

**SERVICE CLASSIFICATION NO. 5**  
**SMALL TRANSPORTATION SERVICE**

**AVAILABLE:**

In all of the Gas Control Area served by the Company.

**CHARACTER OF SERVICE:**

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas will be natural gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission.

**OBLIGATION TO SERVE:**

It shall be the Company's obligation to deliver the Customer's gas from the Distribution Point(s) of Receipt to the Distribution Point(s) of Delivery. However, the Company shall have no obligation or responsibility for making arrangements for the Customer's supply of gas from the Customer's supply source to the Distribution Point(s) of Receipt.

**RATE CHOICES AVAILABLE TO CUSTOMERS:**

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers will choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 5 is a Retail Access Rate, under which RG&E will provide Delivery Service. Commodity Service will be provided by an ESCO.

**MONTHLY RATE FOR TRANSPORTATION SERVICE:**

For each service agreement, the monthly rate shall consist of the minimum charge, service-point transportation charges, including the Transportation Rate Adjustment, Weather Normalization Adjustment, and applicable taxes, as found in each Service Classification.

**MINIMUM CHARGE:**

The Minimum Charge is the charge for the first 3 Therms or less, per meter, plus the Bill Issuance Charge, per bill if applicable. The charge for the first 3 Therms or less and the Bill Issuance Charge if applicable will appear on the Customer's bill whether or not any gas was used during the billing period.

**SURCHARGE TO COLLECT TEMPORARY STATE ASSESSMENT (TSAS):**

All customers will be charged the Temporary State Assessment per Therm of gas delivered as explained in General Information Section 13 of PSC No. 16 – Gas, or superseding issues thereof.

**REVENUE DECOUPLING MECHANISM (“RDM”):**

All customers taking service under this Service Classification will be subject to a RDM adjustment (as explained in this Schedule, General Information Section 14.). See RDM Statement.

**INCREASE IN RATES AND CHARGES:**

The rates and charges under this Schedule, including any minimum charge, are increased by the applicable effective aggregate percentage shown in Rule 4.I for service supplied within the municipality where the Customer is taking service.

**OTHER CHARGES:**

A. Interdepartmental Sales Credit

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48\* per dekatherm, or greater than the average cost of purchased gas plus \$.48\* per dekatherm.

\* Except for gas used in the Company's gas turbine where the adder shall be \$.44 per dekatherm.

**SERVICE CLASSIFICATION NO. 5**

**SMALL TRANSPORTATION SERVICE (Cont'd)**

- (2) The interdepartmental rate per dekatherm in (1) shall be applied to the total quantity of gas delivered for use by the other departments during the 12 calendar months immediately preceding the computation dates to arrive at the total interdepartmental sales credit; and
- (3) The total interdepartmental sales credit in (2) shall be divided by the total normalized quantity of gas delivered to all Customers served under this tariff to arrive at the interdepartmental sales credit.

**B. FERC Order 636 Transition Cost Surcharge**

The delivery rates per therm as herein provided shall be subject to a surcharge calculated according to the New York State Public Service Commission's Opinion and Order 94-26 in Case 93-G-0932, issued and effective December 20, 1994, for the recovery of FERC Order 636 Transition Costs.

**C. Transition Cost Surcharge**

**Surcharge for Service Classification No. 5 Service Points**

For those service points served under Service Classification No. 5, the rates per therm herein provided shall be subject each month to a surcharge to collect a pro-rata share of upstream capacity costs that would otherwise be unrecovered as a result of customer migration to other suppliers..

- (a) The total capacity costs to be recovered through this Transition Cost Surcharge shall be computed monthly according to the following formula:

$$\text{\$cap} = (\text{tcap} / \text{ucap}) * \text{ucap}\$$$

Where:

\\$cap = The total capacity costs to be recovered through this Transition Cost Surcharge.

tcap = The sum of:

- (i) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 3, and who converted to service under that service classification from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996. The amount attributable to each such Customer shall be sufficient to meet the customer's winter season design day requirement. New load added by such a customer after November 1, 1996 by constructing a new facility or expanding an existing facility shall not be included in this determination; and
- (ii) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 5. The amount attributable to each such Customer shall be that customer's winter season design day requirement.

## SERVICE CLASSIFICATION NO. 5

### SMALL TRANSPORTATION SERVICE (Cont'd)

ucap = The Company's total unreleased upstream pipeline capacity less the amount of DTI FTNN and FTNNGSS capacity used for balancing Service Classification No. 3 customers under the Daily Balancing Service.

ucap\$ = The Company's total upstream pipeline capacity costs, less:

- i) Revenues achieved by the Company from releases of capacity; and
- ii) Charges associated with capacity that is either a) assigned to ESCOs through the Retail Access Capacity Program detailed in Service Classification No. 5; or b) used by the ESCO to provide retail service under Service Classification No. 1; or c) used by the Company to provide Daily Balancing Service to Service Classification No. 3 customers.

