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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 2  
INITIAL EFFECTIVE DATE: 06/15/02 SUPERSEDING REVISION: 1  
STAMPS: Issued in compliance with Order in Case 00-M-0504 dated 05/09/02  
RECEIVED: 06/14/02 STATUS: Effective EFFECTIVE: 06/15/02

**SERVICE CLASSIFICATION NO. 11 (Cont'd.)**

**SPECIAL PROVISIONS: (Cont'd.)**

(I) Transportation Service Billing Options

A Marketer may choose to offer one or more of the following billing arrangements to its transportation service customers: Utility Single Bill, Marketer Single Bill or Two Separate Bills. The Marketer must comply with the requirements of General Information Section No. 6.5(2) regarding these arrangements.

(J) ESCO Deposit and Prepayment Requirements

1. Energy Services Companies (ESCOs) shall provide evidence to the Company of credit-worthiness, in accordance with the creditworthiness requirement of this Service Classification as required by order of the Public Service Commission in Case 00-M-0504, issued and effective May 9, 2002, before requesting or accepting deposits and/or prepayments from their residential and small commercial customers. This evidence shall be in the form of:

- a) A minimum bond rating of "BBB" from S&P, "Baa 2" from Moody's, or "BBB" from Fitch, for either the ESCO or its parent, if the parent agrees to act as guarantor for the ESCO, or
- b) Letter of Credit or Escrow account with an "A" rated financial institution.

The evidence relating to prepayments shall be in the form of a minimum bond rating of "BBB" from S&P, "Baa 2" from Moody's, or "BBB" from Fitch, for either the ESCO or its parent, if the parent agrees to act as guarantor for the ESCO.

This evidence shall be submitted annually to the Company August 1.

2. Deposits will not be transferred from the Company to an ESCO.
3. An ESCO will maintain records of deposits and prepayments made by customers to the ESCO in a manner to be readily available for inspection upon request by the Department of Public Service Staff. An ESCO shall file a report with the Commission regarding such customer deposits and prepayments in the manner and form required by the Commission.
4. ESCOs will provide notice of these requirements to a new customer before the customer makes a deposit or prepayment.
5. The Company shall not be liable to customers for an ESCO's failure to refund or return prepayments and/or deposits.

Issued By: Stephen B. Bram, President, Pearl River, New York  
(Name of Officer, Title, Address)