Received: 08/14/2003 Status: CANCELLED Effective Date: 11/01/2003

PSC No: 20 - Electricity

Rochester Gas and Electric Corporation

Revision: 2

Initial Effective Date: November 1, 2003 Superseding Revision: 1

SCHEDULE A

SERVICE-POINT DISTRIBUTION SERVICE

AVAILABLE:

In all of the Control Area served by the Distribution Provider.

APPLICABLE TO USE OF SERVICE FOR:

Any Distribution Customer supplying service to Retail Customers within the Distribution Provider's Control Area. To receive service under Schedule A, the Distribution Customer must abide by all Distribution Provider Tariff provisions, the Distribution Operating Agreement, the provisions of the NYISO Transmission Tariffs, and all other applicable laws, rules and provisions.

CHARACTER OF SERVICE:

Distribution service of continuous, alternating 60-cycle current, from a distribution point of receipt to a distribution point of delivery. The Distribution Service shall be provided in a voltage and phase available and appropriate for the Distribution Customer's Retail Customers' requirements, at the Distribution Provider's option.

MONTHLY RATE FOR DISTRIBUTION SERVICE:

The Distribution Customer will be billed the applicable charges associated with each of its Retail Customers' service point(s). Each service point is assigned a Service Classification based on the characteristics of service at each service point, defined in Special Provisions, below.

The service point base distribution rates charged to Distribution Customers under this Tariff shall be equal to the bundled retail service rate as set forth in Appendix A (which includes the retailing backout credit of \$0.004 per kWh) minus the Market Based Backout Credit (MBBC), adjusted for the Supplier Reimbursement.

The MBBC fluctuates with the market price of electricity, and consists of two components:

1. Energy Component: For each day of the Distribution Customer's billing cycle, hourly market prices will be derived from the day ahead NYISO posted Locational Based Marginal Prices (LBMP) of electricity for NYISO Zone B, weighted to reflect hourly usage based on load profiles for the calendar month and day-type (Weekday, Saturday, or Sunday) for the Distribution Customer's service classification, or in the case of Service Classification No. 8, for the Distribution Customers' voltage class, to develop a weighted average value of market supply, which will then be adjusted to reflect losses. If the Distribution Customer's service classification has time-differentiated metered periods, a separate weighted average value of market supply will be developed for each metered period.

The weighted average value of market supply, for the Distribution Customer's specific billing period, is multiplied by the Distribution Customer's metered kWh usage to determine the value of market supply for each metered period to be credited to the Distribution Customer's bill.

(Continued on next leaf)

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