- (b). The total capacity cost per therm is calculated by dividing the total cost in (a), above, by the total normalized volumes of gas delivered to the following Customers:
- i) Customers being served by ESCOs taking service under Service Classification No. 3 who converted to such service from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996, excluding gas delivered to new load as defined in 1.(a)(i), above; and
  - ii) Customers taking service under Service Classification No. 1; and
  - iii) Customers taking service under Service Classification No. 4, who are subject to the GSC; and
  - iv) Customers being served by ESCOs taking service under Service Classification No. 5.

#### **D. Research and Development Surcharge**

The rates per therm as herein provided shall be subject each month to a surcharge to collect funds to support medium and long term gas research and development programs.

The amount of the surcharge will be calculated yearly by dividing the total amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998, less any amounts to be paid to upstream pipelines for GRI funding in the calendar year for which the surcharge is being calculated, by the total normalized volumes delivered to customers taking service under all Service Classifications.

The total amount collected annually under this surcharge will be reconciled to ensure that it does not exceed the amount that RG&E paid to upstream pipelines for GRI funding in calendar year 1998. Any amounts collected through this surcharge which are not spent on R&D programs will be refunded to the customers.

#### **E. System Benefits Charge (SBC)**

The customer shall be subject to the SBC, as explained in Rule 12. The SBC is provided in the SBC Statement, as filed with the Public Service Commission.

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**SERVICE CLASSIFICATION NO. 5**

**SMALL TRANSPORTATION SERVICE (Cont'd)**

**Reserved for Future Use**

**SERVICE CLASSIFICATION NO. 5**

**SMALL TRANSPORTATION SERVICE (Cont'd)**

**F. Mendon Heater Fuel Charge**

A customer shall be subject to the Mendon Heater Fuel Charge as described in Rule 4.H.

**G. POR Administration Charge**

A customer whose ESCO participates in the Company's Purchase of ESCO Accounts Receivable (POR) Program shall be subject to the POR Administration Charge as explained in Rule 15 of this tariff.

**H. Gas Reliability Surcharge**

A customer shall be subject to the Gas Reliability Surcharge as described in Rule 4.H.

**TERMS OF PAYMENT:**

All bills are rendered at the rate set forth in this service classification. A late payment charge of one and one-half percent (1 ½%) per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.D.2.

**BALANCING SERVICE:**

The ESCO/DC must take balancing service under Rule 10.J for each service point for which it is taking transportation service. The ESCO/DC will indicate the type of balancing service to be used for each of its service agreements, consistent with Rule 10.J and the applicable Service Classifications.

Each of the ESCO's/DC's service agreements will be assigned to a Balance Control Account. A separate Balance Control Account will be established for each type of Balancing Service elected for the ESCO's Customers or the DC.

**SPECIAL PROVISIONS:**

**1. Economic Development Programs – Rate and Discounts**

**A. Economic Development Zone Rider (EDZ)**

Service taken under this Service Classification may be eligible for the rates and charges under the Economic Development Zone Rider. Any customer who meets the qualifications set forth under General Information Section 4.K.2, whose zone certificate includes an initial date of eligibility prior to January 1, 2005, shall pay for delivery service at the following rate:

<u>Usage</u>	<u>Rate</u>
First 3 therms or less	\$12.88
Next 97 therms, per therm	.18967
Next 400 therms, per therm	.14327
Next 500 therms, per therm	.12665
Over 1,000 therms, per them	.09145

Bill Issuance Charge: \$ 0.95, as described in Rule 10.F

All other rates, as described above, are also applicable.

**SERVICE CLASSIFICATION NO. 5**

**SMALL TRANSPORTATION SERVICE (Cont'd)**

**1. Economic Development Programs – Rate and Discounts (Cont'd):**

**B. Empire Zone Rate (EZR)**

As set forth under General Information Section 4.K.3, new service under this rider will no longer be available to customers on or after September 26, 2010. Customers will pay a monthly service bill at the rates and charges under the standard service classification rate.

The rates for service under this rider for customers receiving the Empire Zone discount as of September 26, 2010 and whose zone certificate includes an initial date of eligibility on or after January 1, 2005 shall have the following discounts applied to rates for eligible usage in blocks as indicated below:

<u>Usage</u>	<u>Discounts</u>
First 3 therms or less	0
Next 97 therms, per therm	0
Next 400 therms, per therm	40%
Next 500 therms, per therm	40%
Over 1,000 therms, per them	40%

All other rates, as described above, are also applicable.

