

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

Leaf No. 85
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.)

- i. An advance deposit or prepayment;
- ii. A standby irrevocable letter of credit issued by a bank, or other financial institution with at least an "A" bond rating;
- iii. Security interest in collateral found to be satisfactory to NYSEG;
- iv. A guarantee, acceptable to NYSEG, by another party or entity with a satisfactory credit rating of at least "BBB" by S&P, "Baa2" by Moody's or "BBB" by Fitch;
- v. Upon a mutual agreement between NYSEG and the ESCO, a Lockbox Mechanism as described in Section 16.E.7.(f) below (not applicable to Direct Customers).
- vi. A surety bond from an insurance company with a long-term financial strength of at least an "A" rating; or,
- vii. Other mutually acceptable means of providing or establishing adequate security.

If the rating of a bank or financial institution or an insurance company from whom an ESCO/DC has obtained a letter of credit or surety bond falls below an "A" rating, the ESCO/DC must provide notice to NYSEG of the same, and shall have five (5) calendar days to obtain a substitute letter of credit or surety bond from a bank or financial institution or an insurance company with at least an "A" rating.

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