers that they should utilize the Company's emergency phone number to contact the Company to report any emergency situations involving the gas distribution system. In the event the ESCO receives an Emergency Service Call, the ESCO shall transfer the Emergency Service Call automatically, 24 hours a day, to the Company's emergency phone number. Non-emergency calls must not be transferred.

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D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)
 - (h) Emergency Services (Cont'd)

- (1) Customer Emergency Calls (Cont'd)

The Company will assess and correct a service problem involving the Company's facilities. If the problem does not involve the Company's facilities, the Company will take all actions necessary to protect life and property. If a Customer requests further repairs, the costs and expenses of such further repairs will be the responsibility of the Customer. If an ESCO requests further repairs, the costs and expenses of such further repairs will be the responsibility of the ESCO.

- (2) Restoration Information

As described in the GTO Manual, the ESCO and its Customers can obtain available information on the status of restoration efforts by contacting the Company.

- (3) Restoration Efforts

The Company will conduct restoration efforts in a non-discriminatory manner without regard to the ESCO affiliation of the affected Customer.

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Issued in compliance with orders in Case 98-M-1343 dated Nov. 21, 2003 and Cases 99-M-0631 and 03-M-0117 dated Dec. 19, 2003

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

Reserved for Future Use

PSC No: 16 - Gas

Leaf No. 127.27

Rochester Gas and Electric Corporation

Revision: 1

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

E. Indemnity, Limitation on Liability, and Force Majeure:

1. Indemnification:

ESCO and DC, as applicable, agree to indemnify, defend and save harmless RG&E from and against any and all liabilities, losses, damages, costs, expenses, causes of action, suits, judgments and claims, including, but not limited to, reasonable attorneys fees and the costs of investigation, (collectively "claims"), in connection with any action, suit or proceeding by or on behalf of any person, firm, corporation or other entity arising from, caused by or relating to the (i) curtailment or interruption of services to the ESCO or its Customers, or a DC, as applicable, due to causes beyond the control of RG&E (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or (ii) interruption, irregularity, failure or defective character of services to the ESCO, its Customers, or a DC, as applicable, due to causes beyond the control of RG&E (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or (iii) failure by ESCO or DC, as applicable, to perform any of the agreements, terms, covenants or conditions of General Retail Access to be performed by ESCO or DC, as applicable, or (iv) failure of ESCO to perform any agreement between ESCO and its Customers.

PSC No: 16 - Gas

Rochester Gas and Electric Corporation

Initial Effective Date: March 1, 2004

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

2. Limitation on Liability:

RG&E will endeavor at all times to provide regular and uninterrupted service to the ESCO, its Customers, or a DC, as applicable, but in case the service shall be interrupted or irregular or defective or shall fail, from causes beyond the control of RG&E (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards, or bodies having jurisdiction) or because of the ordinary negligence of RG&E or its employees, servants or agents, RG&E shall not be liable to the ESCO, its Customers, or a DC, as applicable, therefor. In addition, the Company reserves the right to curtail or interrupt service as provided in this Tariff.

Compliance with directives of the upstream pipelines shall, without limitation by reason of specification, constitute a circumstance beyond the control of RG&E for which RG&E shall not be liable; provided, however, that RG&E shall not be absolved from any liability to which it may otherwise be subject for gross negligence or intentional wrongdoing in the manner in which it carries out the upstream pipeline's or Company's OFO.

Without limiting the generality of the foregoing, RG&E may, without liability therefor, interrupt, reduce or impair service to any ESCO, its Customers, or the DC, in the event of an emergency threatening the integrity of RG&E's system, or any other systems with which it is directly or indirectly interconnected, if in RG&E's sole judgment such action will prevent, alleviate or reduce the emergency condition, for such period of time as RG&E deems necessary.

ESCOs serving Customers who require service which is uninterrupted, unreduced or unimpaired on a continuous basis should ensure that the Customers provide their own emergency or back-up capability.

RG&E shall not be liable for any special, incidental, indirect, exemplary, punitive or consequential damages, including, but not limited to, lost profits, purchased power costs, or amounts owed by a DC or a Customer to its ESCO, suffered by an ESCO, its Customers, or a DC or to any other persons or entities caused by, arising from or related to the performance of or failure to perform any of the services or obligations of RG&E under General Retail Access as set forth in RG&E's tariff or the GTOP Manual, even if RG&E has been advised of the possibility of such damages.

3. Force Majeure:

RG&E and the ESCO/DC shall use due diligence in performing their obligations under this Tariff. Neither party shall be liable to the other in damages for any act, omission, occurrence, failure or delay of performance, damage, loss, injury or expense caused by any act of God, strike, lockout, act of the public enemy, act of terror, insurrection, civil unrest, war, blockade, riot, epidemic, landslide, extraordinary lightning, earthquake, fire, volcanic activity, extraordinary storm, flood, washout, explosion, accidental damage to or destruction of transmission or distribution facilities, equipment or machinery or electric lines or wires, or the seizure or appropriation of facilities or electricity or gas by any governmental authority of competent jurisdiction or any other binding order of any court or public authority that the party has resisted by all reasonable legal means, or any other cause not reasonably within the control of the party asserting force majeure, and which such party is unable by the exercise of due diligence to avoid, prevent or overcome. A party's failure to avert or to settle a strike or other labor dispute shall not be deemed, within the meaning of this Rule, a matter reasonably within that party's control. Financial loss or other economic hardship shall in no event constitute force majeure hereunder.

