

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: December 1, 2003

Leaf No. 86
Revision: 0
Superseding Revision:

GENERAL INFORMATION

16. Customer Advantage Program - General Retail Access: (Cont'd.)

E. ESCO or DC Participation: (Cont'd.)

7. Creditworthiness Standards: (Cont'd.)

(d) Security Instruments (Cont'd.)

If the ESCO/DC credit standing ceases to meet NYSEG's credit requirements or if its financial exposure changes due to increased usage during the period of service, then NYSEG has the right to require security or prepayment as specified herein. NYSEG, however, may not request additional security unless the credit exposure exceeds the current security level by at least 10%, or a reasonable NYSEG specified threshold. If the security is not tendered within five (5) calendar days after such request, then NYSEG may initiate a process to discontinue retail access service to the ESCO/DC. Deposits received in cash will accumulate interest at the applicable "Other Customer Capital Rate" per annum, as approved by the Commission. If the ESCO/DC subsequently satisfies the creditworthiness standards without the need for some or all of the security requirement, NYSEG shall return the appropriate portion of the ESCO's/DC's advance deposit with accumulated interest. Similarly, if NYSEG's credit risk is determined to decrease by at least 10% below the current security level or a reasonable NYSEG specified threshold, relative to the amount of cash security on deposit, the excess shall be refunded to the ESCO/DC with accumulated interest within five (5) calendar days of such determination.

(e) Eligible Retail Customers Procuring Their Own Energy (DCs)

The aforementioned creditworthiness standards shall be waived for a DC procuring its own Electric Power Supply, provided that such DC's accounts are current and have been maintained current for 12 months, and provided that the DC's long-term unsecured debt securities are, and remain, rated a minimum of BBB, Baa2 or BBB by S&P, Moody's, or Fitch, respectively. If the DC's debt is not rated, its account with NYSEG must be current, and it must not have a poor payment history with NYSEG for the past 24 months.

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