

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW

AVAILABLE:

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

CHARACTER OF SERVICE:

Transportation service of Customer-owned, pipeline quality, odorized gas on a firm basis from a delivery point within the Company's Control Area to facilities at the Customer's metering point. Customer-owned gas shall be natural gas of not less than 1,000 Btu per cubic foot, supplied at pressures within the limits prescribed by the Public Service Commission. Gas service provided hereunder shall be daily metered and billed separately from gas service provided under any other service classification of the Company, and the use of gas measured by this separate meter for other than the use described herein is expressly prohibited.

OBLIGATION TO SERVE:

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

RATE CHOICES AVAILABLE TO CUSTOMERS:

Pursuant to Rule 10, General Retail Access – Multi-Retailer Model, of this Schedule, customers shall choose either a Retail Access Rate or a non-Retail Access Rate. This S.C. No. 7 is a Retail Access Rate, under which the Company shall provide Delivery Service. Commodity Service shall be provided by an ESCO.

MONTHLY RATE FOR TRANSPORTATION SERVICE:

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

MINIMUM CHARGE:

For each service agreement, see the applicable Service Classification for the minimum charge, exclusive of transportation rate adjustment charges.

SYSTEM BENEFITS CHARGE (SBC):

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

RATE ADJUSTMENT MECHANISM (“RAM”):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this schedule, General Information Rule 15). See RAM Statement.

EARNINGS ADJUSTMENT MECHANISM (EAM):

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

NON-PIPE ALTERNATIVE (NPA) SURCHARGE:

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

INCREASE IN RATES AND CHARGES:

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

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(Cont'd)

OTHER CHARGES:

A. Interdepartmental Sales Credit

The interdepartmental sales credit shall be calculated as follows:

- (1) The interdepartmental rate per dekatherm shall be defined as the equivalent alternate fuel price less \$.05 per dekatherm, but that price shall not be less than a price which is the commodity cost of purchased gas plus \$.48 per dekatherm or greater than the average cost of purchased gas plus \$.48 per dekatherm except for gas used in the Company's gas turbine where the adder shall be \$.44 per dekatherm.
- (2) The interdepartmental rate per dekatherm in (1) shall be applied to the total quantity of gas delivered for use by the other departments during the 12 calendar months immediately preceding the computation dates to arrive at the total interdepartmental sales credit; and
- (3) The total interdepartmental sales credit in (2) shall be divided by the total forecasted quantity of gas delivered to all Customers served under this tariff to arrive at the interdepartmental sales credit.

B. FERC Order 636 Transition Cost Surcharge

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

C. Transition Cost Surcharge

- (1) Surcharge for Service Classification No. 7 Customers whose annual gas use is less than 35,000 therms and whose generating capacity is less than 5 MW

For those service points served under Service Classification No. 7, whose annual gas use is less than 35,000 therms and whose generating capacity is less than 5 MW, the rates per therm herein provided shall be subject each month to a surcharge to collect a pro-rata share of upstream capacity costs that would otherwise be unrecovered as a result of customer migration to other suppliers.

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

$$\$cap = (tcap / ucap) * ucap\$$$

Where:

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

- (i) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 3, and who converted to service under that service classification from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996. The amount attributable to each such Customer shall be sufficient to meet the customer's winter season design day requirement. New load added by such a customer after November 1, 1996 by constructing a new facility or expanding an existing facility shall not be included in this determination; and
- (ii) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 5. The amount attributable to each such Customer shall be that customer's winter season design day requirement.
- (iii) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 7. The amount attributable to each such Customer shall be that customer's winter season design day requirement.

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

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW
(Cont'd)

OTHER CHARGES (Cont'd)

C. Transition Cost Surcharge (Cont'd)

(1) Surcharge for Service Classification No. 7 Customers whose annual gas use is less than 35,000 therms and whose generating capacity is less than 5 MW (Cont'd)
(a) (Cont'd)

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

ucap\$ = The Company's total upstream pipeline capacity costs, less:
i) Revenues achieved by the Company from releases of capacity; and
ii) Charges associated with capacity that is either a) assigned to ESCOs through the Retail Access Capacity Program detailed in Service Classification No. 5; or b) used by the ESCO to provide retail service under Service Classification No. 1; or c) used by the Company to provide Daily Balancing Service to Service Classification No. 3 or Service Classification No. 7 customers.