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

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

F. Consolidated Billing and Payment Processing

1. Description:

A Customer may elect Consolidated Billing and Payment Processing if offered by its ESCO, consistent with the Commission's Order Establishing Uniform Retail Access Billing and Payment Processing Practices, Case Nos. 99-M-0631 and 98-M-1343, issued May 18, 2001, as the same may be revised, modified, amended, clarified, supplemented or superseded. Further information is available at the New York Public Service Commission's website (<http://www.dps.state.ny.us/ubr.htm>). Company specific terms and conditions regarding Consolidated Billing and Payment Processing are detailed in the Billing Services Agreement and GTOP Manual.

2. Customer Eligibility:

Customers taking service under this Schedule, Service Classification Nos. 3, 4, 5, or 10, and not on summary billing, may elect a Consolidated Billing and Payment Processing option, consistent with the above-referenced PSC Order. Customers whose accounts are on summary billing must elect the dual billing option, as described in Rule 10.D.8.

3. Bill Issuance Charge:

A Customer electing Consolidated Billing and Payment Processing pursuant to this Section will not be billed the Bill Issuance Charge for the electric and/or gas service for which Consolidated Billing and Payment Processing has been elected. All other customers receiving electric, gas, or combination service will be billed one Bill Issuance Charge per bill.

4. Bill Processing Charges:

ESCOs will be assessed a bill processing charge of \$0.95 per bill for a Company rendered consolidated bill for those customers with electric-only or gas-only service. ESCOs will be assessed a bill processing charge of \$0.48 for electric service provided and \$0.47 for gas service provided per bill for a Company rendered consolidated bill for those customers with a combination of electric and gas service.

5. Purchase of ESCO Accounts Receivable Program (POR):

- (a) ESCOs that elect the Company's consolidated billing option for all or a portion of their customers will be required to sell their accounts receivable for such customers to RG&E under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs will be precluded from participating in the POR for customers receiving dual billing.
- (b) The POR obviates the need for RG&E to prorate partial customer payments among ESCOs that are participating in the POR.

6. Account Separation Fee

In accordance with Section 9.C.4 of the UBP addendum to this schedule, an ESCO desiring to issue the Consolidated Bill for a customer with a Combination Account may request the Company to establish a separate account for the electric or gas service to be supplied by the ESCO. A fee of \$5.00 will be charged to the ESCO requesting establishment of a separate electric or gas account.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service

Applicable To Use Of Service For

Balancing of gas delivered by an ESCO for its Customer service points, or by a Direct Customer for its own service point(s), on the Company's gas distribution system for which the ESCO is taking delivery service under the applicable Service Classification of this tariff. Service is limited to any ESCO which:

- a) Satisfies the credit and security requirements in Rule 10.D.7 and
- b) Agrees to the Customer responsibility requirements listed in the applicable service classification and in this tariff

Character Of Service

Dynamically matching the amount of gas delivered to the Company's distribution system by the ESCO with the amount of gas being used by the service points in the ESCO's Balance Control Account, within the parameters set forth in this Rule 10.G.

Customer Responsibility

Under this Schedule, the ESCO is responsible for planning a gas supply sufficient for the needs of the service points in its Balance Control Account and for delivering gas to the Company's system, and for meeting the requirements of all other provisions of this Rule 10.G. The ESCO is responsible for payment to the Company all charges associated with the applicable service classification and in this tariff, including all daily and monthly cashout amounts, surcharges, penalties and applicable taxes.

Balance Control Account

The Customer service points of an ESCO taking delivery service under the applicable Service Classification of this tariff will be assigned to a Balance Control Account for balancing service. A separate Balance Control Account will be established for each type of balancing service elected by the ESCO for its Customer service points.

Designation Of Third Party Agent

An ESCO may designate a third party to act as agent for the ESCO for the purposes of carrying out any of the required functions required by this Schedule. The ESCO remains financially responsible for all rates and charges of this Rule 10.G.

Capacity Requirements

The ESCO is responsible for planning a gas supply sufficient for the needs of the service points in its Balance Control Account and for the transportation capacity required to deliver it to the Company's system.

ESCOs serving Customers under Service Classification No. 3 without alternate fuel capability, as described below, and are not Human Needs customers, shall be required to demonstrate to the Company that they have contracted for a sufficient amount of firm, non-recallable, primary delivery point capacity to the Company's citygate, during the months of November through March, to meet the peak day needs of those Customers, or have notified its Customers and the Company, in writing, that the Customers may be subject to interruption. These requirements also apply to Service Classification No. 7 customers whose annual use is greater than or equal to 35,000 therms.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

ESCOs serving Customers under Service Classification No. 3 without alternate fuel capability and are Human Needs will receive a release of primary point capacity from RG&E to serve their customers peak day needs unless the ESCO has grandfathered capacity, as described below.