**C. Incremental Load Rate (ILR)**

Service taken under this Service Classification may be eligible for the rates and charges under the Incremental Load Rate. Any customer who meets the qualifications set forth under General Information Section 4.K.1 shall have the following discounts applied to rates for eligible usage in blocks as indicated below:

<u>Usage</u>	<u>Discounts</u>
First 3 therms or less	0
Next 97 therms, per therm	0
Next 400 therms, per therm	20%
Next 500 therms, per therm	20%
Over 1,000 therms, per them	20%

All other rates, as described above, are also applicable

**SERVICE CLASSIFICATION NO. 5**

**GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 5:**

**1. Applicable to Use of Service for:**

All purposes in the entire territory by a Customer whose annual use at a given service point is greater than 3500 dekatherms, or by a group of Customers whose total annual use is greater than 5000 dekatherms that are served by a common ESCO. The Customer must abide by all Company Tariff provisions and all other applicable laws, rules and provisions.

**2. Balancing Service:**

All service points served under this service classification will be required to be balanced using the S.C. No. 5 Balancing Service, as specified in Rule 10.G.

**3. Gas Transportation Service Rates and Charges:**

	Transportation Rate		
	Effective 9/26/10	Effective 9/1/11	Effective 9/1/12
S.C.No. 5 Monthly Usage			
First 3 therms or less	\$16.30	16.30	16.30
Next 97 therms, per therm	\$0.16675	.19881	.23097
Next 400 therms, per therm	\$0.15549	.18539	.21538
Next 500 therms, per therm	\$0.13746	.16390	.19041
Over 1,000 therms, per therm	\$0.08887	.09862	.10859
Bill Issuance Charge, per bill	\$0.95, as described in Rule 10.F.		

**4. Transportation Rate Adjustment:**

The transportation rates set forth in this Service Classification for this service classification shall be subject to a transportation rate adjustment per therm of gas distributed. The total Transportation Rate Adjustment for this service classification will include the following components:

- i) The Interdepartmental Sales Credit; and
- ii) The Transition Cost Surcharge; and
- iii) The Research and Development Surcharge; and
- iv) Gas Reliability Surcharge; and
- v) Mendon Heater Charge.

## **SERVICE CLASSIFICATION NO. 5**

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

**5. Small General Service Transportation Rate Adjustment Statement**

Not less than three days prior to the first day of each billing period, the Company shall file with the Public Service Commission a Statement showing the Service Classification No. 5 charges listed in items i) through v) of Section 4, above. The Statement will also list the charges per therm for Small Volume Customer Balancing Service, the Company's Weighted Average Costs of Storage (WACOS<sub>1</sub>, WACOS<sub>2</sub>, WACOS<sub>3</sub>, and WACOS<sub>4</sub>), and Weighted Average Cost of Stored Gas (WACOSG). Such charges as are applicable may be combined for billing purposes.

**6. Weather Normalization Adjustment (WNA):**

All space-heating customers will also be charged the applicable WNA pursuant to General Information Section 11 of this tariff.

**7. System Benefits Charge (SBC):**

The customer shall be subject to the SBC, as explained in Rule 12. The SBC is provided in the SBC Statement, as filed with the Public Service Commission.

**8. POR Administration Charge:**

A customer whose ESCO participates in the Company's Purchase of ESCO Accounts Receivable (POR) Program shall be subject to the POR Administration Charge as explained in Rule 15 of this tariff.

**9. Retail Access Capacity Program**

**a) General**

ESCOs serving Customers under this service Classification will be required to participate in the Retail Access Capacity Program, as defined in this section, whereby transportation capacity from liquid trading points - Dawn and Southpoint (i.e. all receipt points on the Dominion Transmission Incorporated (DTI) system south of DTI's Valley Production Compressor Station) - to the Company's city gates at Mendon and Caledonia, respectively, and storage capacity, will be a mandatory release of capacity to ESCOs serving Customers under this service Classification.

## SERVICE CLASSIFICATION NO. 5

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

**b) Capacity to Be Released**

The Company will provide the mandatory amount of capacity released between Dawn and Mendon shall include transportation capacity on TransCanada PipeLine Limited (TCPL) and Empire State Pipeline (Empire) to meet the demands of a customer's peak day. Storage capacity in the Delivery and Storage Redelivery Service ("DSR Service") will be made available to the ESCO for voluntary capacity release under the following choices:

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

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

An ESCO taking over service to an existing set of customers being served pursuant to this service classification shall, upon such take over, assume the DSR Service choice of the preceding ESCO.

