

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
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GENERAL INFORMATION

11. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)

The ESCO's/DC's participation in RG&E's General Retail Access program is contingent upon the ESCO/DC satisfying a credit appraisal based on independent bond/credit ratings and supplying any security that may be found necessary to meet RG&E's credit requirements. Credit appraisals and security requirements will be reviewed by RG&E annually, at a minimum.

(b) Creditworthiness Determinants for ESCOs:

An ESCO can satisfy RG&E's credit requirements by the following:

- i. Maintaining by itself, or having its guarantor maintain at least a minimum Corporate Credit Rating of "BBB" from Standard & Poor's ("S&P"), "Baa2" Bond Rating from Moody's, as published by Financial Information Services ("Moody's"), or "BBB" Long Term Rating, as published by Fitch IBCA, Inc. ("Fitch") (collectively, the "Minimum Rating") or
- ii. If no credit rating is available as in (i) above, having a minimum "1A2" rating from Dun & Bradstreet coupled with 24 months continuous good payment history with RG&E, subject to the credit limits specified below, or
- iii. posting security in an acceptable form as listed in Section 11.D.7(d) below for the maximum amount calculated in accordance with Section 11.D.7(c) below.
- iv. RG&E has the option to require an ESCO having the Minimum Rating to post security:
 - (a) For the amount by which RG&E's Credit Exposure (see Section 11.D.7(c) below) for any ESCO exceeds 5% of RG&E's applicable electric revenues for the applicable time period (e.g., 30 days of electric revenues); or
 - (b) For the full amount of the Credit Exposure if: (1) the ESCO or its guarantor is at or below the Minimum Rating and is placed on credit watch with negative implications by any of the three designated rating agencies, or RG&E receives information that indicates that the ESCO's or its guarantor's credit rating could be downgraded below the Minimum Rating (which security requirement will be lifted if the ESCO's or its guarantor's credit rating is not downgraded during the ensuing 60 days), or (2) the ESCO fails to render timely payments to RG&E and that ESCO's credit rating is less than "BBB" by S&P.
- v. For ESCOs that satisfy RG&E's credit requirement with a minimum "1A2" D&B rating and 24 months continuous good payment history as listed in (ii) above, the following credit limits apply. For ESCOs/DCs with a rating less than "BBB" or "Baa2", RG&E will seek financial information from those ESCOs/DCs for the sole purpose of verifying financial information reported by D&B.

Rating	Unsecured Credit
4A1 or 4A2 or 3A1 or 3A2	Thirty percent (30%) of an ESCO's equity, up to five percent (5%) of the Company's applicable revenues for the applicable time period.
2A1 or 2A2	Fifty percent (50%) of an ESCO's equity, up to \$500,000.
1A1 or 1A2	Fifty percent (50%) of an ESCO's equity, up to \$375,000

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