

PSC No: 16 - Gas
 Rochester Gas and Electric Corporation
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GENERAL INFORMATION**10. GENERAL RETAIL ACCESS - MULTI-RETAILER MODEL (Cont'd)**

(c) for an ESCO that has failed to render timely payments to the Company and its credit rating is less than "BBB" by S&P.

(3) An ESCO having a minimum "1A2" rating from Dun & Bradstreet coupled with twenty-four (24) months good payment history will satisfy the Company's credit requirement, but unsecured credit will be limited as indicated below:

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

The Company may seek financial information from an ESCO for the sole purpose of verifying financial information reported by Dunn & Bradstreet. The Company will have the option to require an ESCO to post security to cover the ESCO's credit exposure in excess of the above limits.

(4) The Company may, at its discretion, reduce or eliminate any security requirements as long as the reduction or elimination is applied equitably to all ESCOs existing and new.

(5) The Company will complete its evaluation within ten (10) calendar days after receiving the application. The Company must provide the rationale for its determination and the calculation supporting the credit limit and resulting security requirement. The Company will perform its credit evaluation and associated security calculation in a non-discriminatory manner.

(c) Credit Exposure/Security Calculation:

(1) If the ESCO meets the credit requirements in Rule 10.D.7.B.(1) or 7.B.(2), or a Direct Customer receives a waiver as set forth in Rule 10.D.7.E.(1) below, no security will be required. If the ESCO does not meet the credit requirements in Rule 10.D.7.B.(1) or 7.B.(2), or the requirements in Rule 10.D.7.E.(1) cannot be met for Direct Customers, security in an amount equal to credit exposure may be sought and provided as set forth below.

(2) The maximum security associated with natural gas balancing risk will be determined for each season. For purposes of this Section, Summer is defined as April 1 - October 31 and Winter is defined as November 1 - March 31.

(3) The maximum security that may be requested is determined by:

(a) the maximum daily transportation quantity (MDTQ) of an ESCO's customers' projected aggregate consumption (or the Direct Customer's projected consumption), based on the appropriate season of the past year; multiplied by

(b) the highest month's average daily closing NYMEX price, at the Henry Hub, plus upstream capacity charges to the city gate, for the appropriate season of the past year; multiplied by

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