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COMPANY: ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 1
INITIAL EFFECTIVE DATE: 08/24/98 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Order in Case 98-G-1096 dated 08/19/98
Cancelled by 2 Rev. Leaf No. 178 Effective 06/01/1999
RECEIVED: 08/21/98 STATUS: Cancelled EFFECTIVE: 08/24/98

SERVICE CLASSIFICATION NO. 12 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

- (B) The Company's acceptance of an Application for Service under this Service Classification is contingent upon Seller satisfying a credit appraisal by the Company. The Company shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Seller's overall financial condition. The Company shall perform such evaluations no less frequently than once every twelve months. The following credit data shall be submitted with Seller's request for service. Credit evaluation shall be completed within two weeks after all information has been received by the Company.

CREDIT DATA:

To become a Qualified Seller on the Company's system, a prospective Seller shall submit with its completed Application for Service Form, the following credit evaluation data:

- (1) a copy of the Seller's most recent fiscal year's annual report to shareholders and, if applicable, its annual report on Form 10-K as filed with the Securities and Exchange Commission or, if not included in the annual report to shareholders or annual report on Form 10-K, the Seller's most recent balance sheets, statements of income and retained earnings, and statements of cash flows, together with the corresponding figures for the preceding fiscal year, all in reasonable detail, certified and accompanied by a report from the Seller's independent public accountants, and a detailed business description that includes the Seller's corporate form, length of time it has been in business, the nature of its business and number of employees;
- (2) a copy of Seller's most recent fiscal quarterly report on Form 10-Q as filed with the Securities and Exchange Commission, or if not applicable, its balance sheets as of the end of such quarterly period and statements of income and retained earnings, and statements of cash flows for such quarterly period, and for the year-to-date, setting forth in each case in comparative form the corresponding figures for the corresponding period of the previous year, all in reasonable detail and certified by a financial officer of the Seller;
- (3) a list of Seller's affiliates, including any parent and subsidiary companies;
- (4) the names, addresses and telephone numbers of three trade references with whom the Company may make reasonable inquiry into Seller's creditworthiness, and copies of any available reports regarding the Seller from credit reporting and bond rating agencies;
- (5) names, addresses, and telephone numbers of bank references;
- (6) disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgements or pending claims or lawsuits that could affect the solvency of the Seller; and

Issued By: **R. Lee Haney, Chief Financial Officer, Pearl River, New York**

(Name of Officer, Title, Address)