

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: December 1, 2020
Issued in compliance with Order in Case No. 19-G-0381, dated November 19, 2020.

Leaf No. 130.1
Revision: 6
Superseding Revision: 4

SERVICE CLASSIFICATION NO. 3
LARGE 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 shall 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 shall choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 3 is a Retail Access Rate, under which the Company shall provide Delivery Service. Commodity Service shall 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 1000 Therms or less, per meter, plus the Bill Issuance Charge, per bill if applicable. The charge for the first 1000 Therms or less and the Bill Issuance Charge if applicable shall appear on the Customer's bill whether or not any gas was used during the billing period.

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.

EARNINGS ADJUSTMENT MECHANISM (EAM):

The EAM shall be applied per therm delivered under this Service Classification, (as explained in this Schedule General Information Rule 18). The rate shall be set forth on the EAM Statement.

NON PIPE ALTERNATIVE (NPA) SURCHARGE:

The NPA Surcharge shall be applied per therm delivered under this Service Classification, (as explained in this Schedule General Information Rule 19). The rate shall be set forth on the NPA Statement.

OTHER CHARGES:

1. 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.

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

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
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SERVICE CLASSIFICATION NO. 3

LARGE TRANSPORTATION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

A. Interdepartmental Sales Credit (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 forecasted 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.

SERVICE CLASSIFICATION NO. 3

LARGE TRANSPORTATION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

C. Transition Cost Surcharge

Surcharge for Post 11/96 Service Classification No. 3 Service Points

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:

$\text{\$cap}$ = 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 who is being served by an ESCO 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.

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

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

SERVICE CLASSIFICATION NO. 3

LARGE TRANSPORTATION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

C. Transition Cost Surcharge (Cont'd)

- 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 upstream capacity portion of this transition cost per therm is calculated by dividing the total capacity cost in (a), above, by the total forecasted 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 C.(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.

SERVICE CLASSIFICATION NO. 3

LARGE TRANSPORTATION SERVICE (Cont'd)

OTHER CHARGES (Cont'd)

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 shall be calculated yearly by dividing the total amount that the Company 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 forecasted volumes delivered to customers taking service under all Service Classifications.

The total amount collected annually under this surcharge shall be reconciled to ensure that it does not exceed the amount that the Company 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 shall be refunded to the customers.

E. Heater Fuel Charge

A customer shall be subject to the Heater Fuel Charge 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 1½% 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.G for each service point for which it is taking transportation service. The ESCO/DC shall indicate the type of balancing service to be used for each of its service agreements, consistent with Rule 10.G and the applicable Service Classifications.

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

PSC No: 16 - Gas

Rochester Gas and Electric Corporation

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Superseding Revision: 16

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3:

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 3500 dekatherms or more. The Customer must abide by all Company Tariff provisions and all other applicable laws, rules and provisions.

2. High Pressure Option:

Where service off the certified main (allowable pressures in excess of 125 psi) is available at the Customer's metering point, and where the customer elects to be served thereby, the high pressure rates set forth in this Service Classification shall apply.

3. Balancing Service:

All service points served under this service classification shall be required to be balanced using either the S.C. No. 3 Daily Balancing Service or S.C. No. 3 CSC Enhanced Daily Balancing Service, as specified Rule 10.G.

4. New Metered Service Points:

To initiate service for either a new Customer or an existing Customer with a new service point, the Customer must submit a signed General Service Application to the Marketing and Sales Department. The Customer must have installed daily metering equipment, and a Company approved method of communication with the daily meter reading device by the 20th calendar day of the month in order for service to be initiated on the 1st calendar day of the next month. All provisions of this service classification shall be initiated on the 1st calendar day of the month.

5. Existing Service Points Switching Service Providers:

To request a transfer of an existing Service Point from one ESCO's service to another, the Customer and ESCO must each submit a formal request on their letterhead to the Supplier Services Department 10 business days prior to the end of the month. The switch of the service point shall occur on the first calendar day of the next month.

6. Gas Transportation Service Rates and Charges: The Delivery Charge that appears on the customer's bill is the sum of the per therm rate plus the Make-Whole Rate.

| | Transportation Rate | |
|--|---------------------|-----------------|
| | Effective Date | |
| | 11/01/2023 | |
| S.C. No. 3 Monthly Usage | Rate Year 1 | Make-Whole Rate |
| First 1,000 therms or less | \$2,450.00 | \$72.99 |
| Next 29,000 therms, per therm | \$0.04583 | \$0.00050 |
| Next 70,000 therms, per therm | \$0.03662 | \$0.00041 |
| Next 900,000 therms, per therm | \$0.01417 | \$0.00016 |
| Over 1,000,000 therms, per therm | \$0.00666 | \$0.00008 |
| Bill Issuance Charge (per bill) \$0.99, as described in Rule 10.F. | | |

| | Transportation Rate | |
|--|---------------------|-----------------|
| | Effective Date | |
| | 05/01/2024 | |
| S.C. No. 3 Monthly Usage | Rate Year 2 | Make-Whole Rate |
| First 1,000 therms or less | \$2,675.00 | 72.99 |
| Next 29,000 therms, per therm | \$0.05157 | \$0.00050 |
| Next 70,000 therms, per therm | \$0.04121 | \$0.00041 |
| Next 900,000 therms, per therm | \$0.01595 | \$0.00016 |
| Over 1,000,000 therms, per therm | \$0.00749 | \$0.00008 |
| Bill Issuance Charge (per bill) \$0.99, as described in Rule 10.F. | | |

Effective May 1, 2026, the Make-Whole Rate shall expire and the Delivery Charge that appears on the customer's bill shall not include the Make-Whole Rate.

