

PIKE COUNTY LIGHT & POWER COMPANY

EGS OPERATING AGREEMENT

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EGS OPERATING AGREEMENT

This **AGREEMENT** (“Agreement”), is made and entered into this ____ day of _____ 20__, by and between Pike County Light & Power Company, a Pennsylvania corporation having its principal office at One Blue Hill Plaza, Pearl River, New York 10965 (“PIKE” or the “Company”), and _____, a _____ company, having an office at _____ (“EGS”), both PIKE and the EGS hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”.

WITNESSETH:

WHEREAS, PIKE has implemented a retail access program for electric service, as described in its Schedule for Electric Service P.U.C. No. 8, General Information, Section 23 and Electric Generation Supplier Coordination Tariff, Electric PA. P.U.C. NO. 8-S (together “Tariff”) and has adopted the Orange and Rockland Utilities, Inc. Retail Access Implementation Plan and Operating Procedure (Effective: February 18, 2004) (“Operating Procedure”) under which PIKE’s retail customers may purchase electricity from an Electric Generation Supplier (“Electric Generation Supplier”); and

WHEREAS, by (i) Order issued April 20, 2006, in Petition of Direct Energy Services, LLC for Emergency Order Approving a Retail Aggregation Bidding Program for Customers of Pike County Light & Power Company, Docket No. P-00062205; (ii) Order issued March 23, 2009, in Petition of Pike County Light & Power Company for Expedited Approval of Its Default Service Implementation Plan, Docket No. P-2008-2044561; and (iii) Order issued February 25, 2011, approving the Joint Petition for Approval of Settlement Agreement I/M/O Petition of Pike County Light & Power Company for Approval of Its Default Service Implementation Plan, Docket No. P-2010-2194652 (collectively the “PIKE Orders”), the Pennsylvania Public Utility Commission (“PAPUC”) approved for PIKE to implement its retail choice program in Pennsylvania utilizing protocols implemented by PIKE’s parent company, Orange and Rockland Utilities, Inc., in New York and waiving

provisions of the Pennsylvania Code and the PAPUC's Electronic Data Interchange ("EDI") rules regarding the exchange of customer information established at Docket No. M-00960890F0015; and

WHEREAS, EGS has been approved by the Pennsylvania Public Utility Commission ("PAPUC") to act as an Electric Generation Supplier in PIKE's service territory and has met the requirements established by PIKE to be an Electric Generation Supplier authorized to sell electricity to PIKE's retail customers ("Customers"); and

WHEREAS, PIKE agrees to deliver such Customers' energy and capacity supplied by the EGS ("Electric Power Supply") through PIKE's transmission and distribution system, subject to the terms and conditions of this Agreement; and those of Orange and Rockland Utilities, Inc.'s open access transmission tariff ("OATT"), which has been approved by the Federal Energy Regulatory Commission ("FERC"); and

NOW THEREFORE, in consideration of the premises and mutual promises set forth below, PIKE and EGS, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE I

1.1 Incorporation By Reference

The rights and obligations of the Parties under this Agreement shall be governed by the provisions of PIKE's Tariff and Operating Procedure, as the same may be amended, modified, or superseded from time to time. In the event of any conflict, the terms of this Agreement shall govern with respect to the services provided hereunder.

1.2 Term

This Agreement shall commence on the date set forth above (“Effective Date”), and will remain in effect until terminated in accordance with its terms, the Operating Procedure, or an order of the FERC or the PAPUC.

ARTICLE II

2.1 EGS Obligations

A. EGS will be responsible for the supply of the hourly energy requirements, including losses external and internal to the PIKE service area, of its customers and scheduling energy and transmission service for such energy with the NYISO.

B. EGS will satisfy all other obligations detailed in Section 2.2 of the Operating Procedure.

2.2 Representations and Warranties

EGS makes the following representations and warranties to PIKE:

A. EGS is in compliance with all obligations detailed in Section 2.2 of the Operating Procedure.

B. The information in Appendix No. 1 (EGS Information Form) is correct as of the Effective Date, and EGS will promptly inform PIKE of any changes in such information.

