

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS

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 the Company, 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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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

C. Customer Participation (Cont'd)

2. Customer Information:

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

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

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

C. Customer Participation (Cont'd)

3. Confidentiality:

The ESCO must keep confidential any customer information (usage and billing and credit information) obtained from the Company. 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.

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

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

C. Customer Participation (Cont'd)

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 shall occur on the date of the Customer's next meter reading date, which must be at least 10 business days in the future.
 - (ii) Special Meter Reading Fees:
A fee of \$20 per customer location, per meter, per read attempt, shall 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 S.C. 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 the Company 10 business days prior to the end of the month.
 - (b) The switch date shall be the first calendar day of the next month.
 - (ii) Special Meter Reading Fees:
Daily meter reads and special meter reading fees shall 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:
The Company's Budget Billings reflect only delivery charges and may be adjusted at the switch dates or as required to reflect changes in the Company's service and, if adjusted, shall be reflected in the Customer's next bill.

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GENERAL INFORMATION

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

C. Customer Participation (Cont'd)

5. Metering:

- (a) The metering requirements set forth in this Schedule apply here. Customers shall 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, shall be installed and operated by the Company at the Customer's expense.
- (c) The Company shall continue to own, install, maintain, and read Customers' meters for billing purposes.

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

- (d) The Company shall 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.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

C. Customer Participation (Cont'd)

6. Billing:

- (a) Except as specified in Rule 10.F. of this Schedule, Consolidated Billing and Payment Processing, the Company shall bill a Customer only for the delivery of Gas Supply and other services provided by the Company. The ESCO is responsible for billing its Customer for the Gas Supply and other services the ESCO provides to the Customer.
- (b) The Company bill shall 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.5 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) The Company shall 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, the Company shall:
 - 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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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

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 the Company 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 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.ny.gov>).

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

3. Creditworthiness Standards:

See UBP Addendum

- (a) **Applicability:**
The creditworthiness rules in accordance with the UBP Addendum shall 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 shall 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 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 shall return the appropriate portion of the ESCO/DC's advance deposit with accumulated interest.

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

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 a Customer, that may also be charged to the Customer, shall be billed directly to the Customers unless the Customer's ESCOs requests that it be billed instead.

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

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:

- i. 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.G of this tariff. The Factor of Adjustment used for balancing purposes to account for losses on the Company's system is the system wide Factor of Adjustment (FOA) described in General Information Rule 4.H.(5).
- ii. Effective January 1, 2018 and each subsequent 12-month period starting January 1st and thereafter, Retail Access customers shall be subject to a System Performance Adjustment (SPA) mechanism as described in General Information Section 4.H.5.(f).

(c) Balancing and Settlement:

Each of the ESCO's Customer service points shall 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 shall be accomplished as specified in provisions of the applicable balancing option. Charges for balancing and cashout of over-deliveries or under-deliveries shall be as specified in Rule 10.G.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

(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.G.

(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.G;
- 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 shall be defined by the Company as either a Type I OFO or Type II OFO. A Type I OFO shall be issued when the Company's system or a particular citygate cannot tolerate an underdelivery of gas. A Type II OFO shall be issued when the Company's system or a particular citygate cannot tolerate an overdelivery of gas.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)

(f) Operational Flow Orders (Cont'd)

An OFO shall be issued on a system-wide basis. An ESCO who has elected to take daily balancing service from the Company shall incur those daily settlement charges described in Rule 10.G. The ESCO shall also be responsible for the pro-rata share of any upstream pipeline penalty charges incurred by the Company resulting from ESCO activities and may be assessed a per Therm penalty. 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 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 shall 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.

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 shall 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 shall take any and all actions which, in its sole judgment, are required to maintain system integrity.

As part of the implementation of these curtailment procedures, the Company Gas Emergency Plan shall 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 shall 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 non-residential 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 (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 shall 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 shall 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 shall apply whether the ESCO's customer(s) is curtailed or not.

