

PSC No: 16 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: March 1, 2004
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GENERAL INFORMATION

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

6. Eligibility of ESCO's Customers

If an ESCO fails to disclose the true identity of its customers, or if it is demonstrated to the Commission that the ESCO failed to comply with the reasonable proof requirement for customer eligibility, RG&E may suspend the ESCO from participation in General Retail Access, as appropriate. Lack of records on the part of the ESCO may be sufficient proof of failure.

7. Creditworthiness Standards

(a) Applicability:

(1) Applicable to each ESCO selling natural gas to Customers and Customers procuring their own gas supplies (Direct Customers).

(a) No security is required from the ESCO to the extent the Company bills Customers on behalf of the ESCO. In such instances, the Company will have the right to retain funds collected from the Customer to off-set charges due the Company from the ESCO.

(b) An ESCO's/Direct Customer's participation in RG&E's General Retail Access program is contingent upon the ESCO/Direct Customer satisfying a credit appraisal based on independent bond/credit ratings and supplying any security that may be found necessary to meet the Company's credit requirements.

(c) Credit appraisals and security requirements will be reviewed by the Company annually, at a minimum.

(b) Creditworthiness Determinants:

(1) An ESCO can satisfy the Company's credit requirement by:

(a) it or its guarantor having a minimum rating of "BBB" from Standard & Poor's Corporate Credit Rating (S&P's), "Baa2" from Moody's Bond Ratings, as published by Financial Information Services (Moody's), or "BBB" from Long Term Ratings, as published by Fitch IBCA, Inc. (Fitch) (Minimum Rating); or

(b) posting security in acceptable form as defined below in Rule 10.D.7.D.

(2) The Company has the option to require an ESCO having the Minimum Rating to post security:

(a) for the amount by which the Company's credit exposure for any ESCO exceeds 5% of the Company's applicable revenues for the applicable time period; or

(b) for the full amount of the credit exposure if the ESCO or its guarantor is at the Minimum Rating and is placed on credit watch with negative implications by any of the three designated rating agencies or the Company receives information that indicates that the ESCO's or its guarantor's credit rating could be downgraded below the Minimum Rating. If the ESCO's or its guarantor's credit rating is not downgraded in the ensuing sixty (60) days the security requirement will be lifted, or

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