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GENERAL INFORMATION

5. DISCONTINUANCE OF SERVICE (Cont'd)

N. <u>DISCONTINUANCE OF SERVICE IN REGARD TO THE PURCHASE OF ESCO ACCOUNTS RECEIVABLE PROGRAM (POR)</u>

Non-Residential Customers

RG&E is authorized to disconnect its delivery service and the ESCO's commodity service, in accordance with 16 NYCRR Part 13, to non-residential customers where (i) the customer fails to make full payment of all amounts due on the consolidated billing; (ii) the Company has purchased the ESCO receivable; and (iii) the ESCO furnishes the Company an affidavit from an officer of the ESCO representing to RG&E that the ESCO has notified its current non-residential customers and will notify its future non-residential customers that RG&E is permitted to disconnect the customer for non-payment of the ESCO charges. The ESCO will indemnify RG&E for any cost, expense, or penalty if the customer's service is discontinued for non-payment and the customer establishes that it did not receive such notification. ESCOs participating in the POR waive the right to seek termination for non-payment of ESCO commodity service and/or to request suspension of RG&E's distribution service.

Residential Customers

RG&E, in accordance with applicable provisions of law, may disconnect its delivery service and the ESCO's commodity service (collectively, "utility service") to residential customers who fail to make full payment of all amounts due on the consolidated billing, including the amount of the purchased ESCO receivables. Residential customer disconnected from utility service under the POR shall be reconnected to service upon the payment of the arrears that were the subject of the disconnection, which may include both delivery and supply charges, or a lesser amount as specified in Public Service Law Section 32(5)(d). ESCOs participating in the POR waive the right to seek termination of ESCO commodity service and/or to request suspension of RG&E's distribution service.

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