It shall 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 utility city gate or upstream point. The Company may divert gas at the city gate, from an ESCO or Direct Customer, to serve higher 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 shall be made to inform the non-responding party. Lack of such notification shall 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 shall be the greater of: (a) \$2.50 per therm, or (b) three times the market price. The market price during a curtailment shall be the higher of the midpoint index prices plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's city gates. The relevant indices and specific calculations are established in the GTOP Manual.

(6) Compensation for Diverted Gas

Compensation for the diverted gas shall be set at the market price in effect during the time of the curtailment, unless it can be demonstrated with adequate support 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 Eastern Gas Transmission and Storage (EGTS) (formerly known as 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. The Company shall recover compensation from customers via the Gas Supply Charge (GSC), subject to Commission review.

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)

(g) Discontinuance of Curtailment of Gas Service (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 shall be met first, regardless of whether they are customers of the Company or an ESCO/Direct Customers. 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 shall 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 shall curtail service generally following these procedures but shall 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;

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10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

5. Operational Issues (Cont'd)

(g) Discontinuance of Curtailment of Gas Service (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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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

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 shall implement restoration procedures and shall notify the public of restoration status. Compensation shall be charged or credited through the settlement process mechanism described in Rule 10.D.5.(g).(6). Such determination shall be considered final and binding on all parties. The normal settlement methodology shall 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.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

D. ESCO/DC Participation (Cont'd)

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

(1) Customer Emergency Calls (Cont'd)

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

(2) Restoration Efforts

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

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10. GENERAL RETAIL ACCESS (Cont'd)

E. Force Majeure:

The Company 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, lightning, earthquake, fire, volcanic activity, storm, flood, washout, explosion, accidental damage to or destruction of transmission or distribution facilities, equipment or machinery, 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.

Such causes or contingencies affecting the performance hereunder by the Company, the Marketer or the customer, however, shall not relieve either party of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve customer or their Marketer from its obligations to make payments of amounts then due hereunder.

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

PSC No: 16 - Gas

Rochester Gas and Electric Corporation

Initial Effective Date: November 19, 2023

Issued in compliance with Order in Case No. 22-G-0320, dated October 12, 2023.

Leaf No. 127.29

Revision: 12

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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

F. Consolidated Billing and Payment Processing

1. Description:

Consolidated Billing and Payment Processing, consistent with the Commission's Order Establishing Uniform Retail Access Billing and Payment Processing Practices, Case Nos. 99-M-0631, issued May 18, 2001, as the same may be revised, modified, amended, clarified, supplemented or superseded, is provided by the Company. Further information is available at the PSC's website (<http://www.dps.ny.gov>). Company specific terms and conditions regarding Consolidated Billing and Payment Processing are detailed in the Billing Services Agreement and Gas Transportation Operating Procedures 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.C.6.

3. Bill Issuance Charge:

A Customer electing Consolidated Billing and Payment Processing pursuant to this Section shall 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 shall be billed one Bill Issuance Charge per bill.

4. Bill Processing Charges:

ESCOs shall be assessed a bill processing charge of \$0.99 per bill for a Company rendered consolidated bill for those customers with electric-only or gas-only service. ESCOs shall be assessed a bill processing charge of \$0.50 for electric service provided and \$0.49 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 shall be required to sell their accounts receivable for such customers to the Company 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 shall be precluded from participating in the POR for customers receiving dual billing.
- (b) The POR obviates the need for the Company 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 shall be charged to the ESCO requesting establishment of a separate electric or gas account.

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

GENERAL INFORMATION
10. GENERAL RETAIL ACCESS (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.3(c) and (d) 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.

Establishment of Maximum Daily Transportation Quantity (MDTQ)

A Maximum Daily Transport Quantity (MDTQ) shall be established for each daily metered transportation customer. Each Annual Review shall be based on data collected through August 31 of the year in which the review is conducted. The Annual Review shall establish MDTQs that shall be effective on the following November 1.

