

PSC No: 17 - Gas
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003

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Revision: 0
Superseding Revision:

GENERAL INFORMATION

PART II - RULES AND REGULATIONS

2. HOW TO OBTAIN SERVICE (Cont'd)

A. QUALIFICATION AND APPLICATION (Cont'd)

(7) **Calling on Security**

The Distribution Provider may call upon the security posted by a Distribution Customer or Direct Customer after providing five (5) calendar days' notice to the Distribution Customer or Direct Customer whenever the Distribution Customer or Direct Customer fails to pay the Distribution Provider on a timely basis, unless the Distribution Customer or Direct Customer makes a payment in full within the five (5) calendar day notice period.

The Distribution Provider may call upon the security posted by a Distribution Customer or Direct Customer without prior notice if the Distribution Customer or Direct Customer files a petition in bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Distribution Customer or Direct Customer) or if for any reason a Distribution Customer ceases to provide service to its Retail Customers under the Distribution Provider's retail access program.

(8) **Annual Review**

Qualified Distribution Customers or Direct Customers will be subject to an annual creditworthiness review by the Distribution Provider to ensure that the Distribution Provider's financial exposure to a given Distribution Customer or Direct Customer is assessed on a regular basis and remains an acceptable risk to the Distribution Provider. This review process may result in a change in the level of security required for qualification.

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