Received: 04/24/2003 Status: CANCELLED Effective Date: 06/01/2003

PSC No: 20 - Electricity

Rochester Gas and Electric Corporation

Initial Effective Date: June 1, 2003

Leaf No. 7

Revision: 0

Superseding Revision:

GENERAL INFORMATION

PART I

PREAMBLE (Cont'd)

The Distribution Tariff implements the "single-retailer" model for retail competition. Under this Distribution Tariff, the Distribution Provider's only customer is the retail energy service company - the Distribution Customer - whose customers, if any other than itself, in turn are retail customers. Subject to specific matters for which the Distribution Provider retains responsibility (including meter service and meter-reading, emergency response and service restoration work, communications regarding discontinuances of service, and arrangements of some scheduled outages), virtually all retailing functions and transactions with retail customers will be the responsibility of the Distribution Customer, with which the Distribution Provider will not be involved. A retail customer having multiple service points, as hereinafter defined, may purchase service from as many Distribution Customers as it has service points; each retail customer service point may be served by one, but no more than one, Distribution Customer.

The Distribution Customers are responsible for obtaining transmission service through the New York Independent System Operator (NYISO) in accordance with the NYISO's Open Access Transmission Tariff ("OATT") and Market Administration and Control Area Services Tariff ("Market Services Tariff"), under the jurisdiction of the Federal Energy Regulatory Commission ("FERC"), until it shall be superseded by another FERC-approved tariff.

The Distribution Provider shall not be responsible or in any manner involved in any relationship or transaction between a Distribution Customer and any third-party source of generation or supplier of goods or services to the Distribution Customer. In particular, but without limiting the generality of the foregoing, the Distribution Provider shall not be involved in the billing or remittance of payment for energy or capacity sold or goods or services provided by any third party to a Distribution Customer.

Distribution service rendered by the Distribution Provider to a Distribution Customer under this Distribution Tariff shall be further subject to the practices and procedures set forth in the Distribution Operating Agreement, to be executed by the Distribution Provider and the Distribution Customer. It is further expressly understood, and a condition of service under this Distribution Tariff, that such distribution service shall not be subject in any respect to Article 2 of the Public Service Law; nor shall any of the provisions contained in the regulations of the Public Service Commission set forth at 16 NYCRR Parts 11, 12 and 13 apply to such distribution service.

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