MDTQs established during a review may be adjusted between reviews. In the event a Customer exceeds its MDTQ, the MDTQ shall be reset at the higher level at the start of the next billing cycle and remain at that level unless and until changed during the next Annual Review. In the event a customer has a 10% or greater reduction in demand that it can demonstrate shall continue for a period greater than 12 months, the Customer or its then-current ESCO may request a review of the MDTQ prior to the next Annual Review. If such review results in a modification to the MDTQ, the MDTQ shall be reset to reflect that modification at the start of the next billing cycle and remain at that level unless and until changed during the next Annual Review.

Balance Control Account

The Customer service points of an ESCO taking delivery service under the applicable Service Classification of this tariff shall be assigned to a Balance Control Account for balancing service. A separate Balance Control Account shall 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 (Cont'd)

G. Gas Balancing Service (Cont'd)

ESCOs serving Customers under Service Classification No. 3 without alternate fuel capability and are Human Needs shall receive a release of primary point capacity from the Company 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 shall 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 shall 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 shall be reduced to reflect the volumetric level identified during the annual review. The level of grandfathered primary point deliverability shall 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 shall be released on a monthly basis.
- Grandfathered ESCO-supplied capacity can be held for the five winter months but shall have a firm 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 shall 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 as adjusted for reliability capacity requirements (as specified in General Information Rule 4.H.(13) of this Schedule).

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (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 shall 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 shall 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 shall 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 shall 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 shall have good title to all natural gas delivered to the Company for transportation hereunder, and that such gas shall be free and clear of all liens, encumbrances and claims whatsoever, and that it shall 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 the Company. The Company shall cause the selection or change to take effect on April 1. The following balancing services shall be offered.

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

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(1) S.C. No. 3 or S.C. 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. The Company shall cash-out to the initial dead bands on a day-to-day basis such that only imbalances greater than +/- 5% would be cashed out and only back to the 5% level on a daily basis. At the end of month, the daily imbalances, both positive and negative, would be cashed out to the 0% level. Such daily cash-outs 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.

(a) Daily Cash-Out Calculation - At the end of the Day the Pooling Area Imbalance shall be calculated.

- (i) If the absolute value of the Pooling Area Imbalance is less than 5%, each ESCO shall be cashed-out according to the first 5% tier under 10.G(1)(b)(iii)(A) and 10.G(1)(b)(iii)(B) of this Schedule.
- (ii) If the absolute value of the Pooling Area Imbalance is greater than 5%, and the absolute value of the ESCO Pool Imbalance is less than 5%, then no cash-out shall apply.
- (iii) If both the absolute value of the Pooling Area Imbalance and the absolute value of the ESCO Pool Imbalance is greater than 5%, that ESCO shall be cashed-out to the 5% level according to 10.G(1)(b)(iii)(A) and 10.G(1)(b)(iii)(B) of this Schedule.
- (iv) End of Month Imbalance: At the end of the month, all pools shall be cashed out to a 0% imbalance at the average of the daily prices for the month according to the first 5% tier of 10.G.A(1)(b)(iii)(A) and 10.G(1)(b)(iii)(B) of this Schedule.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

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

(i) Daily Meter Read Data

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

(ii) Amount of Gas to be Delivered

(A) Daily 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 shall determine the amount of gas to be delivered to the Company's citygate. On a daily basis, the imbalance 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 shall be subject to a daily cashout according to the applicable provisions of Section (iii) - Daily Cashout or Section (iv) - Daily Cashout Under Operational Flow Order (OFO) Conditions, of this Rule 10.G, below.

(B) Upstream Pipeline Cost Overrun

The Company shall have the right to collect from ESCOs incremental upstream pipeline costs incurred, beyond the 5% balancing threshold upon demonstration by the Company.

(iii) Daily Cashout

(A) Daily Deficiency Imbalances:

For daily deficiency imbalances, the ESCO shall pay the Company for the applicable deficiency amount as follows, based on the applicable daily price index as established in the GTOP manual:

Imbalance Level

First 5%

Rate per Therm of Imbalance

The midpoint index price plus variable transportation charges to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual.