C. EGS is in compliance with all applicable PAPUC requirements and will continue to be in compliance with such requirements and all subsequently adopted PAPUC regulatory requirements throughout the term of this Agreement.

D. No material changes in the data contained in EGS’s initial eligibility application filing with the PAPUC have occurred or will occur, except such changes as have been or will be reported to the PAPUC.

E. Throughout the term of this Agreement, EGS will continually adhere to its own policies and procedures as set forth in its disclosure statement filed with the PAPUC, as updated from time to time.

F. EGS will not, either directly or indirectly, engage in, participate in or encourage or assist others to engage or participate in the practice of transferring customers without authorization, commonly referred to as “slamming.”

G. EGS must provide PIKE with information necessary for the EGS’s Customer to engage in Retail Access in EDI standards as directed by the PAPUC in the PIKE Orders.

H. EGS will have in place, and must bear the costs of putting in place and successfully testing prior to the start of Customer enrollment, all required information technology systems that will enable it to send and receive data to and from PIKE to satisfy its obligations under this Agreement and all other relevant agreements.

2.3 PIKE Service

A. Under the Operating Procedure and Tariff, Customers served by an EGS designate EGS as their agent for scheduling Electric Power Supply on PIKE’s system.

B. PIKE will provide usage information for EGS to the New York Independent System Operator (“NYISO”) to enable the NYISO to reconcile energy and installed generating capacity.

C. PIKE will provide the following services to EGS upon request, at the rates set forth in the Tariff, or the Operating Procedure:

- Special Meter Readings;
- Additional Customer History; and
- Account Separation.

D. Upon request and pursuant to a separate Consolidated Billing and Assignment Agreement (“CBAA”), PIKE will provide consolidated billing for EGS.

2.4 Financial Security

Prior to the commencement of service to Customers, EGS will provide financial security in an amount determined in accordance with Section 5.2 of the Operating Procedure.

2.5 Resolution of Disputes

If a dispute arises between the Parties, the dispute resolution process set forth in the Tariff will be followed.

2.6 Discontinuance

PIKE may discontinue service to EGS under this Agreement for EGS's failure to meet the requirements of this Agreement, the Operating Procedure, or the Tariff. Discontinuance will be in accordance with the Tariff.

2.7 Retail Access Customer Record

EGS will obtain and retain authorization from each Customer to be served and the authorization available for audit by a third party for at least a six-year period commencing with the creation or receipt of such record or one year after termination of service, whichever is longer.

2.8 Billing and Payment

A. PIKE will bill EGS and EGS will pay fees and charges as provided herein. EGS also shall pay all charges billed in accordance with the Operating Procedure and Tariff including charges for miscellaneous services.

B. EGS will pay the full amount stated in any invoice from PIKE to EGS, without deduction, set-off or counterclaim, within 20 days from the date of electronic

transmittal or postmark of such invoice. Claims that any invoice is not correct will be made no more than 90 days after electronic transmittal or postmark.

C. Upon failure of EGS to make any payment when due under this Agreement, PIKE will assess a late payment charge at the rate stated in the Tariff on all overdue billed amounts, including arrears and unpaid late payment charges.

2.9 Notices

Except with respect to information exchanged by EDI, any notice to be provided pursuant to the terms of this Agreement will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (i) delivered by hand, (ii) deposited for next-business day delivery (fee prepaid) with a reputable overnight delivery service such as Federal Express, or (iii) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that Party (or at such other address as that Party may from time to time designate by giving notice thereof).

Notice to: Pike County Light & Power Company
c/o Orange and Rockland Utilities, Inc.
Manager – Retail Access
390 W. Route 59
Spring Valley, NY 10977
Telephone #: 845-577-3222
Fax #: 845-577-3602
E-Mail: sweeneys@oru.com

and to:

Attn: _____
Telephone #: _____
Fax #: _____
E-Mail: _____

2.10 Customer Accounts

PIKE will provide EGS with the applicable billing determinants of EGS's Customers and such other information as detailed in the Operating Procedure. Such information will be provided in accordance with the procedures set forth in the Operating Procedure and may not be used by EGS for unrelated purposes.

2.11 Taxes

Each party hereto will be liable to the appropriate tax authorities for sales, use, gross receipts or other similar or different taxes imposed upon the revenues derived or services rendered by such party.