(b) The total capacity cost per therm is calculated by dividing the total cost in (a), above, by the total forecasted volumes of gas delivered to the following Customers:
i) Customers being served by ESCOs taking service under Service Classification No. 3 who converted to such service from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996, excluding gas delivered to new load as defined in C.(1)(a)(i), above; and
ii) Customers taking service under Service Classification No. 1 or Service Classification No. 6; and
iii) Customers taking service under Service Classification No. 4, who are subject to the gas cost adjustment; and
iv) Customers being served by ESCOs taking service under Service Classification No. 5 or Service Classification No. 7.

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: November 1, 2008

Leaf No. 139
Revision: 2
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW
(Cont'd)

Reserved for Future Use

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

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: November 1, 2008

Leaf No. 140
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES <50 MW
(Cont'd)

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SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES <50 MW
(Cont'd)

(2) Surcharge for Service Classification No. 7 Service Points, who do not meet the requirements in 1.

For those service points served under Service Classification No. 7 which do not meet the criteria in 1. above, the rates per therm herein provided shall be subject each month to a surcharge to collect a pro-rata share of upstream capacity costs that would otherwise be unrecovered as a result of customer migration to other suppliers.

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

$$\$cap = (tcap / ucap) * ucap\$$$

Where:

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

$tcap$ = The sum of:

- (i) The amount of capacity attributable to each Customer who is being served by an ESCO under Service Classification No. 3, and who converted to service under that service classification from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996. The amount attributable to each such Customer shall be sufficient to meet the customer's winter season design day requirement. New load added by such a customer after November 1, 1996 by constructing a new facility or expanding an existing facility shall not be included in this determination; and
- (ii) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 5. The amount attributable to each such Customer shall be that customer's winter season design day requirement.
- (iii) The amount of capacity attributable to each Customer served by an ESCO taking service under Service Classification No. 7. The amount attributable to each such Customer shall be that customer's winter season design day requirement.

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

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

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(Cont'd)

OTHER CHARGES (Cont'd)

C. Transition Cost Surcharge (Cont'd)

(2) Surcharge for Service Classification No. 7 Service Points, who do not meet the requirements in 1. (Cont'd)

- i) Revenues achieved by the Company from releases of capacity; and
- ii) Charges associated with capacity that is either a) assigned to ESCOs through the Retail Access Capacity Program detailed in Service Classification No. 5; or b) used by the ESCO to provide retail service under Service Classification No. 1; or c) used by the Company to provide Daily Balancing Service to Service Classification Nos. 3 or 7 customers.

(b) The upstream capacity portion of this transition cost per therm is calculated by dividing the total capacity cost in (a), above, by the total forecasted volumes of gas delivered to the following Customers:

- i) Customers being served by ESCOs taking service under Service Classification No. 3 who converted to such service from Service Classification No. 5 or Service Classification No. 1, after November 1, 1996, excluding gas delivered to new load as defined in C.2.(a)(i), above; and
- ii) Customers taking service under Service Classification No. 1 or SC 6; and
- iii) Customers taking service under Service Classification No. 4, who are subject to the GSC; and
- iv) Customers being served by ESCOs taking service under Service Classification No. 5; and
- iv) Customers being served by ESCOs taking service under Service Classification No. 7.

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
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SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES <50 MW
(Cont'd)

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW

(Cont'd)

OTHER CHARGES (Cont'd)

D. Research and Development Surcharge

The rates per therm as herein provided shall be subject each month to a surcharge to collect funds to support medium and long term gas research and development programs. The amount of the surcharge shall be calculated yearly by dividing the total amount that the Company paid to upstream pipelines for GRI funding in calendar year 1998, less any amounts to be paid to upstream pipelines for GRI funding in the calendar year for which the surcharge is being calculated, by the total forecasted volumes delivered to customers taking service under all Service Classifications.

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

E. Heater Fuel Charge

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

TERMS OF PAYMENT:

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

BALANCING SERVICE:

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

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

Retail Access Capacity Program

A. General

ESCOs serving Customers under this service Classification with annual use less than 35,000 therms shall be required to participate in the Retail Access Capacity Program, as defined in this section, whereby transportation and storage capacity to the Company's city gates at EGTS and Empire, shall be a mandatory release of capacity to ESCOs serving Customers under this service Classification.