GENERAL INFORMATION
10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service Consists of the following factors: (Cont'd)

(iii) Daily Cashout: (Cont'd)

(A) Daily Deficiency Imbalances: (Cont'd)

Greater than 5% to 10%	105% of the midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual. In addition, the ESCO shall 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% to 15%	110% of the midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual. In addition, the ESCO shall 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%	120% of the midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual. In addition, the ESCO shall 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%	150% of the midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual. In addition, the ESCO shall 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.

(B) Daily Surplus Imbalances:

For daily surplus imbalances, the Company shall pay the ESCO for the applicable surplus amount as follows, based on the applicable daily price index as established in the GTOP manual:

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
First 5%	The midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual.
Greater than 5% to 10%	95% of the midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual. In addition, the ESCO shall 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 10% to 15%	90% of the midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculations are established in the GTOP Manual. In addition, the ESCO shall 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 (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service Consists of the following factors: (Cont'd)

(iii) Daily Cashout (Cont'd)

(B) Daily Surplus Imbalances:

Greater than 15% to 20% 80% of the midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOF Manual. In addition, the ESCO shall 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 20% 50% of the midpoint index prices plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculations are established in the GTOF Manual. In addition, the ESCO shall 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.

(iv) Daily Cash-out Under Operational Flow Order (OFO) Conditions

(A) Daily Imbalances during a Type I OFO:

During an OFO, the Daily Cash-Out Calculation as set forth in Section 10.G(1)(a), shall be suspended, and each ESCO's imbalance shall be cashed-out according to 10.G(1)(b)(iii).

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Rochester Gas and Electric Corporation
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GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

Reserved for Future Use

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

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service Consists of the following factors: (Cont'd)

(iv) Daily Cashout Under Operational Flow Order (OFO) Conditions (Cont'd)

(B) Daily Surplus Imbalances during a Type II OFO:

During an OFO, the Daily Cash-Out Calculation as set forth in Section 10.G.1(a), shall be suspended, and each ESCO's imbalance shall be cashed-out according to 10.G.1(b)(iii).

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service Consists of the following factors:

(v) Balancing Charge

The ESCO shall be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control Account. The balancing charge shall 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 (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service Consists of the following factors: (Cont'd)

(v) Balancing Charge: (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 EGTS FTNNGSS I reservation charge per DT.

T_{ANNUAL} = the total forecasted annual 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 EGTS GSS deliverability reservation charge per DT.

T_{ANNUAL} = the total forecasted annual 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 EGTS GSS capacity reservation charge per DT.

T_{ANNUAL} = the total forecasted annual 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 (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(b) S.C. No. 3 or S.C. No. 7 Daily Balancing Service Consists of the following factors: (Cont'd)

(v) Balancing Charge: (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 EGTS FTNN capacity reservation charge per DT.

T_{ANNUAL} = the total forecasted annual 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 forecasted annual 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 whose 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 shall be published each month on the Large General Service Transportation Rate Adjustment Statement.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(2) S.C. No. 3, S.C. No. 7, S.C. No., 10 (annual use greater than or equal to 35,000 therms), and S.C. No. 10 (annual use greater than or equal to 35,000 therms), CSC Enhanced Daily Balancing Service

S.C. No. 3, S.C. No. 7, S.C. No. 10, and S.C. No. 16 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, S.C. No. 7, S.C. No. 10, or S.C. No. 16 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 Eastern Gas Transmission and Storage (EGTS) 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 shall be within the Company'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 Eastern Gas Transmission and Storage (EGTS) rate schedules DPO and CSC, respectively.

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

$C = P - E$, where

C = CSC measurement in Dt,

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

E = ESCO's Empire Pipeline nomination in Dt

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

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

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(2) S.C. No. 3, S.C. No. 7, S.C. No. 10 (annual use greater than or equal to 35,000 therms) and S.C. No. 16 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service (Cont'd)

(a) S.C. No. 3, S.C. No. 7, S.C. No. 10, and S.C. No. 16 CSC Enhanced Daily Balancing Service consists of the following factors:

(i) Delivery Point Operator

The Company must apply to, and be accepted by, EGTS for service under EGTS's FERC rate schedule DPO and act as the Delivery Point Operator. The Company shall have all of the rights under and be responsible for meeting all requirements of that schedule.