ARTICLE III MISCELLANEOUS

3.1 Liability

PIKE will endeavor at all times to provide regular and uninterrupted transmission and distribution services, but in case such services shall be interrupted or irregular or defective or fail from causes beyond its control or through ordinary negligence of its employees, servants, or agents, PIKE shall not be liable therefore. In accordance with operating policies established by PIKE or the New York Independent System Operator, conditions on the electric transmission or distribution system could require remedial actions, including voltage reduction or load shedding, in the interests of preserving system safety and reliability. Such actions shall constitute a circumstance beyond the control of the Company for which the Company shall not be liable.

3.2 Amendments

Notwithstanding any provision of this Agreement, PIKE may at any time propose and file with the FERC and/or PAPUC changes to the rates, terms, and conditions of its OATT, Tariff, and/or the Operating Procedure. Such amendment or modification will become effective with respect to service pursuant to this Agreement on the date specified by the FERC or PAPUC.

3.3 Assignment

Neither Party shall assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. Any assignment in violation of this Section shall be void. However, either Party may assign its rights and obligations under this Agreement, without the non-assigning Party's consent, to any entity succeeding to all or substantially all of the assets of the assigning Party, if such assignee agrees to be bound by all of the terms and conditions hereof.

3.4 Prior Agreements Superseded

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof, supersedes any and all previous understandings between the parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

3.5 Waiver and Modification

No modification or waiver of all or any part of this Agreement will be valid unless in

writing and signed by the Parties or their agents. Any waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

3.6 Applicable Law and Forum

Interpretation and performance of this Agreement will be in accordance with, and will be controlled by, the laws of the Commonwealth of Pennsylvania except its conflict of laws provisions to the extent they would require the application of the laws of any other jurisdiction. Each Party irrevocably consents that any legal action or proceeding arising under or relating to this Agreement will be brought in a court of the Commonwealth of Pennsylvania or a federal court of the United States of America located in the Commonwealth of Pennsylvania, County of Pike. Each Party irrevocably waives any objection that it may now or in the future have to the Commonwealth of Pennsylvania, County of Pike as the proper and exclusive forum for any legal action or proceeding arising under or relating to this Agreement.

3.7 Severability

If one or more provisions herein are held to be invalid, illegal or unenforceable in any respect it will be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability will not affect the validity of the other provisions of this Agreement.

3.8 Agency

This Agreement is not intended, and will not be construed, to create any association, joint venture, agency relationship or partnership between PIKE and the EGS or any other parties or to impose any such obligation or liability upon PIKE.

3.9 Not for the Benefit of Third Parties

This Agreement is for the benefit of the Parties hereto and not for the benefit of any third parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, as of the date first above written.

PIKE COUNTY LIGHT & POWER COMPANY

By _____

Name _____

Title _____

Name of EGS _____

By _____

Name _____

Title _____

EGS INFORMATION

1. Name _____
DBA Name _____
Street Address _____
Town/City _____
State _____ Zip Code + 4 _____ Room _____
2. Mailing Address, if different from above:
DBA Name _____
Street Address _____
Town/City _____
State _____ Zip Code + 4 _____ Room _____
Telephone Number _____ Fax No. _____
3. EGS Contact Personnel
Name _____
Telephone Number _____
4. Internet Address _____@_____
5. Provide Names and Titles of Officers of All Partners on a separate sheet.
Include mailing address and telephone number, if different from above.
6. Attach a copy of the determination of eligibility issued by the Pennsylvania Public
Utility Commission.
7. Do you have an established ongoing business relationship with PIKE, either as a seller,
purchaser, or both? If so, provide details on a separate sheet.
8. What is the sales tax status of your business? Check one:
() Taxable () Non-taxable () Partially tax exempt
9. If you claim tax exemption, attach a copy of the appropriate exemption certificate to this
form.
10. a) Tax ID Number _____ b) DUNS # _____ c) NYISO PTID# _____
11. Provide two bank references.
State _____ Zip Code + 4 _____ Room _____
12. Account Agent Address, if different from above:
Name _____
Street Address _____
Town/City, State, Zip +4 _____