ISSUED BY: Jeremy Euto, Vice President – Regulatory, Rochester, New York

PSC No: 16 - Gas

Leaf No. 130.6.1

Rochester Gas and Electric Corporation

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SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

6. Gas Transportation Service Rates and Charges (cont'd):

| | Transportation Rate | |
|--|---|------------------------|
| | Effective Date | |
| | 05/01/2025 | |
| S.C. No. 3 Monthly Usage | Rate Year 3 | Make-Whole Rate |
| First 1,000 therms or less | \$2,925.00 | \$0.00 |
| Next 29,000 therms, per therm | \$0.05801 | \$0.00000 |
| Next 70,000 therms, per therm | \$0.04636 | \$0.00000 |
| Next 900,000 therms, per therm | \$0.01794 | \$0.00000 |
| Over 1,000,000 therms, per therm | \$0.00843 | \$0.00000 |
| Bill Issuance Charge (per bill) \$0.99, as described in Rule 10.F. | | |
| S.C. No. 3 Monthly Usage | Transportation Rate High Pressure Option | |
| | Effective Date | |
| | 11/01/2023 | |
| | Rate Year 1 | Make-Whole Rate |
| First 1,000 therms or less | \$1,825.00 | \$53.52 |
| Next 29,000 therms, per therm | \$0.04052 | \$0.00057 |
| Next 70,000 therms, per therm | \$0.04052 | \$0.00050 |
| Next 900,000 therms, per therm | \$0.04052 | \$0.00042 |
| Over 1,000,000 therms, per therm | \$0.01005 | \$0.00000 |
| Bill Issuance Charge \$0.99, as described in Rule 10.F. | | |

| S.C. No. 3 Monthly Usage | Transportation Rate High Pressure Option | |
|---|---|------------------------|
| | Effective Date | |
| | 05/01/2024 | |
| | Rate Year 2 | Make-Whole Rate |
| First 1,000 therms or less | \$2,000.00 | \$53.52 |
| Next 29,000 therms, per therm | \$0.04491 | \$0.00057 |
| Next 70,000 therms, per therm | \$0.04491 | \$0.00050 |
| Next 900,000 therms, per therm | \$0.04491 | \$0.00042 |
| Over 1,000,000 therms, per therm | \$0.01114 | \$0.00000 |
| Bill Issuance Charge \$0.99, as described in Rule 10.F. | | |
| S.C. No. 3 Monthly Usage | Transportation Rate High Pressure Option | |
| | Effective Date | |
| | 05/01/2025 | |
| | Rate Year 3 | Make-Whole Rate |
| First 1,000 therms or less | \$2,175.00 | \$0.00 |
| Next 29,000 therms, per therm | \$0.05003 | \$0.00000 |
| Next 70,000 therms, per therm | \$0.05003 | \$0.00000 |
| Next 900,000 therms, per therm | \$0.05003 | \$0.00000 |
| Over 1,000,000 therms, per therm | \$0.01241 | \$0.00000 |
| Bill Issuance Charge \$0.99, as described in Rule 10.F. | | |

Effective May 1, 2026, the Make-Whole Rate shall expire and the Delivery Charge that appears on the customer's bill shall not include the Make-Whole Rate.

ISSUED BY: Jeremy Euto, Vice President – Regulatory, Rochester, New York

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

7. Transportation Rate Adjustment:

The transportation rates set forth in 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 shall include the following components:

- i) Interdepartmental Sales Credit, and
- ii) Transition Cost Surcharge, and
- iii) Research and Development Surcharge, and
- iv) Heater Charge, and
- v) System Performance Adjustment, and
- vi) Pipeline Refund, if applicable.

8. Large 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. 3 charges listed in items i) through iv) of Section 7, above. The Statement shall also list the charges per therm for Daily Balancing Service, and CSC Enhanced Daily Balancing Service. Such charges may be combined for billing purposes.

9. Weather Normalization Adjustment (WNA):

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

10. 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.

11. Reserved for Future Use

12. Revenue Decoupling Mechanism ("RDM"):

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

13. Rate Adjustment Mechanism ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in P.S.C. No. 16, General Information Section 15). See RAM Statement.

14. a. Capacity to Be Released- Applicable only to S.C. No. 3 Customers receiving a mandatory release of Company capacity as determined under Section 10.G. of the General Retail Access – Multi-Retailer Model

The Company shall provide the mandatory amount of capacity released between Dawn and Mendon shall include transportation capacity on TransCanada PipeLine Limited (TCPL), Empire State Pipeline Transportation (Empire Transportation), and Empire State Pipeline Storage (Empire Storage) to meet the demands of a customer's peak day.