(ii) Citygate Swing Customer

The ESCO must apply to, and be accepted by, EGTS for service under rate schedule CSC. The ESCO shall be responsible for meeting all requirements of that schedule. Upon notification by EGTS 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 EGTS is restored. The ESCO shall be responsible to pay the Company any costs incurred by the Company as a result of the ESCO's failure to maintain service under EGTS's rate schedule CSC.

(iii) Storage Asset Requirements

The ESCO must maintain sufficient EGTS 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 EGTS shall collaborate to establish the level of assets required.

(iv) Release of Storage Assets

The Company shall release to the ESCO in a prearranged storage release transaction at maximum rates, an amount of storage and associated transportation capacity entitlements on the EGTS system, in accordance with Capacity Release program detailed in Service Classification Nos. 3 and 7, and in accordance with the Capacity Release program as described above. This storage capacity shall be released on a recallable basis, and shall 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 shall be released month to month.

GENERAL INFORMATION
10. GENERAL RETAIL ACCESS - (Cont'd)

G. Gas Balancing Service (Cont'd)

(2) S.C. No. 3, S.C. No. 7, S.C. No. 10 (annual use greater than or equal to 35,000 therms), and S.C. No. 16 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service (Cont'd)

(v) 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 shall determine the amount of gas to be delivered to the Company's citygate. 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 EGTS. Gas delivered to the Company gas distribution system must maintain a balance between the amount of gas delivered to the system on each of the pipelines feeding the Company's distribution system as stated in the Company's GTOP manual. The ESCO shall 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.

(vi) Daily Meter Read Data

Customer service points must have daily meter reading devices installed to provide daily meter reads. Daily meter read data for each Customer Service point shall be made available by 2:00 p.m. Eastern Time for the previous day's usage. The Company shall 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 communications 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 shall 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 shall 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, Service Classification No. 7, Service Classification No. 10, or Service Classification No. 16 and the meter recording device shall be removed.

(vii) Reporting of Daily Usage Data

By 5:00 p.m. Eastern Time after the close of each gas day, the Company shall report to EGTS and the ESCO the total amount of gas received at the Company's system by the ESCO from EGTS 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(2). Based on that report, EGTS shall 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 EGTS, and the amount of gas nominated and delivered on the EGTS pipeline.

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

(viii) Balancing Charge

The ESCO shall be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control account. The balancing charge shall 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 - (Cont'd)

G. Gas Balancing Service (Cont'd)

(2) S.C. No. 3, S.C. No. 7, S.C. No. 10 (annual use greater than or equal to 35,000 therms), and S.C. No. 16 (annual use greater than or equal to 35,000 therms) CSC Enhanced Daily Balancing Service (Cont'd)

(viii) 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 forecasted annual throughput for all Customer service points which are being served under Service Classification No. 3, Service Classification No. 7, Service Classification No. 10, or Service Classification No. 16 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.

(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 forecasted annual throughput for all Customer service points which are being served under Service Classification No. 3, Service Classification No. 7, or Service Classification No. 16 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 shall be published each month on the Large General Service Transportation Rate Adjustment Statement.

(3) 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 Eastern Gas Transmission and Storage (EGTS) 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 shall be within the Company'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 Eastern Gas Transmission and Storage (EGTS) rate schedules DPO and CSC, respectively.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

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

$C = P - E$, where

C = CSC measurement in Dt,

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

E = ESCO's Empire Pipeline nomination in Dt

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

(i) Cash out \$ = $[NC * (DO_L + TC_{VF} + E_{VF})] - [EGTS_o * NC]$ 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

$EGTS_o$ = prevailing EGTS tariff rate per Dt allowable over injection charge if the Company incurs a penalty from EGTS for over injection into its storage account

(ii) Cash out \$ = $[NC * (EGTS_s + EGTS_{vf})] - [EGTS_o * NC]$, where

NC = negative CSC measurement in Dt,

$EGTS_s$ = EGTS South point absolute low index price per Dt,

$EGTS_{VF}$ = EGTS Pipeline variable and fuel charges per Dt, and

$EGTS_o$ = prevailing EGTS tariff rate per Dt allowable over injection charge if the Company incurs a penalty from EGTS for over injection into its storage account

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

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

(i) **Delivery Point Operator**

The Company must apply to, and be accepted by, Eastern Gas Transmission and Storage (EGTS) for service under rate schedule DPO and act as the Delivery Point Operator. The Company shall be responsible for meeting all requirements of that schedule.

