

..DID: 10869
..TXT: PSC NO: 15 ELECTRICITY LEAF: 150
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 02/01/00 SUPERSEDING REVISION:
STAMPS:
RECEIVED: 12/01/99 STATUS: Effective EFFECTIVE: 02/01/00

35. RETAIL ACCESS PROGRAM (Cont'd)

O. CREDITWORTHINESS (Cont'd)

(d) Security Instruments (Cont'd)

If the Retail Supplier/Direct Customer's credit standing ceases to meet Central Hudson's credit requirements or if its financial exposure changes due to increased usage during the period of service, then Central Hudson has the right to require security or prepayment as specified herein. Central Hudson, however, may not request additional security unless the credit exposure increases by at least 10%, or a reasonable Company specified threshold. If the security is not tendered within five (5) calendar days after such request, then Central Hudson may initiate a process to terminate retail access participation by the Retail Supplier/Direct Customer. Deposits received in cash will accumulate interest at the applicable rate per annum approved by the New York State Public Service Commission for Other Customer Capital. If the Retail Supplier/Direct Customer subsequently satisfies the credit appraisal without the need for some or all of the security requirement, Central Hudson will return the appropriate portion of the Retail Supplier/Direct Customer's advance deposit with accumulated interest. Similarly, if Central Hudson's credit risk is determined to decrease by at least 10%, or a reasonable utility specified threshold, relative to the amount of security on deposit, the excess will be refunded with accumulated interest within five (5) calendar days of such determination.

(e) Retail customers procuring their own energy (Direct Customers)

The aforementioned creditworthiness standards will be waived for a customer procuring its own energy, provided that such customer's accounts are current and have been maintained current for 12 months, and provided that the customer's long-term unsecured debt securities are, and remain, rated a minimum of BBB, Baa2 or BBB by S&P's Moody's or Fitch, respectively. If the customer's debt is not rated, its account with Central Hudson must be current, and it must not have a poor payment history with Central Hudson for the past 24 months.

Issued by: Arthur R. Upright, Senior Vice President, Poughkeepsie, New York