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Rochester Gas and Electric Corporation
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GENERAL INFORMATION

PART II - RULES AND REGULATIONS

2. HOW TO OBTAIN SERVICE (Cont'd)

A. QUALIFICATION AND APPLICATION (Cont'd)

(7) Alternative Security Mechanism (Lockbox) (Cont'd)

- (e) That the Distribution Customer shall expressly assume responsibility for payment to the depository bank of all fees and charges for the maintenance and administration of the Lockbox Account, for any charges for returned checks deposited into the Lockbox Account, and for any similar penalties or charges;
- (f) That the Distribution Provider shall not be responsible for the collection of any of the Distribution Customer's accounts receivable from Retail Customers located within the Distribution Provider's franchise area, but that the Distribution Provider may, at its option, pursue such collection;
- (g) That the rights of the Distribution Provider under the Lockbox Agreement are in addition to, and not in limitation or in lieu of, any other rights of the Distribution Provider against the Distribution Customer, as a creditor of the Distribution Customer or otherwise; and
- (h) That the Distribution Customer shall make payment to the Distribution Provider for services rendered by the Distribution Provider according to the provisions of Rule 5.D (1) hereof.

The Lockbox Agreement shall further incorporate such additional provisions as are appropriate to ensure the effective functioning of the Alternative Security Mechanism.

(Continued on next leaf)

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