(ii) **Citygate Swing Customer**

The ESCO must apply to, and be accepted by, Eastern Gas Transmission and Storage (EGTS) for service under rate schedule CSC. The ESCO shall be responsible for meeting all requirements of that schedule. Upon notification by EGTS 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 EGTS is restored. The ESCO shall be responsible to pay the Company any costs incurred by the Company as a result of the ESCO's failure to maintain service under EGTS's rate schedule CSC.

(iii) **Storage Asset Requirements**

The ESCO must maintain sufficient EGTS 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 shall release the assets to the ESCO in accordance with the Retail Access Capacity Program detailed in Service Classification Nos. 5, 7 and 9.

(iv) **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. The ESCO shall determine the amount of gas to be delivered to the Company's citygate. 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 calculated 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 EGTS. Gas delivered to the Company's gas distribution system must maintain a balance between the amount of gas delivered to the system on each of the pipelines feeding the Company distribution system as stated in the Company's GTOP manual. The ESCO shall 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.

(v) **ETU_{Forecast}**

In order to assist the ESCO in determining the amount of gas to be delivered each day, the Company shall 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 shall 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 the Company's distribution system as stated in the Company's GTOP manual, Section F.3.A.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

(a) S.C. No. 5, S.C. No. 7 and S.C. No. 9 Balancing Service consists of the following factors: (Cont'd)

(vi) Calculation of Daily Usage

After the close of each gas day, the Company shall calculate an ETU_{Actual} based upon the Customer's load profile and the weather that actually occurred during the gas day. The Company shall 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} shall 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 shall be subject to a cash out as set forth in Rule 10.G.(C).

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

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

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

(vii) **Reporting of CSC Measurement Data**

By 5:00 p.m. Eastern Clock Time after the close of each gas day, the Company shall report to EGTS 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 EGTS and Empire Pipeline, minus the total amount of gas delivered by the ESCO to the Company's system at the EGTS CSC meter adjusted for any negative CSC measurements as set forth in Rule 10.G(3). Based on that report, EGTS shall adjust the storage gas balance of the ESCO to reflect any withdrawal or injection for the gas day.

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

(viii) **Reconciliation and Cashout**

For each service point, the difference between the ETU_{Actual} and any metered usage (actual or estimated) shall be determined. For each day that a difference (henceforth "adjustment") exists, the cashout rate applied to that adjustment shall be the previous 30-day rolling average of the midpoint index price plus variable transportation charges to the Company's citygates. The relevant indices and specific calculations are established in the GTOP Manual.

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

(ix) **Balancing Charge**

The ESCO shall be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control account. The balancing charge shall 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 forecasted annual 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 (Cont'd)

G. Gas Balancing Service (Cont'd)

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

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

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

Where:

BC_{ADMIN} = the administrative portion of the balancing charge.
 C_{ADMIN} = the total annual administrative costs to be recovered.
 T_{ANNUAL} = the total forecasted annual throughput for all Customer service points which are being served under Service Classification No. 3, Service Classification No. 7, and Service Classification No. 10 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:

$$BC_{\text{ASSET}} + BC_{\text{ADMIN}}$$

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

(4) S.C. No. 10 Balancing Service

S.C. No. 10 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. 10 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. The Company shall cashout to the initial dead bands on a day-to-day basis such that only imbalances greater than +/-2% would be cashed-out and only back to the 2% level on a daily basis. At the end of the month, the daily imbalances, both positive and negative, would be cashed-out to the 0% level. 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.