Any ESCO currently using its own capacity to meet primary point capacity requirements for Human Needs customers will be allowed to continue to do so based on the highest customer load for the September 1 through November 1, 2007 transition period.

- ESCO's with Grandfathered Capacity shall be required to demonstrate to the Company that they have contracted for a sufficient amount of firm, non-recallable, primary delivery point capacity to the Company's citygate, during the months of November through March, to meet the peak day needs of those Customers.
- The volumetric level of grandfathered primary point deliverability will be reviewed annually beginning April 1, 2009 to adjust for any reductions in the level of customer load served by the ESCO in the past 13 months. If the highest volumetric level of grandfathered primary point deliverability during the 13 month time period has dropped by 500 Dth from the then current level of Grandfathered Capacity, the level of Grandfathered Capacity for the ESCO will be reduced to reflect the volumetric level identified during the annual review. The level of grandfathered primary point deliverability will not be increased unless the ESCO purchases the entire book of customers from another ESCO as described.
- An ESCO using its own capacity to meet some or all of its customer's requirements may pass those grandfather rights on as a package only when it sells its entire customer book to another ESCO.
- Firm primary point capacity that is released by the Company to an ESCO will be release monthly for 12 months.
- Grandfathered ESCO-supplied capacity can be held for the five winter months but must be primary point delivery.

Customers served under Service Classification No. 3 with alternate fuel capability, shall be required to demonstrate to the Company that they have alternate fuel capability to meet their peak day needs. Such alternate fuel capability shall be capable of handling an extended outage for a period of at least five days; and it shall be the Customer's responsibility to provide annual proof or certification that the equipment has been tested. These requirements also apply to Service Classification No. 7 customers whose annual use is greater than or equal to 35,000 therms.

ESCOs serving Customers under Service Classification No. 5 or Service Classification No. 7 whose annual use is less than 35,000 therms or Service Classification No. 9, of this tariff will receive a capacity release from the Company for firm primary delivery point capacity to the Company's citygate to meet the winter season design day needs of those Customers.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

Delivery Point Requirements

The ESCO must deliver an amount of gas on each of the two upstream pipelines serving the Company's transmission and distribution system that is within the constraints established for ensuring reliable operation of that transmission and distribution system. The Company will provide its total system forecasted load, the weather forecast data used to determine that load, and the system constraints for the forecasted load level for each gas day, in accordance with the Gas Transportation Operating Procedures manual. If the Company determines an ESCO's nomination to its city gate does not meet the Company's system constraints based on the Company's forecasted load for the ESCO's pool usage the Company will notify the ESCO and request the ESCO to change its nomination. The Company reserves the right to require a change in the delivery of ESCO's gas at any of its citygates, at any time, upon its sole determination that such action is required to ensure system reliability and to satisfy all system constraints.

Resource Delivery Schedule

The ESCO shall schedule deliveries of gas on the pipelines directly serving the Company's distribution system in accordance with the procedures of those pipelines. The quantity scheduled shall equal the amount that the ESCO is required to deliver based on the balancing option applicable to its Balance Control Account, plus Company system losses (see Rule 10.D.5(b)). The Company will confirm deliveries with pipelines in accordance with pipeline operating procedures and NAESB Standards. For each pipeline on which the ESCO has scheduled deliveries, the ESCO will provide the following information to the Company electronically so that deliveries can be confirmed with the pipelines:

- (i) The ESCO's Balance Control number;
- (ii) The name of the pipeline;
- (iii) The pipeline contract number;
- (iv) The delivery point;
- (v) The delivery volume; and
- (vi) The effective date of the delivery

The above information shall be provided no later than 12:30 p.m. Eastern Time on the business day prior to the day of delivery.

Title To Gas Delivered

The ESCO warrants that it will have good title to all natural gas delivered to the Company for transportation hereunder, and that such gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify the Company and its directors, officers, employees, agents and representatives, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas.

Type Of Balancing Service

Each ESCO serving Customers under applicable Service Classification of this tariff shall select or change the balancing service for each of its Customers prior to each storage year (April 1 – March 31). The ESCO shall notify the Company in writing of such selections and changes by March 15. If the ESCO elects not to change their balancing service, there is no need to contact RG&E. The Company shall cause the selection or change to take effect on April 1. The following balancing services will be offered.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

A) S.C. No. 3 or SC 7 (annual use greater than or equal to 35,000 therms) Daily Balancing Service

S.C. No. 3 or S.C. No. 7 Daily Balancing Service is a process wherein the Company accommodates the difference, on a daily basis, between the actual usage of the ESCO's S.C. No. 3 Customer service points, grossed up for losses, and the quantity of gas delivered by the ESCO to the Company's system for such service points. This difference may be either positive or negative. Any such daily differences will be cashed out using the process detailed below. Such daily cashouts shall be summed up and charged or credited to the ESCO on a monthly basis. It is the ESCO's responsibility to nominate, on a daily basis, those volumes that it expects its Customer service points to consume, utilizing the daily meter read data for those service points, provided by the Company.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

S.C. No. 3 or S.C. No. 7 Daily Balancing Service consists of the following factors:

1. Daily Meter Read Data

Customer service points must have automated meter reading devices installed to provide daily meter reads. Daily meter read data for each Customer Service point will be made available by 2:00 PM Eastern Time for the previous day's usage. The Company will 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 phone line 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 will 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 will 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 will be removed.

