

## **Comments of Consumers Energy Company Regarding Draft CSA**

The term “Credit Rating” is defined in the CSA because it is a key factor in establishing the “Collateral Threshold”. While end-users of gas are generally interested in defining “Credit Rating” in a way that maximizes their Collateral Threshold, the sellers as a group are more interested in a Credit Rating definition that is as restrictive as possible so as to minimize their risk associated with Collateral Threshold. This being the case, a generally agreeable definition for Credit Rating is not at all likely. Furthermore, since we are endeavoring to agree upon a neutral CSA, I am convinced that the definition of “Credit Rating” should be left to the determination of the parties in each CSA as a “cover sheet” specification. Possible options might be:

- (a) secured debt rating (established by S&P, Moodys or other specified rating agency);
- (b) unsecured debt rating (established by S&P, Moodys or other specified rating agency); and
- (c) general corporate rating or long term issuer rating (established by S&P, Moodys or other specified rating agency)