- (a) Daily Cashout Calculation – At the end of the Day the Pooling Area Imbalance shall be calculated.
- (i) If the absolute value of the Pooling Area Imbalance is less than 2%, each ESCO shall be cashed-out according to the first 2% tier under 10.G.(4)(b)(iii)(A) and 10.G.(4)(b)(iii)(B) of this Schedule.
 - (ii) If the absolute value of the Pooling Area Imbalance is greater than 2%, and the absolute value of the ESCO Pool Imbalance is less than 2%, then no cashout shall apply.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(4) S.C. No. 10 Balancing Service (Cont'd)

(b) S.C. No. 10 Daily Balancing Service consists of the following factors:

(i) **Daily Meter Read Data**

Customer service points must have daily meter reading devices installed to provide daily meter reads. Daily meter read data for each Customer Service point shall be made available by 2:00 PM Eastern Time for the previous day's usage. The Company shall accommodate potential errors of accuracy and omission by working with ESCOs to preclude any scheduling anomalies and in adjusting any cashouts or penalties that can be directly attributed to such meter errors. In the event of meter recording device or communications failure, ESCOs and their Customers shall be responsible for providing meter reads directly to the Company by no later than 10:00 AM on business days. On any business day that the ESCO or Customer fails to provide timely meter reads, the Company shall 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 shall 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 S.C. No. 10 and the meter recording device shall be removed.

(ii) **Amount of Gas to be Delivered**

(A) **Daily 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 shall determine the amount of gas to be delivered to the Company's citygate. On a daily basis, the imbalance 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 shall be subject to a daily cashout according to the applicable provisions of Section (iii) – Daily Cashout or Section (iv) – Daily Cashout Under Operational Flow Order (OFO) Conditions, of this Rule 10.G. below.

(B) **Upstream Pipeline Cost Overrun**

The Company shall have the right to collect from ESCOs incremental upstream pipeline costs incurred, beyond the 2% balancing threshold upon demonstration by the Company.

(iii) **Daily Cashout**

(A) **Daily Deficiency Imbalances:**

For daily deficiency imbalances, the ESCO shall pay the Company for the applicable deficiency amount as follows, based on the applicable daily price index as established in the GTOP Manual:

Imbalance Level

First 2%

Rate per Therm of Imbalance

The midpoint index price plus variable transportation charges to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(4) S.C. No. 10 Balancing Service (Cont'd)

(b) S.C. No. 10 Daily Balancing Service consists of the following factors:

(iii) Daily Cashout (Cont'd)

(A) Daily Deficiency Imbalances (Cont'd)

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
Greater than 2% to 5%	110% of the midpoint index price maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual. In addition, the ESCO shall 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 5% to 10%	120% of the midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculation are established in the Company's GTOP Manual. In addition, the ESCO shall 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%	130% of the midpoint index price plus maximum firm transportation charges (commodity plus fuel plus demand) to the Company's citygates. The relevant indices and specific calculation are established in the Company's GTOP Manual. In addition, the ESCO shall 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.

(B) Daily Surplus Imbalances:

For daily surplus imbalances, the Company shall pay the ESCO for the applicable surplus amount as follows, based on the applicable daily price index as established in the GTOP Manual:

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
First 2%	The midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculations are established in the Company's GTOP Manual.
Greater than 2% to 5%	90% of the midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculation are established in the Company's GTOP Manual. In addition, the ESCO shall 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 (Cont'd)

G. Gas Balancing Service (Cont'd)

(4) S.C. No. 10 Balancing Service (Cont'd)

(b) S.C. No. 10 Daily Balancing Service consists of the following factors:

(iii) Daily Cashout (Cont'd)

(B) Daily Surplus Imbalances:

<u>Imbalance Level</u>	<u>Rate per Therm of Imbalance</u>
Greater than 5% to 10%	80% of the midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculation are established in the Company's GTOP Manual. In addition, the ESCO shall 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 10%	70% of the midpoint index price plus variable transportation charges (commodity plus fuel) to the Company's citygates. The relevant indices and specific calculation are established in the Company's GTOP Manual. In addition, the ESCO shall 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.