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

Retail Access Capacity Program (Cont'd)

B) Capacity to Be Released

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

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

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

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

The total capacity available for release may be sufficient to meet the design day load, as adjusted for reliability capacity requirements (as specified in General information Rule 4.H.(13) of this Schedule) of all Customers eligible for service under this service classification, as determined from time to time by the Company, as well as to meet the operational design requirements of the Company's distribution system. References to "release" of capacity are intended to include all transfers to ESCOs of rights and obligations pertaining to capacity held by the Company unless the context requires otherwise.

C) Methodology for Release

The Company shall release transportation and storage capacity on both the Empire and EGTS systems to ESCOs serving customers under this service classification based on winter season design day requirements, as adjusted for reliability capacity requirements (as specified in General information Rule 4.H.(13) of this Schedule) of the retail load served by each ESCO, as calculated by the Company. The allocation methodology shall provide for the Company's operational distribution system requirements, including, but not limited to, maintaining the appropriate ratio of Empire deliveries to EGTS deliveries to ensure system integrity.

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW (Cont'd)

Retail Access Capacity Program (Cont'd)

D) Administration of Released Assets

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

E) Recall of Capacity Entitlements

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

F) Release of Empire Capacity

Release of capacity shall be carried out pursuant to the terms and conditions of the respective Tariff on file with the Commission, as such Tariff may be amended from time to time, and the terms and conditions of any separate agreement between the Company and Transporter pertaining to this subject. In the event of any conflict between the terms and conditions of Transporter's Tariff and any separate agreement, the terms and conditions of the latter shall control. .

G) Rates for Released Capacity

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

H) Transfer of Storage Gas and Capacity to the ESCO

One-Time Exception:

On December 1, 2015, the Company shall transfer to the ESCO a quantity of gas on Empire equivalent to a pro-rata share of gas that the Company has acquired to provide service to the migrated Customers. The quantity of gas transferred shall be the storage capacity to be released multiplied by a percentage (published in Company's GTOP) representing the planned degree to which the Company's storage will be filled at the beginning of the month during which the release is made. The infield storage transfer will include commodity and demand costs associated with the Company holding and filling the Empire storage. The commodity costs will be priced at WACOSG2. The demand charges to the ESCOs will be their MDSQ (Maximum Daily Storage Quantity) times the WACOS3 for each month from April – October 2015.

On an ongoing basis the following will be applicable:

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

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

ESCO Charge:

The ESCO shall pay the Company: 1) the weighted average commodity cost of gas in EGTS storage (WACOSG₁) multiplied by the quantity of gas transferred; plus 2) a contribution to storage capacity costs calculated as shown below.

The weighted average cost of commodity shall be billed for each transfer of EGTS storage.

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(Cont'd)

Retail Access Capacity Program (Cont'd)

H) Transfer of Storage Gas and capacity to the ESCO (Cont'd)

The contribution to storage capacity shall be calculated differently for EGTS side and Empire side capacity as indicated below. The calculations for the EGTS side and Empire side shall be added together to derive a total cost.

Applicable to EGTS pipeline for the months May – March
EGTS side = $(rscapegts * wacos_1 * months_{APR}) + (rscapegts * months_{NOV} * (ftnngss$/cgdeliv_{egts}))$

Applicable to Empire Pipeline Storage for the months May – March:
Empire side = $(rscapun * wacos_1 * months_{APR})$

Where:

Empire side = Empire storage (demand, capacity and storage transportation).