2. Amount of Gas to be 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 will determine the amount of gas to be delivered to the Company's citygate. Each day, the difference 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 will be subject to a daily cashout according to the applicable provisions of Section 3 - Daily Cashout Under Non-Operational Flow Order (OFO) Conditions or Section 4 - Daily Cashout Under Operational Flow Order (OFO) Conditions, of this Rule 10.G, below.

3. Daily Cashout Under Non-Operational Flow Order (OFO) Conditions

The Company will implement a daily imbalance automatic adjustment prior to the application of the daily cashout charges.

A. Daily Deficiency Imbalances:

For daily deficiency imbalances, the ESCO will pay the Company for the applicable deficiency amount as follows, based on the applicable daily price index published in Gas Daily (or a successor):

Imbalance Level

First 10%

Rate per Therm of Imbalance

The average of the Niagara midpoint index price plus variable transportation charges to the Mendon citygate, and the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges to the Caledonia citygate.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

Greater than 10% to 15%	The average of 110% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 110% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.
Greater than 15% to 20%	The average of 115% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 115% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.
Greater than 20%	<p>During the period November 1 through March 31, the average of 140% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 140% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.</p> <p>During the period April 1 through October 31, the average of 130% of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, and 130% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.</p>

B. Daily Surplus Imbalances:

For daily surplus imbalances, the Company will pay the ESCO for the applicable surplus amount as follows, based on the applicable daily price index published in Gas Daily (or a successor):

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
First 10%	The average of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate.
Greater than 10% to 15%	The average of 90% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 90% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.
Greater than 15% to 20%	The average of 85% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 85% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

Greater than 20% During the period November 1 through March 31, the average of 60% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 60% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.

During the period April 1 through October 31, the average of 70% of the Niagara midpoint index price plus variable transportation charges (commodity plus fuel) to the Mendon citygate, and 70% of the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus variable transportation charges (commodity plus fuel) to the Caledonia city gate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.

4. Daily Cashout Under Operational Flow Order (OFO) Conditions

A. Daily Imbalances during a Type I OFO:

(1) For daily deficiency imbalances during a day in which a Type I OFO is in effect, the ESCO will pay the Company for the deficiency amount for the duration of the Type I OFO as follows:

Imbalance Level

Rate per Therm of Imbalance

Between 0% and 10% The higher of the Niagara midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, or the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.

Greater than 10% The higher of 150% of the Niagara absolute high index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Mendon citygate, or 150% of the Dominion Transmission Incorporated (DTI) Appalachia South Point absolute high index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Caledonia citygate. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.

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Rochester Gas and Electric Corporation
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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

Reserved for Future Use

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

B. Daily Surplus Imbalances during a Type II OFO:

For daily surplus imbalances during a day in which a Type II OFO is in effect, the Company will pay the ESCO for the surplus amount for the duration of the Type II OFO as follows:

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
Between 0% and 10%	The lower of the Niagara midpoint index price, or the Dominion Transmission Incorporated (DTI) Appalachia South Point midpoint index price. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the deficiency imbalance.
Greater than 10%	The lower of 50% of the Niagara absolute low index price, or 50% of the Dominion Transmission Incorporated (DTI) Appalachia South Point absolute low index price. In addition, the ESCO will pay the Company a pro-rata share of any upstream pipeline-imposed penalties that the Company may incur as a result of the surplus imbalance.

5. Imbalance Trading and End of Month Cashout

A. End of Month Imbalance Trading

End of month imbalance trading will be allowed provided the following conditions are met:

- (1) Such trading can be physically accommodated without creating undue operational or billing problems.
- (2) All imbalance trading must be completed by 4:00 PM Eastern Time on the fourth business day of the next month.
- (3) ESCO imbalances that remain after imbalance trading will be subject to the cashout provisions set forth in this Rule 10.G.
- (4) No trading to move from a positive imbalance to a negative imbalance or a negative imbalance to a positive imbalance position will be allowed.

B. End of Month Cashout

Each month, the ESCO's Balance Control Account shall be subject to the following end of month cashout for negative and positive monthly imbalances. A negative monthly imbalance exists when the Company receives a quantity of gas for a Balance Control Account that is less than the quantity of gas, adjusted for losses, delivered by the Company to the ESCO's Customers. A positive monthly imbalance exists when the Company receives a quantity of gas for a Balance Control Account that is greater than the quantity of gas, adjusted for losses, delivered by the Company to the ESCO's Customers.

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

B. End of Month Cashout (continued)

- (1) Prior to being cashed out, all ESCOs shall be allowed to trade any cumulative monthly imbalances subject to the conditions of this Rule 10.G.
- (2) Any cumulative monthly imbalance which has not been subject to the daily cashout and which exists after imbalance trading, shall be subject to an end of month cashout as follows:
 - (a) For deficiency imbalances, the ESCO will pay the Company for the applicable deficiency amount based on the average of the month's daily cashout prices as described in Rule 10.G, Type of Balancing Service, section A.3.A.-Daily Deficiency Imbalances.
 - (b) For surplus imbalances, the Company will pay the ESCO for the applicable surplus amount based on the average of the month's daily cashout prices as described in Rule 10.G, Type of Balancing Service, section A.3.B.-Daily Surplus Imbalances.

