

SERVICE CLASSIFICATION NO. 6
NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM GAS SALES SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Firm Sales Service to any new or existing gas fueled baseload distributed generation facility that represents generating units designed to provide electricity to a single customer or specific customers within a defined geographical location with generating capacity of less than 50 Megawatts (MW) that maintains a load factor of 50% or more. (Load factor is defined herein as annual usage divided by the (peak winter day demand times 365 days).] Such baseload distributed generation facilities may include, but not be limited to, reciprocating engines, gas turbines and emerging gas technologies such as fuel cells and microturbines. Where multiple units are installed at one location, the total size of all units metered through one meter shall govern the rates that will apply. Service under this service classification is available throughout the Company's service territory to which this Schedule applies, providing the Company has facilities available and adequate for the load.

CHARACTER OF SERVICE:

Continuous - natural gas or a mixture of natural gas and other gas with a Btu content of not less than 1,000 Btu per cubic foot, supplied at limits prescribed by the Public Service Commission.

PRICE (per month):

The Company's charges are:

(1) Gas Delivery Charges:
Effective 09/26/2010:

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:
First 3 therms or less (All months): \$16.30
Bill Issuance Charge (per bill): \$0.95

Winter Rate: (November – March)

Next 97 therms, per therm \$0.07048
Next 400 therms, per therm \$0.06394
Next 500 therms, per therm \$0.05859
Over 1,000 therms, per therm \$0.03751

Summer Rate: (April – October)

Next 97 therms, per therm \$0.06046
Next 400 therms, per therm \$0.05637
Next 500 therms, per therm \$0.04984
Over 1,000 therms, per therm \$0.03222

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:
Basic Service Charge:
First 1000 therms or less (All months): \$1000.00
Bill Issuance Charge (per bill): \$0.95

Winter Rate: (November – March)

Next 29,000 therms, per therm \$0.02602
Next 70,000 therms, per therm \$0.02112
Next 900,000 therms, per therm \$0.00819
Over 1,000,000 therms, per therm \$0.00421

Summer Rate: (April – October)

Next 29,000 therms, per therm \$0.02209
Next 70,000 therms, per therm \$0.01750
Next 900,000 therms, per therm \$0.00677
Over 1,000,000 therms, per therm \$0.00349

SERVICE CLASSIFICATION NO. 6 (Cont'd)
NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM GAS SALES SERVICE (Cont'd)

PRICE (per month) (Cont'd):

- (1) Gas Delivery Charges (Cont'd):
Effective 09/26/2010 (Cont'd):

C. Large DG Customer – DG 5MW - < 50 MW

All usage levels:

First 1000 therms or less (All months) \$1000.00

Winter Rate: (November – March)

Over 1000 therms, per therm \$0.00420

Summer Rate: (April – October)

Over 1000 therms, per therm \$0.00349

Demand Charge per therm of MDQ > 47 therms (All months): \$0.38

Bill Issuance Charge (per bill): \$0.95

Effective 09/01/2011:

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months): \$16.30

Bill Issuance Charge (per bill): \$0.95

Winter Rate: (November – March)

Next 97 therms, per therm \$.08412

Next 400 therms, per therm \$.07625

Next 500 therms, per therm \$.06984

Over 1,000 therms, per therm \$.04162

Summer Rate: (April – October)

Next 97 therms, per therm \$.07208

Next 400 therms, per therm \$.06721

Next 500 therms, per therm \$.05942

Over 1,000 therms, per therm \$.03576

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1000 therms or less (All months): \$1040.00

Bill Issuance Charge (per bill): \$0.95

Winter Rate: (November – March)

Next 29,000 therms, per therm \$.03024

Next 70,000 therms, per therm \$.02454

Next 900,000 therms, per therm \$.00952

Over 1,000,000 therms, per therm \$.00488

Summer Rate: (April – October)

Next 29,000 therms, per therm \$.02565

Next 70,000 therms, per therm \$.02033

Next 900,000 therms, per therm \$.00786

Over 1,000,000 therms, per therm \$.00406

SERVICE CLASSIFICATION NO. 6 (Cont'd)
NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM GAS SALES SERVICE (Cont'd)

PRICE (per month) (Cont'd):

- (1) Gas Delivery Charges (Cont'd):
Effective 09/01/2011 (Cont'd):

C. Large DG Customer – DG 5MW - < 50 MW

All usage levels:

First 1000 therms or less (All months) \$1040.00

Winter Rate: (November – March)

Over 1000 therms, per therm \$0.00490

Summer Rate: (April – October)