EGTS side = EGTS storage (demand and capacity).

rscapegts = The amount of storage deliverability from EGTS storage at city gate released to the ESCO (in Dt).

rscapun = The amount of storage deliverability from the Empire storage at city gate released to the ESCO (in Dt).

wacos₁ = The Company's monthly weighted average cost of storage assets, Empire side plus EGTS side (in \$/Dt).

wacos₂ = The Company's monthly weighted average cost of storage assets, Empire side plus EGTS side plus FTNNGSS (in \$/Dt).

wacos₃ = Empire side capacity (in \$/DT) for the months of April 2015- October 2015.
Empire side (in \$/Dt).

months_{APR} = The number of months from April to the month prior to the transfer month, inclusive.

months_{NOV} = The number of months from November to the month prior to the transfer month, inclusive.

ftnngss\$ = The Company's total monthly costs for EGTS's FTNNGSS transportation service (in \$/month).

cgdeliv_{egts} = The Company's total EGTS storage deliverability at city gate (in Dt). (Continued on next leaf)

WACOSG₁ = Weighted average cost of Storage Gas in EGTS Storage

WACOSG₂ = Weighted average cost of Storage Gas in Empire Storage

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

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW
(Cont'd)

Retail Access Capacity Program (Cont'd)

H) Transfer of Storage Gas and Capacity to the ESCO (Cont'd)

ESCO Credit:

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

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

Where: rscap	= The amount of storage deliverability at city gate released to the ESCO (in Dt)
wacos ₂	= The Company's monthly weighted average cost of storage assets, Empire side plus EGTS side plus FTNNNGSS (in \$/Dt).
nmt	= The forecasted throughput for the month for all Customers served by ESCOs taking service under Service Classification No. 5, or all customers served by ESCOs taking service under Service Classification No. 7 whose annual use is less than 35,000 therms or served by the Company under Service Classification No. 1 (in Dt).
amt	= The forecasted annual throughput for all Customers served by ESCOs taking service under Service Classification No. 5, or all customers served by ESCOs taking service under Service Classification No. 7 whose annual use is less than 35,000 therms or served by the Company under Service Classification No. 1, divided by 12 (in Dt).

I) Reserved for Future Use

J) Transfer of Storage Gas and Capacity to the Company

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

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

ESCO Credit:

The Company shall credit the ESCO: 1) the weighted average commodity cost of gas in EGTS storage (WACOSG₁) multiplied by the quantity of gas transferred; plus 2), a contribution to storage capacity costs calculated as shown below.

The Company shall credit the ESCO at the Company's weighted average commodity cost of gas (WACOSG₁) in storage for the transferred gas. The weighted average cost of commodity shall be credited monthly for gas purchased from EGTS storage. If the ESCO does not have a quantity of gas in storage equal to the above calculated amount, the ESCO must procure an amount of gas in storage and available for immediate withdrawal by the Company, to meet this requirement. In the event, the ESCO does not provide the required gas; the Company shall bill the ESCO the higher of: 1) the costs associated with replacement of the gas supplies, or 2) the cost determined by applying the Weighted Average Cost of Gas per therm, as stated on the Small General Service Transportation Rate Adjustment Statement.

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW (Cont'd)

Retail Access Capacity Program (Cont'd)

J) Transfer of Storage Gas and Capacity to the Company (Cont'd)

The calculation of the ESCO credit for capacity costs is:

Applicable to EGTS for the Months of May through March

EGTS side = $(rscapegts * wacos_1 * months_{APR}) + (rscapegts * months_{NOV} * (ftnngss$/cgdeliv_{egts}))$

Applicable to Empire storage for the months of May – March

Empire side = $(rscapun * wacos_1 * months_{APR})$

ESCO Charge:

EGTS side = $rscapegts * wacos_2 * (nmt/amt)$

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

K) Term of Release

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

L) Pipeline, Service Provider, and Regulatory Requirements

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

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW (Cont'd)

1. APPLICABLE TO THE USE OF SERVICE FOR:

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

2. Gas Transportation Service Rates and Charges:

The Company's charges are:

(1) **Gas Delivery Charges:** The Delivery Charge that appears on the customer's bill is the sum of the per therm rate plus the Make-Whole Rate.

i. **Rate Year 1 Effective: 11/01/2023**

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months)	\$20.30
Bill Issuance Charge (per bill):	\$0.99

Winter Rate: (November – March)

Next 97 therms, per therm	\$0.12790
Next 400 therms, per therm	\$0.11555
Next 500 therms, per therm	\$0.11570
Over 1,000 therms, per therm	\$0.05185

Summer Rate: (April – October)

Next 97 therms, per therm	\$0.10439
Next 400 therms, per therm	\$0.09931
Next 500 therms, per therm	\$0.08871
Over 1,000 therms, per therm	\$0.03801

