

Calpine Corporation
Creditworthiness Standardization Process
Proposals:

A. Type of Information that the Service Requester Should Supply for Creditworthiness Evaluation:

- Service Requester shall supply current financial statements, annual reports, 10-K reports, or other filings with regulatory agencies that discuss Service Requester's financial status. If such information is publicly available, Service Requester can direct transport service provider (TSP) to where the requested financial statements can be obtained in the public domain, in lieu of providing a hard copy.
- Service Requester shall provide any reports from credit reporting and bond rating agencies prepared over the most recent twelve months, which are available. If Service Requester does not have its own rating, the credit rating of Service Requester's parent shall be used. However, Service Requester shall have the right, at Service Requester's own expense, to obtain a private rating from a credible credit reporting and bond-rating agency.
- Service Requester shall provide a bank reference and two trade references. Such references must show that Service Requester's financial obligations are being paid on a reasonably prompt basis.
- Service Requester shall confirm in writing that Service Requester is not operating under any chapter of the bankruptcy laws.

B. Notification and Confirmation Requirements:

- TSP shall notify the Service Requester's designated credit officer, both via e-mail and facsimile, requesting the information in A., above. TSP shall provide the Service Requester the reason(s) for requesting the information in A. above, as well as include the most recent date the Service Requester previously provided the information in A. above.
- Service Requester shall have five (5) business days from the date of notification to provide the information requested in A. above. Upon receipt of requested information, TSP shall notify the Service Requester's designated credit officer, both via a-mail and facsimile, that it received the information requested in A. above. If the Service Requester chooses to obtain a private rating, the Service Requester shall notify the TSP within one (1) business day from the date of notification of its intention. The Service Requester shall then have seven (7) additional business days from the date of notification to provide the private rating to the TSP.
- If the TSP does not receive the information required in A. above in a timely manner, TSP shall notify the Service Requester's designated credit officer, both via e-mail and facsimile, that the Service Requester no longer satisfies the TSP's credit criteria, and must provide adequate credit assurances within five (5) business days of the date of notification. If Service Requester cures all the

- information deficiencies within one (1) business day, the Service Requester shall not be required to provide any credit assurances until the TSP has assimilated the information and determined the Service Requester is non-creditworthy.
- Upon TSP determining the Service Requester no longer satisfies TSP's credit criteria, TSP shall notify the Service Requester's credit officer, both via e-mail and facsimile, that the Service Requester is no longer creditworthy, and that Service Requester must provide credit assurance within five (5) business days from the date of notification in order to continue service. TSP's written notification of non-creditworthiness shall clearly state the reasons for the TSP's decision, including the identification of any subjective factors that went into the credit evaluation process. If TSP's decisions are based on any financial criteria and ratios, TSP shall specifically identify what those criteria and ratios are, including the specific financial numbers and calculations used.