6. Balancing Charge

The ESCO will be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control Account. The balancing charge will consist of a charge to cover the Company's costs for FTNNGSS deliverability, GSS deliverability, GSS capacity, FTNN capacity, and administrative costs. The balancing charge shall be calculated each month as follows:

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

- a) The FTNNGSS deliverability portion of the balancing charge is calculated by:

$$BC_{FTNNGSS} = (T_{DDAY} * B_{TOL} * R_{FTNNGSS}) / T_{ANNUAL}$$

Where:

- $BC_{FTNNGSS}$ = the FTNNGSS portion of the balancing charge.
 T_{DDAY} = the design day throughput in DT for all Customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.
 B_{TOL} = the tolerance band for Daily Balancing Service.
 $R_{FTNNGSS}$ = the annualized DTI FTNNGSS I reservation charge per DT.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 and Service Classification No. 7 and are included in a Daily Balancing Balance Control Account.

- b) The GSS deliverability portion of the balancing charge is calculated by:

$$BC_{GSSDEL} = (T_{DDAY} * B_{TOL} * R_{GSSDEL}) / T_{ANNUAL}$$

Where:

- BC_{GSSDEL} = the GSS deliverability portion of the balancing charge.
 T_{DDAY} = the design day throughput in DT for all Customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.
 B_{TOL} = the tolerance band for Daily Balancing Service.
 R_{GSSDEL} = the annualized DTI GSS deliverability reservation charge per DT.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 and Service Classification No. 7 and are included in a Daily Balancing Balance Control Account.

- c) The GSS capacity portion of the balancing charge is calculated by:

$$BC_{GSSCAP} = (T_{DDAY} * B_{TOL} * N_{WDR} * R_{GSSCAP}) / T_{ANNUAL}$$

Where:

- BC_{GSSCAP} = the GSS capacity portion of the balancing charge.
 T_{DDAY} = the design day throughput in DT for all Customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.
 B_{TOL} = the tolerance band for Daily Balancing Service.
 N_{WDR} = the number of days of withdrawal at maximum withdrawal rate contracted for under the GSS service.
 R_{GSSCAP} = the annualized DTI GSS capacity reservation charge per DT.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 and Service Classification No. 7 and are included in a Daily Balancing Balance Control Account.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

- d) The FTNN capacity portion of the balancing charge is calculated by:

$$BC_{FTNNCAP} = (((T_{DDAY} * B_{TOL} * N_{WDR}) / N_{INJ}) * R_{FTNNCAP}) / T_{ANNUAL}$$

Where:

- $BC_{FTNNCAP}$ = the FTNN capacity portion of the balancing charge.
 T_{DDAY} = the design day throughput in DT for all Customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.
 B_{TOL} = the tolerance band for Daily Balancing Service.
 N_{WDR} = the number of days of withdrawal at maximum withdrawal rate contracted for under the GSS service.
 N_{INJ} = the number of days of full injection allowed under the GSS service contract.
 $R_{FTNNCAP}$ = the annualized DTI FTNN capacity reservation charge per DT.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a Daily Balancing Balance Control Account.

- e) The administrative portion of the balancing charge is calculated by:

$$BC_{ADMIN} = C_{ADMIN} / T_{ANNUAL}$$

Where:

- BC_{ADMIN} = the administrative portion of the balancing charge.
 C_{ADMIN} = the total annual administrative costs to be recovered.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account, and all Customer service points served under Service Classification No. 5, and all service points served under Service Classification No. 7 who annual use is less than 35,000 therms.

- f) The total balancing charge per DT is:

$$BC_{FTNNGSS} + BC_{GSSDEL} + BC_{GSSCAP} + BC_{FTNNCAP} + BC_{ADMIN}$$

The balancing charge for Daily Balancing Service will be published each month on the Large General Service Transportation Rate Adjustment Statement.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

B) S.C. No. 3 and S.C. No. 7 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service

S.C. No. 3 and S.C. No. 7 CSC Enhanced Daily Balancing Service is a process wherein the ESCO accommodates the difference, on a daily basis, between the actual usage of the ESCO's S.C. No. 3 or S.C. No. 7 Customer service points and the net quantity of gas delivered on a scheduled basis by the ESCO to the Company's system for such service points, using its No-Notice Storage assets held on the Dominion Transmission Incorporated (DTI) system. This difference may be either positive or negative. It is the ESCO's responsibility to nominate, on a daily basis, those volumes that it expects its Customer service points to consume, utilizing the daily meter read data for those service points, provided by the Company and to accurately nominate their gas to ensure that their deliveries and actual pool usage will be within RG&E's system constraints. This service operates in conjunction with the Delivery Point Operator (DPO) service and the Citygate Swing Customer (CSC) service offered under the Dominion Transmission Incorporated (DTI) rate schedules DPO and CSC, respectively.