An ESCO that is new to RG&E's service territory shall submit an application to become qualified to serve customers under this service classification. If DSR service capacity is available, for applications submitted between:

- (1) March 16 and October 31, the ESCO must elect one of the DSR Service choices set forth above at the time of application. The DSR Service capacity shall be released and storage gas shall be transferred on November 1.
- (2) November 1 and March 15, the ESCO shall elect DSR Service in accordance with paragraph (f), Release of Empire Capacity, stated below.

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

TCPL, Empire, and DSR Service assets shall be termed "Empire Capacity".

Capacity to be released between Southpoint and Caledonia shall include transportation and storage capacity on DTI. These assets shall be termed "DTI Capacity".

The total capacity available for release may be sufficient to meet the design day load of all Customers eligible for service under this service classification, as determined from time to time by the Company, as well as to meet the operational design requirements of the Company's distribution system. References to "release" of capacity are intended to include all transfers to ESCOs of rights and obligations pertaining to capacity held by the Company unless the context requires otherwise.

**c) Methodology for Release**

The Company shall release transportation and storage capacity on both the Empire and DTI systems to ESCOs serving customers under this service classification based on winter season design day requirements of the retail load served by each ESCO, as calculated by the Company. The allocation methodology shall provide for the Company's operational distribution system requirements, including, but not limited to, maintaining the appropriate ratio of Empire deliveries to DTI deliveries to ensure system integrity.

**d) Administration of Released Assets**

The Company shall administer release of assets so as to maintain a correspondence between winter season design day requirements of the retail load served by each ESCO and capacity released to that ESCO on a periodic basis. As load served by an ESCO changes, the Company shall periodically make corresponding adjustments to the quantity of capacity released to the ESCO. The procedure for effectuating such adjustments is specified in the Company's GTOP manual. In any situation where the Company is required to repute the recalled capacity entitlements to the ESCO, the ESCO waives its rights to such reputs.

**e) Recall of Capacity Entitlements**

If the ESCO becomes unqualified to sell gas on the Company's system or transport gas on pipelines upstream of its city gates, the Company shall recall all capacity released to the ESCO. If the ESCO fails to deliver supplies of gas adequate to serve its Customers, or if required for system reliability purposes, the Company shall have the right to recall all capacity released to the ESCO. References to "recall" of capacity are intended to include all returns to the Company of rights and obligations pertaining to capacity previously released to an ESCO, unless the context requires otherwise.

**SERVICE CLASSIFICATION NO. 5**

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

**f) Release of Empire Capacity**

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

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

**g) Release of DTI Capacity**

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

**h) Rates for Released Capacity**

The rates to be paid by an ESCO taking released capacity shall be the Company's maximum contract rates pursuant to the tariffs and/or agreements applicable to the released capacity.

**i) Transfer of Storage Gas and Capacity to the ESCO**

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

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

**ESCO Charge:**

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

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

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

East side = 
$$\frac{\text{Applicable to DTI pipeline for the months May– March}}{(\text{rscapdti} * \text{wacos}_3 * \text{months}_{\text{APR}}) + (\text{rscapdti} * \text{months}_{\text{NOV}} * (\text{ftnngss} / \text{cgdeliv}_{\text{DTI}}))}$$

**SERVICE CLASSIFICATION NO. 5**

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

Applicable to TCPL Pipeline and Empire Pipeline for the months May – March:

West side =  $(rscapun * wacos_3 * months_{APR})$

Applicable to the DSR Service for the month of November

West side =  $(rscapun * wacos_4 * months_{Apr/oct})$

Where:

- West side = The DSR Service and related storage transportation on TCPL and Empire
- East side = DTI storage and related storage transportation
- rscapdti = The amount of storage deliverability from DTI storage at city gate released to the ESCO (in DT).
- rscapun = The amount of storage deliverability from the DSR Service at city gate released to the ESCO (in DT).
- wacos<sub>1</sub> = The Company's monthly weighted average cost of storage assets, including the DSR Service and associated TCPL and Empire transportation, and DTI GSS storage (capacity and demand) (in \$/DT).
- wacos<sub>2</sub> = The Company's monthly weighted average cost of storage assets, including FTNNGSS, the DSR Service and associated TCPL and Empire transportation, and DTI GSS storage (capacity and demand) (in \$/DT).
- wacos<sub>3</sub> = The Company's monthly weighted average cost of storage assets, including associated TCPL and Empire transportation (but excluding the DSR Service), and DTI GSS storage (capacity and demand) (in \$/DT).
- wacos<sub>4</sub> =  $Wacos_1 - Wacos_3$
- months<sub>APR</sub> = The number of months from April to the month prior to the transfer month, inclusive.
- months<sub>NOV</sub> = The number of months from November to the month prior to the transfer month, inclusive.
- months<sub>Apr/Oct</sub> = The number of months from April to October
- ftnngss\$ = The Company's total monthly costs for DTI's FTNNGSS transportation service (in \$/month).
- cgdeliv<sub>DTI</sub> = The Company's total DTI storage deliverability at city gate (in DT).(Continued on next leaf)

