

..DID: 8799  
..TXT: PSC NO: 4 GAS LEAF: 182.4  
COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 0  
INITIAL EFFECTIVE DATE: 06/01/99 SUPERSEDING REVISION:  
STAMPS: Issued in compliance with Order in Case 98-M-1343 dated 02/16/99  
Cancelled by 1 Rev. Leaf No. 182.4 Effective 08/01/2001  
RECEIVED: 05/26/99 STATUS: Cancelled EFFECTIVE: 06/01/99

**SERVICE CLASSIFICATION NO. 12** (Cont'd.)

**CREDITWORTHINESS:** (Cont'd.)

Credit Limit and Security Determination (Cont'd.)

The creditworthiness standards identified herein shall be waived for a Direct Customer provided that such customer's accounts with the Company have been, and remain, current for 12 months and provided that, if applicable, the customer's unsecured debt securities are rated, and remain, rated a minimum of BBB, Baa2 or BBB by Standard & Poor's, Moody's or Fitch, respectively. If the customer's debt is not rated, its account with the Company must be current, and it must not have a poor payment history with the Company for the most recent 24 months.

The Company will determine the amount of financial security requirement and inform the Seller promptly. The Seller shall pay the Company any outstanding balance due for services rendered and submit the required financial security within 5 business days upon notification by the Company. Sellers who do not provide adequate financial security by the due date shall be prohibited from serving retail customers subject to the Dispute Resolution procedures.

Acceptable Forms of Financial Security

Financial security required from Sellers shall consist of one of the following, as mutually agreed by the parties:

- 1) an advance 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 the Company;
- 4) a guarantee, acceptable to the Company, 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 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.

If the rating of a bank or insurance company or other financial institution from whom a Seller has obtained a letter of credit or surety bond falls below an "A" rating, the Seller shall have 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: **R. Lee Haney, Chief Financial Officer, Pearl River, New York**

(Name of Officer, Title, Address)