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1,000 therms or less (All months)	\$2,450.00
Bill Issuance Charge (per bill):	\$0.99

Winter Rate: (November – March)

Next 29,000 therms, per therm	\$0.05082
Next 70,000 therms, per therm	\$0.03998
Next 900,000 therms, per therm	\$0.01512
Over 1,000,000 therms, per therm	\$0.00607

Summer Rate: (April – October)

Next 29,000 therms, per therm	\$0.03659
Next 70,000 therms, per therm	\$0.02923
Next 900,000 therms, per therm	\$0.01131
Over 1,000,000 therms, per therm	\$0.00531

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FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

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

i. Rate Year 1 Effective: 11/01/2023 Cont'd):

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

All usage levels:

First 1,000 therms or less (All months)	\$2,450.00
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Winter Rate: (November – March)

Over 1,000 therms, per therm	\$0.00650
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Summer Rate: (April – October)

Over 1,000 therms, per therm	\$0.00531
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Demand Charge per therm of MDQ > 47 therms (All months): \$0.34

Bill Issuance Charge (per bill): \$0.99

ii. Rate Year 2 Effective: 05/01/2024

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months)	\$20.30
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Bill Issuance Charge (per bill):	\$0.99
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Winter Rate: (November – March)

Next 97 therms, per therm	\$0.14927
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Next 400 therms, per therm	\$0.13642
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Next 500 therms, per therm	\$0.13716
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Over 1,000 therms, per therm	\$0.06128
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Summer Rate: (April – October)

Next 97 therms, per therm	\$0.12399
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Next 400 therms, per therm	\$0.11794
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Next 500 therms, per therm	\$0.10531
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Over 1,000 therms, per therm	\$0.04489
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B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1,000 therms or less (All months)	\$2,675.00
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Bill Issuance Charge (per bill):	\$0.99
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Winter Rate: (November – March)

Next 29,000 therms, per therm	\$0.05698
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Next 70,000 therms, per therm	\$0.04478
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Next 900,000 therms, per therm	\$0.01699
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Over 1,000,000 therms, per therm	\$0.00677
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Summer Rate: (April – October)

Next 29,000 therms, per therm	\$0.04117
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Next 70,000 therms, per therm	\$0.03290
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Next 900,000 therms, per therm	\$0.01273
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Over 1,000,000 therms, per therm	\$0.00598
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PSC No. 16 Gas
Rochester Gas and Electric Corporation
Initial Effective Date: November 1, 2023
Issued in compliance with Order in Case No. 22-G-0320, dated October 12, 2023.

Leaf No.: 145.2
Revision: 8
Superseding Revision: 6

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

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

i. **Rate Year 2 Effective: 05/01/2024 (Cont'd):**

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

All usage levels:

First 1,000 therms or less (All months)	\$2,675.00
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Winter Rate: (November – March)

Over 1,000 therms, per therm	\$0.00732
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Summer Rate: (April – October)

Over 1,000 therms, per therm	\$0.00598
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Demand Charge per therm of MDQ > 47 therms (All months): \$0.38

Bill Issuance Charge (per bill): \$0.99

i. **Rate Year 3 Effective: 05/01/2025**

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months)	\$20.30
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Bill Issuance Charge (per bill):	\$0.99
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Winter Rate: (November – March)

Next 97 therms, per therm	\$0.17325
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Next 400 therms, per therm	\$0.15992
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Next 500 therms, per therm	\$0.16080
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Over 1,000 therms, per therm	\$0.07174
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Summer Rate: (April – October)

Next 97 therms, per therm	\$0.14594
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Next 400 therms, per therm	\$0.13880
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Next 500 therms, per therm	\$0.12391
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Over 1,000 therms, per therm	\$0.05266
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B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1,000 therms or less (All months)	\$2,925.00
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Bill Issuance Charge (per bill):	\$0.99
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Winter Rate: (November – March)

Next 29,000 therms, per therm	\$0.06365
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Next 70,000 therms, per therm	\$0.05000
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Next 900,000 therms, per therm	\$0.01904
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Over 1,000,000 therms, per therm	\$0.00762
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Summer Rate: (April – October)

Next 29,000 therms, per therm	\$0.04631
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Next 70,000 therms, per therm	\$0.03701
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Next 900,000 therms, per therm	\$0.01432
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Over 1,000,000 therms, per therm	\$0.00673
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ISSUED BY: Jeremy Euto, Vice President – Regulatory, Rochester, New York

PSC No. 16 Gas
Rochester Gas and Electric Corporation
Initial Effective Date: November 1, 2023
Issued in compliance with Order in Case No. 22-G-0320, dated October 12, 2023.