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 State Pipeline Transportation (Empire Transportation) Empire State Pipeline Storage (Empire Storage), assets shall be termed "Empire Capacity".

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

SERVICE CLASSIFICATION NO. 3
GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

14. Capacity to Be Released- Applicable only to S.C. No. 3 Customers receiving a mandatory release of Company capacity as determined under Section 10.G. of the General Retail Access – Multi-Retailer Model

a) Continued

One-Time Exception:

On November 1, 2015, the Company shall transfer to the ESCO a quantity of gas on Empire 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 shall be filled at the beginning of the month during which the release is made. The infield storage transfer shall include commodity and demand costs associated with the Company holding and filling the Empire storage. The commodity costs shall be priced at WACOSG2. The demand charges to the ESCOs shall be their MSWQ (Maximum Storage Withdrawal Quantity) times the WACOS3 for each month from April – October 2015.

After November 1, 2015, ESCOs shall be released Empire Capacity and be responsible for filling the storage.

b) Methodology for Release

The Company shall release capacity on both the Empire and EGTS systems to ESCOs serving customers 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 EGTS deliveries to ensure system integrity.

c) 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.

d) 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.

e) Release of Empire Capacity

Release of capacity on Empire shall 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 shall be carried out by the Company consistent with the terms and conditions of the Company's agreements with TCPL.

f) Release of EGTS Capacity

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

g) Rates for Released Capacity

The rates to be paid by an ESCO taking released capacity shall be the maximum pipeline rates.

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

14.a. Capacity to Be Released- Applicable only to S.C. No. 3 Customers receiving a mandatory release of Company capacity as determined under Section 10.G. of the General Retail Access – Multi-Retailer Model (Cont'd)

h) Term of Release

Releases of capacity shall be made in accordance with the procedures set forth in the Company's GTOP manual.

i) Pipeline, Service Provider, and Regulatory Requirements

ESCOs to whom capacity is to be, or has been, released 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.

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

13. Additional Facilities

The Customer shall pay the installed costs and expenses of additional facilities which the Company deems necessary to provide service under this service classification. Notwithstanding such payment, all such facilities shall remain the sole property of the Company. Daily metering equipment is required for this Service Classification and shall be installed by the Company. The Customer is responsible for ensuring a Company approved method of communication with the daily meter reading device, and that a suitable space for such equipment is provided and maintained. The Customer will reimburse the Company for the cost and expense of newly installed daily metering equipment, including communication service. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.

14. Dual-Fuel Facilities

The Company assumes no responsibility for the adequacy of dual-fuel or other standby facilities and shall not be liable for any loss, damage or expense, direct or indirect, which may be incurred by the Customer or others in connection with or as a result of any interruption of gas service.

15. Economic Development Programs

A. Reserved for Future Use

PSC No: 16 - Gas

Leaf No. 130.8

Rochester Gas and Electric Corporation

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SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

17. Economic Development Programs (Cont'd)

A. Reserved for Future Use

B. Reserved for Future Use

SERVICE CLASSIFICATION NO. 3

GAS SERVICE-POINT TRANSPORTATION SERVICE – S.C. NO. 3 (Cont'd):

17. Economic Development Programs (Cont'd)

B. Reserved for Future Use

C. Excelsior Jobs Rate (EJR)

Any customer who meets the qualifications set forth under General Information Section 4.K shall pay for delivery service at the following terms. For Existing and Prospective customers, the EJR discount shall be in the form of a percentage discount to each per Therm block rate, except for the customer charge. The discount shall be applied for the Next 29,000 Therm block, Next 70,000 Therm block, Next 900,000 Therm block and Over 1,000,000 Therm block. The discount shall be applied on a monthly basis as a bill credit adjustment to the customer's bill. The percentage discount shall decline as set forth below. For Service Classification No. 3 – High Pressure customers, the rates shown in the table below shall become effective as of 12/1/20. For all other Service Classification No. 3 customers, the rates shown in the table below shall become effective as of 12/1/20.

EJR discount percentages off the otherwise applicable service classification:

| Usage | Discounts - Years 1 through 3 | Discounts - Years 4 through 6 | Discounts - Years 7 through 10 |
|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|
| First 1000 therms or less | 0 | 0 | 0 |
| Next 29,000 therms, per therm | 50% | 30% | 10% |
| Next 70,000 therms, per therm | 50% | 30% | 10% |
| Next 900,000 therms, per therm | 50% | 30% | 10% |
| Over 1,000,000 therms, per therm | 50% | 30% | 10% |

18. Individually Negotiated Contracts

In cases where a Customer has a viable option to bypass the Company's distribution facilities, the Company may negotiate a special rate with that Customer. The rate and term shall be the subject of a special contract negotiated between the Company and the Customer. The negotiated rate shall recover all incremental costs the Company incurs in serving the Customer and shall provide a reasonable contribution to system costs. Summaries of contract information shall be available in Contract Addenda contained in this tariff.