On a daily basis, RG&E 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 will be cashed out at the lessor 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 RG&E 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 RG&E incurs a penalty from DTI for over injection into its storage account

S.C. No. 3 and S.C. No. 7 CSC Enhanced Daily Balancing Service consists of the following factors:

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

B) S.C. No. 3 and S.C. No. 7 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service (Cont'd)

1. Delivery Point Operator

The Company must apply to, and be accepted by, DTI for service under rate schedule DPO and act as the Delivery Point Operator. The Company will be responsible for meeting all requirements of that schedule.

2. Citygate Swing Customer

The ESCO must apply to, and be accepted by, DTI for service under rate schedule CSC. The ESCO will be responsible for meeting all requirements of that schedule. Upon notification by DTI that CSC service to the ESCO has been suspended or terminated, the ESCO shall be immediately transferred to Daily Balancing Service until such time as the ESCO's eligibility for CSC service from DTI is restored. The ESCO will be responsible to pay the Company any costs incurred by the Company as a result of the ESCO's failure to maintain service under DTI's rate schedule CSC.

3. Storage Asset Requirements

The ESCO must maintain sufficient DTI No-Notice Storage and associated transportation capacity entitlements under the CSC service to cover the imbalance between the amount of gas nominated and delivered to the Company's city gates on a scheduled basis, and the metered consumption at the service points in its Balance Control Account multiplied by the factor of adjustment as stated in Rule 10.D.5(b), on a daily basis. The Company, the ESCO and DTI will collaborate to establish the level of assets required.

4. Release of Storage Assets

The Company will release to the ESCO in a prearranged storage release transaction at maximum rates, an amount of storage and associated transportation capacity entitlements on the DTI system, in accordance with Capacity Release program detail in Service Classification Nos. 3 and 7. This storage capacity will be released on a recallable basis, and will be recalled as necessary to ensure that all marketers and the Company have the proper amount of storage to meet peak day requirements. Storage and associated transportation capacity will be released for a term of one (1) year, effective April 1 of each year, or for the length of the term of the asset if that term is less than one year.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

B) S.C. No. 3 and S.C. No. 7 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service (Cont'd)

5. Amount of Gas to be 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 will determine the amount of gas to be delivered to the Company's system. On a daily basis, the imbalance between the amount of gas nominated and delivered to the Company's system on a scheduled basis, and the metered consumption at the service points within the ESCO's Balance Control Account multiplied by the factor of adjustment stated in Rule 10.D.5(b), must be within the ESCO's entitlements under its CSC service contract with DTI. Gas delivered to the RG&E gas distribution system must maintain a balance between the amount of gas delivered to the system on each of the pipelines feeding RG&E's distribution system as stated in RG&E's GTOP manual, Section F.3.A. The ESCO will report to the Company its projected storage withdrawal or injection for each day, along with its flowing gas nominations. Such projected storage withdrawal or injection amount plus the flowing gas amount must equal the ESCO's projected load for that day.

6. Daily Meter Read Data

Customer service points must have automated meter reading devices installed to provide daily meter reads. Daily meter read data for each Customer Service point will be made available by 2:00 PM Eastern Time for the previous day's usage. The Company will 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 phone line 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 will 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 will 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 will be removed.

7. Reporting of Daily Usage Data

By 5:00 PM Eastern Time after the close of each gas day, the Company will report to DTI and the ESCO the total amount of gas received at the Company's system by the ESCO from DTI in that day. This amount shall be the total metered amount of gas used by the ESCO's Balance Control Account, plus losses on the Company's system as specified in Rule 10.D.5(b), minus any amounts delivered for such Balance Control Account on the Empire Pipeline adjusted for any negative CSC measurement as set forth in Rule 10.G(B). Based on that report, DTI will adjust the storage gas balance of the ESCO to reflect any imbalance between the total amount of gas received at the Company's system by the ESCO from DTI, and the amount of gas nominated and delivered on the DTI pipeline.

The Company will accommodate potential errors of accuracy and omission by working with ESCOs to preclude any scheduling anomalies and in adjusting the volumes reported to DTI, to the extent permitted, when incorrect volumes have been reported due to such meter errors.

8. Balancing Charge

The ESCO will be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control account. The balancing charge will consist of a charge to cover the cost of any incremental assets that the Company must hold in order to qualify as a DPO, and administrative costs. The balancing charge shall be calculated each month as follows:

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

G. Gas Balancing Service (Cont'd)

B) S.C. No. 3 and S.C. No. 7 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service (Cont'd)

8. Balancing Charge (Cont'd)

- a) The incremental DPO asset portion of the balancing charge is calculated by:

$$BC_{ASSET} = C_{DPO} / T_{ANNUAL}$$

Where:

- BC_{ASSET} = the incremental DPO asset portion of the balancing charge.
 C_{DPO} = the total annual cost of any assets that the Company must hold in excess of those assets that it would otherwise hold if it were not acting as the DPO.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account.