(iv) Daily Cashout Under Operational Flow Order (OFO) Conditions

(A) Daily Imbalances during a Type I OFO:

During an OFO, the Daily Cashout Calculation as set forth in Rule 10.G.(4)(a), shall be suspended, and each ESCO's imbalance shall be cashed-out according to 10.G.(4)(b)(iii).

(B) Daily Surplus Imbalances during a Type II OFO:

During an OFO, the Daily Cashout Calculation as set forth in Rule 10.G.(4)(a), shall be suspended, and each ESCO's imbalance shall be cashed-out according to 10.G.(4)(b)(iii).

(v) Balancing Charge

The ESCO shall be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control Account. The balancing charge shall 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:

(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 S.C. No. 10 and are included in a Daily Balancing Balance Control Account.

B_{TOL} = the tolerance band for Daily Balancing Service.

$R_{FTNNGSS}$ = the annualized EGTS FTNNGSS I reservation charge per DT.

T_{ANNUAL} = the total forecasted annual throughput for all Customer service points which are being served under S.C. No. 10 and are included in a Daily Balancing Balance Control Account.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(4) S.C. No. 10 Balancing Service (Cont'd)

- (b) S.C. No. 10 Daily Balancing Service consists of the following factors:
- (v) Balancing Charge (Cont'd)

(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 S.C. No. 10 and are included in a Daily Balancing Balance Control Account.
- B_{TOL} = the tolerance band for Daily Balancing Service.
- R_{GSSDEL} = the annualized EGTS GSS deliverability reservation charge per DT.
- T_{ANNUAL} = the total forecasted annual throughput for all Customer service points which are being served under S.C. No. 10 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 S.C. No. 10 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 EGTS GSS capacity reservation charge per DT.
- T_{ANNUAL} = the total forecasted annual throughput for all Customer service points which are being served under S.C. No. 10 and are included in a Daily Balancing Balance Control Account.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (Cont'd)

G. Gas Balancing Service (Cont'd)

(4) S.C. No. 10 Balancing Service (Cont'd)

(b) S.C. No. 10 Daily Balancing Service consists of the following factors:

(v) Balancing Charge (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 S.C. No. 10 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 EGTS FTNN capacity reservation charge per DT.

T_{ANNUAL} = the total forecasted annual throughput for all Customer service points which are being served under S.C. No. 10 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 forecasted annual throughput for all Customer service points which are being served under S.C. No. 3, S.C. No. 7, or S.C. No. 10 and are included in a CSC Enhanced Daily Balancing Balance Control Account, and all Customer service points served under S.C. No. 5, and all service points served under S.C. No. 7 whose 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 shall be published each month on the Large General Service Transportation Rate Adjustment Statement.

GENERAL INFORMATION

10. GENERAL RETAIL ACCESS (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, 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, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286. The Company shall purchase accounts receivable at a discount and without recourse for commodity sales by ESCOs that provide commodity service in the Company's territory.

Eligibility Requirements:

ESCOs that elect the Company's consolidated billing option for all or a portion of their customers shall be required to sell their accounts receivable for such customers to the Company 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 shall be precluded from participating in the POR for customers receiving dual billing.

Purchase Price:

Electric and gas accounts receivable shall be purchased at a discount off face value of the ESCO receivable. The discount rate shall 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 12-month period divided by the sum of the total retail, retail access, and purchased ESCO receivables revenue for the same 12-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 shall be adjusted each year to reflect the Company's most recent 12-month experience for uncollectible expense. Additionally, the credit and collections and call center allocation included in the discount rate shall be reconciled annually, with any under- or over-collections included in the following years discount rate.

Beginning with the Statement to be effective May 1, 2017, a POR Discount (DISC) Statement setting forth the electric discount and the gas discount shall be filed with the Public Service Commission 60 days prior to the May 1 effective date of each annual update.

Payments:

Payments to ESCOs shall be made, via ACH (Automated Clearing House), 20 days after acceptance of the valid EDI 810 transaction.

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 the Company to prorate partial customer payments among ESCOs that are participating in the POR.