

SERVICE CLASSIFICATION NO. 16

INTERRUPTIBLE TRANSPORTATION SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Customers that agree to take service on fully interruptible basis and maintain facilities and a sufficient supply of alternate fuel to operate continuously during periods when gas service is interrupted. This Service Classification is available to customers who otherwise would be eligible and take service under Service Classification No. 3 – Large Transportation Service. Under this Service Classification a customer must have the ability to use a minimum of 40,000 therms per billing month. If the customer does not meet the minimum use requirement, the customer shall be required to take firm service for which they qualify. In constrained areas, as determined by RG&E, the minimum use requirement may be waived by the Company.

CHARACTER OF SERVICE:

Transportation of Customer-owned, pipeline quality, natural gas shall be on an interruptible basis from a receipt point within the Company's service territory to which this Schedule applies to the facilities at the Customer's existing delivery point. The Company shall control the dispatch of such gas, and dispatch shall be provided as requested by the Customer, in accordance with General Information Rule 10 of this Schedule, provided, however, that acceptance of the Customer's application shall be conditioned upon the availability of the Company's system capacity.

DELIVERY PRICE: (Per Month)

The price per Therm, over the term of the service, shall be:

S.C. Nos. 15 and 16 Monthly Usage		Transportation Rate Effective Date		
Effective Date:		11/01/2023	05/01/2024	05/01/2025
First 1,000 therms or less		\$2,450.00	\$2,675.00	\$2,925.00
Next 29,000 therms, per therm		\$0.03208	\$0.03610	\$0.04061
Next 70,000 therms, per therm		\$0.02563	\$0.02884	\$0.03244
Next 900,000 therms, per therm		\$0.00992	\$0.01116	\$0.01255
Over 1,000,000 therms, per therm		\$0.00466	\$0.00524	\$0.00589

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

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INTERRUPTIBLE TRANSPORTATION SERVICE (Cont'd)

DELIVERY PRICE: (Per Month) (Cont'd)

The Company reserves the right to adjust the delivery price to individual customers based on market conditions. The price may be revised monthly. If applicable, the adjusted delivery price will be specified on the Interruptible Transportation Rate Statement which will be filed with the PSC no later than three days before the effective date.

If the provision of transportation service to the Customer requires the Company to engage the services of others, an amount reflecting the costs incurred by the Company shall be added to this price.

A Customer that fails to meet the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers of this Service Classification shall be assessed a premium equal to the greater of 130% of the applicable gas equivalent alternate fuel price or 130% of the otherwise applicable sales price less an estimate of the Customer's natural gas price, as determined by the Company, per therm. The premium shall be applied for the billing period during which noncompliance becomes known and for each subsequent billing period until the Customer has provided sufficient evidence, as determined by the Company, that it has fully complied with the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers.

CUSTOMER CHARGE:

The Customer Charge is set forth in PRICE (Per Month), per meter, plus the Bill Issuance Charge, per bill if applicable. The Customer Charge and the Bill Issuance Charge, if applicable, will appear on the Customer's bill whether or not any gas was used during the billing period.

MINIMUM CHARGE:

The Customer shall be required to purchase a minimum quantity of 40,000 therms per billing month. If this minimum is not met, the deficiency shall be billed at:

- a. The applicable delivery price as set forth herein pursuant to DELIVERY PRICE: (Per Month); or
- b. On the monthly Statement of Gas Interruptible Transportation Rate Adjustment, if filed, pursuant to this Schedule, or any superseding issues thereof.

In the event that service is interrupted by the Company in accordance with the terms of this Service Classification, then the Minimum Charge shall be multiplied by the ratio of the number of days that service is available to the customer for a full day to the total number of days in the service period.

The Company, at its sole discretion, may waive the minimum use requirement in constrained areas. In such instances, the minimum charge will be based on the agreed upon usage level.

