

..DID: 10867
..TXT: PSC NO: 15 ELECTRICITY LEAF: 149
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

Upon notification by Central Hudson that a Retail Supplier/Direct Customer has failed to satisfy the credit requirements or, subsequently, while providing service to retail customers, no longer satisfies the credit requirements, such Retail Supplier/Direct Customer may still obtain or retain credit approval from Central Hudson if it pays any outstanding balance due Central Hudson for services rendered and elects to provide one of the following, as mutually agreed by the parties:

1. an advance cash deposit or prepayment;
2. a standby irrevocable letter of credit issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
3. security interest in collateral found to be satisfactory to Central Hudson;
4. a guarantee, acceptable to Central Hudson, by another party or entity with a satisfactory credit rating of at least "BBB" by S&P's, "Baa2" by Moody's or "BBB" by Fitch;
5. a Lockbox mechanism as described in Section F below (not applicable for Direct Customers);
6. a surety bond from a bank, insurance company or other financial institution with at least an "A" bond rating; or,
7. other mutually acceptable means of providing or establishing adequate security (e.g., escrow accounts, loss pooling, etc.).

If the rating of a bank or insurance company or other financial institution from whom a Retail Supplier/Direct Customer has obtained a letter of credit or surety bond falls below an "A" rating, the Retail Supplier/Direct Customer will have five (5) calendar days to obtain a substitute letter of credit or surety bond from an "A" rated bank or insurance company or other financial institution.

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