

NAESB Creditworthy Standards Development Process  
Unregulated Shippers  
Proposals:

II.

C. Types of Alternative Credit Assurances:

z10. In the event a Service Requester (SR) is determined to be non-creditworthy by a Transportation Service Provider (TSP), at the SR's option the SR should provide one or more of the following forms of credit assurance(s) to receive initial service or continue to receive service. Such credit assurance(s) should be commercially reasonable and acceptable to the TSP; provided that TSP's acceptance should not be unreasonably withheld:

- (i) guarantee;
- (ii) an irrevocable letter of credit; or
- (iii) cash security deposit.

The TSP and SR may mutually agree that in lieu of providing the credit assurance(s) above, the SR may provide other forms of credit assurances, such as security interest(s).

z11. The value of any form of credit assurance(s) identified in NAESB WGQ standard [z10] and provided by an SR to the TSP in order for SR to receive or continue to receive service, shall not exceed the cost of providing three months of service to the SR.

z12. The TSP should pay interest to the SR on all of the SR's cash security deposits held by the TSP. Alternatively, the TSP should give the SR the option to designate an escrow account for the benefit of the TSP to receive the value of services rendered upon default.

C. 1. Customer Initiated Creditworthiness Reevaluation

z13. A Service Requester (SR) that has furnished credit assurance(s) identified in NAESB WGQ Proposed Standard Z.10 to the Transportation Service Provider (TSP) may initiate a credit status re-evaluation by the TSP at any time, provided that the SR's reevaluation request cannot be made earlier than 30 days after the previous credit evaluation unless a substantial event has occurred that, in the opinion of the SR, would lead to a change in the SR's credit status.

z14. A Transportation Service Provider (TSP) should provide the SR with written notification of its re-evaluated credit determination within [x] business days. (NOTE – no more than the amount of time as initial evaluation process).