WEATHER NORMALIZATION ADJUSTMENT (WNA):

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

INCREASES IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The rates and charges under this Service Classification, including the Minimum Charge, shall be increased by a surcharge pursuant to Rule 4.1 of this Schedule to reflect the tax rates applicable within the municipality where the customer takes service.

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INTERRUPTIBLE TRANSPORTATION SERVICE (Cont'd)

TERMS OF PAYMENT:

All bills are rendered at the above rate. A late payment charge at the rate of 1½ % per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.D.2.

BALANCING SERVICE:

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

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

All service points served under this Service Classification shall be required to be balanced using either the Daily Balancing Service, or the Enhanced Daily Balancing Service, as specified under Rule 10.G.

TERM:

Term shall be defined as a minimum of one year, and thereafter until discontinued upon 30 days' notice.

GENERAL TERMS AND CONDITIONS OF SERVICE:

To the extent not inconsistent with the provisions of this Service Classification, service hereunder is provided in accordance with the General Information Sections of this Schedule.

NEW METERED SERVICE POINTS:

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

SPECIAL PROVISIONS - ALL CUSTOMERS:

A. All service provided under this transportation Service Classification shall be subject to interruption, at the Company's sole discretion, in accordance with General Information Rule 5.C. of this Schedule. Customers that fail to comply with a notification to interrupt shall pay a charge, in addition to all other prices and charges payable by said customer, of \$2.50 per therm for all quantities consumed in violation of the notification, as determined by the Company.

A Customer that fails to comply with a notification to interrupt, curtail, or discontinue shall also be subject to the following:

- (a) The addition of one Reliability Performance Test at the end of January. "Reliability Performance Test" shall mean a test, conducted in the month of January, of an interruptible customer's ability to switch from gas to alternate fuel or cease using gas within 24 hours of receiving notice from the gas utility. A waiver of this test shall be granted for interruptible customers interrupted due to weather within five days of a scheduled January test;
- (b) A requirement to provide an affidavit attesting to compliance with the Company's tariff, except those customers that have elected to cease using natural gas when directed to by the Company in lieu of maintaining an alternate fuel inventory; and,
- (c) The contact information for the customer's alternate fuel supplier is required to be included in the affidavit described in (b) above.

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SPECIAL PROVISIONS - ALL CUSTOMERS: (Cont'd)

- B. A customer shall provide a signed affidavit by the close of business on October 1, or by the close of business on the following business day if October 1 falls on a weekend or holiday attesting the customer meets the requirements to take service under this Service Classification. If a customer fails to provide the affidavit, the customer shall be subject to a Daily Penalty Charge. The Company may begin to assess the Daily Penalty Charge at the start of the winter period on November 1 and every day thereafter until the signed affidavit is received, or until the end of the winter season on April 1. The Daily Penalty Charge shall be \$1,000 per day.
- C. Customer's natural gas equipment should have an alternative source of fuel, however this requirement may be waived by written permission of the Company. The Company reserves the right to conduct an on-site inspection of the Customer's alternate fuel facilities at any time to determine whether the equipment is properly installed, maintained, functioning and capable of serving the Customer's energy requirements at a level equivalent to that of the natural gas provided under this Service Classification. Natural gas equipment served under this Service Classification, may be transferred to an applicable firm Service Classification with the written permission of the Company. However, any such equipment cannot be resupplied under an interruptible Service Classification prior to the elapse of a minimum period of one year without permission of the Company.
- D. The quantity to be billed under this Service Classification is the quantity delivered to the Company less the allowance for losses, in accordance with General Information Rule 10 of this Schedule.
- E. Daily imbalances, underruns and overruns under this Service Classification shall be calculated and reconciled as set forth in General Information Rule 10 of this Schedule.
- F. Customers taking service under this Service Classification shall be required to install daily metering equipment, at the Customer's expense, and have a dedicated telephone line available as set forth in the Gas Transportation Operating Procedures Manual.
- G. The Company shall implement daily communication with each interruptible customer facility location via email, text messages, fax or phone call. See the Company's GTOP Manual for specific details. Additionally, the Company shall communicate with each interruptible customer facility location at the end of every interruption to remind customers to replenish alternate fuel inventories as needed to maintain minimum levels.
- H. Non-Compliance Charge: A penalty assessed to an Interruptible customer when the Company becomes aware either by notification from a customer or by inspection, in accordance with Special Provision C, that a customer is currently incapable of interrupting and switching to their alternate fuel, and an interruption has not been called.