Over 1000 therms, per therm \$0.00406

Demand Charge per therm of MDQ > 47 therms (All months): \$0.44

Bill Issuance Charge (per bill): \$0.95

Effective 09/01/2012:

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months): \$16.30

Bill Issuance Charge (per bill): \$0.95

Winter Rate: (November – March)

Next 97 therms, per therm \$.09769

Next 400 therms, per therm \$.08858

Next 500 therms, per therm \$.08111

Over 1,000 therms, per therm \$.04583

Summer Rate: (April – October)

Next 97 therms, per therm \$.08375

Next 400 therms, per therm \$.07809

Next 500 therms, per therm \$.06904

Over 1,000 therms, per therm \$.03937

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1000 therms or less (All months): \$1080.00

Bill Issuance Charge (per bill): \$0.95

Winter Rate: (November – March)

Next 29,000 therms, per therm \$.03440

Next 70,000 therms, per therm \$.02791

Next 900,000 therms, per therm \$.01083

Over 1,000,000 therms, per therm \$.00556

Summer Rate: (April – October)

Next 29,000 therms, per therm \$.02918

Next 70,000 therms, per therm \$.02312

Next 900,000 therms, per therm \$.00894

Over 1,000,000 therms, per therm \$.00461

PSC No. 16 Gas
Rochester Gas and Electric Corporation
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Superseding Revision:

SERVICE CLASSIFICATION NO. 6 (Cont'd)
NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM GAS SALES SERVICE (Cont'd)

PRICE (per month) (Cont'd):

(1) Gas Delivery Charges (Cont'd):

Effective 09/01/2012 (Cont'd):

C. Large DG Customer – DG 5MW - < 50 MW

All usage levels:

First 1000 therms or less (All months) \$1080.00

Winter Rate: (November – March)

Over 1000 therms, per therm \$0.00550

Summer Rate: (April – October)

Over 1000 therms, per therm \$0.00461

Demand Charge per therm of MDQ > 47 therms (All months): \$0.49

Bill Issuance Charge (per bill): \$0.95

(2) Gas Supply Charge (GSC):

The customer shall be subject to a GSC, as explained in Rule 4H. The GSC is provided in the GSC Statement, as filed with the Public Service Commission each month.

(3) Merchant Function Charge (MFC):

The customer shall be subject to an MFC as explained in Rule 4.H. The MFC is provided in the MFC and GSC statements, as filed with the Public Service Commission each month.

MINIMUM CHARGE:

The minimum monthly charge is the charge for the first 3 therms or less or the first 1000 therms or less as noted under the Gas Delivery Charges plus the Bill Issuance Charge, if applicable. Additionally for a Large DG Customer, the minimum charge will also include the Demand Charge per therm of Maximum Daily Quantity (MDQ) excluding the therms included in the Basic Service Charge. The MDQ is the customer's highest estimated daily usage. The Minimum Charge will appear on the Customer's bill whether or not any gas was used during the billing period.

Issued by: James A. Lahtinen, Vice President, Rates & Regulatory Economics, Rochester, NY

SERVICE CLASSIFICATION NO. 6 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM GAS SALES SERVICE (CONT'D)**

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.

SURCHARGE TO COLLECT TEMPORARY STATE ASSESSMENT (TSAS):

The charges set forth herein will be subject to a surcharge to collect 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.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge and GSC, will be increased by a surcharge pursuant to General Information Section 4 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above rate. A late payment charge at the rate of one and one-half percent (1 1/2%) 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.

TERM:

The term of this service classification shall be one (1) year with one-year renewals thereafter. Renewals will only be provided if the customer maintains at least a 50% load factor unless there are mitigating circumstances as determined by the Company. The Company shall review the customer usage annually beginning with the anniversary of the commercial operation of the customer's DG unit and advise the customer if the load factor falls below 50%. If the load factor falls below 50%, the customer will be removed from this rate for a period of 12 months at which time they may reapply, provided they have achieved a 50% load factor over the 12 month period and satisfied the Company that the 50% load factor will be met by achieving it in the last 12 months.

SPECIAL PROVISIONS:

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing facilities are inadequate to deliver the additional supplies, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall pay for system reinforcements pursuant to Rochester Gas and Electric's existing rules set forth in General Information Rule 3.
- B. DG customers with annual usage greater than or equal to 35,000 therms are required to pay for daily metering equipment.
- C. DG rates shall apply only to DG usage eligible for this service class. Non-DG gas use shall be measured and billed separately from this service classification.
- D. Where multiple units are installed at one location, the total size of all units metered through one meter shall govern the rates that will apply.