

SERVICE CLASSIFICATION NO. 24

APPLICABLE TO USE OF SERVICE FOR:

Service hereunder is available to and governs participation of Energy Service Companies ("ESCOs") and Direct Retail Customers, as determined eligible under the Company's and the UBP's Eligibility Criteria, as providers of electric power supply to customers participating in the Company's Retail Access Program. The term "ESCO", when used herein, shall include Direct Retail Customers unless otherwise specified.

CHARACTER OF SERVICE:

Continuous receipt of ESCOs' electric power supply for subsequent delivery by the Company to customers participating in the Company's Retail Access Program as described in Rider I.

RATE:

Rates and charges pursuant to this Service Classification are as specified in the Special Provisions. Applicable revenue tax surcharges will be assessed as necessary.

ELIGIBILITY CRITERIA:

To be eligible to take service hereunder, an ESCO must execute an ESCO Operating Agreement with the Company and meet the eligibility and creditworthiness requirements set forth in the UBP.

Service is provided in accordance with the provisions of the Service Classification and the provisions of the UBP. In the event of any conflict between the provisions of this Service Classification and the provisions of the UBP, the UBP shall control.

An ESCO must comply with the UBP for all customers it serves. An ESCO providing services to residential customers must comply with the Public Service Commission orders issued in Case Nos. 99-M-0631 and 03-M-0017 implementing Chapter 686 of the Laws of 2002.

SERVICE CLASSIFICATION NO. 24 (Continued)

ESCO OPERATING AGREEMENT:

Upon meeting the eligibility and creditworthiness criteria of the UBP, each ESCO taking service hereunder will execute an ESCO Operating Agreement with the Company which identifies the specific ESCO and outlines both parties' obligations. The ESCO Operating Agreement provides the ESCO's consent to abide by the contract provisions contained therein, the guidelines and procedures contained in this Service Classification and the Company's Retail Access Implementation Plan and Operating Procedure, and the pertinent FERC and Commission opinions, orders and approved tariff provisions. After execution of the ESCO Operating Agreement, the ESCO may proceed with customer enrollment as described in Rider I and the Retail Access Implementation Plan and Operating Procedure.

OPERATING PROCEDURES:

Operating procedures concerning power scheduling, transmission scheduling, transmission allocation, system reliability, service interruptions, installed generation capacity requirements and sales thereof, ancillary services, and ESCO participation through a scheduling coordinator and the load balancing and settlement process will be administered in accordance with the Retail Access Implementation Plan and Operating Procedure.

BILLING:

Invoices shall be issued monthly for requests for customer data in addition to information provided without charge, special meter reading charges, adjustments to prior invoices, and other services provided. Services requested directly by customers will be billed directly to the customers unless ESCOs request that those charges be billed to them.

TERM:

The term of service shall be as specified in the ESCO Operating Agreement.

SERVICE CLASSIFICATION NO. 24 (Continued)

SPECIAL PROVISIONS:

(A) Customer Usage Information

The requesting party, either the customer or ESCO, will be charged for customer information according to the provisions of General Information Section No. 12.3.

(B) Account Separation

The Company will assess the requesting party, either the ESCO or customer, a fee of \$32.50 to separate a dual-service electric and gas account into two individual accounts.

(C) Charges for Metering and Metering Information

The Company will assess the requesting party, either the ESCO or customer, a fee to obtain an unscheduled meter reading in accordance with General Information Section Nos. 7.4(A)(1) and 7.4(B)(1)(f). Also, for any metering services or information requested that the Company does not provide, the Company will, at its sole discretion, provide the service or information at its cost.

(D) Retail Access Billing Options

An ESCO may choose to offer one or more of the following billing arrangements to its Retail Access Customers: Utility Single Bill, ESCO Single Bill or Two Separate Bills. The ESCO must comply with the requirements of General Information Section No. 7.5(B) regarding these arrangements.

SERVICE CLASSIFICATION NO. 24 (Continued)

SPECIAL PROVISIONS: (Continued)

(E) ESCO Deposit and Prepayment Requirements

- (1) Energy Services Companies (ESCOs) shall provide evidence to the Company of creditworthiness as required by order of the Public Service Commission in Case 00-M-0504, issued and effective May 9, 2002, before requesting or accepting deposits and/or prepayments from their small commercial customers. The evidence relating to deposits shall be in the form of:
 - (a) A minimum bond rating of "BBB" from S&P, "Baa 2" from Moody's, or "BBB" from Fitch, for either the ESCO or its parent, if the parent agrees to act as guarantor for the ESCO, or
 - (b) Letter of Credit or Escrow account with an "A" rated financial institution.

The evidence relating to prepayments shall be in the form of a minimum bond rating of "BBB" from S&P, "Baa 2" from Moody's, or "BBB" from Fitch, for either the ESCO or its parent, if the parent agrees to act as guarantor for the ESCO.

This evidence shall be submitted annually to the Company August 1.

- (2) Deposits will not be transferred from the Company to an ESCO.
- (3) An ESCO will maintain records of deposits and prepayments made by customers to the ESCO in a manner to be readily available for inspection upon request by the Department of Public Service Staff. An ESCO shall file a report with the Commission regarding such customer deposits and prepayments in the manner and form required by the Commission.
- (4) ESCOs will provide notice of these requirements to a new customer before the customer makes a deposit or prepayment.
- (5) The Company shall not be liable to customers for an ESCO's failure to refund or return prepayments and/or deposits.

SERVICE CLASSIFICATION NO. 24 (Continued)

SPECIAL PROVISIONS: (Continued)

(F) ESCO Charges

The Company shall charge the following charges, as applicable, to an ESCO that requests suspension of residential service or the calculation of a bundled bill. The charge set forth in (1) below is applicable each time the Company suspends service at the request of an ESCO. For purposes of this special provision, the term "suspend" or "suspension" shall mean the disconnection of delivery service at the request of an ESCO, pursuant to Section 32, subdivision 5, of the Public Service Law. If the Company physically terminates electric service or the gas and electric services of an account simultaneously on behalf of the Company and an ESCO or ESCOs, all parties requesting such suspension shall equally share the suspension charge set forth below.

- (1) Charge to Suspend Service: \$27.00 to suspend service at the request of the ESCO
- (2) Charge to Calculate Bundled Bill: To enable an ESCO to determine the lowest amount that a customer must pay to end suspension of delivery service, the Company shall charge the ESCO \$3.75 for each residential account on which the ESCO requests the Company to calculate what it would have charged had the customer purchased its electric supply service from the Company. The Company will calculate the total bill amount that the customer would have been billed if the electric supply had been purchased from the Company; subtract the amount of the bill issued under the Company's Retail Access Program for the same period; and provide the difference to the ESCO.