The Non-Compliance Charge shall be:

- (a) 130% of the applicable Interruptible Gas price as determined in Service Classification No. 15 - PRICE: (Per Month) for interruptible sales customers, or
- (b) 130% of the applicable Interruptible transportation rate for interruptible transportation customers.

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

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INTERRUPTIBLE TRANSPORTATION SERVICE (Cont'd)

SPECIAL PROVISIONS - ALL CUSTOMERS: (Cont'd)

H. (Cont'd)

If a Customer notifies the Company that they are currently incapable of interrupting and switching to their alternate fuel due to circumstances outside of the customers control, the Customer must resolve the issue within ten (10) calendar days or the Company shall begin assessing the Non-Compliance Charge. If the Company becomes aware that a customer is currently incapable of interrupting and switching to their alternate fuel through an on-site inspection, the Company shall begin assessing the Non-Compliance Charge the following day.

The Non-Compliance Charge shall be assessed until the Customer notifies the Company that they are now capable of interrupting and switching to their alternate fuel and the correction has been verified by Company personnel through an on-site inspection.

A Two-Violation Interruptible customer, defined below, shall also be subject to a Non-Compliance Charge for all gas consumed from the time of the second violation until the end of the current winter period.

If the Company calls for an interruption and the customer fails to interrupt as required, the Company shall impose the Unauthorized Use Charge set forth in Special Provision A., in lieu of the Non-Compliance Charge, for unauthorized gas usage during the interruption period. Following the interruption, the Company may resume imposing the Non-Compliance Charge through the end of the current winter period.

I. Failure to interrupt the use of gas during an interruption shall be counted as a violation under the Two-Violation Rule.

1. **Two-Violation Rule:** For each Winter Period, an Interruptible customer shall incur a violation if the customer fails to fully interrupt its use of gas at any time during an interruption, including any planned interruptions (except for any permitted use of gas for ignition purposes).
 - a. If a customer's second failure to interrupt occurs within 48 hours of an initial violation, the second failure shall not be considered a second violation. If a failure to interrupt is due to failure of Company-owned equipment that is not attributable to the customer, the failure to interrupt shall not be considered a violation.
2. A customer's failure to interrupt its use of gas due to inoperable dual-fuel facilities (excluding, for purposes of this paragraph, associated customer-installed phone lines) counts as a violation towards the above-described two-violation rule except as follows:
 - a. During each Winter Period, a customer's failure to interrupt the use of gas during a planned interruption due to documented inoperable dual-fuel facilities shall not be counted as a violation provided that the customer:
 - i. notifies the Company within one hour of the failure of its equipment;
 - ii. repairs and makes operable its dual-fuel equipment within forty-eight (48) hours of the equipment's failure; and
 - iii. provides the Company with an affidavit or other sufficient documentation that it has repaired and made operable its dual-fuel equipment and immediately complies with the earlier of the ongoing interruption or a separate planned interruption.
 - b. The Company shall extend the 48-hour repair deadline to a period not to exceed seven (7) days provided the customer demonstrates to the Company's satisfaction that such extension was necessary due to the unavailability of a part and its installation during such 48-hour repair period.