- b) The administrative portion of the balancing charge is calculated by:

$$BC_{ADMIN} = C_{ADMIN} / T_{ANNUAL}$$

Where:

- BC_{ADMIN} = the administrative portion of the balancing charge.
 C_{ADMIN} = the total annual administrative costs to be recovered.
 T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account, all Customer service points served under Service Classification No. 5, and all service points served under Service Classification No. 7 whose annual use is less than 35,000 therms.

- c) The total balancing charge per DT is:

$$BC_{ASSET} + BC_{ADMIN}$$

The balancing charge for CSC Enhanced Daily Balancing Service will be published each month on the Large General Service Transportation Rate Adjustment Statement.

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

The term Estimated Total Usage is abbreviated ETU. S.C. No. 5, S.C. No. 7, and S.C. No. 9 Balancing Service is a process wherein the ESCO accommodates the difference, on a daily basis, between the ETU_{Actual} , which is the usage for each Customer service point for that gas day, of the ESCO's S.C. No. 5, S.C. No. 7, and S.C. No. 9 Customer service points and the net quantity of gas delivered on a scheduled basis by the ESCO to the Company's system for such service points, using its No-Notice Storage assets held on the Dominion Transmission Incorporated (DTI) system. This difference may be either positive or negative. It is the ESCO's responsibility to nominate, on a daily basis, those volumes that it expects its Customer service points to consume and to accurately nominate their gas to ensure that their deliveries and actual pool usage will be within RG&E's system constraints. This service operates in conjunction with the Delivery Point Operator (DPO) service and the Citygate Swing Customer (CSC) service offered under the Dominion Transmission Incorporated (DTI) rate schedules DPO and CSC, respectively.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (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, RG&E 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 will 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 RG&E 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 RG&E incurs a penalty from DTI for over injection into its storage account

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (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)

S.C. No. 5, S.C. No. 7 and S.C. No. 9 Balancing Service consists of the following factors:

1. Delivery Point Operator

The Company must apply to, and be accepted by, Dominion Transmission Incorporated (DTI) for service under rate schedule DPO and act as the Delivery Point Operator. The Company will be responsible for meeting all requirements of that schedule.

2. Citygate Swing Customer

The ESCO must apply to, and be accepted by, Dominion Transmission Incorporated (DTI) for service under rate schedule CSC. The ESCO will be responsible for meeting all requirements of that schedule. Upon notification by DTI that CSC service to the ESCO has been suspended or terminated, the Customers of the ESCO shall be immediately transferred to Service Classification No. 1 - General Service of this Schedule until such time as the ESCO's eligibility for CSC service from DTI is restored. The ESCO will be responsible to pay the Company any costs incurred by the Company as a result of the ESCO's failure to maintain service under DTI's rate schedule CSC.

3. Storage Asset Requirements

The ESCO must maintain sufficient DTI No-Notice Storage and associated transportation capacity entitlements under the CSC service to cover the imbalance between the amount of gas nominated and delivered to the Company's system on a scheduled basis, and the metered consumption at the service points in its Balance Control Account multiplied by the factor of adjustment as stated in Rule 10.D.5(b), on a daily basis. The Company will release the assets to the ESCO in accordance with the Retail Access Capacity Program detailed in Service Classification Nos. 5, 7 and 9.

4. Amount of Gas to be 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 imbalance between the amount of gas nominated and delivered to the Company's citygates on a scheduled basis, and the metered consumption at the service points within the ESCO's Balance Control Account multiplied by the factor of adjustment stated in Rule 10.D.5(b), must be within the ESCO's entitlements under its CSC service contract with DTI. The ESCO will determine the amount of gas to be delivered to the Company's system. Gas delivered to the RG&E's gas distribution system must maintain a balance between the amount of gas delivered to the system on each of the pipelines feeding RG&E distribution system as stated in RG&E's GTOP manual, Section F.3.A. The ESCO will report to the Company its projected storage withdrawal or injection for each day, along with its flowing gas nominations. Such projected storage withdrawal or injection amount plus the flowing gas amount must equal the ESCO's projected load for that day.

5. ETU_{Forecast}

In order to assist the ESCO in determining the amount of gas to be delivered each day, the Company will forecast the load for each Customer in the ESCO's balance control account and aggregate those loads into a total forecasted load for the ESCO for the current gas day plus the following six gas days. The Company will provide this ETU_{Forecast} to the ESCO. The Company makes no warranty, expressed or implied, as to the accuracy of the ETU_{Forecast}. The ESCO is solely responsible for determining the amount of gas to deliver to the Company's system provided that such delivery is in balance between the amount of gas delivered to the system on each of the pipelines feeding RG&E's distribution system as stated in RG&E's GTOP manual, Section F.3.A.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (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)

6. Calculation of Daily Usage

After the close of each gas day, the Company will calculate an ETU_{Actual} based upon the Customer's load profile and the weather that actually occurred during the gas day. The Company will then aggregate the load of all Customer service points within the ESCO's Balance Control Account to arrive at the total amount of gas used by the ESCO's Balance Control Account for the gas day. This ETU_{Actual} will be compared to the ESCO's scheduled Empire nomination to determine if the gas delivered created a negative CSC measurement. If a negative CSC measurement occurs the ESCO will be subject to a cash out as set forth in Rule 10.G.(C).