Leaf No.: 146
Revision: 13
Superseding Revision: 11

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW **(Cont'd)**

(1) Gas Delivery Charges (Cont'd):
iii. **Rate Year 3 Effective: 05/01/2025 (Cont'd):**

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

All usage levels:

First 1,000 therms or less (All months)	\$2,925.00
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Winter Rate: (November – March)

Over 1,000 therms, per therm	\$0.00822
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Summer Rate: (April – October)

Over 1,000 therms, per therm	\$0.00673
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Demand Charge per therm of MDQ > 47 therms (All months): \$0.43

Bill Issuance Charge (per bill): \$0.99

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

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW (Cont'd)

The Company's charges are:

(1) **Gas Delivery Charges:** The Delivery Charge that appears on the customer's bill is the sum of the per therm rate plus the Make-Whole Rate.

i. Rate Year 1 Make-Whole Rate Effective: 11/01/2023

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months) \$0.00

Winter Rate: (November – March)

Next 97 therms, per therm	\$0.00372
Next 400 therms, per therm	\$0.00353
Next 500 therms, per therm	\$0.00396
Over 1,000 therms, per therm	\$0.00414

Summer Rate: (April – October)

Next 97 therms, per therm	\$0.00304
Next 400 therms, per therm	\$0.00304
Next 500 therms, per therm	\$0.00304
Over 1,000 therms, per therm	\$0.00303

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1,000 therms or less (All months) \$72.99

Winter Rate: (November – March)

Next 29,000 therms, per therm	\$0.00056
Next 70,000 therms, per therm	\$0.00044
Next 900,000 therms, per therm	\$0.00016
Over 1,000,000 therms, per therm	\$0.00007

Summer Rate: (April – October)

Next 29,000 therms, per therm	\$0.00040
Next 70,000 therms, per therm	\$0.00033
Next 900,000 therms, per therm	\$0.00013
Over 1,000,000 therms, per therm	\$0.00007

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

All usage levels:

First 1,000 therms or less (All months) \$72.99

Winter Rate: (November – March)

Over 1,000 therms, per therm \$0.00008

Summer Rate: (April – October)

Over 1,000 therms, per therm \$0.00007

Demand Charge per therm of MDQ > 47 therms (All months): \$0.00000

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

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW (Cont'd)

The Company's charges are:

(1) **Gas Delivery Charges:** The Delivery Charge that appears on the customer's bill is the sum of the per therm rate plus the Make-Whole Rate.

i. Rate Year 2 Make-Whole Rate Effective: 05/01/2024

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months) \$0.00

Winter Rate: (November – March)

Next 97 therms, per therm	\$0.00366
Next 400 therms, per therm	\$0.00352
Next 500 therms, per therm	\$0.00395
Over 1,000 therms, per therm	\$0.00415

Summer Rate: (April – October)

Next 97 therms, per therm	\$0.00304
Next 400 therms, per therm	\$0.00303
Next 500 therms, per therm	\$0.00304
Over 1,000 therms, per therm	\$0.00304

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1,000 therms or less (All months) \$72.99

Winter Rate: (November – March)

Next 29,000 therms, per therm	\$0.00055
Next 70,000 therms, per therm	\$0.00045
Next 900,000 therms, per therm	\$0.00017
Over 1,000,000 therms, per therm	\$0.00006

Summer Rate: (April – October)

Next 29,000 therms, per therm	\$0.00040
Next 70,000 therms, per therm	\$0.00032
Next 900,000 therms, per therm	\$0.00012
Over 1,000,000 therms, per therm	\$0.00007

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

All usage levels:

First 1,000 therms or less (All months) \$72.99

Winter Rate: (November – March)

