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Issued under the authority of the PSC in Case 02-E-0198, order effective June 30, 2003

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 set by deducting from the rates that would apply to bundled retail service the base energy and capacity backout rate as described below, and the retailing backout rate of \$0.004 per kWh. The rates set forth in Appendix A show the rates that would apply to bundled retail service less the retailing backout rate of \$0.004 per kWh. The base energy and capacity backout rate for each month will be published on the Energy and Capacity Base Backout Rate Statement in P.S.C. No. 20.

Prior to the start of each calendar month, the base energy and capacity backout rate will be calculated for the upcoming. On or about six days prior to the end of the calendar month, a peak hours energy price and an off-peak hours energy price for the upcoming month will be obtained from an industry source(s). The price will be the latest bid price available at the time the prices are obtained for New York ISO Zone A. The base energy and capacity backout rate for the upcoming month will be calculated by multiplying the RG&E system load in each hour of the corresponding month of the previous year, by the peak hours price (for peak hours) or the off-peak hours price (for off-peak hours), summing the resulting products, and dividing that sum by the total energy usage for the month. The Base Energy and Capacity Backout Rate Statement will be issued 3 days prior to the start of the upcoming month to be effective on the first day of the upcoming month.

A Distribution Customer who is not taking Full Requirements Service as described below, will receive, on a calendar month basis, a market-based backout credit (MBBC) to reflect the difference between the amount credited through the base energy and capacity backout rate defined above, and the amount that would have been credited had the energy and capacity backout rate been calculated using the market prices of energy, installed capacity, ancillary services and the NYPA Transmission Adjustment Charge (NTAC). A Distribution Customer who is taking Full Requirements Service will not receive the MBBC.

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