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INTERRUPTIBLE TRANSPORTATION SERVICE (Cont'd)

SPECIAL PROVISIONS - ALL CUSTOMERS: (Cont'd)

I. Failure to interrupt the use of gas during an interruption shall be counted as a violation under the Two-Violation Rule.
(Cont'd)

- c. All three conditions must be satisfied for this exception to the Two-Violation Rule to apply. During the 48-hour repair period, or, if applicable, the extended 7-day repair period, the customer shall be subject to applicable unauthorized use charges, an alternate fuel or energy non-compliance charge, minimum charges and imbalance charges as set forth in this Service Classification, the Company's GTOP, or this Rate Schedule.
- d. If during the Winter Period, a customer interrupted the use of gas, as required, during the first planned interruption, then the customer shall be granted an additional one-time waiver subject to the customer meeting all of the requirements detailed in this section. If the customer elects to cease operations, this exemption does not apply.

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INTERRUPTIBLE TRANSPORTATION SERVICE (Cont'd)

SPECIAL PROVISIONS – DISTILLATE FUEL CUSTOMERS:

- A. A Distillate Fuel Customer is a Customer that uses No. 2 fuel oil, diesel or kerosene.
- B. On November 1 of each year, a Distillate Fuel Customer meeting the alternate fuel requirement, as set forth in this Service Classification, is required to have an adequate supply of distillate fuel on-hand. A distillate fuel supply shall be considered on-hand and adequate if the supply is either: (a) on-site and sufficient to meet a minimum of 10 consecutive days requirements; or (b) if Customer's physical facilities are insufficient to provide for a 10 day supply, then the Customer must: (i) have a full distillate fuel tank(s); and (ii) provide verification, to the Company's satisfaction, of alternative fuel supplies, other than spot market purchase of distillate fuel that, in combination with (a), provides for a 10 day supply.
- C. The Company shall have the right at any time to inspect Customer's physical facilities to determine compliance with Special Provisions - Distillate Fuel Customers (Rule B). A Customer that refuses to permit the Company to inspect its facilities shall have one business day to allow the Company to perform its inspection. If the Customer does not allow the Company to perform its inspection in the allotted time period, the Customer shall be charged a premium as set forth in the "Price" section of this Service Classification. The premium shall be in addition to all other applicable prices and charges and shall be applied until such time as the facilities are inspected and found to be compliant.
- D. Customer's that fail to comply with the requirements of Special Provisions - Distillate Fuel Customers (Rule B) shall be assessed a premium as detailed in the "Price" section of this Service Classification.

A Customer shall be considered in non-compliance if:

- (a) the Customer refuses to allow the Company to inspect its facilities; or
- (b) the Company inspects the Customer's facilities and determines that the Customer has failed to comply with Special Provisions - Distillate Fuel Customers (Rule B); or
- (c) the Customer fails to comply when the Company provides notification, as set forth in Special Provisions - All Customers (Rule A).

- E. Subject to Company's discretion, any Distillate Customer may be relieved of the obligations set forth in Special Provisions - Distillate Fuel Customers (Rules B through D) if the Customer is willing to cease operation of those facilities that are subject to a notification issued in accordance with Special Provisions - All Customers (Rule A).

If a Customer under this section fails to cease operations when notified, the Customer shall immediately become subject to all the requirements otherwise applicable to Distillate Fuel Customers including, but not limited to, the failure to interrupt provisions contained in Special Provisions - All Customers (Rule A) and the retroactive application of the pricing premium, as detailed in the "Price" section of this Service Classification, until such time as full compliance, as determined by the Company, is achieved.

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

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INTERRUPTIBLE TRANSPORTATION SERVICE (Cont'd)

SPECIAL PROVISIONS - HUMAN NEEDS CUSTOMERS:

- A. A Human Needs Customer is a Customer that heats all or any portion of any building, including apartment houses, prisons, dormitories, nursing homes, hospitals, hotels, and other building where persons may dwell on a permanent basis.
- B. The requirements and obligations set forth in Special Provisions - Distillate Fuel Customers (Rules B, C and D only) shall be applicable to a Human Needs Customer regardless of alternate fuel type.

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