Over 1,000 therms, per therm \$0.00007

Summer Rate: (April – October)

Over 1,000 therms, per therm \$0.00007

Demand Charge per therm of MDQ > 47 therms (All months): \$0.0100

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

SERVICE CLASSIFICATION NO. 7

FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW
(Cont'd)

The Company's charges are:

(1) **Gas Delivery Charges:** The Delivery Charge that appears on the customer's bill is the sum of the per therm rate plus the Make-Whole Rate.

i. **Rate Year 3 Make-Whole Rate Effective: 05/01/2025**

A. Small DG Customer – DG < 5MW

Annual use < 35,000 therms:

First 3 therms or less (All months) \$0.00

Winter Rate: (November – March)

Next 97 therms, per therm	\$0.00000
Next 400 therms, per therm	\$0.00000
Next 500 therms, per therm	\$0.00000
Over 1,000 therms, per therm	\$0.00000

Summer Rate: (April – October)

Next 97 therms, per therm	\$0.00000
Next 400 therms, per therm	\$0.00000
Next 500 therms, per therm	\$0.00000
Over 1,000 therms, per therm	\$0.00000

B. Small DG Customer – DG < 5MW

Annual use > or = 35,000 therms:

Basic Service Charge:

First 1,000 therms or less (All months) \$0.00

Winter Rate: (November – March)

Next 29,000 therms, per therm	\$0.00000
Next 70,000 therms, per therm	\$0.00000
Next 900,000 therms, per therm	\$0.00000
Over 1,000,000 therms, per therm	\$0.00000

Summer Rate: (April – October)

Next 29,000 therms, per therm	\$0.00000
Next 70,000 therms, per therm	\$0.00000
Next 900,000 therms, per therm	\$0.00000
Over 1,000,000 therms, per therm	\$0.00000

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

All usage levels:

First 1,000 therms or less (All months) \$0.00

Winter Rate: (November – March)

Over 1,000 therms, per therm \$0.00000

Summer Rate: (April – October)

Over 1,000 therms, per therm \$0.00000

Demand Charge per therm of MDQ > 47 therms (All months): \$0.00

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

SERVICE CLASSIFICATION NO. 7
FIRM GAS TRANSPORTATION SERVICE FOR DISTRIBUTED GENERATION FACILITIES < 50 MW
(Cont'd)

3. Minimum Charge:

The minimum monthly charge is the charge for the first 3 therms or less or the first 1,000 therms or less as noted under the Gas Delivery Charges, plus the Bill Issuance Charge, if applicable. Additionally, for a Large DG Customer, the minimum charge shall also include the Demand Charge per therm of Maximum Daily Quantity (MDQ) excluding the therms included in the Basic Service Charge. The MDQ is the customer's highest estimated daily usage. The Minimum Charge shall appear on the Customer's bill whether or not any gas was used during the billing period.

4. Transportation Rate Adjustment:

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

- i) The Interdepartmental Sales Credit; and
- ii) The Transition Cost Surcharge; and
- iii) The Research and Development Surcharge.
- iv) Gas Reliability Surcharge (S.C. No. 7A only)
- v) Heater Charge

5. Transportation Rate Adjustment Statement

Not less than three days prior to the first day of each billing period, the Distribution Provider shall file with the Public Service Commission a Statement showing the Service Classification No. 7 charges listed in items i) through iv) of Section 3, above. The Statement shall also list the charges per therm for the various balancing options and storage costs. Such charges may be combined for billing purposes.

6. Term:

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

7. Additional Provisions:

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing facilities are inadequate to deliver the additional supplies, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall pay for system reinforcements pursuant to Rochester Gas and Electric's existing rules set forth in General Information Rule 3.
- B. DG customers with annual usage greater than or equal to 35,000 therms, are required to pay for daily metering equipment.
- C. DG rates shall apply only to DG usage. Non-DG gas use shall be measured and billed separately from this service classification.
- 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 10. of this Schedule.
- E. Daily imbalances, underruns and overruns under this service classification will be calculated and reconciled as set forth in General Information 10 of this Schedule.
- F. Where multiple units are installed at one location, the total size of all units metered through one meter shall govern the rates that will apply.
- G. Rates established herein are ceilings which are fixed for at least three years.