## SERVICE CLASSIFICATION NO. 5

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

#### ESCO Credit:

The Company will provide a credit to the ESCO for amounts previously paid towards the released storage assets through the balancing charge and/or bundled Customer rates, equal to the sum, over all months in the period beginning with April and ending at the transfer month, of the monthly credits calculated as follows:

$$\text{rscap} * \text{wacos}_2 * (\text{nmt}/\text{amt})$$

Where: rscap	=	The amount of storage deliverability at city gate released to the ESCO (in DT)
wacos <sub>2</sub>	=	The Company's monthly weighted average cost of storage assets, including the DSR Service and associated TCPL and Empire transportation, DTI GSS storage (demand and capacity), and DTI FTNNGSS transportation (in \$/DT).
nmt	=	The normalized throughput for the month for all Customers served by ESCOs taking service under Service Classification No. 5 or served by the Company under Service Classification No. 1 (in DT).
amt	=	The normalized annual throughput for all Customers served by ESCOs taking service under Service Classification No. 5 or served by the Company under Service Classification No. 1, divided by 12 (in DT).

#### j) **Transfer of Storage Gas and Capacity to the Company**

In the event that an ESCO's load declines, necessitating a return of capacity to the Company, the ESCO will transfer to the Company an amount of gas equal to the returned storage capacity multiplied by a percentage representing the planned degree to which the Company's storage will be filled at the beginning of the month during which the return is made. The Company will reimburse the ESCO at the Company's weighted average commodity cost of gas in storage for the above-calculated amount. If the ESCO does not have a quantity of gas in storage equal to the above-calculated amount, the ESCO must procure an amount of gas in storage and available for immediate withdrawal by the Company, to meet this requirement. This gas must be transferred to RG&E's account on the first calendar day of the appropriate month. If the ESCO does not transfer the required gas in storage on the first calendar day of the appropriate month, the ESCO will be subject to a penalty of \$2.50/therm/day for each therm of required storage gas not available to the Company.

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

#### ESCO Credit:

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

The Company will credit the ESCO at the Company's weighted average commodity cost of gas in storage for the transferred gas. The weighted average cost of commodity will be credited monthly for gas purchased from DTI storage and will be credited in November for gas purchased from the DSR Service. If the ESCO does not have a quantity of gas in storage equal to the above calculated amount, the ESCO must procure an amount of gas in storage and available for immediate withdrawal by the Company, to meet this requirement. In the event, the ESCO does not provide the required gas; the Company will bill the ESCO the higher of: 1) the costs associated with replacement of the gas supplies, or 2) the cost determined by applying the Weighted Average Cost of Gas per therm, as stated on the Small General Service Transportation Rate Adjustment Statement.

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### SERVICE CLASSIFICATION NO. 5

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

The calculation of the ESCO credit for capacity costs is:

Applicable to DTI for the Months of May through March

East side =  $(rscapdti * wacos_3 * months_{APR}) + (rscapdti * months_{NOV} * (ftnngss\$/cgdeliv_{DTI}))$

Applicable to TCPL and Empire for the months of May – March

West side =  $(rscapun * wacos_3 * months_{APR})$

Applicable to the DSR Service (for the month of November)

West side =  $(rscapun * wacos_4 * months_{APR/oct})$

#### **ESCO Charge:**

East side =  $rscapdti * wacos_2 * (nmt/amt)$

West side =  $rscapun * wacos_2 * (nmt/amt)$

#### **k) Term of Release**

Releases of capacity pursuant to this Retail Access Capacity Program shall be made in accordance with the procedures set forth in the Company's GTOP manual.

#### **l) Pipeline, Service Provider, and Regulatory Requirements**

ESCOs to whom capacity is to be, or has been, released pursuant to this Retail Access Capacity Program shall cooperate with the Company, meet all applicable requirements of the respective pipelines, service providers, and governmental entities having jurisdiction over the relevant assets, and make all required payments to the respective pipelines and service providers.

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