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (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)

7. Reporting of CSC Measurement Data

By 5:00 PM Eastern Clock Time after the close of each gas day, the Company will report to DTI each ESCO's CSC measurement. This measurement shall be the total amount of gas used by the ESCO's Balance Control Account multiplied by the factor of adjustment stated in Rule 10.D.5(b), minus the total amount of gas received from the ESCO at the Company's system from both DTI and Empire Pipeline, minus the total amount of gas delivered by the ESCO to the Company's system at the DTI CSC meter adjusted for any negative CSC measurements as set forth in Rule 10.G.(C). Based on that report, DTI will adjust the storage gas balance of the ESCO to reflect any withdrawal or injection for the gas day.

The Company will accommodate potential errors of accuracy and omission by working with ESCOs to preclude any scheduling anomalies and in adjusting the volumes reported to DTI, to the extent permitted, when incorrect volumes have been reported.

8. Reconciliation and Cashout

For each service point, the difference between the ETU_{Actual} and any metered usage (actual or estimated) will be determined. For each day that a difference (henceforth "adjustment") exists, the cashout rate applied to that adjustment will be the previous 30-day rolling average of the average of (a) the Niagara midpoint index price plus variable transportation charges to the Mendon citygate and (b) the DTI Appalachia South Point index price plus variable transportation charges to the Caledonia citygate.

On a monthly basis, ESCOs will be charged or credited by the Company for the cumulative daily adjustment quantity.

9. Balancing Charge

The ESCO will be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control account. The balancing charge will consist of a charge to cover the cost of any incremental assets that the Company must hold in order to qualify as a DPO, and administrative costs. The balancing charge shall be calculated each month as follows:

- a) The incremental DPO asset portion of the balancing charge is calculated by:

$$BC_{ASSET} = C_{DPO} / T_{ANNUAL}$$

Where:

BC_{ASSET} = the incremental DPO asset portion of the balancing charge.

C_{DPO} = the total annual cost of any assets that the Company must hold in excess of those assets that it would otherwise hold if it were not acting as the DPO.

T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account, all Customer service points served under Service Classification No. 5, and all service points served under Service Classification No. 7 whose annual use is less than 35,000 therms.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (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)

- b) The administrative portion of the balancing charge is calculated by:

$$BC_{ADMIN} = C_{ADMIN} / T_{ANNUAL}$$

Where:

BC_{ADMIN} = the administrative portion of the balancing charge.

C_{ADMIN} = the total annual administrative costs to be recovered.

T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all Customer service points which are being served under Service Classification No. 3 or Service Classification No. 7 and are included in a CSC Enhanced Daily Balancing Balance Control Account, all Customer service points served under Service Classification No. 5, and all service points served under Service Classification No. 7 whose annual use is less than 35,000 therms.

- c) The total balancing charge per DT is:

$$BC_{ASSET} + BC_{ADMIN}$$

The balancing charge for CSC Enhanced Daily Balancing Service will be published each month on the Small General Service Transportation Rate Adjustment Statement.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

H. Purchase of ESCO Accounts Receivable Program (POR)

In accordance with the Joint Proposal on Purchase of Accounts Receivable dated August 20, 2004 in Cases 03-E-0765 and 03-G-0766, and as amended with the Joint Proposal dated July 14, 2010 in Cases 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718. RG&E will purchase accounts receivable at a discount and without recourse for commodity sales by ESCOs that provide commodity service in RG&E's territory.

Eligibility Requirements:

ESCOs that elect the Company's consolidated billing option for all or a portion of their customers will be required to sell their accounts receivable for such customers to RG&E under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs will be precluded from participating in the POR for customers receiving dual billing.

Purchase Price:

Electric and gas accounts receivable will be purchased at a discount off face value of the ESCO receivable. The discount rate will be sufficient to compensate the Company for its financial risk in purchasing electric and/or gas receivables, and be comprised of the following components:

- a) Commodity-related Uncollectible percentage based on total Company uncollectible costs for the most recent available twelve-month period divided by the sum of the total retail, retail access, and purchased ESCO receivables revenue for the same twelve-month period;
- b) Financial Risk Adder set at 20% of the applicable uncollectible percentage;
- c) Commodity-related credit and collections and call center percentage.

Discount rates will be adjusted each year to reflect RG&E's most recent twelve-month experience for uncollectible expense. Additionally, the credit and collections and call center allocation included in the discount rate will be reconciled annually, with any under- or over-collections included in the following years discount rate.

A POR Discount (DISC) Statement setting forth the electric discount and the gas discount will be filed with the Public Service Commission sixty days prior to the September 1 effective date of each annual update.

Payments:

Payments to ESCOs will be made, via wire transfer, 20 days after consolidated bills are issued, and will continue throughout the billing cycle.

Other Considerations:

The POR shall be subject to modifications based upon Commission orders, rules, and regulations applicable to retail access, including, but not limited to, the Uniform Business Practices, proration of customer payments under a single bill, and provisions of Home Energy Fair Practices Act. The POR obviates the need for RG&E to prorate partial customer payments among ESCOs that are participating in the POR.